

**From:** Lori Mashburn  
**To:** [Natalie Davis](#)  
**Subject:** Fwd: Zinke's travels: Ski resort and Alaskan steakhouse  
**Date:** Wednesday, October 11, 2017 1:48:14 AM

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May want to pull some stuff from here.

Sent from my iPhone

Begin forwarded message:

**From:** POLITICO Pro <[politicoemail@politico.com](mailto:politicoemail@politico.com)>  
**Date:** October 10, 2017 at 6:32:22 PM EDT  
**To:** <[lori\\_mashburn@ios.doi.gov](mailto:lori_mashburn@ios.doi.gov)>  
**Subject:** Zinke's travels: Ski resort and Alaskan steakhouse  
**Reply-To:** POLITICO subscriptions <[reply-fe921371756c067576-1003300\\_HTML-823306431-1376319-0@politicoemail.com](mailto:reply-fe921371756c067576-1003300_HTML-823306431-1376319-0@politicoemail.com)>

### **Zinke's travels: Ski resort and Alaskan steakhouse**

By Esther Whieldon and Ben Lefebvre

10/10/2017 06:29 PM EDT

Interior Secretary Ryan Zinke has attended at least two additional political fundraisers while traveling for official business, including a weekend ski getaway less than three weeks after he was sworn in where donors paid up to \$3,000 to attend, according to sources and documents reviewed by POLITICO.

Zinke's previously undisclosed attendance at the events adds to scrutiny he is facing over his habit of mixing political activities with official business when traveling outside of Washington, D.C., and to questions over travel expenses incurred by members of President Donald Trump's Cabinet. In addition to the fundraisers, Zinke has held at least a half-dozen other events with big donors or influential conservative organizations while on official trips.

Zinke, a former Montana congressman who became secretary March 1, started his fundraising appearances even before attending a March 30 Virgin Islands Republican Party fundraiser in St. Croix that POLITICO [reported](#) last week, at which donors paid up to \$5,000 per couple for a photo with him. The Justice Department's Office of Special Counsel, which is investigating Zinke's use of travel and political activities in office, has been asked by a watchdog group to look into his appearance there.

In the first of the newly disclosed appearances, Zinke attended a mid-March fundraiser at a ski resort in Big Sky, Mont., organized by committees affiliated with Republican Sen. [Steve Daines](#), according to two attendees who saw him there. And in May, Zinke briefly stopped by a fundraiser for GOP Rep. [Don Young](#) at a steakhouse in Anchorage, Alaska, a spokesman for Young's campaign

told POLITICO.

All three fundraisers occurred on trips that Zinke took for official Interior Department business. The Hatch Act and other federal laws allow Cabinet secretaries to participate in partisan political activities only if they do so on their own time and do not use any governmental resources. Federal Election Commission records for the campaign committees do not list any reimbursement payments to Interior for the events.

"Both law and common sense tell us that taxpayer resources are supposed to be used when you're doing the taxpayers' business [but] are not supposed to be used to help candidates get elected," said Brendan Fischer of the nonprofit watchdog organization Campaign Legal Center.

An Interior Department spokeswoman did not respond to specific questions about Zinke's attendance at the events nor whether the campaigns reimbursed Interior for any of his travel expenses, but she said ethics officials sign off on the secretary's trips and all of them comply with the law.

"The Interior Department under the Trump Administration has always and will always work to ensure all officials follow appropriate rules and regulations when traveling, including seeking commercial options at all times appropriate and feasible, to ensure the efficient use of government resources," Interior spokeswoman Heather Swift said in a statement.

Other guests attending the Montana fundraiser included Sens. [John Hoeven](#) (R-N.D.) and [Lisa Murkowski](#) (R-Alaska), according to an invitation to the March 17-19 event [posted by a local political blog](#) earlier that month. Donors were asked to contribute \$3,000 if they were attending on behalf of a political action committee or \$1,500 for an individual. Another [invitation](#) for events that weekend obtained by POLITICO sought donations as low as \$500 to attend two dinners for Daines.

Hoeven hosted his own reception Friday night before the Daines dinner and a lunch Saturday, according to a campaign [invitation](#) obtained by POLITICO, which also informed guests that they could purchase "discounted ski lift tickets" at the resort.

Zinke was not named on the invitations, but his [official schedule](#) lists him as attending a "welcoming reception" for Daines on Friday night, spending "personal time with Senator Murkowski" at Big Sky Resort on Saturday and attending a "reception & dinner" for Daines that evening.

Two sources who attended the Daines fundraiser recalled seeing Zinke there. One of the sources, a lobbyist, said Zinke attended the Friday night social and the breakfast buffet the next day. The lobbyist said that when Daines introduced Zinke on Friday night, the Montana senator mentioned that Zinke was the state's first Cabinet secretary.

The Hatch Act bars Zinke from taking part in political events while acting in his official role as Interior secretary, which includes being identified by his title in

invitations. But Richard Painter, a University of Minnesota professor and former White House chief ethics lawyer under President George W. Bush, said Daines referring to Zinke's Cabinet position doesn't appear to violate the law.

Zinke "should take reasonable steps to make sure people aren't using his official title" and not use the title himself at political events, Painter said. "But I don't know that he has an obligation to jump in and tell the senator he can't do that."

The secretary spent most of the day that Friday touring Yellowstone National Park, which the Interior Department manages through the National Park Service. He did not have any other official events listed on his schedule for Saturday and flew back to Washington, D.C., on Sunday.

A [report](#) posted by Interior on Zinke's March travel expenses shows that he claimed 75 percent of his per diem that Friday and did not claim any lodging or reimbursements over that weekend, which he took as personal days off. He did fly home on official taxpayer-funded travel, however.

The Young fundraiser occurred May 31, when Zinke was in Anchorage for a speech to the Alaska Oil and Gas Association's annual conference, where he signed a secretarial order for an updated assessment of how much oil exists in part of the Arctic National Wildlife Refuge. The invitation to the reception, a copy of which was obtained by political blog [Must Read Alaska](#) and shared with POLITICO, does not list Zinke as a special guest, nor does it say how much donors had to contribute to attend.

FEC records for the Alaskans for Don Young campaign committee show it received \$9,800 in campaign contributions from individuals and political action committees on that day.

Young's campaign spokesman, Matt Shuckerow, said in an email that Zinke made "only very brief remarks" at the event, and that the campaign did not confirm his attendance in advance and did not require guests to pay to attend. "Not only did the campaign seek out the guidance of the Interior Department's ethics personnel prior to the event, it took concerted efforts to follow their strict guidance," Shuckerow said. He did not say whether the campaign reimbursed the Interior Department for any costs associated with Zinke's trip.

Zinke's calendar for that day includes a brief stop at Sullivan's Steakhouse in Anchorage, the same venue listed on the invitation, for a "Rep. Don Young Reception." Later that night, Zinke went to dinner with representatives of sportsmen's groups, according to his schedule.

The Anchorage stop came in the middle of a weeklong trip that included the use of a military plane to fly from Washington, D.C., to Norway, Greenland and then Alaska. Interior paid for Zinke and three Interior staff members to take the flight. Zinke's wife, Lola, also accompanied him on the trip but reimbursed the government for the cost of her seat, Interior has said.

In both of the newly disclosed appearances, Zinke did not pose for photos with high-dollar donors, as had been the case with the Virgin Islands Republican Party

fundraiser. POLITICO's report on Zinke's appearance in that photo line led Walter Shaub, a former director of the U.S. Office of Government Ethics who is now with the Campaign Legal Center, to ask the Office of Special Counsel to open a [Hatch Act investigation](#). The OSC typically opens investigations in response to complaints it receives, but a spokesman declined to comment on the status of Shaub's request.

Still, some watchdogs question whether Zinke is focused enough on his day job given how much attention he has paid to politics.

"There's always the risk that a high-level government official spending more time involved in political events may not be attending to their official duties," said Nick Schwellenbach, director of investigations at Project On Government Oversight.

*To view online:*

<https://www.politicopro.com/agriculture/story/2017/10/zinkes-travels-ski-resort-and-alaskan-steakhouse-163110>

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**From:** Domenech, Douglas  
**To:** [Mashburn, Lori](#); [Mashburn, John K. EOP/WHO](#); [Flynn, Matthew](#)  
**Subject:** FYI Senate Hearing Noticed last night  
**Date:** Friday, July 14, 2017 8:44:33 AM

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## HEARING ANNOUNCEMENT

### COMMITTEE ON ENERGY AND NATURAL RESOURCES

This notice is to advise you of a hearing before the Committee on Energy and Natural Resources. The hearing will be held on **Thursday, July 20, 2017, at 10:00 a.m. in Room 366 of the Dirksen Senate Office Building in Washington, D.C.**

The purpose of the hearing is to consider the nominations of:

- Ms. Brenda Burman, of Arizona, to be Commissioner of Reclamation, Department of the Interior;
- Ms. Susan Combs, of Texas, to be an Assistant Secretary of the Interior (Policy, Management and Budget);
- Mr. Paul Dabbar, of New York, to be Under Secretary for Science, Department of Energy;
- Mr. Douglas W. Domenech, of Virginia, to an Assistant Secretary of the Interior (Insular Affairs);
- Mr. David Jonas, of Pennsylvania, to be General Counsel, Department of Energy; and
- Mr. Mark Wesley Menezes, of Virginia, to be Under Secretary, Department of Energy.

The hearing will be webcast live on the committee's website, and an archived video will be available shortly after the hearing is complete. Witness testimony will be available on the website at the start of the hearing.

For further information, please contact Patrick McCormick with Chairman Murkowski's office or Sam Fowler with Ranking Member Cantwell's office at (202) 224-4971.

Sincerely,

Darla Ripchensky, PMP

Chief Clerk

U.S. Senate Committee on Energy and Natural Resources

304 Dirksen Senate Office Building

Washington, DC 20510

202.224.3607

Doug Domenech  
Senior Advisor  
US Department of the Interior

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**From:** POLITICO Pro  
**To:** [lori\\_mashburn@ios.doi.gov](mailto:lori_mashburn@ios.doi.gov); [POLITICO subscriptions](#)  
**Subject:** GAO to probe Zinke call to Murkowski  
**Date:** Friday, September 08, 2017 5:17:06 PM

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By Alex Guillén

09/08/2017 05:12 PM EDT

The Government Accountability Office will look into Interior Secretary Ryan Zinke's calls to Alaska Sens. [Lisa Murkowski](#) and [Dan Sullivan](#) over Obamacare repeal, according to [letters](#) sent today.

Two key House Democrats, Reps. [Frank Pallone](#) and [Raul Grijalva](#), asked GAO to provide a legal opinion on the July calls, during which Zinke reportedly told Murkowski that her vote against moving forward with repeal efforts could negatively impact Alaskan energy goals in the Trump administration.

Interior's inspector general already [concluded](#) its own inquiry into the matter without making any findings after both senators declined to discuss the calls with investigators.

**WHAT'S NEXT:** GAO's letter does not specify how long the inquiry might take.

*To view online:*

<https://www.politicopro.com/energy/whiteboard/2017/09/gao-to-probe-zinke-call-to-murkowski-092685>

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**Subject:** GOP leaders: PAYGO cuts 'will not happen'  
**Date:** Friday, December 01, 2017 4:45:27 PM

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By Sarah Ferris

12/01/2017 04:32 PM EDT

Republican leaders are seeking to downplay the possibility that the GOP tax bill would trigger massive spending cuts under an obscure Senate rule known as PAYGO.

Senate Majority Leader [Mitch McConnell](#) and House Speaker [Paul Ryan](#) released a joint statement this afternoon assuring that Congress wouldn't actually allow the across-the-board cuts to take place.

"This will not happen," McConnell and Ryan wrote, arguing that lawmakers have "readily available methods to waive this law, which has never been enforced since its enactment."

If the tax bill, [H.R. 1 \(115\)](#), is signed into law, both chambers would need to agree to waive the decades-old Pay-As-You-Go rule to prevent the triggering of \$150 billion per year in [cuts](#) to a slew of federal programs, including Medicare and student loans.

GOP leaders have long been confident that they can strike a quick deal with Democrats to waive the federally mandated slashing.

"There is no reason to believe that Congress would not act again to prevent a sequester, and we will work to ensure these spending cuts are prevented," McConnell and Ryan wrote today.

But at least eight Democrats would need to support that vote in the Senate. And minority party lawmakers aren't making any promises they'll agree to bail out Republicans amid the frantic push to clear the tax bill.

A PAYGO waiver is likely to be included in a government funding bill this month, according to Sen. [Susan Collins](#) (R-Maine), who said she received a personal assurance from McConnell this week that the cuts would be stifled.

*To view online:*

<https://www.politicopro.com/agriculture/whiteboard/2017/12/gop-leaders-paygo-cuts-will-not-happen-183472>

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**Subject:** GOP tweaks Arctic drilling language to bump up revenue  
**Date:** Thursday, November 30, 2017 11:54:02 AM

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By Sarah Ferris

11/30/2017 11:51 AM EDT

Senate Republicans have reworked language on Arctic drilling in their tax bill to further boost revenue, hoping to resolve a procedural hiccup before the impending passage vote.

Senate Budget Committee leaders have tweaked provisions that would authorize drilling in the Arctic National Wildlife Refuge, altering the language in a way they believe will comply with so-called Byrd rule requirements, a GOP committee aide confirmed today.

The budget panel had expected to raise \$1 billion over a decade by opening up ANWR for drilling. But a report from the CBO, shared internally with budget staffers, estimated it would fall short by about \$366 million, according to a Senate Democratic aide.

The GOP's revised drilling language would propose selling more oil from the Strategic Petroleum Reserve, potentially producing hundreds of millions of dollars in additional revenue, the aide said.

If approved by the Senate parliamentarian today, the new language will be formally added before the high-stakes Senate floor vote on the tax plan, [H.R. 1 \(115\)](#).

The fate of the provision — championed by swing vote Sen. [Lisa Murkowski](#) (R-Alaska) — was [called into question](#) Wednesday after a warning from the parliamentarian.

Each part of the GOP's tax plan must comply with a complex set of budget reconciliation rules that allow the legislation to avoid a Democratic filibuster.

*To view online:*

<https://www.politicopro.com/energy/whiteboard/2017/11/gop-tweaks-arctic-drilling-language-to-bump-up-revenue-172653>

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**Subject:** Gulf of Mexico Region-Wide Oil and Gas Lease Sale Yields \$121 Million in High Bids on 508,096 Acres  
**Date:** Wednesday, August 16, 2017 4:48:18 PM

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news release



Date: August 16, 2017  
Contact: Interior\_Press@ios.doi.gov  
John Filostrat (BOEM) 504-731-7815  
[john.filostrat@boem.gov](mailto:john.filostrat@boem.gov)

## **Gulf of Mexico Region-Wide Oil and Gas Lease Sale Yields \$121 Million in High Bids on 508,096 Acres**

*Underscores Secretary Zinke’s initiatives to expand energy development,  
streamline regulations, enhance cooperation with industry and local  
governments*

**WASHINGTON** – U.S. Secretary of the Interior Ryan Zinke today announced that the region-wide Gulf of Mexico lease sale generated \$121,143,055 in high bids for 90 tracts covering 508,096 acres in federal waters of the Gulf of Mexico. A total of 27 companies participated in the sale, submitting 99 bids totaling \$137,006,181. The sale offered the largest amount of acreage in the history of the federal offshore program in the Gulf, including parcels offshore Texas, Louisiana, Mississippi, Alabama, and Florida.

“The path to American energy dominance starts in the Gulf, and the hard work of rig and platform workers, support staff onshore, and the industries that support them cannot go unnoticed,” **said Interior Secretary Ryan Zinke.** “Today’s results will help secure their jobs and create more good paying jobs while generating \$121 million in revenue to fund everything from conservation to infrastructure.”

Lease Sale 249, livestreamed from New Orleans, is the first offshore sale under the National Outer Continental Shelf (OCS) Oil and Gas Leasing Program for 2017-2022. Under this program, nine additional region-wide lease sales that combine all three planning areas are scheduled for the Gulf, where resource potential and industry interest are high, and oil and gas infrastructure is well established.

On June 29, President Donald J. Trump and Secretary Zinke [announced](#) a public comment period for a new National OCS Oil and Gas Leasing Program for years 2019-2024. The comment period is the first step in executing the new program. The 2017-2022 Program,

which begins with the lease sale held today, will continue to be executed until the new National OCS Oil and Gas Leasing Program is complete.

Lease Sale 249 offered approximately 76 million acres offshore Texas, Louisiana, Mississippi, Alabama, and Florida for oil and gas exploration and development. It included 14,220 unleased blocks, located from three to 231 miles offshore, in the Gulf's Western, Central and Eastern planning areas in water depths ranging from nine to more than 11,115 feet (three to 3,400 meters). Excluded from the lease sale are blocks subject to the Congressional moratorium established by the [Gulf of Mexico Energy Security Act of 2006](#); blocks that are adjacent to or beyond the U.S. Exclusive Economic Zone in the area known as the northern portion of the Eastern Gap; and whole blocks and partial blocks within the current boundary of the Flower Garden Banks National Marine Sanctuary.

"Today's lease sale is another important step in this Administration's strategy of responsible resource development and energy dominance," **said Vincent DeVito, Counselor for Energy Policy at Interior.** "Investors response reflects our work of making the Department of the Interior a better business partner and optimism in the results of this Administration."

The lease sale terms include stipulations to protect biologically sensitive resources, mitigate potential adverse effects on protected species, and avoid potential conflicts associated with oil and gas development in the region.

Additionally, BOEM has included appropriate fiscal terms that take into account market conditions and ensure taxpayers receive a fair return for use of the OCS. These terms include a 12.5 percent royalty rate for leases in less than 200 meters of water depth, and a royalty rate of 18.75 percent for all other leases issued pursuant to the sale. The 12.5 percent royalty rate for leases in less than 200 meters is lower than the proposed 18.75 percent royalty rate for shallow water leases that BOEM published in the Proposed Notice of Sale.

"Through regulatory streamlining, expanded offshore and onshore opportunities and great cooperation with our stakeholders, we expect to encourage competition while continuing to receive a fair and equitable return on oil and gas resources," **said Katharine MacGregor, Acting Assistant Secretary for Land and Minerals Management.**

The estimated amount of resources projected to be developed as a result of the region-wide lease sale ranges from approximately 0.21 to 1.12 billion barrels of oil and 0.55 to 4.42 trillion cubic feet of gas. Most of the activity (up to 83% of future production) of the proposed lease sale is expected to occur in the Central Planning Area.

As of August 1, 2017, 15.9 million acres on the U.S. OCS are under lease for oil and gas development (2994 active leases) and 4.3 million of those acres (870 leases) are producing oil and natural gas. More than 97 percent of these leases are in the Gulf of Mexico; about 3 percent are on the OCS off California and Alaska. All terms and conditions for Gulf of Mexico Region-wide Sale 249 were detailed in the Final Notice of Sale (FNOS) information package and available at: <http://www.boem.gov/Sale-249/>.

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**From:** Swift, Heather  
**To:** [Laura Rigas](#); [Lori Mashburn](#); [Magallanes, Downey](#); [Willens, Todd](#)  
**Subject:** Helpful process fix  
**Date:** Thursday, November 16, 2017 9:49:29 AM

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Hey sorry to beat a dead horse but if Laura and I could get information on high-profile personnel changes before they are made public that would be very helpful. I got the email below forwarded to me by a reporter. I imagine there will be more to come?

Thanks,

-

Heather Swift  
Department of the Interior  
@DOIPressSec  
[Heather\\_Swift@ios.doi.gov](mailto:Heather_Swift@ios.doi.gov) | [Interior\\_Press@ios.doi.gov](mailto:Interior_Press@ios.doi.gov)

**From:** "Nedd, Michael" <[mnedd@blm.gov](mailto:mnedd@blm.gov)>  
**Date:** November 15, 2017 at 3:03:21 PM PST  
**To:** BLM\_All\_Employees  
<[blm\\_all\\_employees@blm.gov](mailto:blm_all_employees@blm.gov)>  
**Subject:** **BLM Acting Director**

BLM employees:

This week, Secretary Ryan Zinke appointed Brian Steed as Acting Director of the BLM, and I want to welcome him as he begins his journey leading this great agency. John Ruhs and I have worked alongside Brian since his appointment as Deputy Director for Programs and Policy in October, and we have come to know his ethic, his intellect, and his passion for our multiple-use and sustained yield mission. His experience includes working as Chief of Staff to U.S. Representative Chris Stewart of Utah, teaching and researching economics at the University of

Utah, and serving as a Deputy County Attorney in Iron County, Utah. He is a native of Logan, Utah, and now resides in Northern Virginia with his wife and three children. Brian's western heritage and values make him a perfect fit for the BLM team.

Since March 15, I have had the honor of leading the BLM. Your tireless dedication to our mission inspires me every day. DOI leaders continually express their confidence in the BLM's leadership in the field and here in Washington, which is a testament to all of you. Thank you for supporting me as the Acting Director over these months, and remaining as ever BLM strong.

During the coming weeks, John and I will transition to different roles. John will return to his position as BLM Nevada State Director, and I will assume the duties of Acting Deputy Director for Operations. I appreciate John's sacrifice over the past seven months while he has lived away from his family and the wide open spaces that he loves.

Please join me in welcoming Brian to his new position. As we move forward, let's continue to stay focused on our shared mission and values that guide us in our stewardship of America's public lands.

Take care and have a wonderful day! : )  
Michael D. Nedd



**From:** POLITICO Pro Energy Whiteboard  
**To:** [lori\\_mashburn@ios.doi.gov](mailto:lori_mashburn@ios.doi.gov); [POLITICO subscriptions](#)  
**Subject:** House Natural Resources Committee unveils new energy bill  
**Date:** Friday, November 03, 2017 3:37:00 PM

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By Ben Lefebvre

11/03/2017 03:34 PM EDT

House lawmakers today unveiled a new [energy bill](#) that would roll back Obama-era offshore drilling rules, create an offshore oil and gas revenue program for East Coast drilling and give more oil and gas permitting power to the states.

Majority Whip [Steve Scalise](#) (R-La.) introduced the bill, with House Natural Resource Committee Chairman Rep. [Rob Bishop](#) (R-Utah) and Texas Democratic Reps. [Henry Cuellar](#) and [Vicente Gonzalez](#). The bill is expected to move through the committee next week and hit the House floor "in the near future," committee spokesman Parish Braden said.

Among the bill's provisions is a directive to create an offshore oil and gas revenue program for states along the Atlantic coast and Alaska, where the Interior Department is [exploring](#) opening more of the waters for offshore oil drilling.

The bill would also require Congress to approve any future removals of offshore acres from lease sales or establishment of new marine sanctuaries, an apparent response to the Obama administration's [last-minute removal](#) of some Alaska and Atlantic waters from development.

Onshore, the bill would also allow states to oversee drilling plans on federal land within their borders.

The bill calls on Interior to hold a lease sale for wind power projects off the California coast within one year of the bill's passage. Interior would also conduct feasibility studies for wind lease sales off the coasts of Hawaii, Puerto Rico, the U.S. Virgin Islands and Guam, with results due in six months and possible sales within a year of the bill's passing.

**WHAT'S NEXT:** The House Natural Resources Committee expects to take up the bill next week.

*To view online:*

<https://www.politicopro.com/energy/whiteboard/2017/11/house-natural-resources-committee-unveils-new-energy-bill-095213>

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**From:** Nachmany, Eli  
**Bcc:** [lori\\_mashburn@ios.doi.gov](mailto:lori_mashburn@ios.doi.gov)  
**Subject:** ICYMI: Zinke, Murkowski share beers, tweet selfie  
**Date:** Thursday, August 03, 2017 2:05:58 PM

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## **E&E News -- INTERIOR: Zinke, Murkowski share beers, tweet selfie**

August 3, 2017 (by Hannah Northey)



Interior Secretary Ryan Zinke and Sen. Lisa Murkowski (R-Alaska) took this selfie during a visit yesterday. @SecretaryZinke/Twitter

In a sharp pivot from last week's health care tumult, Interior Secretary Ryan Zinke and Alaska Republican Sen. Lisa Murkowski this morning appeared together in a selfie posted on Twitter, smiling and drinking beers.

Zinke, who hosted the senator last night at his private residence, is shown holding an Alaskan Brewing Co. IPA, with a cowboy hat hanging on a cabinet in the background.

"I say dinner, she says brews. My friends know me well. Thanks @lisamurkowski #Alaska #IPA #MadeInAmerica," the secretary tweeted.

The tweet drew a chuckle from environmental groups and commenters, with Aaron Weiss, a spokesman for the Center for Western Priorities, writing, "Decided you need your nominees confirmed after all?"

The Senate Energy and Natural Resources Committee, which Murkowski chairs, vets Interior Department nominees and is set to hear testimony from Joseph Balash on his nomination to be assistant Interior secretary for land and minerals management on Sept. 7 ([E&E Daily](#), Aug. 3).

The panel later today will vote on three Interior nominees: Brenda Burman to lead the Bureau of Reclamation; Susan Combs to be Interior's assistant secretary of policy, management and budget; and Douglas Domenech to be Interior's assistant secretary of insular affairs ([E&E Daily](#), July 25). That business meeting was rescheduled from last week.

The dinner took place after a week of political turmoil on Capitol Hill surrounding a failed attempt at health care reform in which President Trump — and then Zinke — called Murkowski about a critical vote that helped sink the measure ([Greenwire](#), July 27).

Murkowski has yet to discuss the details of her call with Zinke but has characterized her discussion with Trump as "hard." Alaska Republican Sen. Dan Sullivan was more candid, telling reporters that Zinke told him Murkowski's vote could threaten energy development on federal land in the Last Frontier State.

Some experts have suggested Zinke's call has already raised the bar for keeping

politics out of agency decisions, a situation that could trigger lawsuits and gum up Interior matters.

Escaping the media spotlight earlier this week, Murkowski retreated to Alaska to spend time salmon fishing with family and friends on an island off the state's southeast coast ([E&E Daily](#), Aug. 2).

Interior spokeswoman Heather Swift, who has called reporting of Zinke's phone call "sensational," said today's Twitter photo reflects an ongoing and warm relationship between the secretary and Murkowski.

"They talk and meet often in both a professional and friendly capacity," she said in an email.

###

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Sincerely,  
Eli Nachmany  
Writer, U.S. Department of the Interior  
Office of Communications

**From:** POLITICO Pro Energy Whiteboard  
**To:** [lori\\_mashburn@ios.doi.gov](mailto:lori_mashburn@ios.doi.gov); [POLITICO subscriptions](#)  
**Subject:** Inhofe waiting for deal on EPA picks before lifting his FERC hold  
**Date:** Wednesday, October 18, 2017 5:21:58 PM

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By Darius Dixon

10/18/2017 05:19 PM EDT

Sen. [Jim Inhofe](#) said he doesn't plan to release his hold on Democratic FERC nominee Richard Glick until senators reach a larger deal to move ahead with President Donald Trump's nominees to the EPA.

"I've still got a hold on Glick," the Oklahoma Republican told POLITICO. He said he is "concerned that we don't have our nominees confirmed on the EPA."

Inhofe said that he has raised the issue with Senate leadership and that he hopes there might be an arrangement to consider the EPA and FERC nominees within the next month or so. Both Republicans and Democrats have raised concerns about EPA nominees.

"I don't think it could happen as one package, but it could be an agreement that they will bring those up prior to the next recess," he said of the nominees.

FERC nominees traditionally move in bipartisan packages, so Trump's pick for FERC chairman, Kevin McIntyre, will likely be stuck until Glick's nomination gets floor time.

Senate Energy and Natural Resources Chairwoman [Lisa Murkowski](#) (R-Alaska) attempted to have both FERC nominees approved just before the Senate's most recent recess earlier this month, but Inhofe objected.

**WHAT'S NEXT:** The Senate's next extended recess is Thanksgiving week.

*To view online:*

<https://www.politicopro.com/energy/whiteboard/2017/10/inhofe-waiting-for-deal-on-epa-picks-before-lifting-his-ferc-hold-094481>

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**From:** Domenech, Douglas  
**To:** [Scott Hommel](#); [Magallanes, Downey](#); [Laura Rigas](#); [Swift, Heather](#); [James Cason](#); [Micah Chambers](#); [Daniel Jorjani](#); [Mashburn, Lori](#); [Bauserman, Christine](#); [Caroline Boulton](#); [Thiele, Aaron](#); [Willens, Todd](#); [Getto, Leila](#)  
**Subject:** Interior Cabinet Affairs Report for 7/27/17  
**Date:** Thursday, July 27, 2017 3:50:02 PM

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Attached and copied below.

**DEPARTMENT OF THE INTERIOR DAILY UPDATE FOR CABINET AFFAIRS –  
7/27/17**

Doug Domenech, Senior Advisor

Lori Mashburn, White House Liaison

NOTE: The Senate Energy and Natural Resources Committee has postponed their business meeting delaying the nominations of three Interior candidates.

**Status of the Secretary**

TODAY: The Secretary is in Texas and New Mexico.

Arrive Fort Bliss

Helicopter Tour of Organ Mountains

Travel to Las Cruces, NM

Roundtable with Ranchers & Stakeholders

Roundtable on Border Security

Meeting with Northern Ranchers on Rio Grande del Norte NM

HOLD: Media Availability

Driving Tour with BLM

**Friday, July 28, 2017**

Hike with Vet Voice Foundation

Meeting with Fort Sill Apache Tribe

Meeting with Mescalero Apache

Meeting with All Pueblo Council of Governors tribes

Friends of Organ Mountains-Desert Peaks

Travel to Santa Fe, NM

Saturday, July 29, 2017

Las Vegas National Wildlife Refuge

Greet Senators and Rep. Lujan and Consolidate Vehicles.

Hike to Canyon Bottom // Horseback Riding & Hiking

Travel to Albuquerque, NM

Dinner with Senators

Sunday, July 30, 2017

Travel to Las Vegas (LAS)

Travel to Kirt's Grotto

Meeting with BLM Support Staff

Fly Over Tour of Gold Butte National Monument

Helicopter Tour departs Gold Butte National Monument en route Basin and Range National Monument

Lunch Meeting with BLM Staff

White River Narrows Rock Art Site Tour

Shaman Knob / Mt. Irish

Tour of Mt. Irish Petroglyph Site

Travel to Las Vegas Airport

Monday, July 31, 2017

Travel to Mesquite, NV

Roundtable with Friends of Gold Butte

Depart Mesquite, NV en route Overton, NV

Roundtable with Local County, City, and State Officials

Depart Overton, NV en route Moapa Tribal Facility

Meeting with Moapa Band of Paiutes

Depart en route Las Vegas, NV

HOLD: potential other meeting

Wheels up Las Vegas, NV (LAS) en route Cincinnati, OH (CVG)

Wheels up Cincinnati, OH (CVG) en route Washington, DC (DCA)

8/1 Day One Bernhardt.

NOTE: the Secretary will be on personal leave August 5-19 out of the country. (Greece and Turkey)

### **Media TODAY**

#### **SECRETARY ZINKE WELCOMES THREE TO INTERIOR**

WASHINGTON – Today, U.S. Secretary of the Interior Ryan Zinke welcomed three new hires to the Department in the Office of the Solicitor, the Office of Communications, and the Office of Congressional and Legislative Affairs. The new additions bring a combination of Congressional, Executive Branch, and private sector experience.

“I could not be happier with the way our Department has been staffing up in recent weeks. These new team members will help us more efficiently and effectively carry out the President's priorities on behalf of the American people,” Secretary of the Interior Ryan Zinke said.

Richard Goeken has been hired as Deputy Solicitor for Parks and Wildlife. Goeken has over 20 years of legal experience, beginning as an Associate and then a Partner at Saltman & Stevens, P.C. In 2012, Saltman & Stevens merged with Smith Currie & Hancock, L.L.P., where Goeken was a Partner for the last five years. His career has focused on environmental law and policy. Goeken is a graduate of the College of William & Mary's Law School.

Russell Newell returns to Interior as the Deputy Director of Communications. For the last five

years, Newell has served as Director of Executive & Corporate Communication at Disney/ABC Television Group. Newell also served as Director of Communications and Media Relations for the U.S. Chamber of Commerce, as Senior Media Advisor for Multi-National Forces-Iraq, and as a Public Affairs Officer and speechwriter at the Departments of State, Interior, and Homeland Security, as well as for Governor Jeb Bush.

Blake Deeley will serve as an Advisor in the Office of Congressional and Legislative Affairs. He has extensive experience on Capitol Hill, and was most recently a Policy Advisor in the Office of Congressman David McKinley of West Virginia and served as the lead staffer for the Congressional Coal Caucus. Prior to this, he was a Manager of Public Affairs at the Kentucky Chamber of Commerce, a Legislative Correspondent for Senator Mitch McConnell, and a Staff Assistant for Senator Rand Paul.

WEEK AHEAD July 26 thru August 3, 2017

Announcements/Releases/Events

- This week the Secretary is traveling to New Mexico and then Nevada to tour Monuments under review. We issued a media advisory with some details of his trip.
- We continue to support the WH's "Hero's Week" through social media and a video from the Secretary to employees and stakeholders.

TBD: will send out a press release "Interior Secretary Zinke Applauds Mine Proposal to Create Jobs in Virginia and West Virginia"

## AGENCY RELEASES

### **National Park Service**

- July 27: National NPS Release: NPS release on 10 Parks Honoring American Heroes.
- July 28: Local NPS Release: NPS will announce the opening of a public comment period on an environmental assessment for proposed utility and roadway crossings and a visitor trail within Tule Springs Fossil Beds National Monument.
- July 28: National NPS Release: NPS will release a theme study focusing on significant historic properties of the post-Civil War Reconstruction Era.
- Week of July 24: Local NPS Release: The Reconstruction Era National Monument will hold three public listening sessions (not related to July 28 Reconstruction Era Theme Study) in Beaufort, Port Royal, and St. Helena Island, South Carolina, as part of the development of a foundation document for this new park. Targeted stakeholder meetings will also be held in the respective communities during the day to identify the biggest challenges and opportunities

facing the National Park Service in setting up these new areas and also provide input into the development of the foundation document and interpretive themes.

- July 31: Local NPS Release: NPS will announce another round of \$1.189 million in American Battlefield Protection Grants (planning) to aid in the research, documentation, and/or interpretation of significant American battlefields. Releases will be done at the local level of NPS sites receiving funds.
- July TBD: National NPS Release: NPS announcement of annual Rutgers report on NPS Federal Historic Preservation Tax Incentives Program economic impact. Tax credits 2016 contributed \$12.3 billion in output to the U.S. economy, added \$6.2 billion in GDP. Historic preservation tax incentives encourage investments in historic preservation and revitalization of communities small and large across the country.
- July TBD: Denali National Park and Preserve will release a draft Long Range Transportation Plan for 30 days of public review and comment. The plan, developed over a three-year period, documents baseline conditions, examines funding options, and will help inform project priority setting. The plan focuses on the 90-mile-long park road and its importance to the visitor experience and resource protection, as well as its uses by concessionaire and in-holder buses, and private and administrative vehicles. Portions of the road, initially constructed nearly 100 years ago, have been subject to temporary closures in recent years, in part because slopes have become more unstable due to warming permafrost and other factors. Road use has increased as overall park visitation has grown to nearly 600,000 people per year.
- August 3: Congresswoman Stacey Plaskett will hold a public meeting with Regional Director Stan Austin in Saint John, Virgin Islands to update the community on the administrative realignment of national park superintendents in the Caribbean to now report to the Caribbean parks group superintendent.

## **U.S. Fish and Wildlife Service**

- July 31: National FWS Release: FWS release on proposal to expand hunting and fishing opportunities on 10 National Wildlife Refuges.
- July 31 (tent.): Local FWS Release: FWS plans to announce it is seeking public input to identify potential issues, concerns, impacts and alternatives to be considered in development of either an Environmental Assessment or an Environmental Impact Statement for a proposed General Conservation Plan for oil and gas activities in Santa Barbara County, California. This action is not expected to be controversial.
- July TBD: Local FWS Release: FWS and the State of Utah will issue a joint release regarding a court ruling putting the Utah Prairie Dog back under ESA protections.
- July TBD: FWS/USGS If-Asked Only: USGS to release a report on the Species Status Assessment for the Lesser Prairie Chicken. The study was commissioned by FWS.
- July TBD: National FWS Release: FWS will announce it has apportioned \$50 million to state fish and wildlife agencies for developing and implementing programs that benefit

wildlife and their habitats. The funding is provided through the FWS's State Wildlife Grants (SWG) program and is distributed through an apportionment formula in accordance with the Appropriations Act.

- July TBD: FWS will deliver to the Federal Register, a final rule establishing the 2017-18 hunting seasons and bag limits for certain migratory game birds to fulfill our responsibilities to the four international conventions to protect and manage migratory game birds. A prepared statement will be provided on our website with a link to the proposed rule.
- July TBD: FWS will deliver to the Federal Register, a proposal to establish annual hunting regulations for certain migratory game birds for the 2018-19 hunting season to fulfill our responsibilities to the four international conventions to protect and manage migratory game birds. A prepared statement will be provided on our website with a link to the proposed rule.

### **Bureau of Land Management**

- July 31: Local BLM Release: BLM-NV will issue a Temporary Closure and Temporary Restrictions of Specific Uses on Public Lands for the Burning Man event in Pershing County, NV, to begin set-up for the event which will begin on August 27. The closure will remain in place until September 20. The event entails the largest Special Recreation Permit managed by the BLM.
- August 1-2: BLM-MT/Dakotas State Office will lead tribal site visits in Sidney to help determine if Federal land parcels that have been identified in the State of Montana's Indemnity Selection application are suitable for conveyance to the State according to the Enabling Act of 1889. Specifically, the site visits will inform determination of eligibility of the cultural sites in the area and assist in environmental assessment. The BLM has been coordinating with the State of Montana since 2015 to determine appropriate parcels to transfer to the State. Other participants include district employees and MT Department of Natural Resources.
- August 2: The BLM-UT Moab Field Office intends to approve Dawson Geophysical Co.'s three-dimensional geophysical seismic survey project. The project is located 26 miles northwest of Moab and encompasses approximately 38,700 acres. Seismic surveys are used to determine the location and size of oil and gas reservoirs. The project is slated to begin in September.
- August 2: BLM-WO staff will meet with an International Visitor Leadership Program group hosted by the University of Montana at Main Interior. The University has requested that Secretary Zinke greet the group. Timothy Fisher, BLM program management analyst from the National Conservation Landscape Program, will discuss the BLM's multiple use mission and priority programs.
- August 2: BLM-CA's Bakersfield Assistant Field Manager Becca Brooke/staff will meet with Pacific Gas and Electric (PG&E) to discuss the Federal Energy Regulation Commission (FERC) re-licensing process and study needs for the Kerckhoff hydroelectric project at Kerckhoff Dam, along the San Joaquin River, Fresno County, CA. PG&E is required to submit a Pre-Application for Development by November 2017 to begin a five-year re-licensing process. The 114-foot tall dam, built in 1920, is one of the primary features of the

Kerckhoff hydroelectric project. It has two powerhouses. It produces 579 million kilowatt hours of electricity a year.

- August 3: Local BLM Release: BLM-NV's Las Vegas Field Office will hold a land sale under the Southern Nevada Public Land Management Act (SNPLMA) in Las Vegas. The BLM proposes to offer for competitive sale 81.25 acres of public land in 17 parcels. In accordance with the SNPLMA, sale funds are used for the development of parks, trails, and natural areas, capital improvements on Federal lands, acquiring environmentally sensitive land, and Lake Tahoe restoration projects.

### **U.S. Geological Survey**

- July 26: Local USGS Release: USGS will release a study of water contaminants in Congaree National Park.
- August 1: Three Regional USGS-University Press Releases will go out to announce new host and consortium university partners for the Department of the Interior Alaska, Southeast, and Northwest Climate Adaptation Science Centers (managed by USGS). These hosting agreements are made between universities and the USGS, and the press releases are joint between these entities.
- August 2: National USGS Release: USGS release regarding increased Salinity in U.S. Rivers that might degrade drinking water quality and water infrastructure.

### **Bureau of Reclamation**

- August 1: Reclamation's Albuquerque Area Office with the parties of the Taos Indian Water Rights Settlement will meet in Taos to discuss the latest progress on implementing the settlement. Each party will report out on its part of the project. There is significant local public and media interest and both are expected to attend.

### **Bureau of Ocean Energy Management**

- August 2: BOEM Note to Stakeholders: Notice to Stakeholders on the Notice of Availability (NOA) for the Cape Wind Final Supplemental Environmental Impact Statement (SEIS).
- August 2: BOEM Note to Stakeholders: Notice to Stakeholders on the Notice of Availability for the Cape Wind Final Supplemental Environmental Impact Statement.
- August 2: Local BOEM Release: Alaska Press Release on Draft EIS for Liberty DPP.
- August 2: Local BOEM Release: BOEM announces Gulf G&G PEIS, which is expected to publish in Federal Register on Aug. 4.
- TBD: BOEM Note to Stakeholders: Note to Stakeholders on Information Transfer Meeting to be held in New Orleans August 22-24.

- TBD: BOEM Note to Stakeholders: Note to Stakeholders to specific groups for educational outreach on the New National OCS Oil and Gas Leasing Program inviting them to participate in an informational call.
- TBD: BOEM Note to Stakeholders: Note to Stakeholders on the Notice of Availability for the Cape Wind Final Supplemental Environmental Impact Statement.
- TBD: National BOEM Release: BOEM release on Marine Minerals Rule. The rule is finalized and in surnaming.

### **Bureau of Safety and Environmental Enforcement**

- July 27: Director Angelle attends API Upstream Committee meeting with Acting ASLM MacGregor
- July 28: National BSEE News Brief: American Hero Week - BSEE Inspectors Keep Energy Production Safe

### **Office of Surface Mining Reclamation and Enforcement**

- August 1: National OSMRE Release: OSMRE expects to announce publication of notices of availability for draft Environmental Assessments and unsigned Finding of No Significant Impact prepared for a federal mining plan modification at the Bridger Mine in Wyoming. OSMRE will accept comments for 30 days.
- August 3: National OSMRE Release: OSMRE celebrates 40th Anniversary Observance of the signing of the Surface Mining Control and Reclamation Act of 1977. OSMRE confirmed Secretary will appear as the keynote speaker.

### **Land Buy-Back Program**

- July 31: National LBBP Release: LBBP will put out a release and related outreach announcing a new Land Buy-Back Program strategy for addressing fractionation on Indian trust lands.

### **Office of Insular Affairs**

- July 26: Local IA Release: Marshall Islands grants release announces Compact Infrastructure \$149,436; Ebeye Special Needs \$300,000; Health Care Program for four Atolls (Sec 177) \$697,387.

### **CONGRESSIONAL**

N/A

### **Political Appointee Update**

Two new appointees started today bringing DOI politicals on board = 52

4 nominated awaiting confirmation.

Nominees Combs, Berman, and Domenech – Senate Committee vote scheduled Thursday.

Nominee Joe Balash as Assistant Secretary for Land and Minerals Management has been announced.

### **Secretary Speaking Invitations**

#### **Accepted**

7/27-31 National Monument Review Tour Nevada and New Mexico

8/5-20 Personal

#### **Outstanding Invitations in Process**

8/30 - West Virginia Chamber of Commerce Annual Meeting (White Sulphur Springs, WV)

#### **Declining**

7/31-8/2 - FBI National Academy Associates Annual Training Conference (DC)

8/2 - American Legion Northwest Regional Baseball Tournament's Opening Ceremony  
General Welcome (Missoula, MT)

8/5 - Glacier National Park Conservancy remarks at Annual Backpacker's Ball  
(Whitefish/Kalispell)

8/17 - Mineral Hill Conservation Project (Gardiner, MT)

8/18 - Council of State Governments-West State and Federal Relations Committee (Tacoma, WA)

8/21 - Gage County Tourism and Beatrice Chamber of Commerce (Beatrice, NE)

### **Emergency Management**

In California, the Detwiler Fire, located in Mariposa County (CAL FIRE), has burned 81,250 (+1,250) acres and is 70 (+5)-percent contained. The fire is managed by a Type-1 Incident Management Team (IMT) with 4,279 (-216) personnel, including 122 (-1) DOI personnel. There are 1,500 (no change) residential structures threatened and 4,968 (no change) evacuees. Communities, transportation routes, and power infrastructure continue to be threatened, including transmission lines that supply Yosemite National Park with power. Full containment of the Detwiler Fire expected on August 5.

In Montana, the Lodgepole Complex Fire, located in Garfield County (BLM), has burned 270,200 (+200) acres and is 62 (+28)-percent contained. The fire is managed by a Type-2 IMT with 598 (-58) personnel, including 81 (-15) DOI personnel. There are 145 (no change) residential structures threatened and 50 (no change) evacuees. Sixteen (no change) residences have been destroyed. Weather conditions today include 8 to 12 mile per hour winds, and Critical Fire Weather is expected in the area tomorrow. The need for additional resources is not anticipated at this time, and full containment is expected on August 2.

In Oregon, the Upper Mine Fire, located in Harney County (BLM), has burned 4,100 (-700) acres and is 40 (+40)-percent contained. The fire is managed by a Type-2 IMT with 187 (no change) personnel, including 69 (no change) DOI personnel. Three (+3) residences, Sage Grouse Habitat, overhead power lines, and infrastructure are currently threatened by this fire. Outflow winds may result in some additional perimeter growth; however, full containment of this fire is expected on July 31.

In Montana, the Buffalo Fire, located in Powder River County (BLM), has burned 3,104 (-3) acres and is 80 (+46)-percent contained. The fire is managed by a Type-1 IMT with 268 (+109) personnel, including 45 (+18) DOI personnel. Significant resource demobilization is expected to start on July 29, and full containment of this fire is expected on July 30.

In Nevada, the Preacher Fire, located in Douglas County (BLM), has burned 5,386 (+735) acres and is 20 (no change)-percent contained. The fire is managed by a Type-2 IMT with 512 (+233) personnel, including 72 (-23) DOI personnel. Significant resource demobilization is expected to start tomorrow, and full containment of this fire is expected on July 29.

In Nevada, the Mahogany Fire, located in Humboldt County (BLM), has burned 5,000 (+500) acres and is 25 (+5)-percent contained. The fire is managed by a Type-2 IMT with 299 (-129) personnel, including 69 (-4) DOI personnel. There are 50 (+50) residences threatened; however, no evacuations are currently in place. Critical Sage Grouse Habitat, multiple recreation sites, federal communication sites, power grid transmission lines, a natural gas pipeline, and wildlife habitat are threatened. Full containment of this fire is expected on July 29.

## **Outside Media of Interest**

### **Interior Secretary To Visit Las Cruces Amid Monuments Review.**

The AP (7/26, Contreras) reports that Interior Secretary Ryan Zinke is “scheduled to visit Las Cruces this week in connection with the Trump administration’s review of Organ Mountains-Desert Peaks National Monument.” The Albuquerque (NM) Journal (7/26, Coleman) reports that “on Thursday, Zinke will tour the Organ Mountains Desert Peaks National Monument by helicopter then meet with elected officials, ranchers, academics, border security experts, and others local stakeholders ‘who represent all sides of the issue,’ according to the Interior Department.” On Friday, Zinke is scheduled to “hike with southern New Mexico veterans and then hold meetings with the Mescalero Apache, Fort Sill Tribe, and Friends of Organ Mountains Desert Peaks “. On Saturday, Zinke will “hike and ride horseback with Sens. Martin Heinrich and Tom Udall, both of whom are opposed to shrinking either monument.”

### **Dozens Of GOP Senators Urge Trump To Expand Offshore Drilling.**

The Daily Caller (7/26, Pearce) reports that “three dozen Republican senators sent a letter to Secretary of the Interior Ryan Zinke Wednesday supporting a plan that would increase access and development of offshore drilling along the U.S. east coast.” The Hill (7/26, Cama, Henry) reports that in the letter, “the senators said the government should write a drilling plan that would allow oil and gas leasing in areas not included in the 2017-2022 outline finalized by the Obama administration.” The senators wrote, “Offshore projects often have long lead times, so it is important to start today to make sure that the United States is planning for the future to maintain its steady and stable supply of production. We look forward to working with the Department of the Interior as you advance the new five-year program.”

### **Zinke Call Has Sullivan ‘Very Concerned’ After Tuesday Vote.**

The Alaska Journal of Commerce (7/26, Brehmer) reports that “according to Sen. Dan Sullivan’s spokesman Mike Anderson, Sullivan took a phone call from Interior Secretary Ryan Zinke Wednesday.” Anderson said, “As a result of that call, he’s very concerned about Alaska’s economy.” The article speculates that the call may be tied to Sen. Lisa Murkowski’s opposition to Republican efforts to reform health insurance.

### **Trump Interior Nominee Has A History Of Contempt For The Agency She’s About To Lead.**

The Huffington Post (7/26, D’angelo) reports that former Texas Comptroller Susan Combs, who has been nominated to serve as assistant secretary of the Interior Department’s Office of Policy, Management and Budget, could “join the likes of Environmental Protection Agency Administrator Scott Pruitt and Energy Secretary Rick Perry as top Trump officials with vehement opposition to agencies they’re tasked with helping to lead.” The article notes that Combs “regularly sparred with the U.S. Fish and Wildlife Service over species listings,

petitioning in 2015 to have protections removed for an endangered songbird native to central Texas.” Last week, “some 70 conservation groups sent a letter to the Senate Energy and Natural Resources Committee urging members to reject the nomination, describing Combs as someone who ‘built her career favoring big corporations and special interests over the needs and survival of imperiled species.’”

### **Man Gets 68 Years In Prison In Bundy Ranch Standoff Case.**

The AP (7/26, Ritter) reports that on Wednesday, Chief U.S. District Judge Gloria Navarro in Las Vegas sentenced Gregory Burleson of Phoenix “to 68 years in prison for his role as a gunman in a standoff that stopped federal agents from rounding up cattle near the Nevada ranch of anti-government activist Cliven Bundy three years ago.” The AP notes that prosecutors “had sought a maximum sentence of 73 years for...Burleson after he was convicted of threatening and assaulting a federal officer, obstruction and traveling across state lines in aid of extortion.” However, Navarro “knocked five years off the recommendation, noting that the 53-year-old Burleson has gone blind, has serious health issues and was once an informant for the FBI.”

### **Interior Provides \$635,885 For Micronesia Region.**

The Saipan (MNP) Tribune (7/26) reports that acting Interior assistant secretary for Insular Areas Nikolao Pula has “made available \$635,885 for natural and cultural resource protection for all U.S. island jurisdictions in the Micronesia region.” Pula said, “It is reassuring to see the range of initiatives we have been able to support with this funding, from managing fisheries that support people’s livelihoods to suppressing the impacts of the damaging coconut rhinoceros beetle and little fire ant. We are happy to support and bolster the collaborative efforts of conservation-minded leaders across the Micronesia region.”

### **Federal Register Listings**

Items cleared for the FR on Wednesday.

REG0007206 NPS National Register of Historic Places, July 8, 2017. The NPS is soliciting comments on the significance of properties nominated before July 8, 2017, for listing in the National Register of Historic Places or related actions. Notice 07/26/2017.

REG0007214 OSM Agency Information Collection Activities: OMB Control Number 1029-0091; Requirements for Surface Coal Mining and Reclamation Operations on Indian Lands. This Notice, under the Paperwork Reduction Act of 1995 (PRA), announces that OSMRE will ask the Office of Management and Budget (OMB) to renew its approval of an information collection for the requirements for surface coal mining and reclamation operations on Indian lands in 30 CFR part 750. OSMRE is requesting public comments on the renewal for 30 days.

Notice 07/26/2017.

**WOLF TRAP**

Tickets in the Secretary's box available. Please share with WH staff.

7-28-17	ORFF: Carmina Burana; Beethoven: Emperor Concerto	8:15 PM
7-29-17	Aretha Franklin	8:00 PM
8-1-17	Nashville in Concert	8:00 PM
8-2-17	Punch Brothers	8:00 PM
8-3-17	Blondie & Garbage	7:30 PM
8-4-17	La La Land in Concert	8:30 PM

Doug Domenech  
Senior Advisor  
US Department of the Interior

NOTE: *Every email I send or receive is subject to release under the Freedom of Information Act.*

**From:** Hinson, Alex  
**Bcc:** [lori\\_mashburn@ios.doi.gov](mailto:lori_mashburn@ios.doi.gov)  
**Subject:** Interior Daily News and Talking Points 8/22/2017  
**Date:** Tuesday, August 22, 2017 12:13:09 PM

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**McClatchy (Stuart Leavenworth):** [Fate of 21 national monuments will land on Trump's desk this week](#)

**OPINION-THE HILL (Lena Moffitt):** [We might lose Giant Sequoia National Monument this week](#)

**OPINION-THE HILL (Chris Saeger):** [Interior Secretary Zinke has turned his back on the American West](#)

(b) (5)



(b) (5)



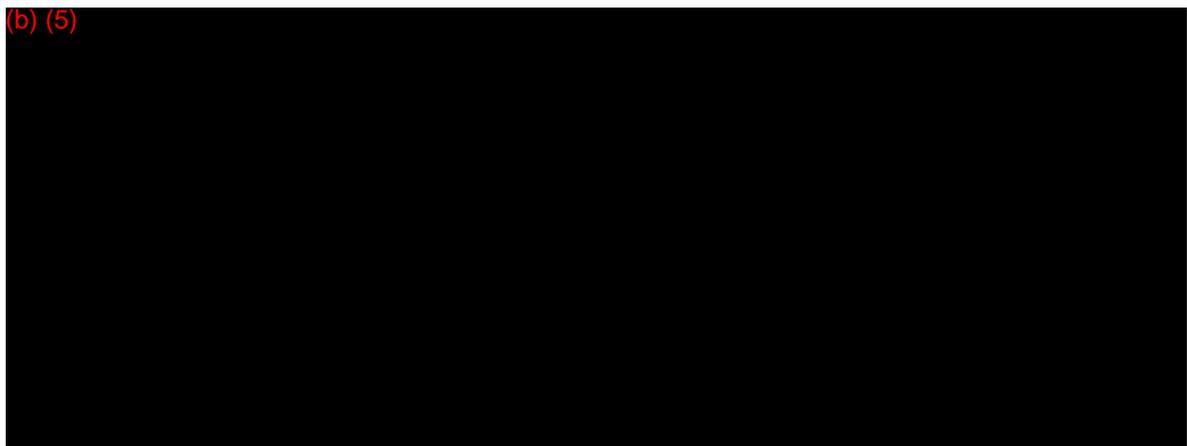
**New York Times (Lisa Friedman and Brad Plumer):** [Coal Mining Health Study Is Halted by Interior Department](#)

(b) (5)



**Washington Post (Lisa Rein):** [‘You’re Fired’ may be harder than Trump thinks when it comes to federal workers](#)

(b) (5)



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Alex Hinson

Deputy Press Secretary  
Department of the Interior  
C: 202-641-5381

**From:** U.S. Department of the Interior  
**To:** [lori\\_mashburn@ios.doi.gov](mailto:lori_mashburn@ios.doi.gov); [interior\\_news@updates.interior.gov](mailto:interior_news@updates.interior.gov)  
**Subject:** Interior Department FY2017 Energy Disbursements Grow by \$1 Billion to \$7.11 Billion Under President Trump  
**Date:** Thursday, November 30, 2017 1:17:22 PM

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news release



Date: November 30, 2017  
Contact: [Interior\\_Press@ios.doi.gov](mailto:Interior_Press@ios.doi.gov)

## **Interior Department FY2017 Energy Disbursements Grow by \$1 Billion to \$7.11 Billion Under President Trump**

*Substantial increase in LWCF funds for conservation*

**WASHINGTON** – U.S. Secretary of the Interior Ryan Zinke announced today that Interior’s Office of Natural Resources Revenue (ONRR) disbursements from energy and minerals production on Federal and American Indian lands and offshore areas totaled \$7.11 billion in Fiscal Year 2017, an increase of nearly \$1 billion over the previous year. States received \$1.44 billion, Tribal governments and individual mineral rights owners received nearly \$676 million, and \$950 million went toward the Land and Water Conservation Fund, which invests in outdoor recreation opportunities and conservation in America’s state and local parks. The funds are derived from energy and minerals production on Federal and Indian lands and U.S. offshore areas. These revenues are a critical source of non-tax funding.

“Under President Trump’s American Energy Dominance agenda, we’ve increased energy funds by a billion dollars in our first year alone. That money goes right back to communities for things like public works projects, educational improvements, conservation and parks, and infrastructure upgrades,” **Secretary Zinke said**. “Energy is about more than just electricity and gas, it’s about a strong economy and strong communities. As the administration continues to cut red tape and end the overregulation of responsible energy development, we will be able to direct more funds to local communities and create more good-paying American jobs.”

“These additional revenues to states, including my home state of Utah, are just the beginning. They make a big difference – they pay for schools and public services. This critical stream of revenue supports rural communities across the country. I hope to see steady increases in these revenues as we continue to work with the administration to unlock American’s energy potential,” **Chairman Rob Bishop (R-UT) said**.

ONRR disbursed nearly \$1.44 billion of the FY 2017 energy revenues to 36 states, as their cumulative share of revenues collected from oil, gas, and mineral production on Federal lands within their borders and from offshore oil and gas tracts in Federal waters adjacent to their

shores. The top states receiving FY 2017 revenues were:

- **Wyoming** \$669 million – Increase of \$4.7 million
- **New Mexico** \$455 million – Increase of \$86.5 million
- **Colorado** \$92 million – Increase of \$8.1 million
- **Utah** \$73.5 million – Increase of \$5.5 million
- **North Dakota** \$39.9 million – Increase of \$7.4 million

Louisiana, and Montana also saw large increases in disbursements at \$1.3 million and \$1.02 million increase respectively. A complete list of states receiving revenues through FY 2017 is available on the Natural Resources Revenue Data portal located at <https://revenuedata.doi.gov/>.

In addition to state disbursements, \$675.8 million was disbursed to American Indian tribes and individual Indian mineral owners; \$1.14 billion to the Reclamation Fund; \$959 million to the Land and Water Conservation Fund (LWCF); \$150 million to the Historic Preservation Fund; and the remaining \$2.5 billion to the U.S. Treasury.

The revenues disbursed to the 34 Federally-recognized American Indian tribes and nearly 35,000 individual Indian mineral owners represents 100 percent of the revenues received for energy and mineral production activities on Indian lands. Most revenues are disbursed through the Interior Department's Bureau of Indian Affairs and the Office of Special Trustee for American Indians. Some Indian tribes have direct payment authorization from the Department of Interior and receive their energy and mineral revenue directly through an established lockbox deposit account. Tribes use these revenues to develop infrastructure, provide healthcare and education, and support other critical community development programs, such as senior centers, public safety projects, and youth initiatives.

“The Navajo Nation appreciates its ongoing working partnership with the Department of the Interior,” **said Rowena Cheromiah, Navajo Nation's Minerals Royalty and Audit Manager.** “For many years, we’ve worked together to ensure that the Navajo Nation is receiving accurate royalty payments for its mineral resources on Navajo Nation lands.”

These disbursements also included a substantial increase to the LWCF and U.S. Treasury from [Phase II revenue sharing](#) under the Gulf of Mexico Energy Security Act of 2006 (GOMESA), which took effect in FY2017. The GOMESA portion of the LWCF disbursement -- \$67 million -- remains available until expended; the \$892 million regular LWCF distribution for FY2017 must be used within 3 years. The Gulf producing states and coastal political subdivisions will receive their disbursements of FY 2017 qualified revenues in FY 2018, as required by the legislation.

The \$7.11 billion disbursed in FY 2017 compares to the \$6.23 billion the Department disbursed in FY 2016. The increase in disbursements is primarily attributed to a larger number of lease sales totaling higher acreage, efforts to streamline permitting and reduce regulatory burdens, and higher oil and gas prices experienced during the year as the economy and exports have continued to expand. All Federal, non-renewable energy revenues are collected, accounted for, analyzed, audited, and disbursed by ONRR from energy and mineral leases and other monies owed for the use of public resources on the U.S. Outer Continental Shelf and onshore Federal and American Indian lands. Since 1982, ONRR has disbursed more than \$294 billion in mineral leasing revenues. ONRR makes most disbursements on a monthly basis from the royalties, rents, and bonuses it collects from energy and mineral companies operating

on federal lands and waters.

The [Land and Water Conservation Fund](#), established by Congress in 1964, invests in projects that help strengthen communities, preserve American history and protect national endowments of lands and waters. The [Reclamation Fund](#), which Congress established in 1902, funds the development of irrigation projects on arid and semiarid lands of the 17 western states. The [Historic Preservation Fund](#) provides [matching grants](#) to State and Tribal historic preservation offices to pay for surveys of historic resources, training, nominations to the National Register of Historic Places, and preservation grants to local jurisdictions.

The FY 2017 disbursement data is scheduled to be published on the Natural Resources Revenue Data portal located at <https://revenue.data.doi.gov/> on November 30, 2017.

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**Subject:** Interior Department grants Eni offshore Arctic drilling permit  
**Date:** Tuesday, November 28, 2017 3:03:12 PM

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By Ben Lefebvre

11/28/2017 03:00 PM EDT

The Bureau of Safety and Environmental Enforcement approved a permit allowing Italian oil company Eni S.p.A. to drill an exploratory oil and gas well in the Beaufort Sea off the northeast coast of Alaska.

The approval is the first in two years to allow drilling in Arctic waters, BSEE said. It comes as the Interior Department pushes for increased offshore drilling as part of its effort to boost U.S. oil and gas production.

Eni could start drilling in the Beaufort Sea as early as next month, BSEE said. The company first applied for the permit in August.

Eni plans to base its operations on the man-made Spy Island, where it already operates oil and gas wells. It will use extended-reach drilling technology to dig the well in federal waters.

**WHAT'S NEXT:** Drilling is expected to start in December.

*To view online:*

<https://www.politicopro.com/energy/whiteboard/2017/11/interior-department-grants-eni-offshore-arctic-drilling-permit-150307>

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**Subject:** Interior Department Supported \$254 Billion in Economic Activity and Nearly 1.7 million Jobs in FY 2016  
**Date:** Friday, September 29, 2017 5:14:37 PM

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news release



Date: September 29, 2017  
Contact: [Interior\\_Press@ios.doi.gov](mailto:Interior_Press@ios.doi.gov)

## Interior Department Supported \$254 Billion in Economic Activity and Nearly 1.7 million Jobs in FY 2016

**WASHINGTON** – U.S. Secretary of the Interior Ryan Zinke today released the U.S. Department of the Interior’s Economic Report for Fiscal Year 2016. The report highlights that Interior activities supporting conventional and renewable energy, recreation, conservation, water energy supported \$254 billion in economic output and nearly 1.7 million jobs during the year.

National parks, refuges, monuments and other public lands managed by Interior hosted an estimated 473 million recreational visits in 2016—up from 443 million in 2015—these visits supported \$50 billion in economic output and about 426,000 jobs nationwide.

The Department’s diverse portfolio includes the management of some 500 million acres of public lands, and another 1.7 billion acres offshore on the Outer Continental Shelf. In addition, the Department is the Nation’s largest supplier and manager of water in 17 Western states. It oversees cutting-edge scientific research in the areas of geology, hydrology and biology and serves as Trustee for 567 federally-recognized American Indian and Alaska Native tribes.

Highlights from the report include:

- **Fossil Fuel Energy:** In FY 2016, Interior-managed lands and waters produced 768 million barrels of crude oil, 4.7 trillion cubic feet of natural gas, and 310 million tons of coal, supporting \$68.3 billion in value added, \$117.7 billion in economic output, and 582,000 jobs.
- **Renewable Energy:** In FY 2016, Interior lands and facilities produced 36.7 million MWh of hydropower (enough to power 3.4 million homes). Renewable energy projects on Interior lands – solar (6,859MW), wind (3,568 MW), and geothermal energy (1,543 MW) -- supported \$3.8 billion in economic output and 17,000 jobs in FY 2016.

- **Non-fuel Minerals:** In FY 2016, Interior lands produced a wide variety of non-fuel minerals, supporting value added of \$6.1 billion, economic output of \$11.4 billion, and 39,000 jobs.
- **Recreation:** In FY 2016, Interior’s lands hosted an estimated 473 million visits, supporting \$28.1 billion in value added, \$50.0 billion in economic output, and 426,000 jobs.
- **Water:** Interior stores and delivers water for irrigation, municipal and industrial (M&I), and other uses supporting \$28.9 billion in value added \$49.7 billion in economic output, and 399,000 jobs in FY 2016. Interior also delivers water to support in-stream flows, wildlife refuges, and other uses that not typically reflected in economic contribution estimates.
- **Forage and Grazing:** In FY 2016, Interior lands provided access to 8.6 million animal unit months (AUMs) of forage, supporting \$2.4 billion in economic output and 41,000 jobs.
- **Timber:** In FY 2016, about 673,000 mbf of sawtimber was harvested on BLM and tribal lands, supporting \$0.48 billion in value added, \$1.4 billion in economic output, and 6,200 jobs.
- **Grants/Payments:** Activities related to grant and payment programs administered by Interior supported \$6.4 billion in value added, \$9.1 billion in economic contributions, and 84,000 jobs in FY 2016.
- **Conservation:** Conservation is a component of recreation, restoration, water management, and even some mineral development activities. The value of these activities is not typically reflected in economic contribution estimates.
- **Scientific Data:** Interior’s data collection and research promote economic growth and innovation and play a role in promoting American competitiveness in a global marketplace. The value of these activities is not typically reflected in economic contribution estimates.

The report is paired with a web-based data visualization tool that lets the user customize the contribution analysis by bureau, activity or State. You can access the tool and download the full economic report, with a discussion of the analysis and methodology applied on the internet at <https://doi.sciencebase.gov/doidv/>.

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**Subject:** Interior hikes Alaska oil, natural gas reserve estimates  
**Date:** Friday, December 22, 2017 3:00:24 PM

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By Ben Lefebvre

12/22/2017 02:58 PM EDT

The Interior Department sharply hiked its estimate of oil reserves contained in Alaska's lands and waters today, estimating that more than 17 billion barrels of oil could be tapped there.

The estimate from the U.S. Geological Survey and [BOEM](#) comes after Congressional Republicans opened a portion of the Alaska National Wilderness Refuge to drilling in their tax package this week, and as President Donald Trump and Interior Secretary Ryan Zinke press to boost oil and gas drilling in Alaska as part of the effort to achieve "energy dominance."

The updated estimates put the undiscovered, technically recoverable resources on federal, state and tribal land and offshore at 17.6 billion barrels of oil and more than 50 trillion cubic feet of gas.

"That's important because with the scientific knowledge, industry partners are more willing to explore the area," Zinke said. "New discoveries have changed our geologic knowledge of the area — and these assessments show that the North Slope will remain an important energy hub for decades to come in order to meet the energy needs of our nation."

USGS estimates a mean of 8.7 billion barrels of oil and 25 trillion cubic feet of gas could be recovered from the NPR-A. A 2010 resource assessment had put the figure at 1.5 billion barrels of oil.

BOEM's updated estimates of undiscovered technically recoverable resources in the Beaufort Sea Outer Continental Shelf Planning Area are 8.9 billion barrels of oil and 27.7 trillion cubic feet of gas, up 700 million barrels from its 2016 assessment.

Interior has struggled to sell oil and gas drilling leases in Alaska, particularly those on shore, as current low fossil fuel prices makes it difficult to profitably drill and transport oil from Alaska to market in the lower 48.

*To view online:*

<https://www.politicopro.com/energy/whiteboard/2017/12/interior-hikes-alaska-oil-natural-gas-reserve-estimates-319887>

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**Subject:** Interior IG ends investigation of Zinke's call to Murkowski  
**Date:** Wednesday, August 30, 2017 5:59:21 PM

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By Ben Lefebvre

08/30/2017 05:55 PM EDT

The Interior Department's inspector general ended the investigation into whether Interior Secretary Ryan Zinke broke ethics rules in calls to Alaska Republican senators last month over their votes to repeal Obamacare, calling the initial investigation "unproductive."

The IG's efforts foundered after Sens. [Lisa Murkowski](#) and [Dan Sullivan](#) declined to answer questions from the inspector general's office, Deputy Inspector General Mary Kendall said in an Aug. 29 [letter](#) to Reps. [Raul Grijalva](#) (D-Ariz.) and [Frank Pallone Jr.](#) (D-N.J.), who had called for the inquiry.

"Both Senators Murkowski and Sullivan declined to be interviewed or to provide statements regarding the matter," Kendall wrote.

Kendall also wrote that because the episode was "extensively covered" by news outlets, her office "does not believe that it could meaningfully investigate the matter further."

Zinke [called](#) Murkowski and Sullivan in July after Murkowski had voted against repealing Obamacare legislation. During the call, Zinke said Murkowski's vote could endanger President Donald Trump's support for energy projects important to Alaska.

Interior plays a big role in Alaska, where the federal government controls 61 percent of the land. Interior is reviewing a multitude of projects tied to Alaska energy development, including a possible opening of the Arctic National Wildlife Refuge for oil and gas drilling and allowing offshore oil drilling in currently off-limits Arctic waters.

A spokesman for the Democrat staff on the House Committee on Energy and Commerce, of which Pallone is ranking member, said the IG's decision to end the probe was "unfortunate."

**WHAT'S NEXT:** The GAO is also investigating Zinke's calls to the Alaska senators.

*To view online:*

<https://www.politicopro.com/energy/whiteboard/2017/08/interior-ig-ends-investigation-of-zinkes-call-to-murkowski-092299>

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**Subject:** Interior outlines plan to speed permitting  
**Date:** Wednesday, October 25, 2017 7:42:26 PM

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## **Interior outlines plan to speed permitting**

By Esther Whieldon and Ben Lefebvre

10/25/2017 07:39 PM EDT

The Interior Department said on Wednesday it was looking to speed up permitting for energy projects and minerals mining by tweaking policies designed to protect wildlife conservation areas.

Interior's Fish and Wildlife Service is also re-evaluating whether laws establishing protections for migratory birds should apply to energy projects, and it's reviewing the Obama rule that gave wind developers 30-year permits to injure or kill protected eagles.

"The federal government can and must be a better business partner," Vincent DeVito, counselor for energy policy to Secretary Ryan Zinke, said in statement accompanying the [report](#) that was written to comply with President Donald Trump's [executive order](#) calling on agencies to streamline the permit process for energy projects.

Interior said the Bureau of Land Management will examine whether to change procedures to speed up permitting, including how it grants rights of way through national monuments and other national conservation areas and for mineral leases near wild scenic rivers.

And within three months, FWS hopes to finalize new guidance on what FERC-licensed interstate pipelines should do to mitigate the damage they inflict on migratory birds and their habitat.

Interior has already taken steps on many of the rules listed in the report, including repealing a disputed Obama rule on hydraulic fracturing.

The department also made clear it was mulling loosening multiple rules governing drilling in Alaska.

The department could change or rescind numerous rules for offshore oil and gas drilling, such as eliminating the requirement that drilling companies have cap and flow systems and containment domes to stop oil spills within seven days' reach of well sites.

Another change would make it easier for BOEM to process permits for companies to conduct seismic testing offshore.

Another issue the report highlighted was a potential regulatory change to reduce the number of protests that challenge BLM lease sales. Those protests have risen sharply, the report said, and are typically focused on opposition to fracking or fighting climate change rather than parcel-specific protests.

"A regulatory change may be necessary to limit redundant protests that hinder orderly

development," the report said.

*To view online:*

<https://www.politicopro.com/energy/story/2017/10/interior-outlines-plan-for-speeding-up-permitting-163928>

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**Subject:** Interior reimbursed for Zinke Virgin Island fundraiser, but contributions unaccounted for  
**Date:** Tuesday, December 19, 2017 4:12:04 PM

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## **Interior reimbursed for Zinke Virgin Island fundraiser, but contributions unaccounted for**

By Ben Lefebvre

12/19/2017 04:01 PM EDT

Taxpayers have finally been reimbursed for Interior Secretary Ryan Zinke's participation in a political fundraiser last spring in the Virgin Islands — but questions remain about the donations he helped solicit, according to campaign finance records and interviews.

The Virgin Islands Republican Party repaid on Oct. 5 the Interior Department \$275 for expenses related to Zinke's appearance, according to recent federal campaign finance filings. That was the same day [POLITICO first reported](#) that Zinke was the featured guest at the March 30 fundraiser, where records indicate that donors paid as much as \$5,000 per couple for a chance to pose for a photo with the secretary.

The Virgin Islands Republican Party — a political action committee nominally based in the islands but run by a Washington-area GOP consultant — did not list any donations matching those amounts in its Federal Election Commission reports for March and April. That make it impossible to know who may have paid thousands of dollars for access to a member of President Donald Trump's Cabinet, whose office has refused to provide advanced schedules of his travels and appearances.

Still, the reimbursement may be enough to protect Zinke from accusations that his Virgin Islands appearance violated the Hatch Act, which prohibits government officials from using taxpayer resources to advance partisan causes. Zinke is facing multiple investigations for his pattern of mixing politics and official business during taxpayer-funded travels.

The Caribbean fundraiser, which occurred during a three-day official trip by Zinke to the island chain, is his only political event so far for which the Interior Department has received reimbursement.

Interior spokeswoman Heather Swift said the department invoiced the VIGOP PAC for the amount. Swift did not reply to questions as to the timing of Interior's request for reimbursement.

"The invoice was calculated to cover the political activities portion of the Secretary's travel to the USVI in accordance with Hatch Act regulations," Swift said. "There is a formula used to determine what percentage of a given trip the political event makes up, and how much to reimburse."

Swift did not respond to questions whether Interior had sought reimbursement related to other political appearances by Zinke, such as his stop at a fundraiser for Rep. [Don Young](#) (R-Alaska) at an Anchorage steakhouse, or his attendance at a ski resort weekend organized by the leadership PAC of Sen. [Steve Daines](#) (R-Mont.), which POLITICO has previously

[reported](#). The secretary also attended a July fundraiser in Oregon for Republican Rep. [Greg Walden](#), according to a local press [account](#) from the time.

The independent Office of Special Counsel, which investigates possible Hatch Act violations, has said in previous cases that timely reimbursement of the government's expenses is sufficient to avoid violating federal regulations that prohibit taxpayer dollars from paying for political activity. OSC, which declined to comment, is one of several agencies investigating Zinke's political activities.

Federal employees can face reprimands or even lose their jobs for violating the Hatch Act, but it is up to the president to decide how to punish violations by presidential appointees. OSC found that two members of former President Barack Obama's Cabinet had violated the Hatch Act, but neither faced major penalties.

Interior "should not be paying for any of Zinke's political travel," said Brendan Fischer, director of the bipartisan watchdog group Campaign Legal Center's federal and FEC reform program. "That being said, there is certainly a pattern of Zinke and other administration officials mixing official and political business, which the Inspector General is looking into. Public resources are supposed to be used to advance the public interest, not to coddle political donors."

Besides reimbursing Interior for Zinke's appearance, VIGOP also paid \$875 for catering for a "VIGOP event" on March 30, according to FEC documents. That suggested the federal PAC was the one raising contributions at the event, Fischer said. But it does not appear to have disclosed at least some contributions associated with the appearance, something Fischer said could be a violation of campaign finance laws.

VIGOP has a murky relationship with the U.S. territory's official Republican Party organization, which has been riven by its own internal conflicts in recent years. The FEC classifies VIGOP as a non-party PAC and lists its treasurer as Scott B. Mackenzie, a D.C.-area political operative who declined to comment when reached by POLITICO.

Zinke has for years worked with the VIGOP, attending at least two of its meetings on the island while he was a Montana congressman. Zinke's own fundraising organizations [spent millions of dollars](#) on a group of political operatives tied to the PAC, including direct mailing company Forthright Strategies, whom Republicans have accused of preying on small donors. POLITICO first reported a week before the reimbursement on Zinke's [use of a charter flight](#) to travel to the islands on official business.

The chairman of the territorial Republican Party, John Canegata, said the fundraiser had been the work of the territorial party, not the PAC, and would be listed in reports filed with the Virgin Islands' election committee.

"All our donations, we will put that together in a form they provide and give that to them at the end of the year," Canegata told POLITICO.

Campaign finance reports for groups registered with the islands' government are due in June and December of each year, a spokeswoman for Election Services of the Virgin Islands said. Money raised at a March fundraiser would have had to have been reported on the June disclosure report, the spokeswoman said.

VIGOP is not officially part of the Virgin Island Republican Party structure and is not registered with the Elections System of the Virgin Islands as a fundraising organization, said Genevieve Whitaker, deputy supervisor of elections for the agency's St. Croix district.

Other Republicans in the Virgin Islands Republican territorial committee have complained about Canegata's relationship with Mackenzie's VIGOP, saying very little, if any, of the money Mackenzie's organization raises gets distributed to the party or candidates.

The committee also complained that Canegata signed a contract in 2013, a copy of which was obtained by POLITICO, naming VIGOP as a client of Base Connect, a direct mail fundraising company that other Republicans have accused of exploiting small donors. Political committees linked to Zinke have [long done business with](#) many of the same political consultants as VIGOP.

An invitation for the March 30 event in St. Croix solicited donations of up to \$5,000 per couple to be event "patrons" or \$1,500 to be part of its "host committee." According to Zinke's schedule, he participated in a photo line with donors in those categories. But no donations in VIGOP's federal campaign finance reports match the names of 10 other individuals listed as guests of honor on the invitation, which was obtained by POLITICO.

VIGOP reported 88 donations in March and April, mostly between \$100 and \$500 apiece. Three donations of \$1,000 were the largest received in those months.

However, VIGOP's decision to reimburse Interior may insulate Zinke from some potential sanctions associated with his political behavior, judging by previous cases.

The Office of Special Counsel in 2012 [determined](#) that then-Health and Human Services Secretary Kathleen Sebelius had violated the Hatch Act by endorsing Obama's reelection and a local gubernatorial candidate during a speech in North Carolina at a gala for the Human Rights Campaign, where she was appearing on official business.

After HHS began receiving media inquiries about the speech, it reclassified the event as political and sought reimbursement from Obama's campaign and the Democratic National Committee. While the OSC said her remarks themselves violated the Hatch Act, it determined that HHS had satisfied requirements that the government be reimbursed for costs associated with political appearances.

In 2016, OSC [determined](#) that then-Housing and Urban Development Secretary Julian Castro had violated the law when he endorsed Hillary Clinton's presidential campaign in an interview with Yahoo News anchor Katie Couric.

Since joining Trump's Cabinet in March, Zinke has appeared at more than a dozen events with former campaign donors or conservative activists while traveling on official business, including at least four fundraisers for politicians or PACs, according to a POLITICO review of his schedule, event invitations, Interior Department emails and other documents.

The sort of mixing of official business with political activity that Zinke has engaged in could lead to an ethical breach even if it is legal, said Virginia Canter, executive branch ethics counsel for good-governance watchdog group Citizens for Ethics and Responsibility in Washington.

"What you become very concerned about is if you see the political activity driving the official activity," Canter said. "They may be in technical compliance with the law, but from appearance's perspective there could be abuse."

Zinke is under investigation by OSC and the Interior Department's inspector general. The FEC has separately raised questions about VIGOP's spending and is looking into Zinke's former leadership PAC, which relied on many of the same political consultants as the VIGOP.

*To view online:*

<https://www.politicopro.com/energy/article/2017/12/interior-reimbursed-for-zinke-virgin-island-fundraiser-but-contributions-unaccounted-for-226980>

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**Subject:** Interior Repeals Defective Federal Mineral Valuation Rule  
**Date:** Monday, August 07, 2017 4:11:26 PM

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news release



Date: August 7, 2017  
Contact: Interior\_Press@ios.doi.gov

## **Interior Repeals Defective Federal Mineral Valuation Rule**

***Clears the way for developing clearer, more workable regulations for accurate accounting and valuation of oil, gas and coal from Federal and Indian leases***

**WASHINGTON** – To create more workable oil, gas and mineral valuation regulations and avoid costly litigation, the Department of the Interior today announced the repeal of the Consolidated Federal Oil and Gas and Federal and Indian Coal Valuation Reform Rule (Valuation Rule) which had created confusion and uncertainty regarding how companies report and pay royalties on energy and other mineral resources from federal onshore and offshore areas and American Indian lands.

The repeal of the Valuation Rule, published today in the *Federal Register* and effective on September 6, 2017, will provide certainty and clarity to the regulated community by continuing to require compliance with lawful and well-known oil, gas, and coal regulations in force for more than a decade. These regulations are easy to understand and provide certainty to industry and the Office of Natural Resources Revenue (ONRR) that correct payment has been made.

“Repealing the Valuation Rule provides a clean slate to create workable valuation regulations,” said **Secretary of the Interior Ryan Zinke**. “We are committed to working closely with stakeholders and the newly chartered Royalty Policy Committee to explore options for future rulemakings and to avoid the structural defects that were found in the prior rule. The Department and the Office of Natural Resources Revenue remain committed to collecting every dollar due. These are taxpayer and American Indian assets, and the public and American Indians deserve an accurate accounting and valuation.”

“The United States is a safer and more sustainable nation when we rely on our own natural resource development,” **Secretary Zinke** emphasized. “Repealing the Valuation Rule restores

our economic freedom by ensuring our energy independence. The increased costs associated with the Valuation Rule had the potential to decrease exploration and production on Federal lands, both onshore and offshore, making us rely more and more on foreign imports of oil and gas.”

“I support Interior’s decision to repeal this rule and provide greater certainty to companies seeking to produce our valuable domestic resources, from Alaska to the Atlantic,” **Senator Lisa Murkowski** (R-Alaska) said. “While the federal government will continue to collect its fair share of revenues from responsible development, the repeal of this rule will help prevent negative impacts to exploration and production that would put our energy dominance at stake.”

“This rescindment is another important step by the Trump administration to position Interior as a facilitator of responsible energy development,” said House Natural Resources Committee **Chairman Rob Bishop** (R-UT). “I look forward to working with Secretary Zinke on ONRR policies and many other areas to spur more investment in Federal and Indian lands, foster greater regulatory certainty and eliminate or address pre-existing policies that work against these goals.”

“The Obama Administration's changes to royalties for coal, oil, and natural gas was just one in a series of barriers it put up to hold back energy production on federal lands,” said **Congressional Coal Caucus Chairman David McKinley**, P.E. (R-WV). “Returning to the more reasonable previous standards paves the way for further investment and development of energy resources. I applaud Secretary Zinke’s commitment to supporting American energy dominance.”

“This Obama-era rule was another misguided attack on affordable energy that would have caused significant harm to tribal, rural and Western economies,” said **Congressional Western Caucus Chairman Paul Gosar** (AZ-04). “This burdensome new regulation would have bankrupt small businesses, discouraged responsible energy production and hit the pocketbooks of hard-working American families. Furthermore, the rule would have imposed unnecessary and costly new reporting requirements that would have siphoned important revenues from local community coffers and the U.S. Treasury, creating a problem where there wasn’t one and having the opposite effect of what the regulation intended. I applaud Secretary Zinke’s leadership and am grateful he took action to provide certainty for job creators and to protect good-paying careers that are the backbone of many of our communities.”

Developed by ONRR, the stated intent of the Valuation Rule was to offer greater simplicity, certainty, clarity and consistency in product valuation and reporting for federal and Indian mineral lessees. However, industry stakeholders and trade associations filed three lawsuits challenging the rule. The petitioners also sent a joint letter to the ONRR Director asserting that it would be impossible for them to comply with the rule’s new royalty reporting and payment requirements by the deadline, exposing non-compliant lessees to significant civil penalties. In response to these and other concerns lessees expressed in writing and workshops, ONRR identified several areas in the rule warranting reconsideration to meet policy and implementation objectives. ONRR stayed the Valuation Rule on February 27, 2017 via Federal Register Notice and published an April 4, 2017 Notice of Proposed Rulemaking to repeal the rule.

Because provisions in the Valuation Rule increased the regulatory burden on the nation’s

energy production, repealing the rule will reduce costs to oil, gas, and coal companies that would otherwise be passed to the American consumer. This greater efficiency for payors will reduce industry cost of compliance and ONRR's cost to ensure industry compliance, consistent with the Secretary's responsibility to the public, to good governance and to trust responsibilities to American Indian mineral owners to appropriately value production.

Members of the oil, gas, and coal industries also expressed support for parts of the Valuation Rule, as have members of environmental groups and the general public. The Department intends to further evaluate changes that may be warranted to the long-established oil, gas and coal regulations through the Royalty Policy Committee and publicly-vetted rulemaking, ensuring that valuation and revenue collection for the nation's mineral and hydrocarbon resources remain transparent and consistent, while the taxpayers receive every dollar due from resources on their public lands and offshore areas. The Royalty Policy Committee is chaired by Vincent DeVito, Counselor to the Secretary for Energy Policy, and the Executive Director is James Schindler.

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**Subject:** Interior Secretary Ryan Zinke's Statement on the End of the Monuments Review Public Comment Period  
**Date:** Tuesday, July 11, 2017 12:43:59 PM

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news release



Date: July 11, 2017  
Contact: [Interior\\_Press@ios.doi.gov](mailto:Interior_Press@ios.doi.gov)

## **Interior Secretary Ryan Zinke's Statement on the End of the Monuments Review Public Comment Period**

(WASHINGTON) – On Monday, July 10, the formal public comment period closed for the review of national monuments. More than 1.2 million comments were received on Regulations.gov and thousands more were received via traditional mail. Twenty-seven national monuments designated since January 1, 1996 that are more than 100,000 acres, or that were considered to have inadequate public input are under review in accordance with [President Donald J. Trump's April 26, 2017, executive order](#).

“Too often under previous administrations, decisions were made in the Washington, D.C., bubble, far removed from the local residents who actually work the land and have to live with the consequences of D.C.’s actions. This monument review is the exact opposite,” **said Interior Secretary Ryan Zinke**. “President Trump and I opened the formal public comment period – the first-ever for monuments designated under the Antiquities Act – in order to give local stakeholders a voice in the decision-making process. After hearing some feedback, I’d like to remind and reassure folks that even if a monument is modified, the land will remain under federal ownership. I am strictly opposed to the sale or transfer of our public lands, and nothing in this review changes that policy.

“These comments, in addition to the extensive on-the-ground tours of monuments and meetings with stakeholders, will help inform my recommendations on the monuments,” **Zinke said**. “I appreciate everyone who took the time to log-on or write in and participate in our government.”

As required by the executive order, Secretary Zinke submitted an [interim report](#) to the White House in June with various recommendations and observations on Bears Ears National Monument, which suggested the monument be reduced in size to conform with the intent of the Antiquities Act, that of designating the smallest compatible area. The report also recommended the creation of a national conservation area, and official co-management by the local Tribal governments.

The report came after Zinke spent several days on the ground in Utah touring the monument by air, car, foot, and horseback, speaking with stakeholders from Tribal, local, state and federal government, as well as representatives from the conservation, historic preservation, agriculture, tourism, and education sectors. The Secretary met with the Bears Ears InterTribal Coalition while in Salt Lake City on May 7, and the Acting Deputy Secretary Jim Cason held a four-hour follow-up meeting with the Bears Ears Commission and the InterTribal Coalition on May 25.

The Secretary also traveled to Maine’s Katahdin Woods and Waters National Monument, and to Boston to hold meetings on the Northeast Canyons and Seamounts National Marine Monument off the coast of New England. The Secretary plans to visit Oregon, New Mexico, and Nevada in the coming weeks.

Regarding the comment period, the executive order stated:

*In making the requisite determinations, the Secretary is directed to consider:*

*(i) the requirements and original objectives of the Act, including the Act’s requirement that reservations of land not exceed “the smallest area compatible with the proper care and management of the objects to be protected”;*

*(ii) whether designated lands are appropriately classified under the Act as “historic landmarks, historic and prehistoric structures, [or] other objects of historic or scientific interest”;*

*(iii) the effects of a designation on the available uses of designated Federal lands, including consideration of the multiple-use policy of section 102(a)(7) of the Federal Land Policy and Management Act (43 U.S.C. 1701(a)(7)), as well as the effects on the available uses of Federal lands beyond the monument boundaries;*

*(iv) the effects of a designation on the use and enjoyment of non-Federal lands within or beyond monument boundaries;*

*(v) concerns of State, tribal, and local governments affected by a designation, including the economic development and fiscal condition of affected States, tribes, and localities;*

*(vi) the availability of Federal resources to properly manage designated areas; and*

*(vii) such other factors as the Secretary deems appropriate.*

82 FR 20429-20430 (May 1, 2017).

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**Subject:** Interior Secretary Zinke Announces Nomination of Joe Balash  
**Date:** Thursday, July 20, 2017 1:29:06 PM

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news release



Date: July 20, 2017  
Contact: Interior\_Press@ios.doi.gov

## **Interior Secretary Zinke Applauds Nomination of Alaska’s Joe Balash as Assistant Secretary for Land and Mineral**

**WASHINGTON** – President Donald J. Trump announced his intent to nominate Alaska’s Joe Balash to serve as the Department of the Interior’s Assistant Secretary for Land and Minerals Management. A native of North Pole, Alaska, living in Washington D.C., Balash brings more than 19 years of experience in land and natural resource management.

Mr. Balash currently serves as the Chief of Staff to Alaska’s Senator Dan Sullivan. He is the former Commissioner of the Alaska Department of Natural Resources, which has management responsibility for one of the largest single portfolios of land and water resources in the world, containing more than 100 million acres of uplands, 40-60 million acres of submerged lands and tidelands, and more than 500,000 barrels of oil produced daily.

“It’s been a long time since the Department had an Assistant Secretary from Alaska, and the President’s nomination of Joe Balash further proves his commitment to Alaska and rural America as a whole,” **said Secretary Zinke**. “Joe is no stranger to the Department of the Interior having worked alongside the Department on a number of projects in Alaska. He brings an incredible combination of state and federal experience to the table, and he will be very effective in helping the Department work with Congress to do the work of the American people. I look forward to his speedy confirmation in the Senate.”

“I am deeply honored to be able to serve at the Department of the Interior,” **said Joe Balash**. “As a nation, we are blessed with tremendous public lands and resources that give our people unparalleled opportunities for recreation and job creation for generations to come. I look forward to working with Secretary Zinke and his incredible team to seize on those opportunities and deliver on President Trump’s America First Energy Plan.”

“While I’m sad to see Joe leave the Senate, his departure is a big gain for Secretary Zinke, the Department of Interior, the United States and Alaska,” **said Senator Sullivan**. “His wealth of knowledge and passion for Alaska – and more broadly federal land issues – cannot be

overstated. His advice and counsel on natural resource matters will be invaluable as Secretary Zinke and the Trump administration chart a new path toward American energy dominance. Alaska can and should be a critical element of this important national objective.”

“Joe Balash is an excellent choice for Assistant Secretary for Lands and Minerals Management, and I’m incredibly pleased that Secretary Zinke has chosen him for this important position,” **Senate Energy and Natural Resources Chairman Lisa Murkowski said.** “From his time in the Alaska Governor’s Office and as Commissioner of Natural Resources, to his service as a Senate Chief of Staff, Joe is uniquely qualified for this role. He has significant experience on energy and resource policy, a demonstrated record of upholding Alaska’s interests as a landowner, and will make sure that America’s interests are well represented at the Interior Department.”

“The work being done by this administration in the areas of energy and public lands – including efforts to unleash our nation’s energy potential and reform years of mismanagement by our agencies – is something we value greatly as Alaskans,” **said Congressman Don Young.** “Critical to these efforts is the appointment of individuals and staff that understand the real-world impacts and consequences their decisions have on public lands and resources-oriented states like mine. As the Congressman for the state that was often ground zero for the countless missteps of the previous Interior Department, I commend Secretary Zinke for making Alaska a top-priority as he assembles his team. The addition of Joe Balash – someone I’ve worked with closely during his service as the Chief of Staff to Senator Dan Sullivan, a former Commissioner of the Alaska Department of Natural Resources and ardent supporter of responsible resource development – is an important step to begin solving the many challenges Alaskans and Americans have faced when dealing with the Department of the Interior.”

“Joe Balash’s appointment as Assistant Secretary will be good for Alaska and great for our nation. He is smart, honest, fair, and focused on solving problems and challenges in accordance with law while maximizing opportunity for Americans,” **said former Alaska Governor Sean Parnell.** “He knows how to work with diverse groups of people and interests to protect our nation’s interests in her public lands and environment while maximizing job creation and opportunity for all Americans. From an Alaska perspective, it is good to know that our state will have someone at Interior who understands the complexity of Alaska issues and the people affected by decision making in Washington. Joe Balash’s selection is, indeed, an extremely solid pick for the President and for the people.”

"As a lifelong Alaskan who understands the importance for the responsible management of our resources, I can't think of anyone who would do a better job at the Department of the Interior for all Americans," **said Eddie Grasser, Vice-President, Safari Club International.**

“Joe will make an excellent Assistant Secretary for Land and Minerals. He brings to the office a wealth of experience and skills. First of all, he understands the importance of energy development, both on and offshore. Alaska is a great training ground for the decisions that are important to the rest of the United States in overall energy policy,” **said Randall Luthi, the President of the National Ocean Industries Association.** “His legislative experience will bode well for the Department with the Hill. His experience as Commissioner of the Department of Natural Resources means that he understands the importance of collecting different views and assuring energy development and the protection of other natural resources. The members of NOIA look forward to working with him to expand the US energy potential off our shores.”

“We welcome the pick of Mr. Balash as the assistant secretary of Land and Minerals Management. With his background as commissioner for natural resources in Alaska, Balash brings a depth of experience to Secretary Zinke and the Department of Interior,” said **Erik Milito, API group director of Upstream and Industry Operations**. “He should be a tremendous asset in helping to prioritize energy development and further strengthen U.S. energy and national security. We look forward to continuing to work with the Department of Interior on policies that will help keep energy affordable, create jobs, and protect our environment.”

As the Assistant Secretary for Land and Minerals Management, Balash will advise and oversee the Bureau of Land Management, Bureau of Ocean Energy Management, Bureau of Safety and Environmental Enforcement and the Office of Surface Mining Reclamation and Enforcement. The Assistant Secretary heads the Department of the Interior’s management of all federal lands and waters, and their associated mineral and non-mineral resources, as well as the appropriate regulation of surface coal mining. The Assistant Secretary for Land and Minerals Management is committed to managing, protecting, and improving lands and waters to serve the needs of the American people at all times.

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**Subject:** Interior Secretary Zinke Announces Nomination of Joe Balash: TEST  
**Date:** Wednesday, July 19, 2017 6:29:43 PM

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news release



Date: July 19, 2017  
Contact: Interior\_Press@ios.doi.gov

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"It's been a long time since the Department had an Assistant Secretary from Alaska, and the President's nomination of Joe Balash further proves his commitment to Alaska and rural America as a whole," **said Secretary Zinke**. "Joe is no stranger to the Department of the Interior having worked alongside the Department on a number of projects in Alaska. He brings an incredible combination of state and federal experience to the table, and he will be very effective in helping the Department work with Congress to do the work of the American people. I look forward to his speedy confirmation in the Senate."

"I am deeply honored to be able to serve at the Department of the Interior," **said Joe Balash**. "As a nation, we are blessed with tremendous public lands and resources that give our people unparalleled opportunities for recreation and job creation for generations to come. I look forward to working with Secretary Zinke and his incredible team to seize on those opportunities and deliver on President Trump's America First Energy Plan."

"While I'm sad to see Joe leave the Senate, his departure is a big gain for Secretary Zinke, the Department of Interior, the United States and Alaska," **said Senator Dan Sullivan**. "His wealth of knowledge and passion for Alaska – and more broadly federal land issues – cannot be overstated. His advice and counsel on natural resource matters will be invaluable as Secretary Zinke and the Trump administration chart a new path toward American energy dominance. Alaska can and should be a critical element of this important national objective."

"Joe Balash is an excellent choice for Assistant Secretary for Lands and Minerals Management, and I'm incredibly pleased that Secretary Zinke has chosen him for this important position," **Senate Energy and Natural Resources Chairman Lisa Murkowski said**. "From his time in the Alaska Governor's Office and as Commissioner of Natural Resources, to his service as a Senate Chief of Staff, Joe is uniquely qualified for this role. He has significant experience on energy and resource policy, a demonstrated record of upholding Alaska's interests as a landowner, and will make sure that America's interests are well represented at the Interior Department."

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"As a lifelong Alaskan who understands the importance for the responsible management of our resources, I can't think of anyone who would do a better job at the Department of the Interior for all Americans," **said Eddie Grasser, Vice President, Safari Club International**.

"We welcome the pick of Joe as the Assistant Secretary for Land and Minerals Management," **stated Khary Cauthen, American Petroleum Institute, senior director of Federal Affairs**. "He has a deep understanding of what our nation's natural resources mean for our national and economic security. We look forward to working with Joe and this administration to ensure the U.S. continues to benefit from our nation's energy renaissance."

“Joe will make an excellent Assistant Secretary for Land and Minerals. He brings to the office a wealth of experience and skills. First of all, he understands the importance of energy development, both on and offshore. Alaska is a great training ground for the decisions that are important to the rest of the United States in overall energy policy,” **said Randall Luthi, the President of the National Ocean Industries Association.** “His legislative experience will bode well for the Department with the Hill. His experience as Commissioner of the Department of Natural Resources means that he understands the importance of collecting different views and assuring energy development and the protection of other natural resources. The members of NOIA look forward to working with him to expand the US energy potential off our shores.”

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**Date:** Thursday, October 05, 2017 2:04:30 PM

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By Esther Whieldon

10/05/2017 01:57 PM EDT

The Interior Department says it is terminating the Obama administration's proposal to block mining on about 10 million acres of sage grouse habitat in the West, and it announced plans to alter the land-use plans the agency put in place in 2015.

In notices posted on its website that will be published in the Federal Register, the Bureau of Land Management [terminated](#) its plans set out under the Obama administration for an environmental impact statement that would have potentially led to the agency withdrawing land in so-called sagebrush focal areas in Idaho, Montana, Nevada, Oregon, Utah and Wyoming.

"The BLM has determined that the lands are no longer needed in connection with the proposed withdrawal," the notice says.

The agency is also asking for [comment](#) on changing the nearly 100 land-use plans BLM put in place under an agreement with states in lieu of listing the bird as either endangered or threatened under the Endangered Species Act.

BLM said it is re-opening the plans to comply with to a court decision earlier this year that held the agency did not adequately evaluate the designation of sagebrush focal areas in its 2015 greater sage-grouse plan amendment for Nevada.

**WHAT'S NEXT:** BLM will accept comments on the land use plan changes for 45 days after the notice is published in the Federal Register.

*To view online:*

<https://www.politicopro.com/energy/whiteboard/2017/10/interior-to-reverse-obama-sage-grouse-land-protection-reconsider-pacts-with-states-093991>

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www.eenews.net  
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**Subject:** Interior's "fire sale" for oil leases may come up short  
**Date:** Friday, October 27, 2017 5:04:59 AM

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## Interior's 'fire sale' for oil leases may come up short

By Ben Lefebvre

10/27/2017 05:01 AM EDT

The Interior Department's latest attempt to jump-start President Donald Trump's pledge to unleash American "energy dominance" might run into cold market reality.

Interior plans to offer up for lease every available tract in the Gulf of Mexico as well as every open acre in Alaska's National Petroleum Reserve-Alaska in a bid to spur more oil and gas development. But with oil still hovering at \$50 a barrel, and private land available in West Texas and North Dakota for fracking, Interior's plan to flood the market may find relatively few takers, experts said.

"It's almost like having a fire sale of all the acreage," said Ken Medlock, director of the Baker Institute's Center for Energy Studies at Rice University. "Wouldn't surprise me at all if there's a lot of acreage that doesn't sell."

Interior Secretary Ryan Zinke has said making the federal land available would prime the pump for more oil and gas production. The department plans to offer 10 million onshore acres in the NPR in northern Alaska in December and 77 million offshore acres across the entire Gulf of Mexico in March. And Interior will start offering leases for the entire Gulf of Mexico twice a year, a change from the previous practice of annual lease sales offering only specific portions of the Gulf at any given time.

"In today's low-price energy environment, providing the offshore industry access to the maximum amount of opportunities possible is part of our strategy to spur local and regional economic dynamism and job creation and a pillar of President Trump's plan to make the United States energy dominant," Zinke said in the offshore lease announcement.

While the lease sales are likely to generate some money for the federal government, analysts said the agency might be limited to a short-term cash infusion from the bids themselves, rather than generating much in royalties on production, since many companies would likely sit on the acreage and wait for oil prices to rise before drilling.

"Bidding on those leases generates revenue in [the first year] for the U.S. taxpayer, which has a benefit all its own," said Kevin Book, managing director for research at ClearView Energy Partners LLC. "As a result, offering as much as possible for lease may have the effect of maximizing bid bonuses, particularly if the leases come with favorable terms."

Interior's lease sales likely won't spur much oil and gas development in the Gulf or Alaska, however. The remoteness of both areas means production costs are high, making new projects in those locations a tough sell to companies that are grappling with low oil prices and are focused on increasing production in the lower 48 states.

U.S. oil production averaged 8.8 million barrels a day last year, up from 5.6 million barrels in 2011, according to Energy Information Administration data. Nearly 1 million barrels per day of U.S. crude are being exported this year.

Deep-water offshore projects cost billions of dollars and can take a decade to develop, and many companies have slashed spending in those areas, according to a recent [report](#) from market consulting agency IHS Markit.

The most likely outcome of the Gulf lease sale will be a modest number of companies picking up acreage adjacent to drilling rigs they already have operating, analysts said. That means that the March offshore lease sale may see a repeat of the result from the big offshore sale Interior held in August, said Justin Devery, a principal energy researcher at IHS Markit.

Interior had touted that last offshore lease sale as the biggest ever held by the department, with leases for 76 million acres up for sale. But the revenues for the government still fell relatively short, with Interior [garnering](#) \$121 million from bids on 508,096 acres.

"The last [sale] was big and wide and there were only about 100 bids, so it wasn't an overwhelming response, that's for sure," Devery said. "The guys out there, they're adding inventories, adding to plays they already have, but there's no wildcatting going on. They're still showing up [to the lease sales], just not buying a lot."

In Alaska, there may be even less interest. BLM [offered](#) 1.5 million acres in the NPR-A in December 2016, and oil companies bid on only 613,528 acres.

ConocoPhillips, which [announced](#) in January a promising discovery in the area, accounted for nearly half of the 92 overall bids in that sale, with only three other, smaller companies participating. ConocoPhillips declined to say whether it was interested in properties in the upcoming NPR-A lease sale.

Oil companies already hold leases for just over 1 million acres of federal lands in Alaska, according to [government data](#). Of that, only 16,822 acres are in production.

The remainder of those are acres the public cannot use and are not generating income for taxpayers, noted Nada Culver, senior counsel and director of the Wilderness Society's BLM Action Center.

"We will lose the ability to use those lands, and at the same time we're not necessarily going to see a return," Culver said. "So the American taxpayer is getting ripped off twice — you can't use these lands, and you're not getting a return on them letting these companies lock them up."

*To view online:*

<https://www.politicopro.com/energy/story/2017/10/interiors-fire-sale-for-oil-leases-may-come-up-short-163987>

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**Date:** Wednesday, December 27, 2017 9:13:55 AM

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## Is Trump delivering 'energy dominance'?

By Ben Lefebvre

12/27/2017 09:11 AM EDT

President Donald Trump's pledge to establish U.S. "energy dominance" has been a key pillar of his America First platform, but after a year in office, his efforts seem destined to have only a modest impact on oil and gas production while setting back some of the fastest growing energy technologies.

Trump's call for energy dominance dates back to his May 2016 campaign rally in North Dakota, and pushing for energy production growth was the subject of one of his first [executive orders](#). That directive was designed to unshackle the industry from what Republicans had decried as the burdens placed by the Obama administration on fossil fuel companies.

"They put American energy under lock and key," Trump said of the Obama administration in a [speech](#) unveiling the [National Security Strategy](#) earlier this month. "We have unlocked America's vast energy resources."

The good news for Trump is that the country is ending 2017 with record high oil and gas production. But the bad news is that the surge in energy output that started a decade ago may be nearing a plateau, and some experts worry that Trump's policies will hinder the shift to newer technologies that are likely to play a central role in the global economy in the coming years.

That includes renewable energy and electric vehicles, which could suffer setbacks if Trump erects trade barriers to solar imports and rolls back the aggressive vehicle fuel economy rules put in place under the Obama administration that experts say are crucial to driving investments in electric vehicles.

"The highest growing energy sources in the world are emerging technologies — electric vehicles and renewables — and this administration has proposed slashing the budget for clean energy," said Jason Bordoff, founding director of Columbia University's Center on Global Energy Policy. "We need to continue to invest in tomorrow's technologies, not only the ones we're using today."

U.S. oil production has [nearly doubled](#) during the past 10 years to an estimated 9.2 million barrels per day in 2017, and [natural gas output](#) has climbed by about 5 percent over that period to 73.5 billion cubic feet per day this year, a result of the massive investments by companies to deploy hydraulic fracturing and horizontal drilling technologies to unlock the resources trapped in shale rock. And now, industry consultants Wood MacKenzie are forecasting production will [flatten out](#) at 11.5 million barrels a day by 2026.

While adding another 2 million barrels a day to U.S. production is significant, it's a far cry from what Trump claimed at [a rally in Pensacola](#), Fla., this month, when he said, "We are

pursuing American energy dominance. And by the end of this year we will be totally self-sufficient." Even with the rising oil production, the U.S. imports nearly [8 million](#) barrels of crude per day.

Trump's big bet is that cutting regulations and opening up areas that have long been closed off for drilling will boost oil and gas production even further. But the federal government's influence mainly extends to federal lands, so there may be little effect on the industry that is mostly clustered on private property in west Texas, North Dakota, Pennsylvania and elsewhere, analysts said.

"Shale resources are on private and state-owned lands, so that's where economic resources are," said Nick Loris, The Heritage Foundation's Fellow in Energy and Environmental Policy Nick Loris. "Because we were fortunate that the shale plays were on state and privately owned lands, we are already energy dominant."

Interior Department records show that companies have pulled back on the amount of federal land they've sought for drilling since 2006, when oil prices reached a peak near \$145 a barrel. After the latest drop in prices in 2014, the number of oil and gas leases issued by the Bureau of Land Management fell to just 520 in 2016, the latest year for which [information is available](#), far below the 3,746 it approved in 2006.

The number of wells drilled on federal land peaked at 5,343 in fiscal year 2007 before steadily dwindling to 847 last year, a decline that's in line with the drop in the U.S. oil price benchmark. But it also represents a relative pittance in overall U.S. drilling activity: Exxon Mobil and other companies started 38,186 wells throughout the country in 2008, a number that only experienced a prolonged significant drop when it fell to 19,014 in 2015, according to data from S&P Platts Global. The number was 16,806 near the end of December 2017.

The Trump administration's effort to draw companies back onto federal land has so far been a bust. In December, Interior offered every acre it had available in Alaska to drilling companies. Only two companies bid — ConocoPhillips and Anadarko Petroleum — yielding a modest \$1.2 million for the federal coffers according to [auction results data](#).

And with oil prices now at little more than a third of their June 2008 peak, expensive drilling operations in the federal waters in the Gulf of Mexico also lost their luster just as the shale gas boom starting to gain traction onshore. In March 2013, companies bid \$1.2 billion for 1.7 million acres just in the central Gulf region, far more demand than the August sale for the entirety of the Gulf of Mexico that drew just \$121 million for 508,096 acres.

Still, energy industry lobbyists contend that opening more federal acres to drilling is keeping in the spirit of a free market. Oil and gas companies may not need the acres today, but would prefer to have them on hand in case oil demand picks up, said Chris Guith, senior vice president for policy at the U.S. Chamber of Commerce's Global Energy Institute.

"Some areas might not garner initial interest," Guith said. "But I'd prefer that possibility to there being great interest but regulators preventing access."

Trump has also said his approvals of the Keystone XL and Dakota Access pipeline have helped U.S. move toward energy dominance. While Dakota Access has been delivering oil from North Dakota to the Midwest, Keystone XL has still not started construction, and its developer, TransCanada, is still deciding whether to proceed after regulators in Nebraska

approved added new restrictions on its route through the state.

Meanwhile, the administration is pushing exports of liquefied natural gas, even sending EPA Administrator Scott Pruitt on an unusual trip to Morocco this month to pitch the fuel. That business could be promising, but so far, of the 11 LNG export projects approved under the Obama administration, only one, Cheniere's Sabine Pass plant, has finished construction and started shipping.

The Trump administration's moves clearing the way for LNG shippers to deal directly with China, may offer an opportunity for LNG shipments grow and create more demand for U.S. gas, but so far they have [come up short](#). Even an announcement of potential deal between China's Sinopec to buy into an Alaskan LNG project has drawn some skepticism, since several U.S. companies have previously walked away from the project, whose cost is believed to be far higher than the \$43 billion estimated by Sinopec and the Alaska Gasline Development Corp.

European buyers have also been reluctant to commit to long-term contracts with U.S. LNG producers, and instead seem content to buy on the open market that is well supplied.

And part of the difficulties in winning new business could be partly to blame on Trump's talk of dominating global energy markets, which has raised hackles in Europe, said Frank Verrastro, senior vice president at the Center for Strategic and International Studies.

"We always derided other countries such as Russia that used energy as a geopolitical lever," Verrastro said. "Dominance suggests there is a subordinate role, and some people chafe at that."

Trump has pointed to a bounce in coal production as a victory for his policies, since output, which languished for years as coal-fired power plants shut down, grew eight percent during the first 11 months of this year to reach 719 million tons on the back of rising exports. But the Energy Information Administration expects that domestic coal production will fall next year "because of lower exports and no growth in coal consumption."

So far, the one new coal mine to open this year, the Acosta Mine near Pittsburgh, will employ 70 people full-time to mine a type of coal used in making steel, not the more prevalent thermal coal.

While the administration is giving the next wave of renewable energy short shrift, solar, wind and other next-generation power sources are forecast to generate 10 percent of the country's electricity this year, according to the EIA. Instead of looking to renewable to decrease the country's still-sizable dependency on oil imports, Trump has often dismissed the sector's potential and proposed slashing federal research into lowering the cost of solar power projects, and has come under fire for illegally withholding grant money awarded to advance energy research projects.

Trump, a long time foe of wind power, also dismissed the technology at his recent rally in Florida. "The windmills are wonderful, but when the wind does not blow, it causes problems. 'We have no energy this week,'" Trump said.

The biggest setback for renewables could come next month, when the administration is expected to erect tariffs on imports of solar panels, a move supported by Suniva, a company

majority-owned by a Chinese firm, and the German-owned SolarWorld. Advocates of the trade barrier says it will level the playing field with Chinese solar manufacturers that have received state support, and help bolster U.S. panel manufacturing. But the U.S. solar industry and [even the conservative Wall Street Journal editorial board](#) are largely opposed to moves that will drive up the cost of solar, which has become competitive with coal and natural gas in many parts of the country.

"The solar industry created one in every 51 jobs last year, and grew 17 times faster than the rest of the economy," said Solar Energy Industries Association President and Chief Executive Abigail Ross Hopper. "President Trump can put America First and play a significant role in the growth of our industry by rejecting the tariff requests of two foreign-owned companies."

*To view online:*

<https://www.politicopro.com/energy/article/2017/12/is-trump-delivering-energy-dominance-250250>

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**From:** Jorjani, Daniel  
**To:** [David Bernhardt](#); [Lori Mashburn](#)  
**Subject:** Izembek  
**Date:** Monday, January 01, 2018 12:01:15 PM

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David and Lori - Who has the lead within DOI for locking down a date that works for POTUS, RZK, and Murkowski for the King Cove signing?

**From:** POLITICO Pro Energy Whiteboard  
**To:** [lori\\_mashburn@ios.doi.gov](mailto:lori_mashburn@ios.doi.gov); [POLITICO subscriptions](#)  
**Subject:** "Largest ever" Interior Alaska oil lease sale draws little interest  
**Date:** Wednesday, December 06, 2017 8:29:12 PM

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By Ben Lefebvre

12/06/2017 08:26 PM EDT

The Interior Department received only seven bids from two companies today in what it had billed as the "[largest ever](#)" oil and gas lease sale in the National Petroleum Reserve in Alaska.

The bids on the 10.3 million unleased acres in the NPR-A generated just \$1.2 million in high bids, according to a Bureau of Land Management summary. The relatively low amount could undercut GOP arguments that opening up the nearby Arctic National Wildlife Refuge would generate \$1 billion in revenue.

A BLM Alaska [lease sale last year](#) generated \$18 million for 1.4 million acres offered.

Subsidiaries of ConocoPhillips and Anadarko were the only two companies that participated in the lease sale. The companies only bid for 80,000 acres, or less than 1 percent of the acreage offered. The highest bid amount was \$14.99 per acre.

Low oil prices and the relatively cheap and plentiful land available for hydraulic fracturing in the lower 48 has hurt oil company interest in the out-of-the-way fields of Alaska and the Gulf of Mexico. Interior Secretary Ryan Zinke and Sen. [Lisa Murkowski](#) (R-Alaska) have pushed to open more public land to drilling, however, saying that doing so is important to increase domestic energy production.

Zinke had previously said that today's "large and unprecedented sale in Alaska will help achieve our goal of American Energy Dominance."

An Interior spokesperson did not immediately respond to questions.

**WHAT'S NEXT:** Republicans hope to keep ANWR drilling provisions in their budget proposal.

*To view online:*

<https://www.politicopro.com/energy/whiteboard/2017/12/largest-ever-interior-alaska-oil-lease-sale-draws-little-interest-211280>

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**From:** Robert Graboyes  
**To:** [lori\\_mashburn@ios.doi.gov](mailto:lori_mashburn@ios.doi.gov)  
**Subject:** Mercatus Annual Dinner  
**Date:** Thursday, November 30, 2017 10:43:31 AM

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Lori,

It was a pleasure talking with you at the Mercatus Annual Dinner. So glad to have had the chance to chat.

Let's stay in touch. If I can be of service, please don't hesitate to let me know.

If you're interested in a peek at my work on health care, you can find it on the Mercatus website: <http://mercatus.org/robert-graboyes> or on my personal website: [http://www.robertgraboyes.com/Index\\_files/Work,%20Mercatus,%202013-date.pdf](http://www.robertgraboyes.com/Index_files/Work,%20Mercatus,%202013-date.pdf).

And Alanna always asks about you and Lydia. So you'll need to come by sometime.

Cheers,  
Bob

Robert F. Graboyes, PhD / Senior Research Fellow

Mercatus Center at George Mason University / 3434 Washington Blvd, 4<sup>th</sup> floor / Arlington, VA 22201  
(703) 993-9671 / @Robert\_Graboyes / [rgraboyes@mercatus.gmu.edu](mailto:rgraboyes@mercatus.gmu.edu) / [www.mercatus.org](http://www.mercatus.org)  
Professor (Health Economics): Virginia Commonwealth University & University of Virginia

**From:** Morning Consult  
**To:** [lori\\_mashburn@ios.doi.gov](mailto:lori_mashburn@ios.doi.gov); [The Morning Consult](#)  
**Subject:** Morning Consult Washington, Presented by Freight Rail Works: Congress Reconvenes for Deadline-Packed September  
**Date:** Tuesday, September 05, 2017 9:13:26 AM

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By [Eli Yokley](#)

## Top Stories

- Congress reconvenes today with less than a month to reach a legislative agreement that would avoid a government shutdown and raise the debt ceiling. Both issues are being overshadowed by the rising cost of the federal response to Hurricane Harvey. ([Bloomberg](#))
- Florida Gov. Rick Scott (R) declared a state of emergency Monday as chances increased that south Florida could feel the effects of Hurricane Irma, which is now a Category 5 hurricane. ([USA Today](#))
- President Donald Trump is scheduled to meet today with key players on tax

reform, including House Speaker Paul Ryan, Senate Majority Leader Mitch McConnell and the chairmen of the House Ways and Means Committee and the Senate Finance Committee. ([Politico](#))

- Attorney General Jeff Sessions is scheduled to speak today about President Donald Trump's plan to delay a decision on the fate of about 800,000 people protected from deportation under the Obama administration's Deferred Action for Childhood Arrivals program. Trump wants Congress to come up with a legislative solution. ([The New York Times](#))

## Chart Review

[DACA has shielded nearly 790,000 young unauthorized immigrants from deportation](#)

**Pew Research Center**

## Events Calendar (All Times Local)

### TUESDAY

Heritage Foundation event on BRAC 10:30 a.m.

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William Julius Wilson, J.D. Vance speak at Brookings Institution event 3:30 p.m.

### WEDNESDAY

Atlantic Council discussion on modernizing NAFTA, North

American energy sector 9 a.m.

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EPA public hearing on mid-term evaluations for greenhouse gas emissions standards 9 a.m.

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Senate Foreign Relations Committee hearing on U.S.- Turkey relations 10:30 a.m.

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Senate Appropriations subcommittee markup of the FY2018 Labor, HHS, Education appropriations bill 11 a.m.

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Senate Appropriations subcommittee markup of FY2018 State & Foreign Operations appropriations bill 2 p.m.

### **THURSDAY**

CAP event on part-time college students 10 a.m.

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Senate Finance Committee hearing on Children's Health Insurance Program 10 a.m.

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House Armed Services Committee hearing on problems with USS Fitzgerald, USS John S. McCain 2 p.m.

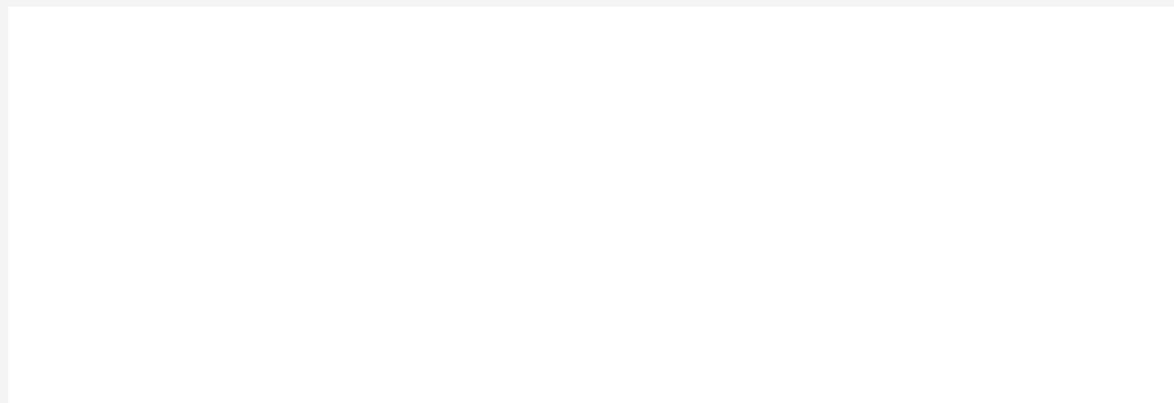
### **FRIDAY**

Govs. Hickenlooper, Kasich discuss health care proposal at AEI 9:15 a.m.

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Brookings Institution event on foreign cyber interference in U.S. elections 10:30 a.m.

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**General**

## **[GOP Faces Pileup of Urgent Tasks Topped by Debt Limit Extension](#)**

**Anna Edgerton, Bloomberg**

Republicans return to Washington Tuesday with less than a month to avoid a government shutdown and avert a default on the nation's debt, tasks that are being overshadowed by the quickly mounting costs of the response to Hurricane Harvey. Lawmakers need to pass a measure by Sept. 30 to fund the government, as well as one raising the debt limit before the end of the month.

## **[North Korea Crisis: Russia's Putin Warns of 'Global Catastrophe'](#)**

**F. Brinley Bruton and Alan Kaytukov, NBC News**

Russian President Vladimir Putin warned Tuesday that ramping up the "military hysteria" around North Korea's escalating nuclear and missile tests could lead to a "global catastrophe." He also questioned the effectiveness of tightening sanctions, as the U.S. has suggested, saying that they will not change the behavior of Kim Jong Un and his regime.

## **[EPA now requires political aide's sign-off for agency awards, grant applications](#)**

**Juliet Eilperin, The Washington Post**

The Environmental Protection Agency has taken the unusual step of putting a political operative in charge of vetting the hundreds of millions of dollars in grants the EPA distributes annually, assigning final funding decisions to a former Trump campaign aide with little environmental policy experience. In this role, John Konkus reviews every award the agency gives out, along with every grant solicitation before it is issued.

## **[Breaking from tech giants, Democrats consider becoming an antimonopoly party](#)**

**David Weigel, The Washington Post**

A messy, public brawl over a Google critic's ouster from a Washington think tank has exposed a fissure in Democratic Party politics. On one side there's a young and growing faction advocating new antimonopoly laws, and on the other a rival faction struggling to defend itself.

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## **Presidential**

## [Trump's meeting with tax negotiators kicks off fall reform push](#)

**Aaron Lorenzo, Politico**

When President Donald Trump sits down Tuesday with tax reform negotiators from his administration and Congress, they're hoping it will mark the start of a final push to get legislation to Trump's desk before the year is through.

Agreement on a plan to cut taxes for individuals and businesses, along with more fundamental changes to the tax code, would allow the House Ways and Means and Senate Finance committees to start putting meat on the bone with legislative language.

## [On DACA, President Trump Has No Easy Path](#)

**Glenn Thrush et al., The New York Times**

For months, an anxious and uncertain President Trump was caught between opposing camps in the West Wing prodding him to either scrap or salvage an Obama-era program allowing undocumented immigrants brought to the country as minors to remain in the United States. Last week, with a key court deadline looming for Deferred Action for Childhood Arrivals, or DACA, Mr. Trump, exasperated, asked his aides for "a way out" of a dilemma he created by promising to roll back the program as a presidential candidate, according to two people familiar with the exchange.

## [Haley: Kim Jong Un 'begging for war'](#)

**Jeremy Herb et al., CNN**

US Ambassador to the United Nations Nikki Haley said Monday that North Korean leader Kim Jong Un was "begging for war" as she urged the UN Security Council to adopt the strongest sanctions measures possible to stop Pyongyang's nuclear program. Speaking at a Security Council emergency meeting, Haley said North Korea's sixth nuclear test was a clear sign that "the time for half measures" from the UN had to end.

## [Trump family and associates to be in Russia probe crosshairs](#)

**Eric Tucker et al., The Associated Press**

A web of President Donald Trump's family and associates will be back in the crosshairs of congressional committees investigating whether his campaign colluded with Russia, as well as of the high-wattage legal team assembled by special counsel Robert Mueller. As Congress returns from a summer recess, some of the attention will be focused squarely on the president's eldest son,

Donald Trump Jr., who will meet privately in the coming weeks with staffers on the Senate judiciary and intelligence committees.

### [Key Trump Aide's Departure Rattles President's Allies](#)

**Shannon Pettypiece and Jennifer Jacobs, Bloomberg**

President Donald Trump's allies are worried that the most damaging of the many recent departures from his White House may be that of Keith Schiller, a little-known former bodyguard who's one of the president's closest confidants outside his family. Schiller is leaving the White House soon to return to the private security business, according to three people familiar with his plans, for a job that will pay far more than his \$165,000 government salary.

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## Senate

### [Graham backs Trump ending DACA with 6-month delay](#)

**Brandon Carter, The Hill**

Sen. Lindsey Graham (R-S.C.) said Monday that he would support President Trump's decision to end the Deferred Action for Childhood Arrivals (DACA) program if Trump gives Congress six months to find a legislative solution. "If President Trump chooses to cancel the DACA program and give Congress six months to find a legislative solution, I will be supportive of such a position," Graham said in a statement.

### [Senate's Obamacare fixes would build on heavy lifting by states](#)

**Adam Cancryn, Politico**

While Congress was busy bickering over repealing the health law, officials in red and blue states worked frantically to soothe anxious insurers, tamp down rate increases and insulate their markets from the ceaseless chaos in Washington. The result is an Obamacare system that's still vulnerable, but far from the "disaster" President Donald Trump and his top health officials describe.

### [Everything you need to know about Sen. Menendez's bribery trial](#)

**Sarah Jorgensen and Laura Jarrett, CNN**

It's a case with allegations spanning seven years, multiple countries, and involving hundreds of thousands of dollars. At the center of it: a sitting US

senator.

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## House

### [Harvey Aid Package Adds to Full House Agenda](#)

**Lindsey McPherson, Roll Call**

As the House returns from its summer recess, Republicans are looking to pass the eight remaining appropriations bills soon, which would complete a GOP omnibus they hope will serve as an opening bid for negotiations with the Senate. The chamber might also take quick action on an initial supplemental appropriations measure to provide money for Hurricane Harvey recovery efforts.

### [Democratic Soul-Searching in One Pennsylvania House Race](#)

**Bridget Bowman, Roll Call**

Democrats across the country are doing some soul-searching as Congress returns to the nation's capital. The crowded Democratic primaries taking shape raise questions about whether more liberal candidates can win in Republican districts.

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## States

### [Hurricane Irma now at Category 5, with 175 mph winds](#)

**Doyle Rice, USA Today**

"Extremely dangerous" Hurricane Irma strengthened to a Category 5 storm Tuesday morning, the National Hurricane Center said, with sustained winds of 175 mph. The hurricane will blast the northern Caribbean with flooding rain, damaging winds and rough surf over the next few days, AccuWeather warned, bringing life-threatening conditions to the islands.

### [In Texas, Distrust of Washington Collides With Need for Federal Aid](#)

**Richard Fausset, The New York Times**

Few places need the federal government right now more than Texas does, as it begins to recover from Hurricane Harvey. Yet there are few states where the

federal government is viewed with more resentment, suspicion and scorn.

### [Cash-strapped states brace for Russian hacking fight](#)

**Cory Bennett et al., Politico**

The U.S. needs hundreds of millions of dollars to protect future elections from hackers - but neither the states nor Congress is rushing to fill the gap. Instead, a nation still squabbling over the role Russian cyberattacks played in the 2016 presidential campaign is fractured about how to pay for the steps needed to prevent repeats in 2018 and 2020, according to interviews with dozens of state election officials, federal lawmakers, current and former Department of Homeland Security staffers and leading election security experts.

### [Schwarzenegger's bipartisan next political act: Terminating gerrymandering](#)

**Joe Garofoli, San Francisco Chronicle**

Former California Gov. Arnold Schwarzenegger is a master at marketing, having scaled to the top of three different professions. But these days, the former bodybuilder and movie star is taking on perhaps his biggest sales challenge since he made "Last Action Hero": He's trying to get people to care about redistricting, the critical but arcane process of drawing political districts.

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## **Advocacy**

### [Reid Hoffman has billions of dollars and one of the best networks in Silicon Valley. Here's how he's using them to take on Trump.](#)

**Tony Romm, Recode**

It began with a simple card trick. Reid Hoffman had grown tired of listening to Donald Trump trash talk Hillary Clinton and his ever-growing list of political foes.

### [New MPAA chief Charles Rivkin aims to be a diplomat for Hollywood at an uncertain time](#)

**Ryan Faughnder, Los Angeles Times**

Upon arriving in Paris as the new U.S. ambassador to France and Monaco in 2009, Charles Rivkin used his show business pedigree to charm President Nicolas Sarkozy with a gift: a framed poster of Rita Hayworth. It was a smooth

move for Rivkin, whom President Obama chose for the role after a 20-year career in the entertainment industry, including stints at Jim Henson Co. and "Yo Gabba Gabba" producer WildBrain.

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### **A Message from Freight Rail Works:**

In an environment of smart and balanced regulation, America's private freight railroads deliver for rail customers and consumers. Average freight rail rates are down 45 percent since the industry was partially deregulated. At the same time, railroads have poured more than \$630 billion into a network that spurs billions of dollars in annual economic activity. Learn how proposed regulations could undo all of this at [FreightRailWorks.org](http://FreightRailWorks.org)

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## **Opinions, Editorials and Perspectives**

### **[Congress's most important assignment after summer vacation](#)**

**Editorial Board, The Washington Post**

Like so many procrastinating students putting off their summer homework assignments, Congress has postponed much of the United States' essential business until after the August recess - and left itself only 12 days on the legislative calendar to get it all done now that lawmakers are back in Washington. This legislative backlog could and should have been avoided if Capitol Hill worked under regular order, leavened by a modicum of bipartisanship.

### **[Options for Removing Kim Jong Un](#)**

**The Editorial Board, The Wall Street Journal**

North Korea conducted its sixth nuclear test on Sunday, detonating a bomb 10 times more powerful than its last test a year ago. The South Korean government says Pyongyang is also preparing its third test of an intercontinental ballistic missile.

### **[The Russian Company That Is a Danger to Our Security](#)**

**Jeanne Shaheen, The New York Times**

The Kremlin hacked our presidential election, is waging a cyberwar against our NATO allies and is probing opportunities to use similar tactics against

democracies worldwide. Why then are federal agencies, local and state governments and millions of Americans unwittingly inviting this threat into their cyber networks and secure spaces?

### [Let 'dreamers' live the American Dream](#)

**Leon E. Panetta, The Washington Post**

In October 1921, my Italian father arrived in the United States aboard the Providence, one of 1,800 third-class passengers searching for a better life in this country. At Ellis Island, he listed his total assets as \$25 and his profession simply as "peasant."

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## Research Reports and Polling

### [President Trump Inc.](#)

**Public Citizen**

The election of Donald Trump as president of the United States created an unprecedented situation. Never before had a businessman with a global business empire been elected president. The fact that the president of the United States would have such diverse business holdings, foreign and domestic, would pose enormous risks by itself.

### [Does Loss of Manufacturing Jobs Lead to Lower Life Ratings?](#)

**Jonathan Rothwell, Gallup**

Previous research has shown very little evidence that more intensive import competition from China has been broadly harmful to the economies of metropolitan areas. That's despite the fact that import competition in a given area is related to a sharper loss of manufacturing jobs.

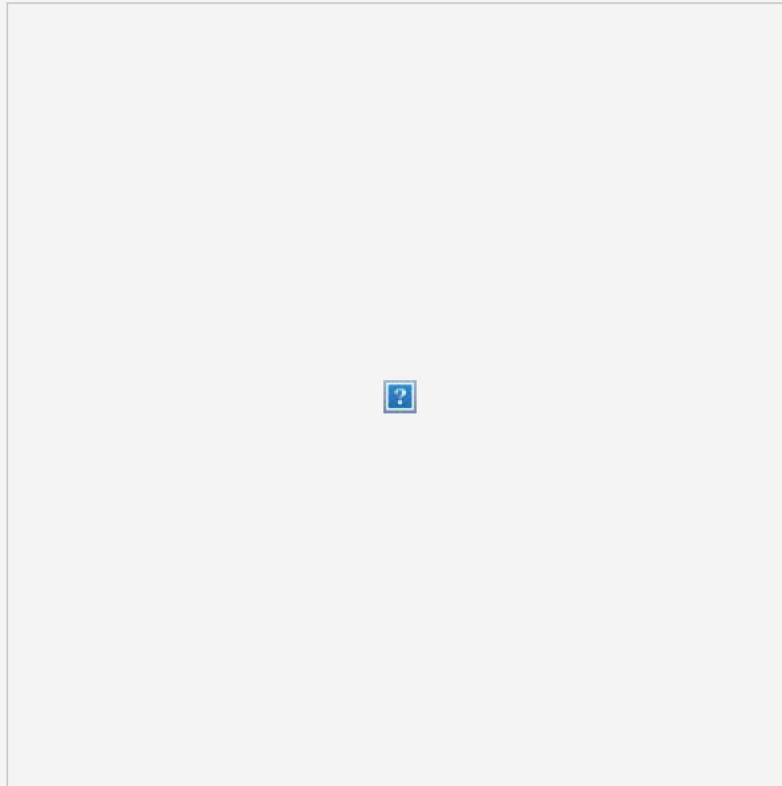


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**To:** [lori\\_mashburn@ios.doi.gov](mailto:lori_mashburn@ios.doi.gov); [The Morning Consult](#)  
**Subject:** Morning Consult Washington, Presented by the Electronic Payments Coalition: Franken to Make Announcement From Senate Floor This Morning  
**Date:** Thursday, December 07, 2017 9:21:23 AM

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By [Eli Yokley](#)

## Top Stories

- Sen. Al Franken (D-Minn.) plans to resign from the Senate following calls from more than half of the Senate Democratic Caucus to quit amid allegations of sexual misconduct, according to an unnamed Democratic official. Franken's office said no final decision has been made, and the Minnesota Democrat plans to make an announcement from the Senate floor this morning. ([Star Tribune](#))
- The House voted 231 to 198 to pass legislation that would let concealed carry license holders conceal a handgun in other states, with opposition from 14 Republicans and support from six Democrats. The measure, a top priority

for the National Rifle Association, is strongly opposed by Senate Democrats. ([Politico](#))

- President Donald Trump is set to meet today with Republican and Democratic leaders from the House and Senate to discuss a long-term budget deal as lawmakers prepare to pass a stopgap spending measure to avoid a government shutdown on Saturday. The House is expected to vote today on a bill that would keep the government open through Dec. 22, with the Senate expected to vote on the measure Friday. ([Bloomberg](#))
- The Senate voted to begin negotiations with the House on competing bills that would overhaul the federal tax code, with the goal of resolving differences on issue such as deductions for medical expenses and state income taxes. The eight Senate GOP conferees include Finance Committee Chairman Orrin Hatch of Utah, Budget Committee Chairman Mike Enzi of Wyoming, and Energy and Natural Resources Committee Chairman Lisa Murkowski of Alaska. ( [The Wall Street Journal](#))

## **Chart Review**

**[Americans Are Skeptical of Muslim, Atheist Candidates, but That Could Change](#)**

**Morning Consult**



## Events Calendar (All Times Local)

### THURSDAY

ACCF event on Trump's economic policy agenda 9:30 a.m.

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Carnegie Endowment for International Peace event on sanctions for nonproliferation 10 a.m.

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Senate Armed Services Committee hearing on the Defense Department's acquisition reform efforts 10 a.m.

---

FBI director testifies before House Judiciary Committee 10 a.m.

---

CSIS event on OPEC's World Oil Outlook 2017 2 p.m.

**FRIDAY**

Carnegie Endowment for International Peace event on  
China and the U.S.-Japan alliance 10:30 a.m.

---

Trump campaign rally in Pensacola, Fla. 7 p.m.



## General

### [Voters Back Government Shutdown to Renew Health Insurance Program for Kids](#)

**Jon Reid, Morning Consult**

Two-thirds of voters in a new poll indicated support for shutting down the federal government until Congress reauthorizes the Children's Health Insurance Program, which lawmakers let expire in September amid partisan disagreements over how to pay for a funding extension. With funding for government operations set to expire on Friday absent congressional action, 67 percent of respondents said they support shutting down the government over CHIP, according to a Morning Consult/Politico poll conducted Dec. 1-3.

### [Flynn Said Russian Sanctions Would Be 'Ripped Up,' Whistle-Blower Says](#)

**Mark Mazzetti and Michael S. Schmidt, The New York Times**

Michael T. Flynn, President Trump's former national security adviser, told a former business associate that economic sanctions against Russia would be "ripped up" as one of the Trump administration's first acts, according to an account by a whistle-blower made public on Wednesday. Mr. Flynn believed that ending the sanctions could allow a business project he had once participated in to move forward, according to the whistle-blower.

### [Republicans hammer Mueller, FBI as Russia investigation intensifies](#)

**Devlin Barrett and Sean Sullivan, The Washington Post**

Republican activists and lawmakers are engaged in a multi-front attack on special counsel Robert S. Mueller III's probe of possible connections between associates of President Trump and Russian agents, trying to stop or curtail the investigation as it moves further into Trump's inner circle. For months, the president and his allies have been seizing on any whiff of possible impropriety by Mueller's team or the FBI to argue that the Russia probe is stacked against Trump - potentially building the political support needed to dismiss the special counsel.

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## Presidential

## [Trump to Meet Democrats With Congress on Track to Avoid Shutdown](#)

**Erik Wasson et al., Bloomberg**

President Donald Trump will meet with congressional leaders from both parties Thursday to negotiate on a long-term budget deal as Congress prepares to pass a stopgap spending measure to avoid a U.S. government shutdown Saturday. The House is expected to vote on a two-week spending bill to keep the government open through Dec. 22, with Senate action coming by Friday.

## [U.S. 9th Circuit judges skeptical of Trump's travel ban](#)

**Maura Dolan, Los Angeles Times**

Two days after the Supreme Court allowed President Trump to enforce his travel ban, a federal appeals court appeared skeptical that it complied with the law. During a hearing in Seattle before a three-judge panel of the U.S. 9th Circuit Court of Appeals, a lawyer for the Trump administration argued the revised ban issued in September was based on careful study and tailored toward specific conditions in various countries.

## [Trump administration opposes unions in key Supreme Court case](#)

**Ian Kullgren, Politico**

The Trump administration sided against public employee unions Wednesday evening in a Supreme Court case that could deal the labor movement a crippling financial blow. In a brief submitted in *Janus v. American Federation of State, County, and Municipal Employees*, the Office of Solicitor General sided with a child-support specialist for the state of Illinois who's challenging AFSCME's legal right to collect so-called "fair-share fees" from union nonmembers.

## [Trump Jr. Won't Provide Details of a Call With His Father](#)

**Sharon LaFraniere and Nicholas Fandos, The New York Times**

Donald Trump Jr. refused on Wednesday to provide a congressional committee details of a July telephone conversation with his father about a meeting last year at which Trump campaign officials had expected to receive damaging information from the Russian government about Hillary Clinton. Testifying in a closed session before the House Intelligence Committee, Mr. Trump claimed that his conversation over the summer with his father, two days after The New

York Times disclosed the June 2016 meeting at Trump Tower in Manhattan, was protected under attorney-client privilege because lawyers for both men were on the call.

### [Haley: 'Open question' if US athletes can attend Olympics in South Korea](#)

**Sophie Tatum, CNN**

Whether US athletes will be able to attend the 2018 Winter Olympics in South Korea remains an "open question," US Ambassador to the United Nations Nikki Haley said Wednesday night. The Winter Olympics are set to be held Feb. 9-25 in Pyeongchang, South Korea.

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## Senate

### [Sen. Al Franken plans a morning announcement on the Senate floor](#)

**Jennifer Brooks et al., Star Tribune**

Democratic Party leaders united Wednesday in calling for Sen. Al Franken to resign from the U.S. Senate, an extraordinary rebuke to the Minnesota Democrat as he faced a new allegation of sexual harassment. Franken planned to make an announcement about his future Thursday morning on the Senate floor.

### [Senate Votes to Begin Tax-Overhaul Negotiations With House](#)

**Richard Rubin, The Wall Street Journal**

The U.S. Senate voted Wednesday to start formal tax-bill negotiations with the House of Representatives as lawmakers began grappling with the delicate balance they must strike to advance final legislation through both chambers and to the president by Christmas. Republicans are weighing a number of changes that would expand tax cuts and force offsetting adjustments.

### [Bredesen running for Senate](#)

**Cari Wade Gervin, Nashville Post**

Former Gov. Phil Bredesen is entering the Democratic primary for U.S. Senate. According to multiple sources, Bredesen began calling major donors this afternoon to confirm that he is in the race.

## [Indiana GOP Senate candidate voted Democrat until 2012](#)

**Brian Slodysko, The Associated Press**

A wealthy Indiana Senate candidate who bills himself in television ads as a conservative Republican voted for more than a decade in the state's Democratic primaries, according to public documents obtained by The Associated Press. Records from the Dubois County Clerk's office, where candidate Mike Braun is registered to vote, show the 63-year-old consistently cast Democratic ballots in partisan primary elections until 2012.

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## House

### [House passes concealed carry gun bill in win for GOP and NRA](#)

**John Bresnahan, Politico**

The House passed legislation to permit concealed carry license holders to conceal a handgun in other states, the first time Congress has taken action on a gun bill since President Donald Trump was sworn into office. The "Concealed Carry Reciprocity Act," a top priority for the National Rifle Association and other gun-rights groups, passed 231-198.

### [House Republicans Weigh Linking Debt Ceiling Increase to Spending Bill](#)

**Kristina Peterson and Kate Davidson, The Wall Street Journal**

A group of House Republicans is considering pushing to raise the government's borrowing limit as part of the next long-term spending bill, a move that could help dispatch one of the thorniest issues for GOP lawmakers before next year's primary elections intensify. Rep. Doug Collins of Georgia, a member of House GOP leadership and the head of a working group of House Republicans on the debt limit, said lawmakers were considering increasing the debt ceiling as part of the bill funding the government for the rest of the fiscal year, known as an omnibus.

### [Ryan says Republicans to target welfare, Medicare, Medicaid spending in 2018](#)

**Jeff Stein, The Washington Post**

House Speaker Paul D. Ryan (R-Wis.) said Wednesday that congressional Republicans will aim next year to reduce spending on both federal health care

and anti-poverty programs, citing the need to reduce America's deficit. "We're going to have to get back next year at entitlement reform, which is how you tackle the debt and the deficit," Ryan said during an appearance on Ross Kaminsky's talk radio show.

### [Kihuen Mum on Re-Election Question](#)

**Bridget Bowman, Roll Call**

Nevada Democratic Rep. Ruben Kihuen declined to answer questions Wednesday morning about whether he will run for re-election. "We're going to be making another statement here in the next few days," Kihuen told Roll Call as he walked to the Capitol.

### [Andy Levin running to replace father Sandy Levin in 9th Congressional district](#)

**Lauren Gibbons, MLive.com**

Andy Levin, the son of sitting U.S. Rep. Sandy Levin and the former head of the Michigan Department of Energy, Labor and Economic Growth, has announced his bid to replace his father in Washington, D.C. Andy Levin, of Bloomfield Twp., is the founder of a clean energy business and directed worker training as part of his role with the state of Michigan under former Gov. Jennifer Granholm.

### [John Conyers III was arrested for domestic abuse but not prosecuted](#)

**Andrew Blankstein and Alex Johnson, NBC News**

John Conyers III, a Detroit hedge fund manager named as a possible successor to his scandal-rocked father, Rep. John Conyers, was arrested in Los Angeles this year on suspicion of domestic violence, but prosecutors declined to charge him, according to documents obtained by NBC News. The Los Angeles County District Attorney's Office cited a "lack of independent witnesses" and their conclusion that it "could not be proven beyond a reasonable doubt that the victim's injury was not accidentally sustained" while he was disarming her, according to case paperwork.

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**States**

## [Race where Republican leads by 10 votes instrumental to deciding Va. politics' fate](#)

**Fenit Nirappil, The Washington Post**

It was "Take Your State Legislator to School Day" in this coastal Virginia city. And two of them showed up.

## [Independent Greg Orman reshuffles the race for Kansas governor](#)

**Bryan Lowry and Jonathan Shorman, The Kansas City Star**

A Johnson County businessman with tens of millions in assets took the first major steps Wednesday toward an independent candidacy for governor. Greg Orman, who mounted a failed bid for U.S. Senate in 2014, filed paperwork with the state to establish a campaign committee and begin fundraising.

## [Dallas County Sheriff Lupe Valdez, a Democrat, is running for governor](#)

**Patrick Svitek, The Texas Tribune**

Dallas County Sheriff Lupe Valdez announced Wednesday morning that she is running for governor, giving Texas Democrats a serious candidate for the top job with five days until the candidate filing deadline for the 2018 primaries. "Like so many hardworking Texans, I know it's tough deciding between buying food, finding a decent place to live, and setting aside money for college tuition," Valdez said in a statement before filing at the Texas Democratic Party headquarters in Austin.

## [Gay man who was denied marriage license by Kim Davis is running for her job](#)

**Adam Beam, The Associated Press**

David Ermold returned to the Rowan County courthouse Wednesday, nearly two years after Clerk Kim Davis refused to give him a marriage license because he was gay. Only this time, he did not want a license.

## [Illinois governor's race haunted by 2016 presidential primary](#)

**Natasha Korecki, Politico**

An inevitable candidate. Accusations of a rigged primary.

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## Advocacy

### [Lobbyists push GOP in last-minute scramble to save tax breaks](#)

**Theodoric Meyer et al., Politico**

Lobbyists have launched an all-out effort to save tax breaks and protect powerful industries as the Republicans' tax overhaul lurches toward President Donald Trump's desk. Builders and real estate interests are pushing to save the mortgage interest deduction.

### [Outdoors industry groups ratchet up Trump criticism](#)

**Devin Henry, The Hill**

President Trump's decision this week to shrink two national monuments escalated a fight between the outdoors industry and his administration. Retailers such as Patagonia and REI slammed Trump's decision, equating it to theft, while lining up to challenge its legality.

### [Inside Oracle's cloak-and-dagger political war with Google](#)

**Tony Romm, Recode**

The story that appeared in Quartz this November seemed shocking enough on its own: Google had quietly tracked the location of its Android users, even those who had turned off such monitoring on their smartphones. But missing from the news site's report was another eyebrow-raising detail: Some of its evidence, while accurate, appears to have been furnished by one of Google's fiercest foes: Oracle.

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### **A Message from the Electronic Payments Coalition:**

A new EPC report analyzes how countries that adopt EMV experience lower counterfeit card fraud rates. It's time for a dynamic data security strategy to protect consumers like you. [Learn more](#) from EPC.

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## Opinions, Editorials and Perspectives

### [I Believe Franken's Accusers Because He Groped Me, Too](#)

**Tina Dupuy, The Atlantic**

In mid-November, a Los Angeles radio host named Leeann Tweeden stepped forward to claim that Senator Al Franken had shoved his tongue down her throat under the pretext of a rehearsal for a sketch he'd written. The coup de grace was a photograph of a sleeping Tweeden and the now-senator pretending to grab her boobs for the camera.

### [Trump, Israel and the Art of the Giveaway](#)

**Thomas L. Friedman, The New York Times**

I'm contemplating writing a book on the first year of President Trump's foreign policy, and I already know the name: "The Art of the Giveaway." In nearly 30 years of covering United States foreign policy, I've never seen a president give up so much to so many for so little, starting with China and Israel.

### [Why Donald Trump Would Regret Firing Robert Mueller](#)

**Karl Rove, The Wall Street Journal**

They came like rapid-fire rifle shots. On Friday, former national security adviser Mike Flynn copped a deal, pleading guilty to making false statements to the FBI and promising to cooperate with Special Counsel Robert Mueller in return for avoiding more-serious charges.

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### **A Message from the Electronic Payments Coalition:**

[NEW REPORT](#): EMV adoption is critical to reduce counterfeit fraud in the U.S. [Learn how](#) EPC members are developing and implementing new technologies to make your life more secure.

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## **Research Reports and Polling**

### [The 2017 Annual Homeless Assessment Report \(AHAR\) to Congress](#) **The Department of Housing and Urban Development**

The Department of Housing and Urban Development (HUD) releases the Annual Homeless Assessment Report to Congress (AHAR) in two parts. Part 1 provides Point-in-Time (PIT) estimates, offering a snapshot of homelessness- both sheltered and unsheltered- on a single night.



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**Subject:** Morning Consult Washington, Presented by the Electronic Payments Coalition: Hawaii Judge Exempts More Family Members From Travel Ban  
**Date:** Friday, July 14, 2017 8:53:01 AM

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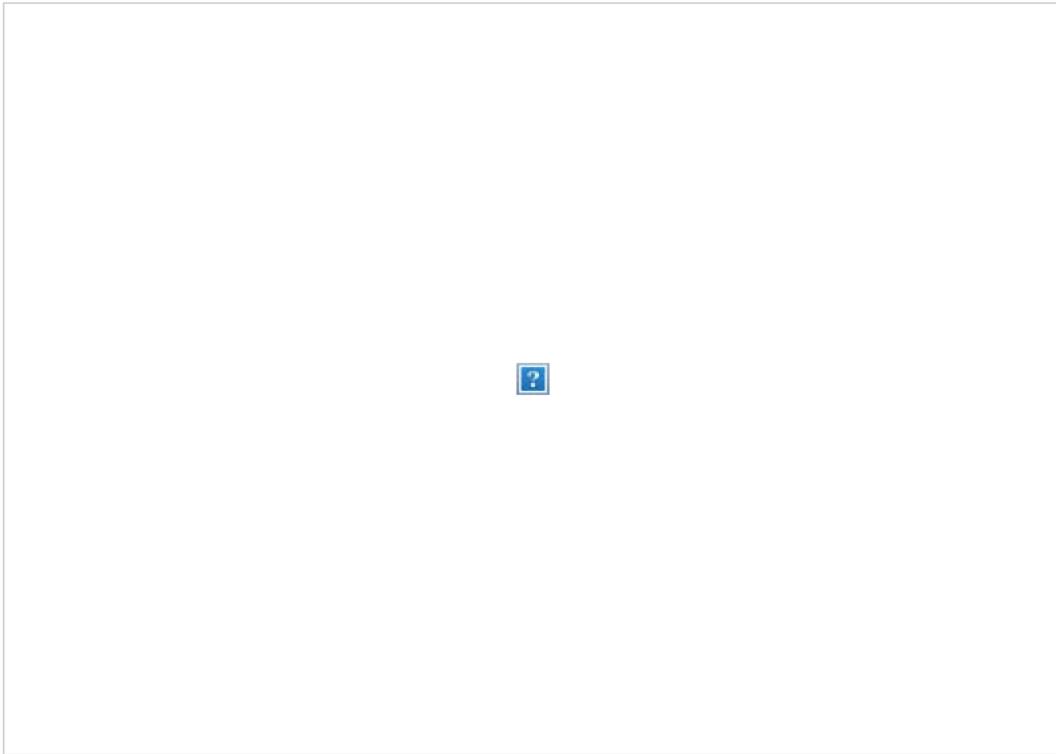
By [Eli Yokley](#)

## Washington Brief

- A federal judge in Hawaii loosened President Donald Trump's temporary travel ban by removing a prohibition on grandparents, grandchildren, aunts, uncles and cousins. The judge said the Trump administration's approach to the ban contradicted a recent Supreme Court ruling regarding visitors from six Muslim-majority countries. ([The Wall Street Journal](#))
- After several GOP senators expressed misgivings about the latest iteration of the Senate's health care bill, Trump tweeted that "Republican Senators must come through" and pass an Obamacare replacement bill. ([Politico](#)) House Speaker Paul Ryan (R-Wis.) floated the idea of keeping his chamber in session if the Senate passes its measure before House lawmakers are scheduled to adjourn for their August recess. ( [Roll Call](#))
- The nonpartisan Congressional Budget Office published an analysis that says Trump's spending plan would not balance the budget in 10 years. White House estimates said Trump's budget would create a surplus. ( [USA Today](#))
- When Russian lawyer Natalia Veselnitskaya met with Donald Trump Jr. at Trump Tower in June 2016 she was joined by a former Russian counterintelligence officer who is now an American lobbyist. ([NBC News](#))

## Chart Review

[The updated Senate health care bill: What you need to know](#)  
**Politico**



## Events Calendar (All Times Local)

**Friday**

[No events scheduled](#)

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## General

### [CBO rejects Trump's claim that budget plan would eliminate deficit](#)

**Michael Collins, USA Today**

The Congressional Budget Office cast doubt Thursday on the White House's claim that President Trump's proposed budget would balance in 10 years. In its analysis of the spending plan Trump unveiled in May, the non-partisan budget office said that the deficit would shrink under the Trump budget but would still total \$720 billion in 2027.

### [Russian Lawyer Brought Ex-Soviet Counter Intelligence Officer to Trump Team Meeting](#)

**Ken Dilanian and Natasha Lebedeva, NBC News**

The Russian lawyer who met with the Trump team after a promise of compromising material on Hillary Clinton was accompanied by a Russian-American lobbyist - a former Soviet counter intelligence officer who is suspected by some U.S. officials of having ongoing ties to Russian intelligence, NBC News has learned. NBC News is not naming the lobbyist, who denies any current ties to Russian spy agencies.

### [Peter W. Smith, GOP operative who sought Clinton's emails from Russian hackers, committed suicide, records show](#)

**Katherine Skiba, Chicago Tribune**

A Republican donor and operative from Chicago's North Shore who said he had tried to obtain Hillary Clinton's missing emails from Russian hackers killed himself in a Minnesota hotel room days after talking to The Wall Street Journal about his efforts, public records show. In mid-May, in a room

at a Rochester hotel used almost exclusively by Mayo Clinic patients and relatives, Peter W. Smith, 81, left a carefully prepared file of documents, including a statement police called a suicide note in which he said he was in ill health and a life insurance policy was expiring.

### [Trump's outside attorney to apologize to man he sent profane emails](#)

**Nolan D. McCaskill, Politico**

President Donald Trump's outside attorney Marc Kasowitz will apologize to a man he told in a profanity-laced email to watch his back, a spokesman said Thursday. "Mr. Kasowitz, who is tied up with client matters, said he intends to apologize to the writer of the email referenced in today's ProPublica story," spokesman Mike Sitrick said.

### [Bill Clinton And George W. Bush Bond In Conversation About Leadership](#)

**Vanessa Romo, NPR News**

On Thursday, former Presidents George W. Bush and Bill Clinton shared a stage and their ideas on what makes a strong leader in today's world. The intimate conversation was part of the graduation ceremony for the 2017 class of the Presidential Leadership Scholars Program held at the George W. Bush Presidential Center in Dallas.

## **Presidential**

### [Hawaii Judge Orders Loosening of Trump Travel Ban](#)

**Brent Kendall, The Wall Street Journal**

A Hawaii judge late Thursday ordered a nationwide loosening of President Donald Trump's temporary ban on U.S. entry for some travelers from six Muslim-majority countries, ruling the administration's strict approach contradicted a recent Supreme Court ruling. The decision is a fresh legal blow for the president just two weeks after a Supreme Court ruling allowed the administration to implement its travel ban against refugees and foreign nationals from six countries who have no connection to the U.S.

### [Trump: 'Republican Senators must come through' on health care bill](#)

**Louis Nelson, Politico**

President Donald Trump turned up the pressure Friday morning on Senate Republicans, urging them via Twitter to make good on a years-old

campaign promise by passing legislation to repeal and replace Obamacare. GOP leadership in the Senate has introduced legislation that would undo former President Barack Obama's signature healthcare law, but the repeal-and-replace measure has proven controversial even within the Republican caucus and it is unclear if the bill will be able to muster enough support to pass.

### [White House opioid commission to miss deadline for second time](#)

**Jacqueline Alemany, CBS News**

President Trump's commission to fight the opioid epidemic will miss a deadline to file an interim report on the crisis for a second time, according to a notice set to be released Friday. The Commission on Combating Drug Addiction and the Opioid Crisis was created by executive order in March.

### [For Trump, Little Beats a Military Parade](#)

**Rebecca Ballhaus and William Horobin, The Wall Street Journal**

For President Donald Trump, it doesn't get much better than an elaborate military parade. The U.S. president, who considered holding a military parade to celebrate his inauguration in January but ultimately opted against it, appeared thrilled by France's Bastille Day spectacle on Friday.

### [Trump's legal team faces tensions - and a client who often takes his own counsel](#)

**Philip Rucker et al., The Washington Post**

The challenge for President Trump's attorneys has become, at its core, managing the unmanageable - their client. He won't follow instructions. After one meeting in which they urged Trump to steer clear of a certain topic, he sent a tweet about that very theme before they arrived back at their office.

### [Trump Backed Off Putin Because 'What Do You Do? End Up in a Fistfight?'](#)

**Maggie Haberman and Mark Landler, The New York Times**

President Trump said on Wednesday that he had confronted President Vladimir V. Putin twice about whether Russia meddled in the 2016 presidential election, and changed the subject after Mr. Putin flatly denied it because, "What do you do? End up in a fistfight?" Speaking to reporters on Air Force One as he flew to Paris to take part in Bastille Day celebrations, Mr. Trump offered his first extended account of a dramatic closed-door

meeting he held with Mr. Putin last week in Hamburg, Germany.

## Senate

### [Senate Republicans Unveil New Health Bill, but Divisions Remain](#)

**Robert Pear and Thomas Kaplan, The New York Times**

Senate Republican leaders on Thursday unveiled a fresh proposal to repeal and replace the Affordable Care Act, revising their bill to help hold down insurance costs for consumers while allowing insurers to sell new low-cost, stripped down policies. Those changes and others, including a decision to keep a pair of taxes on high-income people and to expand the use of tax-favored health savings accounts, were intended to bridge a vast gap between the Senate's most conservative Republicans, who want less regulation of health insurance, and moderate Republicans concerned about people who would be left uninsured.

### [Without writing a check, Rick Scott clears GOP Senate race field](#)

**Adam C. Smith, Tampa Bay Times**

Adam Putnam's 2018 gubernatorial campaign has been in the works for years, and the Republican agriculture commissioner has amassed \$11 million in his campaign accounts. But that's not stopping formidable Republicans like House Speaker Richard Corcoran and state Sen. Jack Latvala from plotting primary challenges.

## House

### [Ryan Teases August Recess Delay](#)

**Rema Rahman, Roll Call**

House Speaker Paul D. Ryan said Thursday if the Senate delivers a health care bill before the summer is over, he'd be open to joining Senate Majority Leader Mitch McConnell in keeping his chamber in during at least part of the August recess. The Wisconsin Republican said if the Senate produces a health care bill at the same time members prepare to fly home for a month, "we're going to stay and finish health care."

### [House Dems plot to force Republicans to cast Russia votes](#)

## **Austin Wright, Politico**

House Minority Leader Nancy Pelosi and other senior Democrats on Friday will announce a new, coordinated strategy to force Republicans to cast votes on issues related to President Donald Trump's and his campaign aides' alleged ties to Russia. Pelosi and senior Democrats on several key House committees will hold a news conference to announce the strategy, which is to introduce a series of so-called resolutions of inquiry, according to a Democratic leadership aide.

### **[Two former staffers charged in cyberstalking of U.S. House member, husband](#)**

**Spencer S. Hsu, The Washington Post**

Two former staff members have been charged in the circulation of nude images and video of an elected representative to Congress and her husband, federal prosecutors and the U.S. Capitol Police announced Thursday in Washington. Juan R. McCullum, 35, of Washington, was indicted by a grand jury on two counts of cyberstalking, and a co-worker, Dorene Browne-Louis, 45, of Upper Marlboro, Md., was indicted on two counts of obstruction of justice, said U.S. Attorney for the District of Columbia Channing D. Phillips and Capitol Police Chief Matthew R. Verderosa in a statement.

### **[Scalise upgraded to fair condition](#)**

**Diamond Naga Siu, Politico**

House Majority Whip Steve Scalise (R-La.) was upgraded to a fair condition on Thursday, though he still requires careful monitoring, according to MedStar Washington Hospital. He was previously downgraded to a serious condition after entering the intensive care unit July 6 due to an infection.

## **States**

### **[Gov. Kay Ivey bans lobbyists from executive branch appointments](#)**

**Mike Cason, AL.com**

Gov. Kay Ivey today banned officials in the executive branch from appointing registered lobbyists to serve on state boards and commissions. In an executive order, Ivey said more than 100 registered lobbyists now serve on boards or commissions.

## [Gov. Jerry Brown says the existence of humanity rests on his climate change deal](#)

**Liam Dillon and Melanie Mason, The Los Angeles Times**

Gov. Jerry Brown on Thursday cast his new plan to fight climate change as essential to the fate of American democracy - and humanity itself. "America is facing not just a climate crisis with the rest of the world, we are facing a political crisis," Brown told lawmakers at the first public hearing on his proposal to reduce the state's carbon emissions.

## [Gov. Eric Greitens' nonprofit plans to run TV ads across Missouri](#)

**Jason Hancock, The Kansas City Star**

Gov. Eric Greitens' nonprofit group is preparing to launch TV ads across the state focused on taxes and the state budget. According to publicly available records, the nonprofit A New Missouri Inc. is spending nearly \$450,000 on TV ads on broadcast channels and another \$65,000 on the cable channels Fox News and Hallmark.

## **Advocacy**

### [U.S. farm lobby turns up heat on Trump team as NAFTA talks near](#)

**Richard Cowan, Reuters**

With talks to renegotiate the NAFTA trade pact just weeks away, U.S. farm groups and lawmakers from rural states are intensifying lobbying of President Donald Trump's administration with one central message: leave farming out of it. Trump blames the North American Free Trade Agreement - the "worst trade deal ever" in his words - for millions of lost manufacturing jobs and promises to tilt it in America's favor.

### **A Message from the Electronic Payments Coalition:**

Do you know how the Durbin amendment is affecting you? For nearly six years, big-box stores have used this policy to pocket more than \$42 billion instead of passing along savings to consumers as promised. Check out the Electronic Payments Coalition's video to [learn more](#).

## **Opinions, Editorials and Perspectives**

## [It Is Time for the U.S. Senate to Join the 21st Century](#)

**Zach Wamp, Morning Consult**

Face it: Washington doesn't work the way it ought to. Plenty of agencies are mired in bureaucratic red tape and hundreds of rules appear to exist only to hamper a responsive and transparent federal government.

## [Crony capitalism isn't a right, so why does Senate healthcare bill give insurance companies the right to a bailout?](#)

**Rand Paul, Washington Examiner**

I remember a lot of outrage about two things when I first ran for office: Obamacare and the bank bailouts. Unfortunately, the Senate healthcare bill combines the worst of those two - this time, we're bailing out the big insurance companies.

## [A Scary New Senate Health Care Bill](#)

**The Editorial Board, The New York Times**

Republican leaders in the Senate have accomplished what seemed impossible a few weeks ago: They have made their proposal to destroy the Affordable Care Act even worse. On Thursday, the majority leader, Mitch McConnell, produced revised legislation that could effectively make it impossible for many people with pre-existing medical conditions to afford the treatment they need.

## [ObamaCare Moment of Truth](#)

**The Editorial Board, The Wall Street Journal**

Republican leaders unveiled a revised health-care bill on Thursday, setting up a Senate watershed next week. Few votes will reveal more about the principles and character of this Congress.

## [Bungled collusion is still collusion](#)

**Charles Krauthammer, The Washington Post**

The Russia scandal has entered a new phase, and there's no going back. For six months, the White House claimed that this scandal was nothing more than innuendo about Trump campaign collusion with Russia in meddling in the 2016 election.

## [Victory, Sacrifice and Questions of 'Collusion'](#)

**Peggy Noonan, The Wall Street Journal**

Three important things happened this week. Two were insufficiently noted.

### **A Message from the Electronic Payments Coalition:**

Debit interchange convenience fees - the small charges retailers pay for the flexibility of accepting cards - make card transactions possible, secure, and reliable. Yet, the Durbin amendment changed the way this once reasonable cost of business is calculated, without providing any benefits to customers, small businesses, community banks, or credit unions. [Find out why](#) the Durbin amendment must be repealed in a video from EPC.

## **Research Reports and Polling**

### **[POLITICO-Harvard poll: Voters don't like Obamacare repeal, but other issues may sway midterms](#)**

**Jason Millman, Politico**

The bad news for Republicans: Their base doesn't like their plan for repealing Obamacare, and they don't think President Donald Trump's planned tax overhaul will help them. The good news for Republicans: It might not matter when the 2018 midterms roll around.

### **[U.S. House seats rarely flip to other party in special elections](#)**

**Drew DeSilver, Pew Research Center**

Earlier this year, Democrats had hopes that a spate of special elections to the U.S. House of Representatives would flip at least a couple of Republican-held seats their way. But the GOP held onto all four of the seats that opened up when their former occupants took jobs in the Trump administration.



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**Subject:** Morning Consult Washington, Presented by the Electronic Payments Coalition: House Postpones Monday Votes as Irma Lashes Florida, Georgia, Alabama  
**Date:** Monday, September 11, 2017 8:57:00 AM

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By [Eli Yokley](#)

## Top Stories

- The House postponed Monday votes over concerns that some lawmakers would not be able to make it to Washington due to damage from Hurricane Irma, which has been downgraded to a tropical storm. ([Washington Examiner](#))
- The Senate today is scheduled to begin consideration of the annual National Defense Authorization Act. Senate Armed Services Committee Chairman John McCain (R-Ariz.) has not indicated whether he will allow several controversial amendments to come up for a vote. ([The Washington Post](#))

- Steve Bannon, President Donald Trump's former chief strategist, accused the "Republican establishment" of "trying to nullify the 2016 election." ([Axios](#)) Bannon, the head of Breitbart News, is assisting Republican primary challenges to GOP senators in Alabama, Arizona and Nevada. ([Politico](#))
- Former Secretary of State Hillary Clinton kicked off a monthlong media tour to promote her new book, which is set to be released tomorrow. During an interview that aired Sunday she said her 2016 loss to Trump "is still very painful." ([The Wall Street Journal](#))

## Chart Review

[Are Americans sacrificing food and clothing to pay their taxes?](#)

**The Economist**

## Events Calendar (All Times Local)

### **MONDAY**

Atlantic Council/Georgetown Law event on Russia, Venezuela, North Korea 12 p.m.

### **TUESDAY**

Center for Strategic & International Studies event on NAFTA renegotiations 9 a.m.

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House Foreign Affairs Committee hearing on North Korea 10 a.m.

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House Energy & Commerce Committee hearing on electricity with FERC chairman 10 a.m.

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### **WEDNESDAY**

Sen. Portman, Rep. Tonko speak at event on opioid epidemic 8 a.m.

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Rep. Ro Khanna speaks at Atlantic Council event on visa policies 10:30 a.m.

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Millennial Action Project event on the book "The Impossible Presidency: The Rise and Fall of America's Highest Office" 12 p.m.

---

Airlines for America Commercial Aviation Industry Summit 12 p.m.

---

House Foreign Affairs subcommittee hearing on Venezuela 2 p.m.

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CFR event on the upcoming German federal election 6:30 p.m.

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### **THURSDAY**

POLITICO Pro Policy Summit 7:45 a.m.

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Sens. Heitkamp, Whitehouse, Capito, Barrasso speak at Center for Climate and Energy Solutions 8:30 a.m.

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Senate Finance Committee hearing on individual tax reform 10 a.m.

---

Senate HELP Committee hearing on the individual insurance market 10 a.m.

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### **FRIDAY**

AEI event on trade deficits and the Trump administration 10 a.m.



## General

### [Bannon on 60 Minutes: 9 key quotes](#)

**Erica Pandey, Axios**

Former White House chief strategist Steve Bannon appears on 60 Minutes Sunday night in his first-ever TV interview. Top quote: "The Republican establishment is trying to nullify the 2016 election. That's a brutal fact we have to face."

### [Bannon plotting primaries against slate of GOP incumbents](#)

## **Alex Isenstadt, Politico**

President Donald Trump's closest allies are planning a slate of primary challenges against Republican senators, potentially undermining the party's prospects in 2018 and further inflaming tensions between GOP leaders and the White House. The effort is being led by Steve Bannon, Trump's bomb-throwing former chief strategist, who is launching an all-out war against Senate Majority Leader Mitch McConnell and the Republican establishment.

## **[Hillary Clinton, in TV Interview, Says Election Loss Still 'Very Painful'](#)**

**Eli Stokols, The Wall Street Journal**

Hillary Clinton on Sunday described the lingering pain of being "gobsmacked" after losing the presidency 10 months ago to Donald Trump and said she wouldn't be a candidate for office ever again. "I think I am good, but that doesn't mean that I am complacent or resolved about what happened," the 2016 Democratic presidential nominee said in an interview Sunday morning with CBS News 's Jane Pauley.

## **[Hurricane Irma pounds Florida; extent of damage not yet clear](#) **Adrees Latif and Zachary Fagenson, Reuters****

Hurricane Irma pounded heavily populated areas of central Florida on Monday as it carved through the state with high winds, storm surges and torrential rains that left millions without power, ripped roofs off homes and flooded city streets. Irma, once ranked as one of the most powerful hurricanes recorded in the Atlantic, came ashore in Florida on Sunday and battered towns as it worked its way up the state.

## **[Violence Erupts on Desperate Caribbean Islands: 'All the Food Is Gone'](#)**

**Azam Ahmed and Kirk Semple, The New York Times**

At dawn, people began to gather, quietly planning for survival after Hurricane Irma. They started with the grocery stores, scavenging what they needed for sustenance: water, crackers, fruit.

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## **Presidential**

## **Trump on Hurricane Irma: 'This is some big monster'**

**Sarah N. Lynch, Reuters**

U.S. President Donald Trump called Hurricane Irma "some big monster" as it battered the Florida coast, saying he wanted to go to the state very soon and praising emergency officials for their efforts to protect people. "The bad news is that this is some big monster," Trump told reporters at the White House, saying damage from the storm would be very costly.

## **Trump to Meet Malaysian Leader as He Works to Shore Up Asian Ties**

**Alan Cullison et al, The Wall Street Journal**

President Donald Trump will host Malaysia's premier this week, in a visit that shows how hard his administration is working to court Asian allies to pressure North Korea over its nuclear-weapons program. Tuesday's visit by Malaysian Prime Minister Najib Razak comes as a U.S. Justice Department investigation into the looting of a Malaysian economic-development fund threatens to ensnare much of the country's ruling elite, including Mr. Najib.

## **China Thinks the U.S. Holds Key to Solve North Korea Crisis**

**David Tweed, Bloomberg**

U.S. President Donald Trump has regularly called on China to stop North Korea's nuclear advancement, even saying in July it could "easily" end the crisis. In Beijing, however, leaders think the opposite. While the U.S. and China agree the Korean peninsula should be rid of nuclear weapons, they differ on how best to achieve that.

## **Where Trump's Hands-Off Approach to Governing Does Not Apply**

**Ben Protess et al., The New York Times**

The Trump administration opened the door to allowing more firearms on federal lands. It scrubbed references to "L.G.B.T.Q. youth" from the description of a federal program for victims of sex trafficking. And, on the advice of religious leaders, it eliminated funding to international groups that provide abortion.

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**Senate**

## [Senators eye defense bill as a way to challenge Trump's foreign policy](#)

**Karoun Demirjian, The Washington Post**

Rank-and-file senators are eyeing the annual defense bill the Senate will take up this week as a chance to challenge President Trump's recent controversial moves on national security - but thus far, Republican leaders have resisted their efforts. Senators of both parties are drafting amendments that would step up sanctions against North Korea, roll back Trump's order to ban transgender troops from the military and force Congress to vote within six months on a replacement authorization for use of military force, or AUMF, against extremist groups.

## [Sen. John McCain Says He 'Will Be Grateful for Additional Time' He Has](#)

**Becky Bowers, The Wall Street Journal**

Sen. John McCain (R. Ariz.), who returned to the Senate last week after treatment for an aggressive form of brain cancer, said Sunday his prognosis is good but "the challenges are very significant." "This is a very vicious form of cancer that I'm facing. All the results so far are excellent. Everything is fine," he told Jake Tapper on CNN's State of the Union on Sunday morning.

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## **House**

### [House cancels all Monday votes because of Hurricane Irma](#)

**Todd Shepherd, Washington Examiner**

The U.S. House of Representatives has cancelled all scheduled votes for this Monday over concerns about members who may not be able to return to D.C. on time because of Hurricane Irma.

### [For a Florida congressman, 'safe room' becomes his office](#)

**David Cohen, Politico**

Florida Rep. Ted Deutch lost track of how many tornado warnings there were. Throughout the day Sunday, the Democratic congressman was forced to shelter from the ferocious effects of Hurricane Irma, even as he attempted to keep atop of the situation, or, as he put it, "trying to stay abreast while running back and forth to the safe room during tornado warnings."

## **Why Ryan, Undercut by Trump, May Actually Emerge Stronger** **Sheryl Gay Stolberg, The New York Times**

Paul D. Ryan rode to power two years ago like a hero on a white horse, a reluctant candidate for House speaker elected to heal wounds left by his predecessor, who could not tame the incessant infighting between hard-line conservatives and establishment Republicans. In one of his first real tests, Mr. Ryan discovered last week that those old wounds can reopen fast.

## **Why Most House Republicans Voted for a Deal They Loathed** **Lindsey McPherson, Roll Call**

Most House Republicans griped about the fiscal package they were forced to vote on Friday, but ultimately, a relatively small portion of the conference was willing to vote against it. A little more than one-third of House Republicans voted against a package that would extend government funding and the debt ceiling for three months, while providing \$15 billion in disaster relief aid, primarily to Texas and Louisiana to help with the Hurricane Harvey recovery efforts.

## **Could More House Retirements Imperil GOP Majority in 2018?** **Simone Pathé, Roll Call**

House retirements are a staple of each election cycle. But the decision by three moderate Republicans not to seek re-election is worrying party members, already nervous about holding the majority in 2018.

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## **States**

### **President Trump declares disaster for Florida amid Hurricane Irma** **Steve Bousquet, Miami Herald**

President Donald Trump on Sunday approved a major disaster declaration for Hurricane Irma in Florida, hours after Gov. Rick Scott requested it. In a week in which the president and governor spoke several times by phone, the governor's office said the disaster declaration will authorize federal funding to flow to areas affected by the storm and will reimburse cities and counties and the state for costs of response and recovery.

**[Gov. Deal tells Georgians, evacuees to hunker down for Irma](#)**  
**Meris Lutz, The Atlanta Journal-Constitution**

With Hurricane Irma bearing down on Georgia, Governor Nathan Deal urged residents and evacuees alike Sunday to find a safe place and stay there until authorities give a signal that it is safe to go out. The governor's comments followed a tour of the State Operations Center at the Georgia Emergency Management and Homeland Security Agency.

**[Nevada treasurer's candidacy for governor sparks attack ads](#)**  
**Colton Lochhead, Las Vegas Review-Journal**

Nevada Treasurer Dan Schwartz made his gubernatorial bid official last week, and establishment Republicans were none too happy. Schwartz, who was elected to treasurer in 2014, attacked "pay for play" politics in the speech announcing his campaign, and said he would be an independent voice in the governor's mansion.

**[California Lawmakers Spar Over Bills to Ease Housing Shortage](#)**  
**Ian Lovett, The Wall Street Journal**

As the California legislature enters its final week of this year's session, lawmakers are battling over a series of bills designed to ease the state's worsening housing shortage, which is driving up prices and pushing low- and middle-income residents out of cities from Oakland to Los Angeles. Democrats, who control all branches of government in California, are hoping to bring the package of bills to a vote this week.

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## **Advocacy**

**[Lobbying money spikes under President Trump](#)**  
**Tony Mecia, Washington Examiner**

Eight months into its current session, Congress has passed no major legislation. Republicans control both houses and the White House, yet they failed to produce a new healthcare bill.

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**A Message from the Electronic Payments Coalition:**

A majority of voters are concerned with data breaches, yet there are no national data security standards to protect consumers at checkout. It's time retailers share responsibility for data security. Learn more from the [Electronic Payments Coalition](#).

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## Opinions, Editorials and Perspectives

### [Supporting Rural America in the Tax Code Means Supporting Forest Owners](#)

**Tom Martin, Morning Consult**

With Congress back in town following its summer recess, all eyes are turning to the congressional tax-writing committees as they work to pass tax reform legislation. Most rural Americans will be glad to see a simpler, more streamlined tax code.

### [9/11: Finding Answers in Ashes 16 Years Later](#)

**The Editorial Board, The New York Times**

An inscription on the lobby wall greets visitors in Latin at the offices of the New York City medical examiner. It is an adage familiar to places where autopsies are performed.

### [Trial Lawyers and Breitbart Unite](#)

**The Editorial Board, The Wall Street Journal**

The Trump era is producing strange alliances. Witness how trial lawyers are lining up behind Breitbart-backed Roy Moore in Alabama's Senate GOP primary runoff later this month.

### [Trump's travel ban may expire before it reaches the Supreme Court](#)

**Editorial Board, The Washington Post**

Once again a federal court has ruled against the Trump administration's temporary ban on admission into the United States of refugees and citizens of six majority-Muslim countries. And once again, the Justice Department is appealing the ruling to the Supreme Court - this time arguing that the government should not have to exclude from the ban grandparents or other close family members of people within the United States, along with refugees sponsored by American resettlement organizations, while the case is pending

before the court.

### [Well, What Should Hillary Do Now?](#)

**Susan Chira, The New York Times**

In whatever role she carves out for herself, she will have to contend with the vitriol she has drawn throughout her public life. She and Donald Trump went into Election Day with historically low favorability ratings, a distinction they have both maintained after the election.

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### **A Message from the Electronic Payments Coalition:**

Four times as many voters trust financial institutions over retailers to create new, more secure ways to pay, which is just one reason why the payments industry is focused on innovation. Banks and credit unions are continuously working to provide consumers with the latest security features when they pay. Get the latest from [EPC](#).

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## **Research Reports and Polling**

### [Key facts about Asian Americans, a diverse and growing population](#)

**Gustavo López et al., Pew Research Center**

The U.S. Asian population is diverse. A record 20 million Asian Americans trace their roots to more than 20 countries in East and Southeast Asia and the Indian subcontinent, each with unique histories, cultures, languages and other characteristics.



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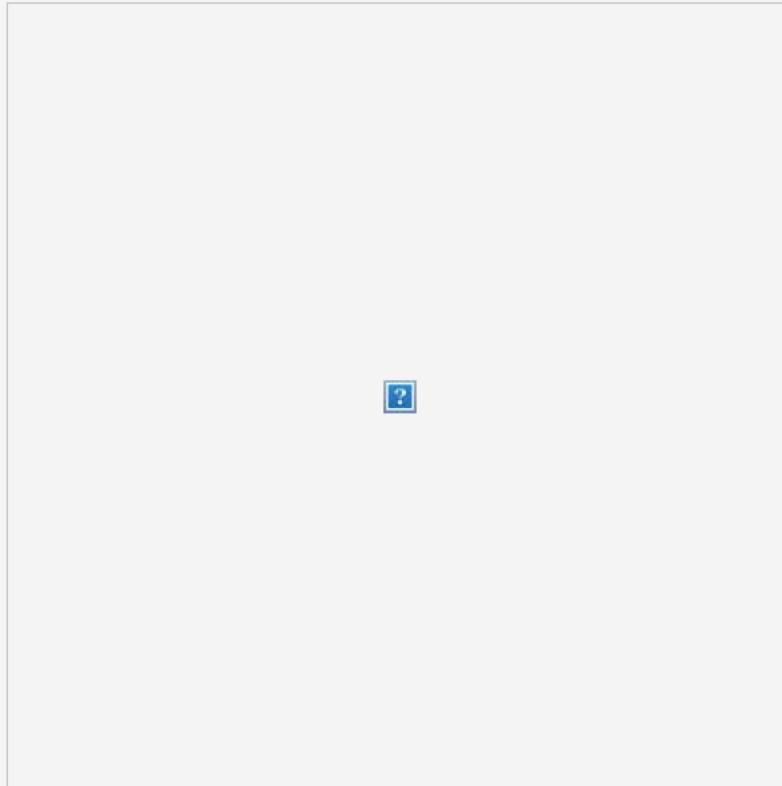
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**Date:** Monday, October 23, 2017 8:50:47 AM

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By [Eli Yokley](#)

## Top Stories

- Robert Mueller, the special counsel overseeing the Justice Department's Russia investigation, is looking into Democratic lobbyist Tony Podesta and the Podesta Group, according to sources. The probe into the firm's compliance with the Foreign Agents Registration Act began as part of an inquiry into the finances of Paul Manafort, President Donald Trump's former campaign chairman. ([NBC News](#))
- The House Intelligence Committee will interview Brad Parscale, the Trump campaign's digital director, on Tuesday. The panel is investigating Russian interference in the 2016 U.S. presidential election. ([The Wall Street Journal](#))

- Trump urged House Republicans during a conference call to support the Senate-passed fiscal year 2018 budget resolution this week rather than negotiating with the Senate to resolve differences with the House measure. Passage of the budget resolution is a key procedural step for Republicans looking to overhaul the tax code without Democratic support. ([The Washington Post](#))
- Former Rep. Stephen Fincher (R-Tenn.) said he will run for the Republican nomination to replace Sen. Bob Corker (R-Tenn.), who said last month he will not seek re-election in 2018. Rep. Marsha Blackburn (R) has already announced her own candidacy. ([The Tennessean](#))

## Chart Review

[Trump Job Approval Slips to 36.9% in His Third Quarter](#)  
**Gallup**

## Events Calendar (All Times Local)

### MONDAY

Rep. Kevin Brady speaks at SIFMA annual meeting 5:10 p.m.

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White House press secretary, reporters speak at GWU event on Trump's first year 7 p.m.

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Sen. Booker speaks at Milken Institute's Future of Health Summit 7 p.m.

## **TUESDAY**

Reps. Clark, Mullin speak at The Hill's event on opioids 8 a.m.

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Virginia governor, Sen. Gardner speak at Bloomberg event on technology 8 a.m.

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Milken Institute's Future of Health Summit 8:15 a.m.

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House Energy and Commerce subcommittee hearing on the 2017 hurricane response 10 a.m.

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Sen. Perdue speaks at Heritage Foundation event on tax reform 10:30 a.m.

## **WEDNESDAY**

HUD's Carson speaks at The Hill's event on housing 8:30 a.m.

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Kentucky governor and Sens. Cassidy, Murphy speak at Washington Post health care event 9 a.m.

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House Energy and Commerce Committee hearing on the opioid crisis 10 a.m.

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Sen. Schatz speaks at Bloomberg event on digital infrastructure 3:20 p.m.

## **THURSDAY**

House Judiciary subcommittee hearing on oversight of the U.S. refugee admissions program 9 a.m.

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Senate HELP Committee hearing on free speech on college campuses 10 a.m.

## **FRIDAY**

No events scheduled



## General

### [Trump joins House GOP call to rally support for Senate budget bill](#) **John Wagner and Tory Newmyer, The Washington Post**

President Trump on Sunday afternoon urged House Republicans on a conference call to rally behind a Senate-passed budget bill, touting it as the quickest way to enact sweeping tax cuts later this year without Democratic support. "We are on the verge of doing something very, very historic," Trump told GOP lawmakers, adding that success on tax cuts could provide a springboard to action on other shared legislative priorities, according to a

Republican familiar with the call.

### **Hopes Dim for Congressional Russia Inquiries as Parties Clash** **Nicholas Fandos, The New York Times**

In a secured room in the basement of the Capitol in July, Jared Kushner, President Trump's son-in-law and senior adviser, fielded question after question from members of the House Intelligence Committee. Though the allotted time for the grilling had expired, he offered to stick around as long as they wanted.

### **US Preparing to Put Nuclear Bombers Back on 24-Hour Alert** **Marcus Weisgerber, Defense One**

The U.S. Air Force is preparing to put nuclear-armed bombers back on 24-hour ready alert, a status not seen since the Cold War ended in 1991. That means the long-dormant concrete pads at the ends of this base's 11,000-foot runway - dubbed the "Christmas tree" for their angular markings - could once again find several B-52s parked on them, laden with nuclear weapons and set to take off at a moment's notice.

### **A Newly Assertive C.I.A. Expands Its Taliban Hunt in Afghanistan** **Thomas Gibbons-Neff et al., The New York Times**

The C.I.A. is expanding its covert operations in Afghanistan, sending small teams of highly experienced officers and contractors alongside Afghan forces to hunt and kill Taliban militants across the country, according to two senior American officials, the latest sign of the agency's increasingly integral role in President Trump's counterterrorism strategy. The assignment marks a shift for the C.I.A. in the country, where it had primarily been focused on defeating Al Qaeda and helping the Afghan intelligence service.

### **EPA yanks scientists' conference presentations, including on climate change**

#### **Juliet Eilperin and Brady Dennis, The Washington Post**

The Environmental Protection Agency has instructed two of its scientists and one contractor not to speak as planned at a scientific conference Monday in Providence, R.I., sparking criticism from some academics and congressional Democrats. EPA officials confirmed Sunday that its researchers would not present at the State of Narragansett Bay and Its Watershed program but did

not offer an explanation for the decision.

### [Steve Bannon delivers blistering attack on former President George W. Bush](#)

**Maeve Reston, CNN**

Steve Bannon delivered a withering attack on George W. Bush Friday night, bluntly questioning the former President's intelligence and his grasp of the concepts that he outlined in a speech that he gave New York this week. "There has not been a more destructive presidency than George Bush's," Bannon said during his dinnertime address at the convention banquet of the California Republican Party.

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## Presidential

### [Trump says he'd like tax reform bill on his desk closer to Thanksgiving](#)

**Sarah D. Wire, Los Angeles Times**

President Trump raised expectations Sunday about Republicans' timetable for completing tax reform, indicating he expects the as-yet unwritten overhaul of the tax code on his desk by Thanksgiving. "I want to get it by the end of the year, but I'd be very disappointed if it took that long," he said on Fox's "Sunday Morning Futures With Maria Bartiromo."

### [Trump-aligned super PAC to hold fundraising meeting in Texas Tuesday](#)

**Alex Isenstadt, Politico**

President Donald Trump's political operation will accelerate its planning for the 2018 and 2020 elections this week, with a group of deep-pocketed donors gathering in Texas to plot the path forward, according to four people involved in planning the event. Oilman T. Boone Pickens will host Trump's financial backers at his Mesa Vista ranch on Tuesday.

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## Senate

### [Former Republican Rep. Stephen Fincher enters Tennessee U.S.](#)

## **Senate race**

### **Joey Garrison, The Tennessean**

Former Republican U.S. Rep. Stephen Fincher is entering next year's U.S. Senate race in Tennessee, a move that pits him against one of his former GOP congressional colleagues in the election to replace retiring Sen. Bob Corker. Fincher, a seventh-generation cotton farmer from tiny Frog Jump in West Tennessee - who bypassed college to continue the family business - announced his bid in an interview with the USA TODAY NETWORK - Tennessee.

## **Schumer: Bipartisan health care bill 'has a majority'**

### **Rebecca Morin, Politico**

Senate Minority Leader Chuck Schumer said Sunday that the Alexander-Murray bipartisan health care bill has support from a majority of senators, and he urged Senate Majority Leader Mitch McConnell to bring it to the floor "immediately." "This is a good compromise. It took months to work out. It has a majority. It has 60 senators supporting it. We have all 48 Democrats, 12 Republicans," Schumer (D-N.Y.) said on "Meet the Press" on NBC.

## **McConnell Signals Willingness to Hold Vote on Health Deal if Trump Approves**

### **Nicholas Fandos, The New York Times**

Senator Mitch McConnell of Kentucky, the majority leader, said on Sunday that he would be willing to bring a bipartisan proposal to stabilize health insurance markets up for debate if President Trump signaled his support. "If there's a need for some kind of interim step here to stabilize the market, we need a bill the president will actually sign," Mr. McConnell said on CNN's "State of the Union."

## **McConnell: Bannon a specialist 'at nominating people who lose'**

### **Julia Manchester, The Hill**

Senate Majority Leader Mitch McConnell (R-Ky.) offered a stinging rebuke of former White House strategist Stephen Bannon for targeting GOP congressional candidates on Sunday, calling Bannon and his allies "specialists at nominating people who lose." "The kind of people who are supported by the element that you've just been referring to are specialists in defeating Republican candidates in November," McConnell told Dana Perino on "Fox News Sunday."

## [Conservatives, With Bannon's Help, Look for Revenge in Mississippi](#)

**Jeremy W. Peters, The New York Times**

In the recent history of Republican infighting, few losses have been more bitter than Chris McDaniel's. Mr. McDaniel, a Mississippi state senator, still nurses the conviction that he was robbed of a seat in the United States Senate in 2014 by a Republican establishment that race-baited, covered up his opponent's affair and encouraged Democrats to raid the primary.

## [McCain Takes Swipe At President For Vietnam 'Bone Spur' Deferment](#)

**Scott Neuman, NPR News**

In a week that saw two of President Trump's predecessors issue thinly veiled warnings about where the country is heading under his leadership, Arizona Republican Sen. John McCain fired off what appeared to be a long-delayed riposte to the man who once mocked his war record. In an interview broadcast Sunday on C-SPAN, McCain spoke on the 50th anniversary of his being shot down over North Vietnam - an event that led to his capture by communist forces and a five-and-a-half-year stay in the infamous "Hanoi Hilton" prison.

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## House

### [House Panel to Interview Trump Campaign Digital Director Brad Parscale](#)

**Julie Bykowicz, The Wall Street Journal**

President Donald Trump's campaign digital director, Brad Parscale, will be interviewed Tuesday by the House Intelligence Committee, his first appearance before any of the panels examining the issue of Russian interference in the 2016 election. Mr. Parscale confirmed his scheduled appearance.

### [Women of Congressional Black Caucus demand Kelly apologize to congresswoman](#)

**Olivia Beavers, The Hill**

The women of the Congressional Black Caucus on Sunday called on White House chief of staff John Kelly to apologize for his "reprehensible" remarks

about Florida Rep. Frederica Wilson (D), in which he accused her of bragging about securing funding at a building dedication honoring slain FBI agents. "We, the women of the Congressional Black Caucus, proudly stand with Congresswoman Wilson and demand that General Kelly apologize to her without delay and take responsibility for his reckless and false statements," the female lawmakers said in a statement.

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## States

### [Rauner vows he'll keep fighting corruption in re-election announcement](#)

**Tina Sfondeles, Chicago Sun Times**

Vowing he'll continue a war against "corrupt career politicians," Gov. Bruce Rauner formally announced his re-election bid Monday morning in a video. Rauner is the narrator of the two-minute YouTube video, dubbed "I Choose To Fight," which features the leather clad Republican governor on his Harley Davidson, driving through Illinois.

### [Two years out from election for governor, newly-elected U.S. Sen. John Kennedy's name floated as possible foe](#)

**Elizabeth Crisp, The Advocate**

With two years until Louisiana's next election for governor, speculation is already growing over which Republican will mount a campaign against incumbent Democrat John Bel Edwards. And one familiar name in particular has been reverberating across the state in recent weeks: U.S. Sen. John Neely Kennedy, the former state treasurer who has been in the U.S. Senate not even a year.

### [National Democrats are jittery about Va. governor's race](#)

**David Weigel and Ed O'Keefe, The Washington Post**

The Democratic National Committee gathered here over the past week with one worry on every activist's mind: We'd better not lose the Virginia governor's race. It's a surprising case of the jitters over a place that hasn't elected a Republican to statewide office in eight years - and that voted resoundingly against Donald Trump last year.

## [States may roll back children's health coverage without money from Congress](#)

**Rachana Pradhan and Sarah Frostenson, Politico**

Federal funds for the Children's Health Insurance Program (CHIP) expired Sept. 30, leaving states to come up with short-term fixes to keep their programs going. CHIP, now in its 20th year, primarily covers children from low-income families who earn too much to qualify for Medicaid.

## [In state capitols, women see rampant sexual harassment](#)

**Reid Wilson, The Hill**

More than a dozen female state legislators, staffers and lobbyists in states across the country interviewed by The Hill say they routinely face unwanted advances from their male colleagues, ranging from inappropriate comments about one's appearance and invitations to private meetings, to physical contact and in extreme instances assault and rape. Many of the women used one word to describe the culture of harassment in their state capitals: Pervasive.

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## **Advocacy**

### [Mueller Now Investigating Democratic Lobbyist Tony Podesta](#)

**Tom Winter and Julia Ainsley, NBC News**

Tony Podesta and the Podesta Group are now the subjects of a federal investigation being led by Special Counsel Robert Mueller, three sources with knowledge of the matter told NBC News. The probe of Podesta and his Democratic-leaning lobbying firm grew out of Mueller's inquiry into the finances of former Trump campaign chairman Paul Manafort, according to the sources.

### [Richard Trumka Wins Another Term as AFL-CIO President](#)

**Eric Morath, The Wall Street Journal**

AFL-CIO members on Sunday evening selected Richard Trumka as president of the nation's largest labor federation, retaining a position he has held since 2009. Mr. Trumka said his goal was for labor unions to emerge with a unified political agenda at a time when the labor movement is split over what approach to take to President Donald Trump.

## [Why Has the E.P.A. Shifted on Toxic Chemicals? An Industry Insider Helps Call the Shots](#)

**Eric Lipton, The New York Times**

For years, the Environmental Protection Agency has struggled to prevent an ingredient once used in stain-resistant carpets and nonstick pans from contaminating drinking water. The chemical, perfluorooctanoic acid, or PFOA, has been linked to kidney cancer, birth defects, immune system disorders and other serious health problems.

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### **A Message from the Electronic Payments Coalition:**

Trick or treat? The Durbin amendment has hurt consumers the most, according to TWELVE different studies. Let's end retailers' tricks at their customers' expense by repealing the Durbin amendment. Get the latest from [EPC](#).

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## **Opinions, Editorials and Perspectives**

### [Sessions's plan for immigration courts would undermine their integrity](#)

**Editorial Board, The Washington Post**

Attorney General Jeff Sessions decried the state of the immigration courts in remarks Oct. 12 before the Justice Department's Executive Office for Immigration Review, lamenting "rampant abuse and fraud" in asylum applications. As part of Mr. Sessions's push for an overhaul of the immigration system, the department also plans to begin evaluating immigration judges on the basis of how many cases they resolve.

### [A Pressure Point for North Korea](#)

**Ted Cruz, The New York Times**

On Oct. 31, the State Department faces a critical decision in our relations with the Democratic People's Republic of Korea. The Iran-Russia-North Korea sanctions bill enacted in August included legislation I introduced that requires the secretary of state to decide whether to relist North Korea as a state sponsor of terrorism within 90 days.

## **Trump Caves on Ethanol**

**The Editorial Board, The Wall Street Journal**

The bipartisan pull of corporate welfare-also known as the swamp-is powerful. Last week it swallowed up no less than Donald Trump and his fearless Environmental Protection Agency administrator, Scott Pruitt.

## **House GOP Fears Wave in 2018 as Money Woes Grow**

**Josh Kraushaar, National Review**

House Republicans are growing increasingly alarmed that some of their most vulnerable members aren't doing the necessary legwork to protect themselves from an emerging Democratic tidal wave. In some of the biggest media markets, where blockbuster fundraising is a prerequisite for political survival-most notably in New York City, Los Angeles, and Houston-Republican lawmakers aren't raising enough money to run aggressive campaigns against up-and-coming Democrats.

## **America's Forever Wars**

**The Editorial Board, The New York Times**

The United States has been at war continuously since the attacks of 9/11 and now has just over 240,000 active-duty and reserve troops in at least 172 countries and territories. While the number of men and women deployed overseas has shrunk considerably over the past 60 years, the military's reach has not.

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## **A Message from the Electronic Payments Coalition:**

What's scarier than a ghost? Retailers' broken promises over the Durbin amendment, which have cost consumers \$6-8 billion each year. Stop this nightmare and get rid of this policy once and for all! [Read more](#) about the policy's failures.

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## **Research Reports and Polling**

### **Congress Approval Lowest Since July 2016, at 13%**

**Justin McCarthy, Gallup**

Americans' approval of Congress ebbed further in October, to 13%, and it is now at its lowest point since July of 2016. This is a few percentage points higher than the historic low of 9% recorded in 2013.



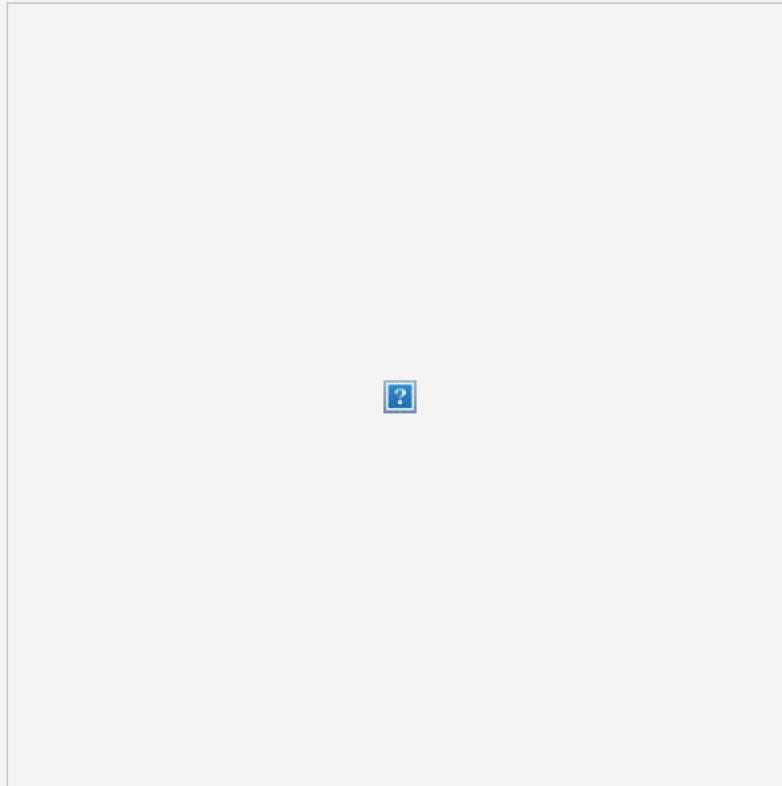
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**Date:** Friday, December 08, 2017 9:03:09 AM

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By [Eli Yokley](#)

## Top Stories

- Rep. Trent Franks (R-Ariz.) announced he will resign from Congress amid a House Ethics Committee investigation of his "discussion of surrogacy" with two female staffers. His resignation, which was urged by House Speaker Paul Ryan (R-Wis.), is effective Jan. 31. ([Roll Call](#))
- The House passed a stopgap spending bill to fund the government through Dec. 22 by a 235-193 vote, with opposition from 18 Republicans and support from 14 Democrats. The Senate cleared the legislation 81 to 14, and President Donald Trump is expected to sign the measure into law. ([The Associated Press](#))

- The House Ethics Committee established a subcommittee to investigate allegations of misconduct by Rep. Blake Farenthold (R-Texas) after new information emerged about an \$84,000 taxpayer-funded settlement he reached with his former communications director, who accused him of making sexually charged comments. He has denied wrongdoing in the case. ([The Washington Post](#))
- House Intelligence Committee Chairman Devin Nunes (R-Calif.) has been cleared by the House Ethics Committee of allegations that he disclosed classified information related to his panel's Russia investigation. Nunes, who said he would step aside but not recuse himself from the intelligence committee's probe into Russian meddling in the 2016 election, did not say if he would retake control of the Russia investigation. ([Los Angeles Times](#))

## Chart Review

### [How Congress Used Social Media in 2017](#)

#### Quorum

## Events Calendar (All Times Local)

### FRIDAY

Carnegie Endowment for International Peace event on  
China and the U.S.-Japan alliance

10:30 a.m.

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Trump campaign rally in Pensacola, Fla.

7 p.m.



## General

### [Congress averts shutdown, sends Trump stopgap spending bill](#)

**Andrew Taylor and Alan Fram, The Associated Press**

Congress on Thursday passed a stopgap spending bill to prevent a government shutdown this weekend and buy time for challenging talks on a wide range of unfinished business on Capitol Hill. The shutdown reprieve came as all sides issued optimistic takes on an afternoon White House meeting between top congressional leaders and President Donald Trump.

## **[U.S. Payrolls Rise 228,000 While Wages Gain Less Than Forecast](#)**

**Sho Chandra, Bloomberg**

The U.S. added more jobs than forecast in November and the unemployment rate held at an almost 17-year low, though below-forecast wage gains suggest the labor market still has slack to absorb. Payrolls rose 228,000, above the median economist estimate of 195,000, after a downwardly revised 244,000 advance, Labor Department figures showed Friday.

## **[Private War: Erik Prince Has His Eye On Afghanistan's Rare Metals](#)**

**Aram Roston, BuzzFeed News**

Controversial private security tycoon Erik Prince has famously pitched an audacious plan to the Trump administration: Hire him to privatize the war in Afghanistan using squads of "security contractors." Now, for the first time, BuzzFeed News is publishing that pitch, a presentation that lays out how Prince wanted to take over the war from the US military - and how he envisioned mining some of the most war-torn provinces in Afghanistan to help fund security operations and obtain strategic mineral resources for the US.

## **[James O'Keefe, Practitioner of the Sting, Has an Ally in Trump](#)**

**Kenneth P. Vogel, The New York Times**

Days after Donald J. Trump launched his presidential campaign in June 2015, James O'Keefe, the conservative disrupter famous for trying to use secret recordings to embarrass liberals and journalists, visited Trump Tower and gave Mr. Trump a preview of his latest hidden camera video intended to undermine Hillary Clinton. The footage, widely dismissed after it was released some weeks later, showed officials from Mrs. Clinton's presidential campaign appearing to accept a payment for campaign swag from a Canadian woman at a Clinton campaign rally - in violation, Mr. O'Keefe contended, of election laws barring campaign contributions from foreigners.

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## **Presidential**

### **[Trump will not speak publicly at Mississippi Civil Rights Museum opening](#)**

**Sam R. Hall, Clarion Ledger**

President Donald Trump will not speak publicly when he visits the Mississippi

Civil Rights Museum as part of the grand opening celebration. Gov. Phil Bryant's office announced late Thursday night that the president would take a tour of the museum that morning before speaking inside to an audience of "civil rights veterans, museum patrons and elected officials.

### [Trump looks to boost Moore with Friday rally](#)

**Ben Kamisar, The Hill**

President Trump is headed to Florida on Friday for a rally that appears aimed at boosting Alabama GOP Senate candidate Roy Moore's chances in a special election next week. The trip to Pensacola, Fla. - just 20 miles away from the Alabama border - may have initially been scheduled to give Trump a way to rally the Republican base in Alabama while keeping some distance from Moore, who is accused of molesting teenagers.

### [Trump's richest friends are asking for changes to the GOP tax plan, and he's listening](#)

**Damian Paletta and Josh Dawsey, The Washington Post**

Some of President Trump's wealthiest New York friends have launched a last-minute campaign to pressure him for changes to the GOP tax bill, telling the president personally that the current plan would drive up their taxes and hurt his home state. Trump on Saturday attended a fundraiser at the home of Stephen Schwarzman, chief executive of the Blackstone Group and the former leader of Trump's now-disbanded White House Strategy and Policy Forum.

### [Nearly Every Former U.S. Ambassador to Israel Disagrees With Trump's Jerusalem Decision](#)

**Sewell Chan, The New York Times**

All but two of 11 former United States ambassadors to Israel contacted by The New York Times after President Trump's decision to recognize Jerusalem as Israel's capital thought the plan was wrongheaded, dangerous or deeply flawed. The 11 ex-envoys all closely followed Mr. Trump's announcement on Wednesday, in which he also set in motion a plan to move the American Embassy to Jerusalem from Tel Aviv.

### [Trump administration seeks to delay order to accept transgender recruits](#)

**Jacqueline Klimas, Politico**

The Trump administration has asked a federal court for an emergency stay to delay a court order to begin opening the military to transgender recruits by Jan. 1. The move is the latest development in a complicated legal battle over President Donald Trump's order earlier this year that transgender personnel be banned from the ranks - a policy the Pentagon is currently studying how best to carry out.

### [Previously undisclosed emails show follow-up after Trump Tower meeting](#)

**Jim Sciutto et al., CNN**

The British publicist who arranged the June 2016 meeting with Russians and Donald Trump Jr. sent multiple emails to a Russian participant and a member of Donald Trump's inner circle later that summer, multiple sources told CNN, the first indication there was any follow-up after the meeting. The emails raise new questions for congressional investigators about what was discussed at Trump Tower.

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## Senate

### [Senate confirms top EPA enforcement official](#)

**Valerie Volcovici, Reuters**

The Senate on Thursday confirmed the Environmental Protection Agency's third high-level official after Administrator Scott Pruitt, approving Susan Bodine to become the agency's top enforcement official. Bodine will serve as assistant administrator for EPA's Office of Enforcement and Compliance Assurance, leading the agency's enforcement actions against polluters.

### [Senate GOP's Immigration Bill Without Path to Citizenship Panned](#) **Dean DeChiaro, Roll Call**

Senate Democrats and even some Republicans are panning a GOP bill designed to protect undocumented young people and toughen immigration laws because it would not offer the so-called Dreamers a path to citizenship. The bill, introduced this week by Senate Judiciary Chairman Charles E. Grassley and Majority Whip John Cornyn, would offer Dreamers enrolled in the Deferred Action for Childhood Arrivals program, or DACA, three years of protected status in return for enhanced border security, a crackdown on "sanctuary"

cities and other GOP immigration priorities.

**[With Tax Overhaul, Susan Collins Stretches Her Political Powers](#)**  
**Siobhan Hughes, The Wall Street Journal**

Maine Sen. Susan Collins earlier this year decided to stay in her job instead of running for governor because she thought she could play a decisive role at a consequential time for the Senate. Last week, as her Republican colleagues inched toward passage of a \$1.4 trillion tax bill, she tested that theory and brokered some of the most significant last-minute changes to the measure in exchange for her vote.

**[How to beat Roy Moore, according to the guy who nearly did](#)**  
**Daniel Strauss, Politico**

Democrats haven't won a statewide election in Alabama in almost a decade. But in 2012, one Democrat almost pulled it off: Bob Vance, a mild-mannered circuit court judge from Birmingham, who came within 4 points of beating none other than Roy Moore.

**[Anybody but Corey Stewart? Virginia GOP looks for others to run against Sen. Kaine](#)**  
**Jenna Portnoy and Laura Vozzella, The Washington Post**

As Virginia Republicans gather Friday for their annual retreat, party leaders are alarmed at the possibility of fielding Corey Stewart as next year's U.S. Senate nominee and, with help from the national GOP, they are maneuvering to recruit someone else to be the face of the party. Stewart, who narrowly lost the GOP nomination for governor in June on a platform of Trumpism and what he called "Confederate heritage," has promised a "vicious" campaign in 2018 against Sen. Tim Kaine (D), a popular former governor who is seeking a second term in a state that he helped Hillary Clinton carry by five points as her running mate in the 2016 presidential election.

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## House

**[Arizona's Trent Franks to Resign Jan. 31](#)**  
**Bridget Bowman and Lindsey McPherson, Roll Call**

Arizona Republican Trent Franks said Thursday he is resigning from Congress

effective Jan. 31 amid an Ethics Committee investigation into discussions he had with two female staffers about surrogacy. In a lengthy statement Thursday evening, Franks said he and his wife struggled with fertility.

### **[House Ethics Committee revives investigation into Rep. Farenthold](#)** **Michelle Ye Hee Lee, The Washington Post**

The House Ethics Committee announced Thursday it has established a subcommittee to investigate allegations of misconduct by Rep. Blake Farenthold (R-Tex.), expanding its work in light of new information that surfaced in recent weeks about a 2015 settlement agreement he reached with his former aide. The committee initially launched an investigation into Farenthold in September 2015, but it was "significantly delayed" because the committee could not get "key witnesses other than Representative Farenthold" to testify, according to the committee's statement.

### **[Rep. Devin Nunes cleared of allegations that he disclosed classified information in Russia investigation](#)**

**Sarah D. Wire, Los Angeles Times**

The House Ethics Committee on Thursday cleared Rep. Devin Nunes of allegations that he disclosed classified information related to the House investigation of Russian meddling in last year's election. The committee said in a statement that experts it interviewed determined that the information the House Select Intelligence Committee chairman divulged was not classified.

### **[RSC chief: House leaders say no funding for ObamaCare subsidies in spending bill](#)**

**Nathaniel Weixel, The Hill**

House leaders have promised conservatives that the next spending bill will not contain funding for ObamaCare cost-sharing reduction (CSR) payments, Rep. Mark Walker (R-N.C.) said Thursday. "The three things that we've been told are not gonna happen as part of our agreement: no CSRs, no DACA, no debt limit," Walker said, referring to the Deferred Action for Childhood Arrivals (DACA) program.

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## **States**

### **[Gov. Mark Dayton likely to tap Lt. Gov. Tina Smith as Franken](#)**

## [replacement](#)

**J. Patrick Coolican, Star Tribune**

Minutes after U.S. Sen. Al Franken announced his resignation, Gov. Mark Dayton said he was not yet ready to announce his pick to fill Franken's seat. But the DFL governor said he planned to make his decision within days - and many at the state Capitol expect he'll appoint Lt. Gov. Tina Smith.

## [Democrats ask federal judge for new election in tainted Va. House race](#)

**Laura Vozzella, The Washington Post**

Democrats seeking to take control of Virginia's House of Delegates have asked a federal judge to order a new election to rectify a delegate's race tainted by mix-ups over district lines. Republican Robert Thomas beat Democrat Joshua Cole by 82 votes on Nov. 7 in a contest to fill the seat being vacated by retiring Speaker William J. Howell (R-Stafford).

## [Governor, team face pushback over messaging app](#)

**The Associated Press**

Several senior members of Missouri Gov. Eric Greitens' office have accounts with a secretive app that erases messages after they've been read, raising concerns among government-transparency advocates that the app could be used to undermine open-record laws. The Kansas City Star reported that it determined the governor and some of his staff have Confide accounts connected to their personal cellphones.

## [Ohio awards \\$10M to boost opioid, addiction breakthroughs](#)

**Julie Carr Smyth, The Associated Press**

Ohio awarded \$10 million in grants Thursday to six companies and a university that have come up with innovative scientific ideas to address the national opioid epidemic. The Ohio Third Frontier Commission awarded the grants for ideas that include development of pain management alternatives and a mobile app to improve addiction treatment.

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## **Advocacy**

[The 4 companies that lobbied most on tax overhaul - and what they](#)

**got for it**

**Alexia Fernández Campbell, Vox**

House and Senate Republicans recently passed a pair of tax bills that slash the corporate tax rate and give extra goodies to industries with some of the most active lobbyists. These include tax breaks for alcohol manufacturers, energy producers, and tech companies.

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**A Message from the Electronic Payments Coalition:**

A new EPC report analyzes how countries that adopt EMV experience lower counterfeit card fraud rates. It's time for a dynamic data security strategy to protect consumers like you. [Learn more](#) from EPC.

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## **Opinions, Editorials and Perspectives**

### **[Congress Must Preserve Private Activity Bonds for Hurricane Recovery](#)**

**K. Nicole Asarch, Morning Consult**

As the House and Senate prepare to strike a final deal on federal tax reform, we must not lose sight of how these discussions will impact ongoing recovery work following Hurricane Harvey. At stake are private activity bonds, which play a crucial role in financing the production of affordable housing and, importantly, supporting efforts to repair and rebuild homes, road, ports and other infrastructure damaged by the hurricane.

### **[Al Franken's Resignation And The Selective Force Of #MeToo](#)** **Masha Gessen, The New Yorker**

On what he called the worst day of his political life, Senator Al Franken articulated two points that are central to understanding what has become known as the #MeToo moment. In an eleven-minute speech, in which Franken announced his intention to resign from the Senate, he made this much clear: the force that is ending his political career is greater than the truth, and this force operates on only roughly half of this country's population-those who voted for Hillary Clinton and who consume what we still refer to as mainstream media.

**[President Trump, come see what makes America great](#)**  
**Steve Bullock, The Washington Post**

It's past time that folks in the West extended an invitation to the president to get outdoors. A little time in the backcountry has a way of helping us remember who we are and where we come from.

**[Jerry Brown's Pension Epiphany](#)**  
**The Editorial Board, The Wall Street Journal**

Republican plans to slash the state-and-local tax deduction are already reaping benefits in high-tax states. Democrats in the Northeast say they're having second thoughts about raising taxes.

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**A Message from the Electronic Payments Coalition:**

**[NEW REPORT:](#)** EMV adoption is critical to reduce counterfeit fraud in the U.S. [Learn how](#) EPC members are developing and implementing new technologies to make your life more secure.

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## **Research Reports and Polling**

**[Re-engineering politicians: How activist groups choose our candidates-long before we vote](#)**

**Jonathan Rauch and Raymond J. La Raja, The Brookings Institution**

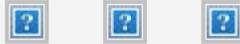
Political analysts sometimes refer to the process by which candidacies emerge and test their viability as the "invisible primary": activities like candidate recruitment, training, networking, grassroots cultivation, and more. The practice has changed drastically in recent years, with far-reaching effects.

**[Rise in U.S. Immigrants From El Salvador, Guatemala and Honduras Outpaces Growth From Elsewhere](#)**

**D'Vera Cohn et al., Pew Research Center**

The number of immigrants in the United States from El Salvador, Guatemala and Honduras rose by 25% from 2007 to 2015, in contrast to more modest growth of the country's overall foreign-born population and a decline from

neighboring Mexico. During these same years, the total U.S. immigrant population increased by 10%, while the number of U.S. Mexican immigrants decreased by 6%, according to a Pew Research Center analysis of U.S. Census Bureau data.

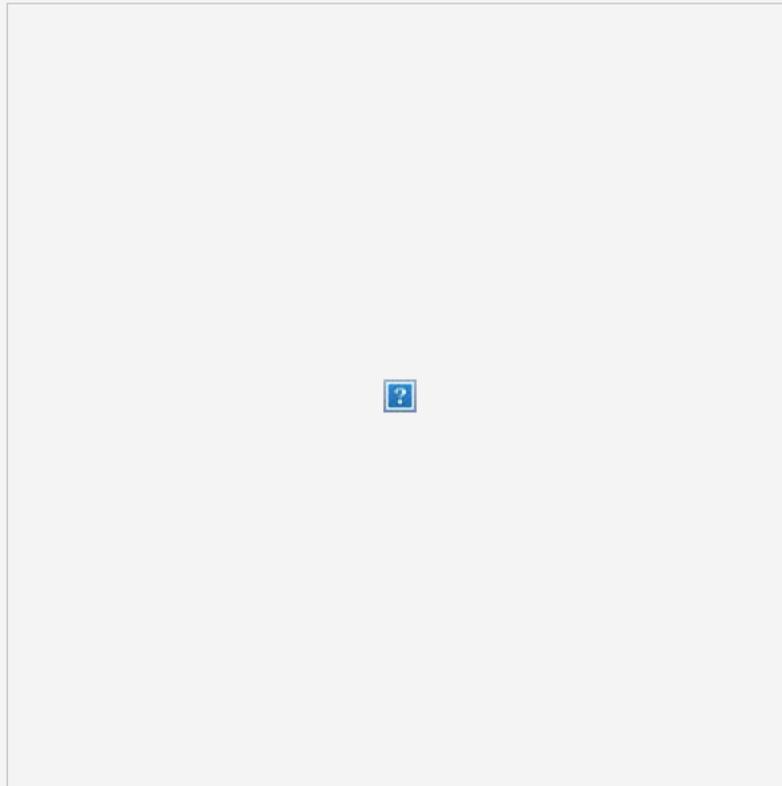


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**Date:** Wednesday, November 15, 2017 9:06:48 AM

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By [Eli Yokley](#)

## Top Stories

- The Republican National Committee halted its fundraising efforts for Alabama Senate nominee Roy Moore, and Majority Leader Mitch McConnell (R-Ky.) floated the possibility of a write-in campaign for Attorney General Jeff Sessions ahead of the Dec. 12 special election. President Donald Trump is expected to be thrust into the Republican Party debate over what to do about Moore following allegations of sexual misconduct. ([The Associated Press](#))
- The House Rules Committee approved the parameters for four-hours of floor debate, with no amendments, on the House GOP's tax overhaul measure. Debate is expected today ahead of a Thursday vote on final

passage. ([The Hill](#))

- Fifty-six percent of registered voters in a new poll said they think Trump will personally benefit from the GOP's proposed changes to the tax code if they become law. Twenty-nine percent of respondents said they and their families will benefit from tax reform. ([Morning Consult](#))
- The House voted 237 to 189 to pass legislation that would overhaul the federal flood insurance program and renew it for five years. The program is set to expire in December, but the Senate may not act until next year. ([The Wall Street Journal](#))

## Chart Review

[Biden Would Beat Trump if 2020 Election Were Held Right Now](#)

**Morning Consult**

## Events Calendar (All Times Local)

### WEDNESDAY

Sen. Manchin, Rep. Deutch speak at Roll Call event on energy policy 8 a.m.

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HUD's Carson speaks at Bipartisan Policy Center event on housing 8 a.m.

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Senate Finance Committee continues markup of tax reform bill 10 a.m.

**THURSDAY**

Reps. Bishop, Delaney at Progressive Policy Institute and  
Common Good event on infrastructure 8:30 a.m.

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WisPolitics.com DC breakfast with Morning Consult CEO  
Michael Ramlet 8:30 a.m.

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Rep. Barr speaks at Cato Institute event on monetary policy 2 p.m.

**FRIDAY**

FCC's Pai speaks at Cato Institute event 11 a.m.

## **General**

### **[Pentagon to Pay for Surgery for Transgender Soldier](#)**

**Courtney Kube, NBC News**

An active-duty service member underwent gender transition surgery Tuesday in the first such procedure approved under a waiver allowing the Pentagon to pay for the operation. The patient is an infantry soldier who identifies as a woman, according to a source close to the service member.

### **[Rex Tillerson Tells Myanmar Leaders to Investigate Attacks on](#)**

## [Rohingya](#)

**Hannah Beech, The New York Times**

Secretary of State Rex Tillerson briefly visited Myanmar on Wednesday and urged its two most influential leaders to investigate "credible reports of widespread atrocities" by the country's security forces against Rohingya Muslims. In a five-hour visit in Myanmar, Mr. Tillerson met with Sr. Gen. Min Aung Hlaing, the nation's military commander, and Daw Aung San Suu Kyi, the Nobel laureate and head of the country's civilian government.

## [Secret Finding: 60 Russian Payments "To Finance Election Campaign Of 2016](#)

**Jason Leopold et al., BuzzFeed News**

On Aug. 3 of last year, just as the US presidential election was entering its final, heated phase, the Russian foreign ministry sent nearly \$30,000 to its embassy in Washington. The wire transfer, which came from a Kremlin-backed Russian bank, landed in one of the embassy's Citibank accounts and contained a remarkable memo line: "to finance election campaign of 2016."

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## **Presidential**

### [Trump returns, faces Alabama Senate scandal](#)

**Zeke Miller, The Associated Press**

President Donald Trump spent five days in Asia largely keeping the Alabama Senate scandal at bay. He won't be so lucky on U.S. soil.

### [Majority of Voters Think Trump Would Benefit Personally from Tax Overhaul](#)

**Anna Gronewold, Morning Consult**

As Congress inches closer to making sweeping changes to the federal tax code, a majority of registered voters believe President Donald Trump and his international conglomerate will be the winners if Republicans pass a tax bill, while fewer voters think American families will get a break. In a Morning Consult/Politico poll of 1,993 registered voters conducted Nov. 9-11, 56 percent said they believe Trump himself will benefit from proposed changes to the tax code and 57 percent said they think The Trump Organization will.

## [Pence Presses CEOs to Help Sell Tax Overhaul](#)

**Peter Nicholas, The Wall Street Journal**

Vice President Mike Pence said Tuesday he believes that Republicans will secure the votes to pass a tax overhaul that is now making its way through Congress, whatever the outcome of the volatile Senate race in Alabama. Speaking at The Wall Street Journal's CEO Council gathering, Mr. Pence also called on the business executives in the audience to help make the case for passage of the tax plan.

## [Trump choosing white men as judges, highest rate in decades](#)

**Catherine Lucey and Meghan Hoyer, The Associated Press**

President Donald Trump is nominating white men to America's federal courts at a rate not seen in nearly 30 years, threatening to reverse a slow transformation toward a judiciary that reflects the nation's diversity. So far, 91 percent of Trump's nominees are white, and 81 percent are male, an Associated Press analysis has found.

## [Pence short trip to Colts game cost Indy police more than \\$14,000](#)

**Maureen Groppe, USA Today**

Vice President Pence's brief trip to an Indianapolis Colts game last month cost the Indianapolis police more than \$14,000, according to cost estimates the department provided to a watchdog group. The cost of the trip has been scrutinized because Pence left the game after some of the San Francisco 49ers kneeled during the national anthem.

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## **Senate**

### [GOP chairman releases modifications to tax bill, including mandate repeal](#)

**Naomi Jagoda, The Hill**

Senate Finance Committee Chairman Orrin Hatch (R-Utah) released modifications to the Senate tax bill late Tuesday, including the effective elimination of ObamaCare's individual mandate and the expiration of tax changes for individuals after 2025. Hatch said in a statement that by repealing the mandate "we not only ease the financial burdens already associated with the mandate, but also generate additional revenue to provide more tax relief to

[middle-class] individuals."

### [Steve Bannon And Allies Have Second Thoughts About Roy Moore, Sources Say](#)

**Lachlan Markay and Asawin Suebsaeng, The Daily Beast**

Donald Trump's former chief strategist Steve Bannon is keeping the door open to ditching Roy Moore as the sexual-assault allegations against the Alabama Republican Senate candidate continue to pile up. Publicly, the Trump confidant and Breitbart chairman has stood behind Moore, who is now accused of attempted rape of a 16-year-old girl.

### [Roy Moore challenged Alabama law that protects rape victims, documents reveal](#)

**Jon Swaine, The Guardian**

Roy Moore challenged the scope of an Alabama law that protects rape victims while serving as the most senior judge on the state's highest court, according to a review of records. As chief justice of Alabama's supreme court, Moore twice argued that the state's "rape shield" law should not prevent alleged sex offenders from using certain evidence about their underage accusers' personal lives to discredit them.

### [Senate confirms Bradbury after fight over 'torture memos'](#)

**Elana Schor and Lauren Gardner, Politico**

The Senate on Tuesday narrowly confirmed Steven Bradbury to join the Department of Transportation, with two Republicans voting with Democrats in opposition over Bradbury's authorship of so-called torture memos during the George W. Bush administration. The 50-47 vote came after an impassioned plea from Sen. John McCain (R-Ariz.), who joined Democrats in a push to derail Bradbury's confirmation as the general counsel at DOT.

### [GOP and Bar Association Tangle Over Judicial Nominees](#)

**Joe Palazzolo, The Wall Street Journal**

The American Bar Association has been a key gatekeeper for the federal courts since it began evaluating judicial nominees in the 1940s, but it is losing influence among Republicans in the U.S. Senate who view it as a liberal group. Tensions between Senate Republicans and the association, the largest organization of lawyers in the nation, have escalated in recent weeks after the

ABA pronounced a Nebraska lawyer unfit to serve on the Eighth U.S. Circuit Court of Appeals in St. Louis, citing his "deeply-held social agenda."

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## House

### [House panel sets up floor debate on GOP tax reform bill](#)

**Cristina Marcos, The Hill**

House Republicans' tax reform bill is set to reach the floor with no amendments, despite a push from some conservatives to include a repeal of the individual mandate. The House Rules Committee, which determines how legislation is considered on the floor, approved parameters late Tuesday for four hours of debate and no opportunity for lawmakers to amend the bill before an expected vote at the end of this week.

### [House Votes to Overhaul Flood-Insurance Program](#)

**Andrew Ackerman, The Wall Street Journal**

The House on Tuesday voted largely along party lines to revamp the federal flood-insurance program, which expires in December and has struggled in recent years to keep pace with record disaster payouts. The measure passed with a 237-189 vote, largely with Republicans for it and Democrats against it.

### [Dems to launch new impeachment push on Wednesday](#)

**Mike Lillis, The Hill**

A group of House Democrats will join forces Wednesday to introduce new articles of impeachment against President Trump, representing the broadest effort yet to oust him as commander in chief. The office of Rep. Steve Cohen (D-Tenn.), a Memphis liberal, announced the move.

### [DCCC Names First 11 Candidates in 'Red to Blue' Program](#)

**Simone Pathé, Roll Call**

The Democratic Congressional Campaign Committee is naming 11 candidates Wednesday to the first round of its Red to Blue program, which highlights strong Democratic recruits. The list of 11 candidates, obtained first by Roll Call, includes recruits running in 10 competitive GOP-held seats and in one open seat Democrats are hoping to keep blue.

## [Trump group warns Republican lawmakers to get on board with tax reform, White House agenda](#)

**David M. Drucker, Washington Examiner**

President Trump's officially designated political advocacy organization issued a stern warning Tuesday to Republicans in Congress: support the White House or face potentially millions of dollars in attack ads in 2018. America First Policies is on the air in North Carolina's 3rd Congressional District with more than \$100,000 in "hard-hitting" cable television and digital advertising, plus phone calls, to pressure Republican Rep. Walter Jones to drop his opposition to the Tax Cuts and Jobs Act ahead of Thursday's planned vote.

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## **States**

### [Judge throws out lawsuit in key Virginia House race](#)

**Laura Vozzella, The Washington Post**

A Stafford Circuit Court judge on Tuesday threw out a lawsuit brought over a squeaker House of Delegates election that could determine whether Republicans hold their grip on the chamber. But hours later, the Democrat trailing in that race filed another lawsuit in federal court.

### [Pa. House Speaker Mike Turzai to run for governor](#)

**Liz Navratil, The Philadelphia Inquirer**

House Speaker Mike Turzai, known for his conservative views and zest for battle with the Democratic administration, has joined the race for governor. The Republican from Allegheny County announced his plans to seek the GOP nomination Tuesday evening in a video posted to his campaign's social-media accounts.

### [Connecticut State Senate Approves Changes To State Budget](#)

**Christopher Keating, Hartford Courant**

With lightning speed, the state Senate voted unanimously Tuesday in special session on budget fixes for the controversial hospital tax and a renters' rebates for the elderly and disabled. The Senate voted 34-0 with Republican Sen. Craig Miner of Litchfield and Democrat Ted Kennedy Jr. of Branford absent.

### [Gov. Rick Scott proposes \\$87.4 billion state budget](#)

## **Arek Sarkissian, Naples Daily News**

Gov. Rick Scott wants the Legislature to consider a \$87.4 billion spending plan he unveiled Tuesday in Jacksonville, the largest and last state budget of his elected career. The plan Scott titled the "Securing Florida's Future" budget is larger than the more than \$69.3 billion budget he proposed during his first year in 2011.

## **Judge sides with South Carolina news media in fight over Republican caucus records**

### **Schuyler Kropf, The Post and Courier**

A judge has refused a request by South Carolina House Republicans to dismiss a lawsuit brought by a coalition of news outlets - including The Post and Courier - challenging the party's caucus contention it has a constitutional right to ban public access to its meetings and records. The filing doesn't immediately settle the news media's case, but it does give support to the argument that caucus activities should be open under current state law.

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## **Advocacy**

## **Mueller puts spotlight on foreign lobbying**

### **Megan R. Wilson, The Hill**

The cottage industry of foreign lobbying is taking center stage as special counsel Robert Mueller investigates the activities of people in President Trump's orbit. Foreign advocacy work in Washington is common, lucrative and occasionally controversial, but has rarely received the front-page scrutiny it's attracting now.

## **Inside the 'Lewandowski embassy'**

### **Theodoric Meyer et al., Politico**

Corey Lewandowski has a new base of operations in Washington: an elegant, century-old rowhouse that resembles his own version of the "Breitbart Embassy." Just as Steve Bannon does at the rowhouse a dozen blocks away where Breitbart News sometimes holds meetings and hosts parties, Lewandowski, Donald Trump's former campaign manager, stays upstairs when he's in town, according to five people familiar with the arrangement.

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## **A Message from the Electronic Payments Coalition:**

The numbers don't lie: the Durbin Amendment has been a windfall for the biggest retailers, but a failure for consumers. [Get the real story](#) about the Durbin Amendment's impact from the Electronic Payments Coalition.

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## **Opinions, Editorials and Perspectives**

### **[Under Siege: A Disservice to Veterans Whose Livelihoods Are in the Federal Service](#)**

**Keith Fusinski, Morning Consult**

Since the Trump administration and Environmental Protection Agency Administrator Scott Pruitt have been at the helm, the cost that service members have paid to protect all Americans turns out to be steeper than expected. As part of a grateful country's recompense for their service, U.S. veterans get a preference in federal hiring decisions, as 31 percent of federal employees are vets.

### **[The Roy Moore Mess](#)**

**The Editorial Board, The Wall Street Journal**

A famous country song aptly summed up where the Republicans are with Senate candidate Roy Moore in Alabama: You've got to know when to fold 'em. There is no doubt a sense in which Mr. Moore deserves the opportunity to challenge accusations against him for acts alleged to have happened more than 30 years ago.

### **[There are no grounds for a special counsel to investigate Hillary Clinton](#)**

**Editorial Board, The Washington Post**

President Trump has made his position clear: He would like to see Hillary Clinton investigated. After leading chants of "Lock her up!" during his presidential campaign, Mr. Trump has moved on to tweeting his disappointment over the Justice Department's failure to look "into all of the dishonesty going on with Crooked Hillary."

### **[Attorney General Jeff Sessions Doesn't Recall](#)**

## **The Editorial Board, The New York Times**

The House Judiciary Committee hearing on Tuesday, at which Attorney General Jeff Sessions faced more than five hours of questions, was supposed to be about oversight of the Justice Department. The committee's Republicans appeared to have missed that memo.

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## **A Message from the Electronic Payments Coalition:**

A string of broken promises has left consumers feeling the sting of the Durbin Amendment, while big-box stores continue to pocket billions of dollars at customers' expense. The time for repeal is now. [Find out the truth](#) from EPC.

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## **Research Reports and Polling**

### **[Department of Defense: Telehealth Use in Fiscal Year 2016](#)** **Government Accountability Office**

The Department of Defense (DOD) provides health care services to 9.4 million active duty servicemembers and other beneficiaries domestically and overseas through its military hospitals, military service clinics, and a civilian network of providers. In some cases, DOD uses telehealth to help provide these services, defining telehealth as the use of telecommunication and information technologies to provide health assessments, treatments, consultations, and other services across distances.



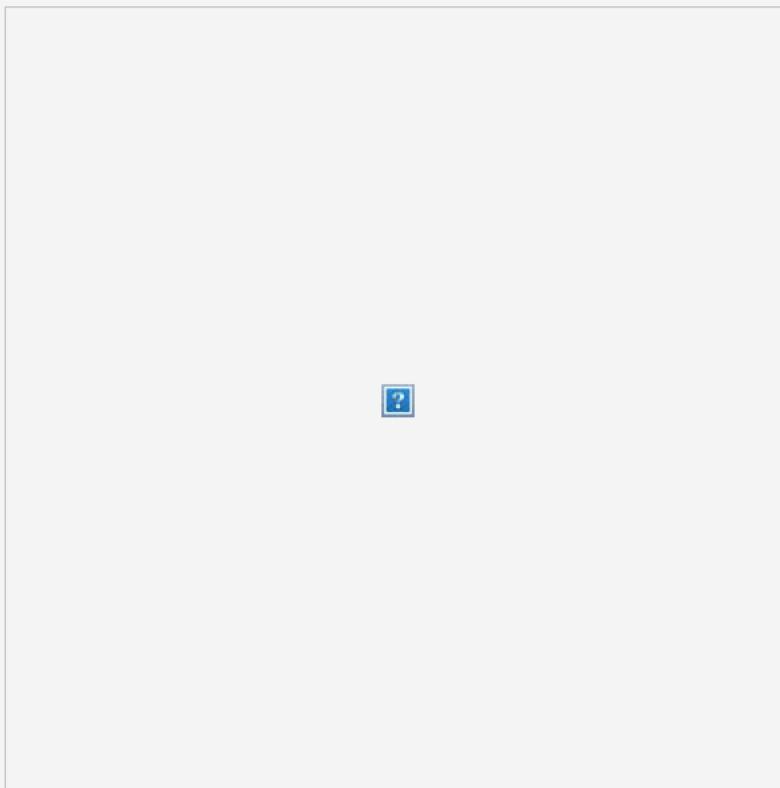
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**Date:** Wednesday, October 25, 2017 8:42:49 AM

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By [Eli Yokley](#)

## Top Stories

- The Senate voted 87-12 to pass legislation that would provide \$36.5 billion for hurricane relief, including \$4.9 billion for low-interest loans to Puerto Rico and the U.S. Virgin Islands. The bill, which the House passed on Oct. 12, now awaits action from President Donald Trump, who is expected to sign it into law. ([Bloomberg](#))
- Vice President Mike Pence cast the tie-breaking vote for a measure that would overturn a Consumer Financial Protection Bureau arbitration rule designed to make it easier for groups of consumers to sue financial institutions. The resolution now heads to the White House, where Trump is

expected to sign the measure into law. ([The Wall Street Journal](#))

- Trump imposed new restrictions on refugees from 11 countries as his administration lifted its 120-day suspension of refugee admissions. The new executive order begins a 90-day review period for the administration to conduct an "in-depth threat assessment" of the 11 countries, a period during which refugees can be admitted on a case-by-case basis. ([Politico](#))
- A 44 percent plurality of U.S. voters said Trump wants to weaken the relationship between the United States, Canada and Mexico. The poll comes amid contentious, ongoing renegotiation talks regarding the 23-year-old North American Free Trade Agreement. ([Morning Consult](#))

## Chart Review

[Many Voters Dislike Trump's Cuts to Health Insurer Subsidies](#)

**Morning Consult**

## Events Calendar (All Times Local)

### WEDNESDAY

HUD's Carson speaks at The Hill's event on housing 8:30 a.m.

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Kentucky governor and Sens. Cassidy, Murphy speak at Washington Post health care event 9 a.m.

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House Energy and Commerce Committee hearing on the opioid crisis 10 a.m.

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Sen. Schatz speaks at Bloomberg event on digital infrastructure

3:20 p.m.

**THURSDAY**

House Judiciary subcommittee hearing on oversight of the U.S. refugee admissions program

9 a.m.

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Senate HELP Committee hearing on free speech on college campuses

10 a.m.

**FRIDAY**

No events scheduled

## General

### [Clinton campaign, DNC paid for research that led to Russia dossier](#)

**Adam Entous et al., The Washington Post**

The Hillary Clinton campaign and the Democratic National Committee helped fund research that resulted in a now-famous dossier containing allegations about President Trump's connections to Russia and possible coordination between his campaign and the Kremlin, people familiar with the matter said. Marc E. Elias, a lawyer representing the Clinton campaign and the DNC, retained Fusion GPS, a Washington firm, to conduct the research.

## **Former Trump Campaign Chairman Paul Manafort Faces Another Money-Laundering Probe**

**Erica Orden and Nicole Hong, The Wall Street Journal**

The Manhattan U.S. attorney's office is pursuing an investigation into possible money laundering by Paul Manafort, said three people familiar with the matter, adding to the federal and state probes concerning the former Trump campaign chairman. The investigation by the U.S. attorney for the Southern District of New York is being conducted in collaboration with a probe by special counsel Robert Mueller into Mr. Manafort and possible money laundering, according to two of these people.

## **Federal court paves way for undocumented teen to have abortion**

**Ariane de Vogue and Emanuella Grinberg, CNN**

A federal appeals court on Tuesday cleared the way for an undocumented teen in detention in Texas to end her pregnancy against the objections of the Trump administration. The full D.C. Circuit Court of Appeals ruled that 17-year-old Jane Doe is entitled to seek an abortion without delay.

## **Scott Brown: U.S. ambassador to New Zealand investigated over inappropriate comments**

**Eleanor Ainge Roy, The Guardian**

The US ambassador to New Zealand Scott Brown has admitted he has been investigated over allegations he made inappropriate comments on his inaugural trip to Samoa, of which he is also the US representative. Brown told New Zealand media on Wednesday he wanted to address "innuendo and rumour" about his visit to Samoa in July to celebrate 50 years of the peace corps in the country.

## **Cubans Forcefully Reject Blame for U.S. Diplomats' Mystery Ailments**

**Andrea Mitchell and Mark Murray, NBC News**

In an exclusive interview with NBC News, Cuban officials forcefully denied that their government was to blame for the mysterious ailments that have afflicted two dozen American diplomats and plunged relations with the U.S. into crisis. President Donald Trump has publicly blamed the government in Havana for the reported symptoms, which range from hearing loss and nausea to memory

problems and mild traumatic brain injury.

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## **Presidential**

### **[Trump targets 11 nations in refugee order](#)**

**Ted Hesson, Politico**

The Trump administration will resume refugee admissions, but will impose new security measures on 11 nations. President Donald Trump issued an executive order Tuesday to restart the refugee resettlement program, which was suspended for 120 days as part of the president's travel ban.

### **[Voters Say They Think Trump Wants to Weaken U.S. Ties With NAFTA Partners](#)**

**Ryan Rainey, Morning Consult**

President Donald Trump and administration officials have been driving a hard bargain in recent talks with Canada and Mexico to renegotiate the North American Free Trade Agreement, to the point where NAFTA supporters in the United States are publicly speculating that the administration is trying to undermine the 23-year-old pact. A 44 percent plurality of registered voters said Trump wants to weaken the relationship between the United States, Canada and Mexico, according to a Morning Consult/Politico poll conducted online Oct. 19-23 among 1,988 Americans.

### **[Inside Trump's meeting with Senate GOP](#)**

**Alexander Bolton, The Hill**

Senators arrived at their weekly lunch Tuesday prepared to witness a heavyweight bout between President Trump and Sen. Bob Corker (R-Tenn.). Sen. Thom Tillis (R-N.C.) even brought popcorn. But the meeting was largely free of turmoil, according to the senators who were in the room, though it included some memorable moments.

### **[Trump Asks GOP Senators: Should Taylor or Powell Be Fed Chief?](#)**

**Kate Davidson and Peter Nicholas, The Wall Street Journal**

President Donald Trump on Tuesday asked Republican senators for a show-of-hands poll on two candidates he is considering to be the next chairman of the Federal Reserve. Sen. Tim Scott (R., S.C.) said the president, who was on

Capitol Hill at a Senate GOP caucus lunch, asked the group which candidate they preferred to lead the Fed-current Fed governor Jerome Powell or Stanford University economics professor John Taylor.

### [Trump to skip key East Asia Summit while in Asia](#)

**Jonathan Lemire, The Associated Press**

President Donald Trump will skip a key Asia summit at the end of his trip to the region next month. The White House said Tuesday that Trump will be returning to the United States on Nov. 14, which is the same day as the East Asia Summit (EAS) in the Philippines.

### [Trump's Next Chance to Wreck Obamacare: Open Enrollment](#)

**John Tozzi et al., Bloomberg**

At the Coastal Carolina Fair outside Charleston, S.C., you can visit a haunted house, touch a llama at the petting zoo, and, until this year, sign up for health coverage under the Affordable Care Act. Workers from the nonprofit Palmetto Project sometimes stayed at the fairgrounds until midnight over the past four years to help people enroll, but they won't be there Thursday when the fair opens.

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## Senate

### [Senate Passes Hurricane Relief Bill Granting Puerto Rico Loans](#)

**Erik Wasson, Bloomberg**

The Senate sent President Donald Trump a \$36.5 billion hurricane relief bill Tuesday that gives Puerto Rico access to \$4.9 billion in low-interest Treasury loans, amid concerns that recovery efforts from the recent disasters will require significantly more funding. The measure, passed 82-17, also would replenish the troubled National Flood Insurance Program, which runs out of money as early as this week.

### [Congress Votes to Overturn CFPB Arbitration Rule](#)

**Andrew Ackerman and Yuka Hayashi, The Wall Street Journal**

Congress overturned a rule by an Obama-appointed financial regulator that would have made it easier for consumers to sue banks in groups, with Vice President Mike Pence casting a tiebreaking vote in the Senate. The 51-50 vote

handed the financial industry its most significant legislative victory since President Donald Trump took office and was a rebuke of Consumer Financial Protection Bureau Director Richard Cordray, who pressed ahead with his agenda in defiance of Republicans.

### **'Cascading effect': Sen. Jeff Flake's announcement jolts political world, Senate race**

**Dan Nowicki and Yvonne Wingett Sanchez, The Arizona Republic**

U.S. Sen. Jeff Flake's surprise announcement that he is abruptly bowing out of his 2018 re-election race set Arizona's political world on end Tuesday, prompting prominent Republicans to take a fresh look at what is now an open seat. The new dynamic likely has any Arizona Republican member of the U.S. House of Representatives at least considering the opportunity.

### **Kid Rock: Of course I'm not running for Senate**

**Brian McCollum, Detroit Free Press**

Mocking people who took the idea seriously, Kid Rock said Tuesday morning he's not running for U.S. Senate. "F- no, I'm not running for Senate. Are you kidding me?" Rock said on Howard Stern's SiriusXM show.

### **Major McConnell Ally Says Bannon Endorsements Could Give Democrats An Opening**

**Henry J. Gomez, BuzzFeed News**

This week, one of the Democratic senators up for reelection next year in a state that Donald Trump won called Steve Bannon a white supremacist. Asked Sunday during an appearance on CNN's State of the Union if he agreed with an assertion by Democratic Rep. Frederica Wilson that the White House is "full of white supremacists," Ohio's Sherrod Brown used the opportunity to bash Trump's former chief strategist.

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## **House**

### **2 top Brady aides charged in probe of payoff to 2012 primary rival**

**Jeremy Roebuck et al., The Philadelphia Inquirer**

Two longtime top political advisers to U.S. Rep. Bob Brady were charged Tuesday by a federal grand jury with taking part in a scheme to disguise a

\$90,000 payment to a challenger to Brady in the 2012 primary as part of a secret plan to pay the rival to drop out of the race. Charged were consultant Kenneth Smukler, 57, a gregarious politico and communications specialist; and Donald "D.A." Jones, 62, a more low-key technocrat who is an expert in get-out-the vote tactics.

### [Democrats: Tax reform failure will flip the House](#)

**Heather Caygle and Aaron Lorenzo, Politico**

House Democrats have spent weeks publicly lambasting Republicans for trying to muscle through a partisan tax overhaul. But privately, Democratic leaders have no intention of engaging with Republicans even if they offered, sources close to them say.

### [Democrats Lack Strong Challengers for Some Vulnerable G.O.P.](#)

#### [House Seats](#)

**Nate Cohn, The New York Times**

Democratic congressional challengers have posted very impressive fundraising tallies so far this year. In the last quarter, nearly three dozen Republican incumbents were outraised by at least one Democratic challenger - an astonishing number against sitting members of Congress.

### [NC representative laughs off criticism from 'swamp creature' Chuck Schumer](#)

**Brian Murphy, The News & Observer**

Rep. Mark Walker has made a quick ascent during his short tenure in the U.S. House of Representatives. The second-term Republican from Greensboro is the chairman of the powerful Republican Study Committee, a post held a decade ago by Vice President Mike Pence.

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## **States**

### [Democrats win another NH House special election](#)

**Kyle Landrigan, New Hampshire Union Leader**

New Hampshire Democrats won another special election to the Legislature, this one in Dover's Ward 1 in very Democratic-leaning territory. Casey Conley, a former reporter for Foster's Daily Democrat, won the seat handily over

Republican Guy Eaton and Libertarian Barry Shields.

### [Democrats running for governor face off in San Francisco over healthcare, charter schools](#)

**Phil Willon and Seema Mehta, Los Angeles Times**

Reflecting a growing divide among California Democrats on single-payer healthcare and charter schools, California gubernatorial candidates landed on separate sides of those issues during a candidate forum in San Francisco Tuesday. The most heated exchange came in a clash between former Los Angeles Mayor Antonio Villaraigosa and Lt. Gov. Gavin Newsom over how to pay for a universal healthcare system that would cover all Californians and dramatically reshape medical coverage in the state.

### [Scott defends embattled Illinois governor, while branding his state 'anti-business'](#)

**Matt Dixon, Politico**

Gov. Rick Scott announced on Tuesday he's making an economic development trip to Chicago to bring jobs to Florida. But in the process he's also walking a fine political line of defending the embattled GOP governor of Illinois, while still branding the state "anti-business."

### [Massachusetts Mulls Shifting to Atlantic Time-And Staying There](#)

**Jon Kamp, The Wall Street Journal**

As Americans get ready to turn the clocks back next month, a Massachusetts commission is exploring whether the state should spring ahead one hour for good. Winter darkness comes early in New England, which sits along the edge of the Eastern Time Zone, and preserving more late-afternoon sunshine could yield some health and economic benefits, according to a draft report from a Massachusetts commission studying the issue.

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## **Advocacy**

### [Silicon Valley Gets Behind Initiative to Challenge Trump's Agenda in Court](#)

**Lizette Chapman, Bloomberg**

The day after U.S. President Donald Trump ordered a ban on travelers from

seven majority Muslim countries, Mamoon Hamid was rallying a response from Silicon Valley. The Pakistan-born venture capitalist held a private dinner that night in San Francisco, where he pitched other investors, entrepreneurs and technology executives on a coalition that could challenge the Trump administration's most controversial policies in court.

### **Private Prisons Boost Lobbying as Federal Detention Needs Grow** **Dean DeChiaro, Roll Call**

One of the country's largest private prison companies is spending record amounts on lobbying amid efforts by the Trump administration to detain more undocumented immigrants, federal records show. The GEO Group, which has contracts with Immigration and Customs Enforcement, the Bureau of Prisons and the Marshals Service, has spent nearly \$1.3 million on lobbying from Jan. 1 through Sept. 30, according to new lobbying records filed with Congress.

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### **A Message from the Electronic Payments Coalition:**

Trick or treat? The Durbin amendment has hurt consumers the most, according to TWELVE different studies. Let's end retailers' tricks at their customers' expense by repealing the Durbin amendment. Get the latest from [EPC](#).

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## **Opinions, Editorials and Perspectives**

### **Enough**

**Jeff Flake, The Washington Post**

As I contemplate the Trump presidency, I cannot help but think of Joseph Welch. On June 9, 1954, during the Army-McCarthy hearings, Welch, who was the chief counsel for the Army, famously asked the committee chairman if he might speak on a point of personal privilege.

### **The FBI's Political Meddling**

**Holman W. Jenkins, Jr., The Wall Street Journal**

Let's give plausible accounts of the known facts, then explain why demands that Robert Mueller recuse himself from the Russia investigation may not be the fanciful partisan grandstanding you imagine. Here's a story consistent with

what has been reported in the press-how reliably reported is uncertain.

### [We Need a Strategy for the Middle East](#)

**John McCain, The New York Times**

Clashes this month between elements of the Iraqi security forces and Kurdish fighters around Kirkuk are deeply troubling, in particular because of the United States' longstanding friendship with the Kurdish people. These clashes are also emblematic of a broader, more troubling reality: Beyond our tactical successes in the fight against the Islamic State, the United States is still dangerously lacking a comprehensive strategy toward the rest of the Middle East in all of its complexity.

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### **A Message from the Electronic Payments Coalition:**

What's scarier than a ghost? Retailers' broken promises over the Durbin amendment, which have cost consumers \$6-8 billion each year. Stop this nightmare and get rid of this policy once and for all! [Read more](#) about the policy's failures.

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## **Research Reports and Polling**

### [Jeff Flake Becomes 1st Arizona US Senator Not to Seek 2nd Term](#)

**Eric Ostermeier, University of Minnesota**

Jeff Flake's surprise announcement on Tuesday that he will not run for reelection in 2018 means he is the first of the 11 Arizona U.S. Senators since statehood never to run for a second term. Arizona has a history of long-serving members of the nation's upper legislative chamber.

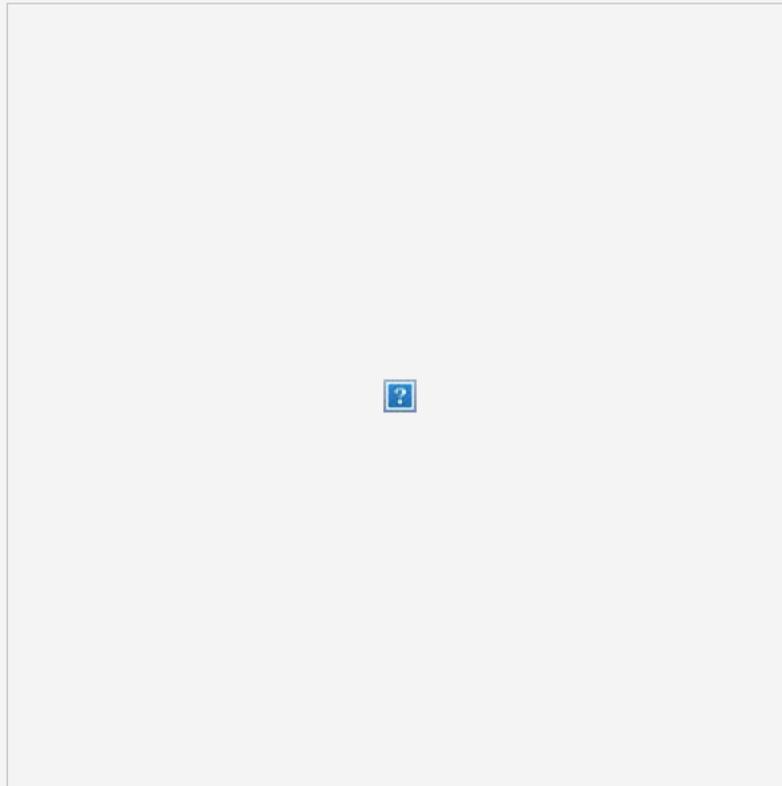


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**Subject:** Morning Consult Washington, Presented by the Electronic Payments Coalition: Senate Confirms Nielsen to Lead DHS  
**Date:** Wednesday, December 06, 2017 9:05:20 AM

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By [Eli Yokley](#)

## Top Stories

- The Senate voted 62 to 37 to confirm Kirstjen Nielsen to lead the Department of Homeland Security. Nielsen had served as chief of staff to John Kelly when he was DHS secretary, and she later became a top White House aide when Kelly was named President Donald Trump's chief of staff. ([CNN](#))
- International leaders criticized Trump's plan to recognize Jerusalem as Israel's capital, which he is set to announce today. Pope Francis said he was "profoundly concerned," while China raised concerns about "possible aggravation of regional tensions." ([The Associated Press](#))

- Donald Trump Jr., the president's eldest son, is scheduled to testify today before the House Intelligence Committee behind closed doors. Democratic investigators are interested in the Trump family's financial ties to Moscow and any communications Trump Jr. had with former national security adviser Michael Flynn, who pleaded guilty to lying to the Federal Bureau of Investigation about his meeting with Sergey Kislyak, Russia's ambassador to the United States. ([The Hill](#))
- A new poll found that 61 percent of registered voters say Congress should probe all credible allegations of sexual misconduct against a sitting politician, even if the alleged events took place before the lawmaker took office. The survey comes amid allegations of past sexual misconduct involving Sen. Al Franken (D-Minn.) and ahead of the Dec. 12 special election for Senate in Alabama, where Republican nominee Roy Moore has been accused of sexual misconduct from decades ago. ([Morning Consult](#))

## Chart Review

[Deadline Looming, House GOP Keeps Talking About Funding](#)

[Options](#)

**Roll Call**

## Events Calendar (All Times Local)

### WEDNESDAY

California Attorney General Becerra speaks at National Press Club 10 a.m.

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Sen. Burr speaks at Council on Foreign Relations event 12:45 p.m.

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Sen. Coons speaks at ITIF event on the economy 1 p.m.

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House Foreign Affairs Committee hearing on Brexit

negotiations 2 p.m.

## **THURSDAY**

ACCF event on Trump's economic policy agenda 9:30 a.m.

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Carnegie Endowment for International Peace event on sanctions for nonproliferation 10 a.m.

---

Senate Armed Services Committee hearing on the Defense Department's acquisition reform efforts 10 a.m.

---

FBI director testifies before House Judiciary Committee 10 a.m.

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CSIS event on OPEC's World Oil Outlook 2017 2 p.m.

## **FRIDAY**

Carnegie Endowment for International Peace event on China and the U.S.-Japan alliance 10:30 a.m.

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Trump campaign rally in Pensacola, Fla. 7 p.m.

## **General**

### **[Voters Say No Statute of Limitations for Lawmakers Accused of Sexual Misconduct](#)**

**Eli Yokley, Morning Consult**

Most voters say that lawmakers accused of sexual misconduct should be formally investigated, even if the alleged events occurred before they took office, a new Morning Consult/Politico poll shows. Sixty-one percent of poll respondents said Congress should probe all credible allegations of sexual misconduct against a sitting politician, while 28 percent said the legislative

body should only investigate events that took place after a lawmaker was sworn in.

### [Justices Sharply Divided in Wedding Cake Case](#)

**Adam Liptak, The New York Times**

Justice Anthony M. Kennedy, who almost certainly holds the crucial vote in the case of a Colorado baker who refused to make a wedding cake for a gay couple, sent sharply contradictory messages when it was argued Tuesday at the Supreme Court. He asked a lawyer for the Trump administration whether the baker, Jack Phillips, could put a sign in his window saying, "We don't bake cakes for gay weddings."

### [DOJ reviewing whether gun bump stocks should be banned](#)

**Cristiano Lima, Politico**

Federal authorities announced Tuesday they are reviewing whether bump stocks, the gun accessory used in a Las Vegas shooting in October that killed 58 concert-goers, should be prohibited. The Department of Justice and the Bureau of Alcohol, Tobacco, Firearms and Explosives said the process will seek to determine whether existing regulations outlawing the possession of machine guns can be applied to the accessory, which lets semi-automatic weapons fire more rapidly.

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## Presidential

### [Warnings intensify as Trump readies Jerusalem declaration](#)

**Josef Federman and Matthew Lee, The Associated Press**

America's friends and foes unleashed fierce criticism on Wednesday ahead of President Donald Trump's announcement recognizing Jerusalem as Israel's capital. While Israel welcomed the news, Palestinian officials declared the Mideast peace process "finished" and Turkey announced it would host a meeting of Islamic nations next week to give Muslim countries' leaders an opportunity to coordinate a response.

### [Trump pressuring congressional Republicans to speed up on tax reform](#)

**Nancy Cook and Aaron Lorenzo, Politico**

President Donald Trump has told congressional leaders he'd like the final deal on tax reform to move even faster than the Dec. 22 goal they've set, according to White House officials. "We want it to proceed as quickly as possible, and we've communicated that to the Hill in a lot of ways," said Marc Short, White House director of legislative affairs.

### [Trump pushing to dismiss suit brought by former 'Apprentice' contestant over groping claims](#)

**Laura Nahmias, Politico**

Sexual harassment allegations against President Donald Trump dating back to his days hosting the reality TV show "The Apprentice" will be raised in a New York courtroom Tuesday afternoon, where a judge will hear arguments on a motion to dismiss a suit brought by a former contestant who says Trump groped her a decade ago. Summer Zervos filed a defamation suit after Trump issued a statement appearing to dismiss her allegations that he repeatedly kissed her on the mouth, grabbed her breast and thrust his genitals at her when she appeared on the show in 2007.

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## **Senate**

### [Senate confirms Trump's 2nd permanent DHS chief](#)

**Eli Watkins, CNN**

The Senate on Tuesday confirmed Kirstjen Nielsen to be secretary of Homeland Security, permanently filling the vacancy created when President Donald Trump selected retired Gen. John Kelly to be his chief of staff. Kelly left the Department of Homeland Security for the White House in late July during a shakeup that included the resignation of the former chief of staff, Reince Priebus.

### [GOP senators grumble over Trump, RNC backing Moore](#)

**Seung Min Kim and Kevin Robillard, Politico**

Senate Republicans are still trying to keep their distance from Roy Moore, creating a fresh break with President Donald Trump and the Republican National Committee, which have re-embraced Moore less than a week before a key special Senate election despite accusations of child molestation against the Alabama Republican. Both the National Republican Senatorial Committee and

the Senate Leadership Fund, a super PAC controlled by allies of Senate Majority Leader Mitch McConnell, said they plan on staying out of the contest. Several Republican senators furiously protested the RNC's decision on Tuesday.

### **[Bannon Finds New Fight Backing Roy Moore, but Risks Are High](#)** **Jeremy W. Peters, The New York Times**

Four months ago, Stephen K. Bannon was plotting a takeover of Washington and the Republican Party from his office in the West Wing as chief strategist to President Trump. On Tuesday, Mr. Bannon the private citizen stood where his latest fight had taken him: the mulch floor of a barn in southern Alabama, where he delivered a passionate plea to elect Roy S. Moore, the former judge who faces numerous accusations that he preyed on young women, some of them teenagers.

### **[Democrats place hold on McFarland nomination](#)** **Manu Raju and Jeremy Herb, CNN**

Democrats have placed a hold on the nomination of KT McFarland to be ambassador to Singapore until she answers their questions about her knowledge of communications between former national security adviser Michael Flynn and Russian ambassador Sergey Kislyak, a Democratic source told CNN. McFarland told the Senate Foreign Relations Committee in written comments that she "was not aware" of any communications between Flynn and the Russian ambassador - an assertion that appears to be contradicted by court documents unsealed Friday after Flynn pleaded guilty to lying to the FBI.

### **[Senate Banking Advances Powell Nomination for Fed Chairman](#)** **Doug Sword, Roll Call**

The Senate Banking Committee voted 22-1 Tuesday to recommend confirmation of Jerome Powell as the next chairman of the Federal Reserve. Massachusetts Sen. Elizabeth Warren voted against the recommendation.

### **[E.W. Jackson, conservative firebrand, preparing U.S. Senate bid in Virginia](#)** **Jenna Portnoy, The Washington Post**

E.W. Jackson, a firebrand minister who says yoga leads to Satan and gay people are ill, plans to announce he is seeking the Republican nomination to

challenge U.S. Sen. Tim Kaine (D-Va.) next year, according to Jackson's finance director. Jackson will announce his candidacy on Dec. 11 in the Chesapeake area, said Steven Thomas, who said he is raising money for Jackson's campaign and filled the same role during Jackson's 2013 losing bid for lieutenant governor.

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## House

### [Trump Jr. set for high-stakes interview with House intel panel](#)

**Katie Bo Williams and Olivia Beavers, The Hill**

Donald Trump Jr. is set on Wednesday to testify before congressional investigators probing Russian interference in the election, the latest high-stakes interview of a member of President Trump's immediate family. The interview, which is voluntary and will take place behind closed doors with the House Intelligence Committee, is Trump Jr.'s second appearance on Capitol Hill and follows similar interviews by the president's son-in-law, Jared Kushner.

### [Donald Trump Jr. asked Russian lawyer for info on Clinton Foundation](#)

**Ken Dilanian and Natasha Lebedeva, NBC News**

Donald Trump Jr. asked a Russian lawyer at the June 2016 Trump Tower meeting whether she had evidence of illegal donations to the Clinton Foundation, the lawyer told the Senate Judiciary Committee in answers to written questions obtained exclusively by NBC News. The lawyer, Natalia Veselnitskaya, told the committee that she didn't have any such evidence, and that she believes Trump misunderstood the nature of the meeting after receiving emails from a music promoter promising incriminating information on Hillary Clinton, Donald Trump's Democratic opponent.

### [House GOP Postpones Short-Term Spending Bill Vote](#)

**Kristina Peterson, The Wall Street Journal**

A dispute among House Republicans over their year-end strategy forced GOP leaders to delay a vote on a stopgap spending bill, with just a handful of days before a partial government shutdown. House GOP leaders were still debating Tuesday evening whether to bring to the floor on Thursday a short-term

spending bill to keep the government running through Dec. 22 or Dec. 30.

### [House GOP exploring tax plan changes to help California, other high-tax states](#)

**Mike DeBonis, The Washington Post**

Top House Republicans said Tuesday they were exploring changes to their tax plan that would lower tax bills for Californians and others who pay high state income taxes - including by allowing Americans to deduct some state income tax payments from what they owe in federal taxes. House Ways and Means Chairman Kevin Brady (R-Tex.) told reporters Tuesday that tax writers are looking at a number of ways to give relief to residents of high-tax states.

### [Black lawmakers resentful after Conyers resignation](#)

**John Bresnahan, Politico**

The stunning fall of Democratic Rep. John Conyers - who resigned Tuesday amid a growing sexual-harassment scandal - has left confusion, anger, resentment and bewilderment inside the ranks of the Congressional Black Caucus, a group that Conyers helped found nearly four decades ago. Many CBC members see a double standard at play.

### [Conservative lawmakers met to discuss GOP chairman's ouster](#)

**Scott Wong, The Hill**

Leaders of the conservative Republican Study Committee met last week and discussed their desire to oust Rep. Rodney Frelinghuysen as Appropriations chairman after the New Jersey Republican voted against the GOP tax-reform bill, The Hill has learned. Majority Whip Steve Scalise (R-La.), a former Republican Study Committee (RSC) chairman who's now the party's chief vote-counter, participated in that discussion last Thursday, GOP sources said.

### [Lexington Mayor Jim Gray running for Congress](#)

**Daniel Desrochers, Lexington Herald Leader**

After months of will-he, won't-he whispering among Kentucky Democrats, Lexington Mayor Jim Gray made it official early Tuesday: He's running for Congress. "We need to bring people together; we need to reach across partisan lines," Gray said as he launched his campaign in Berea.

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## States

### [Joe Trillo to run for governor as an independent](#)

**Patrick Anderson, Providence Journal**

Joseph A. Trillo, the former Republican state lawmaker who became the leading Rhode Island advocate for President Donald Trump, said Tuesday he will run for governor as an independent, shocking many in the party he is leaving and adding a new wrinkle to the developing 2018 race. "To win with my message in Rhode Island I will need Democratic support. I feel this can only be accomplished by shedding party politics and running as an independent," Trillo said as he formally launched his campaign on radio station WPRO Tuesday afternoon.

### [Ben Jealous releases plan for statewide 'Medicare for all'](#)

**Michael Dresser, The Baltimore Sun**

Democratic gubernatorial candidate Ben Jealous released a plan Wednesday calling on Maryland to take the plunge and create a universal health care system without waiting for the the federal government to take the lead. The release of Jealous' outline of a statewide "Medicare for all" plan comes as he is planning a Wednesday night rally at the College of Notre Dame with 2016 presidential candidate Sen. Bernie Sanders, a supporter of single-payer health care who has endorsed Jealous' candidacy.

### [Women rock Tuesday's runoffs in metro Atlanta](#)

**Greg Bluestein, Atlanta Journal-Constitution**

There was never any doubt that voters on Tuesday would elect Atlanta's second female mayor. But up and down the ballot for Tuesday's runoff, metro Atlanta voters sent a wave of other women to public office.

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## Advocacy

### [Conservative Groups Seeking Support for Tax Cuts Find It a Hard Sell](#)

**Jeremy W. Peters, The New York Times**

A dozen high school students working for Americans for Prosperity, the

conservative political network funded by Charles G. and David H. Koch, fanned out across the Little Havana neighborhood one day last week to make the case that the Republican tax bill was something to get excited about. "We believe it's time to fix our broken tax code and let families keep more of what they earn," Barbara D'Ambrosio, a sophomore, dutifully told an elderly woman who answered the door in her slippers.

### **[How Trump Did the Impossible: Getting Solar and Oil Lobbyists to Unite](#)**

**Ari Natter and Jennifer A Dlouhy, Bloomberg**

In his 20 years of promoting renewable energy in Washington, Gregory Wetstone has made common cause with a range of special interest groups:- environmentalists, power utilities, even a handful of natural gas producers. But President Donald Trump's efforts to bail out the coal industry led Wetstone, the head of the American Council on Renewable Energy, to find a surprising new partner: Big Oil.

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### **A Message from the Electronic Payments Coalition:**

A new EPC report analyzes how countries that adopt EMV experience lower counterfeit card fraud rates. It's time for a dynamic data security strategy to protect consumers like you. [Learn more](#) from EPC.

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## **Opinions, Editorials and Perspectives**

### **[Does President Trump Want to Negotiate Middle East Peace?](#)**

**The Editorial Board, The New York Times**

In the debate over a potential Israeli-Palestinian peace agreement, no issue is more charged with emotion than the future of Jerusalem. Should the holy city be the capital of the Israelis alone or shared with the Palestinians?

### **[The Right Move on Monuments](#)**

**The Editorial Board, The Wall Street Journal**

President Trump announced Monday that he will dramatically reduce the acreage of two national monuments. The order ends excessive federal control of Utah land, allowing residents to protect their own territory and conserve

their cultural relics.

### **[What a presidential president would have said about the FBI](#)** **Editorial Board, The Washington Post**

Given how far President Trump strays from the norms of democratic rhetoric, we think it useful from time to time to recall how a more presidential president might speak. This is another such time.

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### **A Message from the Electronic Payments Coalition:**

**[NEW REPORT](#)**: EMV adoption is critical to reduce counterfeit fraud in the U.S. **[Learn how](#)** EPC members are developing and implementing new technologies to make your life more secure.

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## **Research Reports and Polling**

### **[One Nation, Divided, Under Trump: Findings from the 2017 American Values Survey](#)** **Alex Vandermaas-Peeler et al., PRRI**

Seven in ten (70%) Americans say that recent stories about women being sexually harassed and assaulted in the workplace are part of a broader pattern of how women are often treated, while about one-quarter (24%) say that they are isolated incidents. Nearly eight in ten (78%) women, and more than six in ten (63%) men, say that recent reports of sexual harassment and assault are not isolated incidents.

### **[Best Places to Work in the Federal Government](#)** **Partnership for Public Service**

The annual Best Places to Work in the Federal Government® rankings are produced by the nonprofit, nonpartisan Partnership for Public Service and Deloitte. The 2017 rankings include the views of more than 498,000 civil servants from 200 federal organizations on a wide range of workplace topics.

### **[Two-thirds of youth fearful about America's future, prefer Democratic control of Congress, Harvard youth poll finds](#)** **Harvard Institute of Politics**

A new national poll of America's 18- to 29-year-olds by Harvard's Institute of Politics (IOP), located at the Kennedy School of Government, finds that two-thirds of young Americans (67%) are more fearful than hopeful about America's future. Less than one year before the 2018 midterm elections, likely young American voters cite preference for Democratic control of Congress, 65% to 33%.



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**Date:** Wednesday, September 13, 2017 9:11:19 AM

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By [Eli Yokley](#)

## Top Stories

- The Supreme Court lifted some restrictions on President Donald Trump's travel ban for the time being, allowing the administration to prohibit most refugees from entering the United States. A lower court had ruled that the administration cannot ban refugees who have a formal relationship with a refugee resettlement agency. ([The Hill](#))
- Following last night's meeting with a bipartisan group of senators to discuss tax reform, Trump is scheduled to hold similar talks today with members of the House Problem Solvers Caucus and centrist Democratic "Blue Dogs."

The leaders will also discuss infrastructure and health care, and possibly immigration policy. ([USA Today](#))

- House Speaker Paul Ryan (R-Wis.) and House Minority Leader Nancy Pelosi (D-Calif.) are scheduled to meet today to discuss the Dream Act and the fate of people enrolled in the Deferred Action for Childhood Arrivals program, which the Trump administration is expected to end in March. ([The Washington Post](#))
- The House joined the Senate in unanimously adopting a joint resolution that condemns last month's racially motivated violence in Charlottesville, Va. The resolution will be sent to the White House as early as today. ([The New York Times](#))
- GOP voters trust Trump more than Republican congressional leaders, 56 percent to 28 percent, to work with Democrats to achieve certain policy outcomes, according to a new poll. The national survey of registered voters also showed that Republicans prefer that Trump work with congressional Democrats, not just GOP lawmakers, to advance his agenda. ([Morning Consult](#))

## Chart Review

**[Poll: Most GOP Voters Trust Trump Over Party Leaders on Bipartisan Dealmaking](#)**

**Morning Consult**



## Events Calendar (All Times Local)

### WEDNESDAY

Sen. Portman, Rep. Tonko speak at event on opioid epidemic 8 a.m.

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Rep. Ro Khanna speaks at Atlantic Council event on visa policies 10:30 a.m.

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Millennial Action Project event on the book "The Impossible Presidency: The Rise and Fall of America's Highest Office" 12 p.m.

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Airlines for America Commercial Aviation Industry Summit	12 p.m.
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House Foreign Affairs subcommittee hearing on Venezuela	2 p.m.
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CFR event on the upcoming German federal election	6:30 p.m.
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**THURSDAY**

Politico Pro Policy Summit	7:45 a.m.
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Sens. Heitkamp, Whitehouse, Capito, Barrasso speak at Center for Climate and Energy Solutions	8:30 a.m.
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Senate Finance Committee hearing on individual tax reform	10 a.m.
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Senate HELP Committee hearing on the individual insurance market	10 a.m.
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**FRIDAY**

AEI event on trade deficits and the Trump administration	10 a.m.
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## **General**

### **[Congress Passes Measure Challenging Trump to Denounce Hate Groups](#)**

**Glenn Thrush, The New York Times**

The House and Senate have unanimously passed a joint resolution urging President Trump to denounce racist and anti-Semitic hate groups, sending a blunt message of dissatisfaction with the president's initial, equivocal response to the white nationalist violence in Charlottesville, Va., last month. The resolution passed the Senate without dissent on Monday and was approved

without objection by the entire House on Tuesday night.

### [U.S. Threatens China Over North Korea Sanctions](#)

**Ian Talley, The Wall Street Journal**

The Trump administration threatened on Tuesday to impose further sanctions on China if Beijing doesn't do more to shut down banks and other Chinese firms aiding North Korea. If China doesn't implement the United Nations sanctions regime it has backed, "We will put additional sanctions on them and prevent them from accessing the U.S. and international dollar system," Treasury Secretary Steven Mnuchin said on Tuesday at a conference.

### [FEMA estimates 25 percent of Florida Keys homes are gone](#)

**Jason Dearen and Martha Mendoza, The Associated Press**

With 25 percent of the homes in the Florida Keys feared destroyed, emergency workers Tuesday rushed to find Hurricane Irma's victims - dead or alive - and deliver food and water to the stricken island chain. As crews labored to repair the lone highway connecting the Keys, residents of some of the islands closest to Florida's mainland were allowed to return and get their first look at the devastation.

### [U.S. middle-class incomes reached highest-ever level in 2016, Census Bureau says](#)

**Heather Long, The Washington Post**

The incomes of middle-class Americans rose last year to the highest level ever recorded by the Census Bureau, as poverty declined and the scars of the past decade's Great Recession seemed to finally fade. Median household income rose to \$59,039 in 2016, a 3.2 percent increase from the previous year and the second consecutive year of healthy gains, the Census Bureau reported Tuesday.

### [Edith Windsor, Whose Same-Sex Marriage Fight Led to Landmark Ruling, Dies at 88](#)

**Robert D. McFadden, The New York Times**

Edith Windsor, the gay-rights activist whose landmark Supreme Court case struck down the Defense of Marriage Act in 2013 and granted same-sex married couples federal recognition for the first time and rights to myriad federal benefits, died on Tuesday in Manhattan. She was 88.

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# Presidential

## [Supreme Court lifts restrictions on Trump travel ban](#)

**Lydia Wheeler, The Hill**

The Supreme Court agreed late Tuesday to lift restrictions on President Trump's travel ban until further notice, allowing the administration to continue barring most refugees under the ban. The court granted the government's request to block a federal appeals court ruling that said the administration cannot ban refugees who have formal assurances from resettlement agencies or are in the U.S. Refugee Admissions Program.

## [White House Weighs Lowering Refugee Quota to Below 50,000](#)

**Julie Hirschfeld Davis and Miriam Jordan, The New York Times**

The Trump administration is considering reducing the number of refugees admitted to the country over the next year to below 50,000, according to current and former government officials familiar with the discussions, the lowest number since at least 1980. President Trump promised during his 2016 campaign to deny admittance to refugees who posed a terrorist threat.

## [Trump to meet with bipartisan group of House moderates Wednesday](#)

**Nicole Gaudiano, USA Today**

President Trump has invited a bipartisan group of moderate House members to the White House on Wednesday to discuss a host of issues, including tax reform, infrastructure and health care, according to a congressional source familiar with the meeting. The meeting may also include a discussion of the path forward for "DREAMers," undocumented immigrants who came to the U.S. as children, the source said, asking for anonymity to discuss a meeting that had not been publicly announced.

## [Trump Woos Democrats on Tax Overhaul at White House Dinner](#)

**John Voskuhl, Bloomberg**

Three Democratic senators joined President Donald Trump for a White House dinner Tuesday aimed at winning their support for an as-yet unreleased tax overhaul bill that would be written by Republican leaders. Trump's guests - Joe Manchin of West Virginia, Heidi Heitkamp of North Dakota and Joe Donnelly

of Indiana - are the only three Democratic senators who haven't signed on to a list of conditions for supporting any tax legislation: that it not add to the federal deficit, that it not increase the burden on the middle class and that it go through the regular order process in Congress.

### [White House: Justice Department should 'certainly look at' prosecuting former FBI Director James Comey](#)

**Melissa Quinn, Washington Examiner**

White House press secretary Sarah Sanders said Tuesday the Department of Justice should "certainly look at" whether to prosecute former FBI Director James Comey over recent actions. "That's not the president's role. That's the job of the Department of Justice and something they should certainly look at," Sanders said during Tuesday's White House press briefing when asked if President Trump would encourage the Justice Department to prosecute the former FBI director.

### [Russia Sought A Broad Reset With Trump, Secret Document Shows](#) **John Hudson, BuzzFeed News**

In the third month of Donald Trump's presidency, Vladimir Putin dispatched one of his diplomats to the State Department to deliver a bold proposition: The full normalization of relations between the United States and Russia across all major branches of government. The proposal, spelled out in a detailed document obtained by BuzzFeed News, called for the wholesale restoration of diplomatic, military and intelligence channels severed between the two countries after Russia's military interventions in Ukraine and Syria.

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## Senate

### [Ready Or Not, Here Comes Bernie Sanders And His Single-Payer Plan](#)

**Jonathan Cohn, HuffPost**

Sen. Bernie Sanders (I-Vt.) plans to unveil a new version of his "Medicare-for-all" proposal on Wednesday. But the actual substance of the plan may matter less than what he says about it — and the role he envisions that proposal playing in future debates over how to reform the U.S. health care system.

### [Conservative Democrat Open to Single-Payer Health System](#)

## **Sahil Kapur, Bloomberg**

The Senate's most conservative Democrat said Tuesday Congress should consider adopting a single-payer health-care system, a sign of how fast politics are shifting on what was once seen as a fringe issue on the left. "It should be explored," said West Virginia Senator Joe Manchin, who faces re-election next year in a state President Donald Trump carried by 42 points.

## **Senate to vote on Rand Paul's war proposal**

### **Jordain Carney, The Hill**

The Senate will weigh in on Sen. Rand Paul's push to sunset two war authorizations, a vote that follows the Kentucky Republican's threat to grind an annual defense bill to a standstill. Senators will hold a vote on Paul's amendment to sunset the 2001 and 2002 Authorizations for the Use of Military Force (AUMF) on Wednesday.

## **Cruz Wades Into Tax Debate With Focus on Expensing**

### **Richard Rubin and Siobhan Hughes, The Wall Street Journal**

Sen. Ted Cruz (R., Texas) will lay down a marker in the tax debate on Wednesday, endorsing full and immediate deductions for capital investment by businesses. In a speech at a Tax Foundation event, Mr. Cruz will emphasize that such full expensing instead of current multiyear depreciation schedules would make the tax code simpler and direct tax benefits to new investments, according to a person familiar with his remarks.

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## **House**

## **Ryan and Pelosi to huddle on Dream Act to protect DACA recipients**

### **Ed O'Keefe, The Washington Post**

Top House leaders plan to huddle Wednesday to begin discussing legislation that would provide protections to nearly 700,000 "dreamers" at risk of losing their legal status in six months if Congress fails to act. House Speaker Paul D. Ryan (R-Wis.) and House Majority Leader Kevin McCarthy (R-Calif.) plan to meet with House Minority Leader Nancy Pelosi (D-Calif.), House Minority Whip Steny H. Hoyer (D-Md.) and the leaders of the congressional Asian, Black and Hispanic caucuses to discuss potential debate of the Dream Act, a

bill that would grant legal protections to the roughly 690,000 people currently enrolled in the Deferred Action for Childhood Arrivals program, the Obama-era executive action that protects undocumented immigrants who were brought to the United States as children.

### [Luis Gutiérrez doubles down, calls John Kelly 'mean' for supporting DACA's demise](#)

**Ed O'Keefe, The Washington Post**

Rep. Luis V. Gutiérrez (D-Ill.) doubled down on his criticisms of White House Chief of Staff John F. Kelly on Tuesday, saying that President Trump's top aide is "mean" for standing by while the administration prepares to deport hundreds of thousands of immigrants known as "dreamers." Appearing Tuesday at a Congressional Hispanic Caucus Institute event, Gutiérrez was asked by a Washington Post reporter moderating the event to clarify why he recently called Kelly a "hypocrite" and "a disgrace to the uniform he used to wear" because he supported Trump's decision to end the Deferred Action for Childhood Arrivals program.

### [Dems to Mueller: Flynn failed to disclose trip to broker Saudi-Russian business deal](#)

**Manu Raju and Marshall Cohen, CNN**

House Democrats sent special counsel Robert Mueller what they say is evidence that former national security adviser Michael Flynn failed to disclose a trip he took to the Middle East to explore a business deal with the Saudi government and a Russian government agency. The Democrats allege the retired Army lieutenant general broke the law by omitting the trip, according to the letter they sent to Flynn's former business partners requesting more information about his overseas travels and contacts.

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## **States**

### [Michigan Attorney General Schuette joins Republican race for governor](#)

**Paul Egan, Detroit Free Press**

Michigan Attorney General Bill Schuette officially joined the Republican race for Michigan governor Tuesday night, promising that if elected he would cut

state income taxes, push Congress to repeal the Affordable Care Act, and bring the state more and better-paying jobs. "Michigan needs leaders who are laser-focused on jobs," Schuette said in a hall at the Midland County Fairgrounds.

### [Democratic candidate for governor proposes Medicaid-for-all health care plan in Colorado](#)

**John Frank, The Denver Post**

A Democratic candidate for governor is proposing a Medicaid-for-all health care system in Colorado, endorsing a public option to help address limited insurance options in rural counties. Cary Kennedy announced Tuesday that she supports allowing anyone to buy into the state's government-run Medicaid system - a policy stance that puts a line in the sand in the crowded 2018 Democratic primary on the issue of health care.

### [Over liberals' objections, Supreme Court says Texas need not draw new districts now](#)

**Robert Barnes, The Washington Post**

Over the objections of four liberal justices, the Supreme Court ruled Tuesday night that Texas does not immediately have to redraw electoral districts that a lower court found diminished the influence of minority voters. The 5-to-4 ruling almost surely means the 2018 midterm elections will be conducted in the disputed congressional and legislative districts.

### [Kobach's unproven voter fraud claim is challenged by fellow Trump commission members](#)

**Hunter Woodall, The Kansas City Star**

Kris Kobach faced backlash from two of his colleagues on President Donald Trump's election commission Tuesday over the Kansas Republican's recent unproven claim that voter fraud likely changed the outcome of a key U.S. Senate election in New Hampshire. Kobach, who is vice chairman of President Donald Trump's special election integrity commission, explained the thinking behind his allegation, which brought national criticism and attention his way, during the panel's second meeting Tuesday.

### [Gov. Matt Bevin's plan for budget cuts illegal, Attorney General Andy Beshear says](#)

**Tom Loftus, Louisville Courier-Journal**

Much, and perhaps all, of the recent Bevin administration plan to cut spending within most state agencies is illegal, Attorney General Andy Beshear said Tuesday. Beshear said while it may be prudent to warn state agencies of the need to curb spending, the budget action taken by the administration on Friday violates Kentucky law.

### [Seattle Mayor Ed Murray resigns after fifth child sex-abuse allegation](#)

**Jim Brunner et al., The Seattle Times**

For five months, Seattle Mayor Ed Murray rejected calls for his resignation amid allegations he sexually abused teens decades before entering politics. But Murray couldn't withstand a devastating new allegation from within his own family.

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## **Advocacy**

### [The NRA has already spent more money on lobbying in 2017 than it did all last year](#)

**Alex Yablon and Mike Spies, Business Insider**

In the first two quarters of 2017, the National Rifle Association has already spent more on lobbying than it did in all of last year. The gun group has spent \$3.2 million from January 1 to June 30 trying to advance its policy agenda, according to an analysis of data provided by Open Secrets, a campaign finance and lobbying watchdog.

### ['Friends of the Court' Have Hidden Ties to Big Investors](#)

**Zachary R. Mider, Bloomberg**

Chuck Cooper, one of Washington's top litigators, gives each new lawyer in his firm a full-size broadsword, a reminder of his motto: "Victory or death." For the past four years, Cooper has pursued a claim against the U.S. government that could generate a huge payday for his client, Bruce Berkowitz, a wealthy Miami investor.

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### **A Message from the Electronic Payments Coalition:**

A majority of voters are concerned with data breaches, yet there are no national

data security standards to protect consumers at checkout. It's time retailers share responsibility for data security. Learn more from the [Electronic Payments Coalition](#).

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## Opinions, Editorials and Perspectives

### [Why We Need Medicare for All](#)

**Bernie Sanders, The New York Times**

This is a pivotal moment in American history. Do we, as a nation, join the rest of the industrialized world and guarantee comprehensive health care to every person as a human right?

### [How Florida Saved Taxpayers](#)

**The Editorial Board, The Wall Street Journal**

These columns are often critical of government, especially when public officials put taxpayers on the hook for future risks. Think Fannie Mae, or federal flood insurance. So it's worth pointing out when a government acts to reduce taxpayer liabilities ahead of a fiscal storm, as Florida did before Hurricane Irma.

### [The Supreme Court should strike down Wisconsin's gerrymandering](#)

**Editorial Board, The Washington Post**

The Supreme Court has long kept a distance from arguments over gerrymandering, that most American practice of redrawing the lines of legislative districts in order to tip elections toward the party in power. But early next month, the justices will hear a challenge to the 2011 redrawing of Wisconsin's state legislative map by Republican lawmakers - a demonstration of how increasingly powerful technology allows partisan mapmakers to distort representation with ever-greater precision.

### [There's Blood In The Water In Silicon Valley](#)

**Ben Smith, BuzzFeed News**

The blinding rise of Donald Trump over the past year has masked another major trend in American politics: the palpable, and perhaps permanent, turn against the tech industry. The new corporate leviathans that used to be seen as

bright new avatars of American innovation are increasingly portrayed as sinister new centers of unaccountable power, a transformation likely to have major consequences for the industry and for American politics.

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### **A Message from the Electronic Payments Coalition:**

Four times as many voters trust financial institutions over retailers to create new, more secure ways to pay, which is just one reason why the payments industry is focused on innovation. Banks and credit unions are continuously working to provide consumers with the latest security features when they pay. Get the latest from [EPC](#).

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## **Research Reports and Polling**

### **[So Far, the GOP Isn't Outpacing Trump's Approval](#)**

**David Byler, RealClearPolitics**

Presidential approval matters in midterms - but how? Political scientists and analysts have puzzled over this question for years in academic journals and other wonkish publications.

### **[Global Human Capital Report 2017](#)**

**World Economic Forum**

Human capital is a key factor for growth, development and competitiveness. This link works through multiple pathways at the individual, firm and national level.



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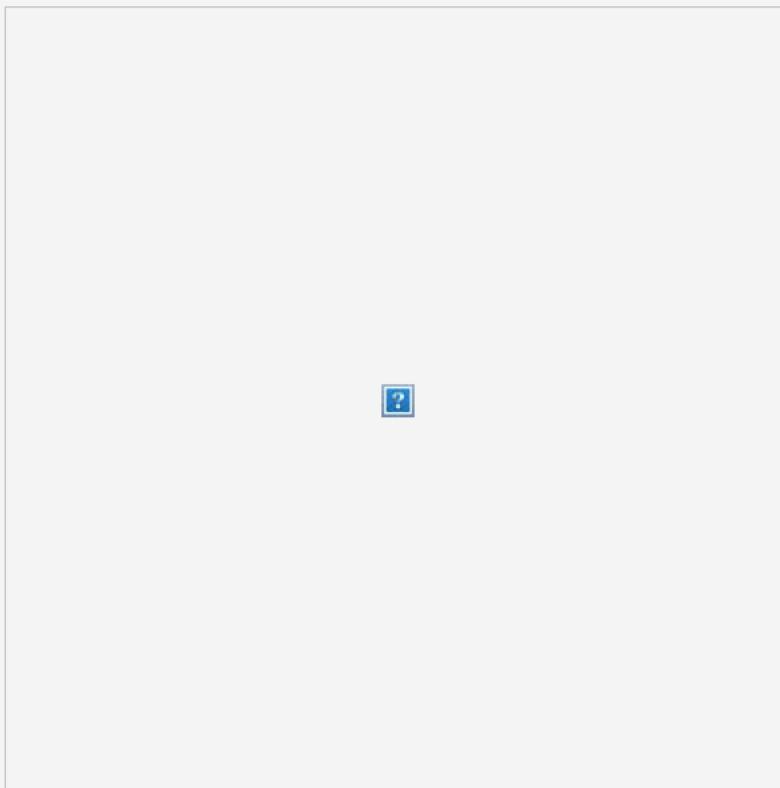
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**Date:** Thursday, September 14, 2017 9:05:28 AM

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By [Eli Yokley](#)

## Top Stories

- Senate Minority Leader Chuck Schumer (D-N.Y.) and House Minority Leader Nancy Pelosi (D-Calif.) said they reached an agreement with President Donald Trump to replace the Deferred Action for Childhood Arrivals program. ([The New York Times](#)) Trump later said on Twitter that no such deal was made. ([CNN](#))
- Michael G. Flynn, the son of Trump's former national security adviser, is a subject of special counsel Robert Mueller's probe into Russia's meddling in the 2016 U.S. presidential election and possible Trump campaign ties to the

Kremlin. ([NBC News](#))

- The Trump administration imposed sanctions on four countries - Cambodia, Eritrea, Guinea, and Sierra Leone - for allegedly refusing to accept citizens of theirs who have been deported from the United States. ([Fox News](#))

## Chart Review

[Congress Approval Remains at 16% in September](#)

Gallup

## Events Calendar (All Times Local)

### THURSDAY

Sens. Heitkamp, Whitehouse, Capito, Barrasso speak at  
Center for Climate and Energy Solutions 8:30 a.m.

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Senate Finance Committee hearing on individual tax reform 10 a.m.

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Senate HELP Committee hearing on the individual  
insurance market 10 a.m.

**FRIDAY**

AEI event on trade deficits and the Trump administration

10 a.m.



## **General**

**[Mike Flynn's Son Is Subject of Federal Russia Probe](#)**

**Carol E. Lee et al., NBC News**

Michael G. Flynn, the son of President Donald Trump's former national

security adviser, is a subject of the federal investigation into Russian meddling in the presidential election and possible collusion between Moscow and the Trump campaign, according to four current and former government officials. The inquiry into Flynn is focused at least in part on his work with his father's lobbying firm, Flynn Intel Group, three of the officials said.

### **Flynn Promoted Nuclear-Plant Project While in White House** **Christopher S. Stewart et al., The Wall Street Journal**

As President Donald Trump's national security adviser, retired Lt. Gen. Mike Flynn promoted a controversial private-sector nuclear power plan in the Middle East that had once involved Russian companies, according to former security-council staffers and others familiar with the effort. While working at the White House, Mr. Flynn advocated for a group of former senior U.S. military officers with whom he had worked while in the private sector.

### **Mueller Probe Has 'Red-Hot' Focus on Social Media, Officials Say** **Chris Strohm, Bloomberg**

Russia's effort to influence U.S. voters through Facebook and other social media is a "red-hot" focus of special counsel Robert Mueller's investigation into the 2016 election and possible links to President Donald Trump's associates, according to U.S. officials familiar with the matter. Mueller's team of prosecutors and FBI agents is zeroing in on how Russia spread fake and damaging information through social media and is seeking additional evidence from companies like Facebook and Twitter about what happened on their networks, said one of the officials, who asked not to be identified discussing the ongoing investigation.

### **US slaps sanctions on four nations for refusing to take deported nationals** **Lukas Mikelionis, Fox News**

The U.S. government has imposed sanctions on four countries that it says have refused to accept their deported citizens as part of the Trump administration's immigration crackdown. According to the U.S. Department of Homeland Security, the four countries - Cambodia, Eritrea, Guinea, and Sierra Leone - are facing the sanctions for "lack of cooperation" in accepting the deported citizens. Cambodia is in Southeast Asia while the three other countries are in Africa.

## [Martin Shkreli Is Jailed for Seeking a Hair From Hillary Clinton](#) **Stephanie Clifford, The New York Times**

Martin Shkreli, the former pharmaceutical executive who is awaiting sentencing for a fraud conviction, was sent to jail on Wednesday after a federal judge revoked his bail because he had offered \$5,000 for a strand of Hillary Clinton's hair. Mr. Shkreli, who was free on \$5 million bail while he awaited sentencing, had made two Facebook posts offering cash to anyone who could "grab a hair" from Mrs. Clinton during her book tour.

## [Treasury Secretary Mnuchin requested government jet for European honeymoon](#) **Justin Fishel et al., ABC News**

Secretary Steven Mnuchin requested use of a government jet to take him and his wife on their honeymoon in Scotland, France and Italy earlier this summer, sparking an "inquiry" by the Treasury Department's Office of Inspector General, sources tell ABC News. Officials familiar with the matter say the highly unusual ask for a U.S. Air Force jet, which according to an Air Force spokesman could cost roughly \$25,000 per hour to operate, was put in writing by the secretary's office but eventually deemed unnecessary after further consideration of by Treasury Department officials.

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## **Presidential**

### [Pelosi and Schumer Say They Have Deal With Trump to Replace DACA](#)

**Maggie Haberman and Yamiche Alcindor, The New York Times**

Democratic leaders on Wednesday night declared that they had a deal with President Trump to quickly extend protections for young undocumented immigrants and to finalize a border security package that does not include the president's proposed wall. The Democrats, Senator Chuck Schumer and Representative Nancy Pelosi, said in a joint statement that they had a "very productive" dinner meeting with the president at the White House that focused on the program known as Deferred Action for Childhood Arrivals, or DACA.

### [Trump pushes back on Dems' claims of DACA deal](#) **Sophie Tatum and Daniella Diaz, CNN**

President Donald Trump pushed back Thursday morning against claims by top congressional Democrats that a deal has been reached over legislation to protect hundreds of thousands of young undocumented immigrants and that a border-security package would not include a wall along the US-Mexico border. "No deal was made last night on DACA," Trump tweeted.

### [White House: ESPN should fire Jemele Hill over Trump 'white supremacist' tweet](#)

**Marissa Payne and Des Bieler, The Washington Post**

A tweet posted by ESPN "SportsCenter" host Jemele Hill labeling President Trump a "white supremacist" continued to make waves on Wednesday after a Washington Post reporter asked about it during the press secretary's news conference. Later on Wednesday, Hill expressed "regret" for the way her comments "painted ESPN in an unfair light."

### ['I will not be distracted by the noise'](#)

**Courtney Weaver, Financial Times**

Ivanka Trump is one of the most powerful first children in US history. Courtney Weaver talks to her about expectations, criticism and what comes next.

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## **Senate**

### [Senate Keeps War-Authorization Resolutions Dating Back to Early 2000s](#)

**Kristina Peterson and Ben Kesling, The Wall Street Journal**

The Senate voted Wednesday to retain two resolutions authorizing the use of military force that date back to the early 2000s, even while lawmakers from both parties complained that Congress has avoided reopening debate on U.S. military commitments overseas. In a 61-36 vote, the Senate set aside an amendment from Sen. Rand Paul (R., Ky.) that would have phased out both the 2001 authorization for the use of military force against al Qaeda and those connected to the Sept. 11, 2001, terrorist attacks, as well as the 2002 resolution that gave former President George W. Bush authority to invade Iraq.

### [Cruz Pushes Dodd-Frank Repeal as Key Tax Reform Plank](#)

## **Anna Gronewold, Morning Consult**

As the White House courts Senate Democrats as it tries to pick up additional support for the Republican tax reform effort, Sen. Ted Cruz (R-Texas) is risking alienating his colleagues across the aisle by promoting a repeal of the Dodd-Frank Act through the fast-track reconciliation process. At a Tax Foundation panel Wednesday, Cruz laid out goals for what he said was meaningful GOP tax reform.

## **[Senator wants Google, Facebook to testify on sex-trafficking bill](#)**

**David McCabe, Axios**

A Republican senator wants Google and Facebook to publicly defend their opposition, articulated through one of their top trade groups, to a bill aimed at stopping sex-trafficking. The companies say it would imperil them legally.

## **[As G.O.P. Moves to Fill Courts, McConnell Takes Aim at an Enduring Hurdle](#)**

**Carl Hulse, The New York Times**

President Trump is eager to put his conservative imprint on the federal judiciary, but an impediment remains. Though the Senate has virtually eliminated the ability of the minority party to block appointments to the bench from the Supreme Court on down, individual senators can still thwart nominees from their home states by refusing to sign off on a form popularly known for its color - the blue slip.

## **[Roy Moore-connected foundation's back pay to Senate candidate, second mortgage raise questions](#)**

**Howard Koplowitz, AL.com**

As the Foundation for Moral Law fought - unsuccessfully - a lawsuit against it by a firm that helped the nonprofit raise money, the organization with ties to U.S. Senate candidate Roy Moore took out a second mortgage on its Montgomery building to pay Moore years of back pay, federal court filings and Montgomery County probate records showed. Meanwhile, it remains unclear years later who paid the \$465,000 judgement against the foundation because the organization has not filed its taxes since 2014 and didn't report the payment in its most recently filed tax returns.

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## House

### [Moderate Republicans quietly form working group to craft immigration plan](#)

**Seung Min Kim and Rachael Bade, Politico**

Moderate House Republicans angling for a legislative fix to the Deferred Action for Childhood Arrivals program have quietly created an informal working group to try and craft an immigration plan that could pass Congress, according to GOP sources. The lawmakers have met off and on for months.

### [Meadows: Freedom Caucus 'Asked' to Develop Conservative Solution to DACA](#)

**Lindsey McPherson, Roll Call**

House Freedom Caucus Chairman Mark Meadows told reporters Tuesday a Trump administration official asked his caucus to put together a conservative immigration plan that would provide a legislative solution to replace the Deferred Action for Childhood Arrivals program. "Administration officials don't want to be caught flat footed with no proposals," the North Carolina Republican said.

### [McCarthy backs Trump's call for Senate to ditch the filibuster](#)

**Deirdre Walsh and Ted Barrett, CNN**

The number two House Republican leader made a fresh push Wednesday for Senate Republicans to change rules to make it easier to break filibusters of spending bills, echoing a similar call from President Donald Trump for the Senate to set aside long-held precedent that requires at least 60 votes for major legislation to pass. Majority Leader Kevin McCarthy boasted that the House was on the verge of passing all 12 annual appropriations measures, something that hasn't happened since 2004.

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## States

### [Eight Dead at Florida Nursing Home Left Without Air Conditioning in Wake of Irma](#)

**Scott Calvert et al., The Wall Street Journal**

Eight nursing home patients died here Wednesday amid sweltering conditions after Hurricane Irma knocked out the air conditioning, and more than 150 others had to be evacuated. The events prompted Florida Gov. Rick Scott to order a state health agency to issue an immediate moratorium preventing the facility from admitting new patients.

### [Arizona Supreme Court to consider legality of Medicaid expansion](#)

**Ken Alltucker, The Arizona Republic**

Three dozen current and former state lawmakers challenging the way Arizona funds the state's Medicaid expansion will argue their case before the Arizona Supreme Court. The state high court this week agreed to hear the Republican lawmakers' challenge to the state's Medicaid expansion, which extended insurance coverage to more than 400,000 low-income Arizonans.

### [California lawmakers OK free year of community college for all; bill goes to governor](#)

**Melody Gutierrez, San Francisco Chronicle**

California would pick up the first year of community college for virtually all full-time freshmen under a bill passed by the state Legislature on Wednesday and headed to Gov. Jerry Brown. AB19 by Assemblymen Miguel Santiago, D-Los Angeles; David Chiu, D-San Francisco; and Kevin McCarty, D-Sacramento, would waive the \$46-per-unit fee for full-time students in California entering their first year of community college.

### [When it comes to voter registration, Republicans are no longer in NC's top 2](#)

**Colin Campbell, The News and Observer**

Unaffiliated voters now make up the second-largest group of voter registrations in North Carolina, with more registrations in that category than registered Republicans. The shift has been happening gradually, but unaffiliated registrations passed Republican registrations sometime between Sept. 2 and Sept. 9, according to data released by the State Board of Elections and Ethics Enforcement.

### [Missouri state senator who hoped for Trump assassination censured by her colleagues](#)

**Kurt Erickson and Jack Suntrup, St. Louis Post-Dispatch**

The Senate voted overwhelmingly to censure state Sen. Maria Chappelle-Nadal on Wednesday afternoon. The censure amounts to a formal scolding from the body.

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## **Advocacy**

### **[Trump ethics watchdog moves to allow anonymous gifts to legal defense funds](#)**

**Darren Samuelsohn, Politico**

The U.S. Office of Government Ethics has quietly reversed its own internal policy prohibiting anonymous donations from lobbyists to White House staffers who have legal defense funds. The little-noticed change could help President Donald Trump's aides raise the money they need to pay attorneys as the Russia probe expands - but raises the potential for hidden conflicts of interest or other ethics trouble.

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### **A Message from the Electronic Payments Coalition:**

A majority of voters are concerned with data breaches, yet there are no national data security standards to protect consumers at checkout. It's time retailers share responsibility for data security. Learn more from the [Electronic Payments Coalition](#).

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## **Opinions, Editorials and Perspectives**

### **[Reclaiming America's Values](#)**

**Joe Biden, The New York Times**

In over 45 years of working in global affairs, I've observed a simple truth: America's ability to lead the world depends not just on the example of our power, but on the power of our example. American democracy is rooted in the belief that every man, woman and child has equal rights to freedom and dignity.

### **[The 30 Republicans Holding Up Tax Reform](#)**

**Karl Rove, The Wall Street Journal**

No matter how persuasive President Trump is, it's unlikely he can round up enough Democrats to get 60 votes in the Senate for tax reform. That means Republicans will need to use the Senate's reconciliation process, which avoids the filibuster, to pass their plan with 51 votes.

### [Escaping the Tax-Reform Budget Trap](#)

**The Editorial Board, The Wall Street Journal**

Republicans know that their hold on Congress depends on passing tax reform, but what we hear about the debate behind the scenes is worrisome. The danger is that, as with health care, the GOP will hold themselves hostage to a budget process that is hostile to pro-growth tax policy.

### [How the Bernie Sanders Plan Would Both Beef Up and Slim Down Medicare](#)

**Margot Sanger-Katz, The New York Times**

In his big new single-payer health care bill, Senator Bernie Sanders says he wants to turn the country's health system into "Medicare for all." But his bill actually outlines a system very different from the current Medicare program.

### [The Justice Department goes out of its way to side against a gay couple](#)

**Editorial Board, The Washington Post**

Should a Colorado baker have the right to turn away a gay couple seeking a custom wedding cake if he disapproves of their upcoming marriage? According to the Justice Department, the answer is yes.

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### **A Message from the Electronic Payments Coalition:**

Four times as many voters trust financial institutions over retailers to create new, more secure ways to pay, which is just one reason why the payments industry is focused on innovation. Banks and credit unions are continuously working to provide consumers with the latest security features when they pay. Get the latest from [EPC](#).

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## **Research Reports and Polling**

## [Why Competition in The Politics Industry Is Failing America](#)

**Katherine M. Gehl and Michael E. Porter, Harvard Business School**

Harvard Business School (HBS) launched the U.S. Competitiveness Project in 2011 as a multiyear, fact-based effort to understand the disappointing performance of the American economy, its causes, and the steps needed by business and government to restore economic growth and prosperity that is widely shared across all Americans. The Project identified a consensus set of essential policy steps needed to do so.

## [Partisans Differ Widely in Views of Police Officers, College Professors](#)

**Pew Research Center**

Americans give strongly positive ratings to teachers and members of the military, while ratings of political and ideological groups - Democrats, Republicans, liberals and conservatives - are much less positive, and more starkly divided along partisan lines. Yet wide partisan and ideological divides are also seen in views of some professions.



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**Subject:** Morning Consult Washington, Presented by the Electronic Payments Coalition: Trump Sets New U.S. Strategy for Afghan War  
**Date:** Tuesday, August 22, 2017 8:44:58 AM

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By [Cameron Easley](#)

## Top Stories

- President Donald Trump announced his strategy for the U.S.-led war in Afghanistan, though he declined to talk specifics when it came to troop levels or benchmarks for success. A troop surge is expected to be paired with a more hawkish stance toward Pakistan in a bid to crack down on terrorist activity in the two countries. ([The New York Times](#))
- As Trump preps for his rally tonight in Phoenix, GOP leaders are hoping he lays off the state's potentially vulnerable U.S. Sen. Jeff Flake (R) and doesn't endorse - or increase his support - for long-shot primary challenger Kelli

Ward. ([The Washington Post](#))

- House Speaker Paul Ryan took flak from constituents during a town-hall style forum hosted by CNN. The Wisconsin Republican largely blamed the Senate for a lack of progress on the GOP's agenda and said Trump "messed up" with his comments on Charlottesville, Va. ([Politico](#))
- Senate Majority Leader Mitch McConnell (R-Ky.) said there is "zero chance" that Congress will fail to raise the federal debt ceiling. But how lawmakers reach an agreement before an end-of-September deadline remains unclear. ([The Washington Post](#))

## Chart Review

[A Second Korean War Could Quickly Spread Across All of Asia](#)  
**Bloomberg**

## **Events Calendar (All Times Local)**

### **TUESDAY**

No events scheduled

### **WEDNESDAY**

No events scheduled

### **THURSDAY**

Heritage Foundation event: Protecting Public Employees'  
First Amendment Rights

12 p.m.

**FRIDAY**

No events scheduled



**General**

[Divers Find Remains in Search of U.S. Navy Ship Damaged in](#)

## [Collision](#)

**Richard C. Paddock, The New York Times**

Divers have found remains of missing American sailors in the flooded compartments of the Navy destroyer John S. McCain, which collided with an oil tanker on Monday off the coast of Singapore, the commander of the United States Pacific Fleet said Tuesday. The commander, Adm. Scott H. Swift, did not say how many bodies had been recovered from the ship, which is docked at Changi Naval Base here.

## [Spanish police track down, shoot dead Barcelona attacker](#)

**Angus Berwick, Reuters**

Spanish police on Monday shot dead an Islamist militant who killed 13 people with a van in Barcelona last week, ending a five-day manhunt for the perpetrator of Spain's deadliest attack in over a decade. Police said they tracked 22-year-old Younes Abouyaaqoub to a rural area near Barcelona and shot him after he held up what looked like an explosives belt and shouted "Allahu Akbar" (God is Greatest).

## [Trump's team and lawmakers making strides on tax reform plan](#)

**Nancy Cook, Politico**

President Donald Trump's top aides and congressional leaders have made significant strides in shaping a tax overhaul, moving far beyond the six-paragraph framework pushed out in July that stoked fears about their ability to deliver on one of the GOP's top priorities. There is broad consensus, according to five sources familiar with the behind-the-scenes talks, on some of the best ways to pay for cutting both the individual and corporate tax rates.

## [Republican committees have paid nearly \\$1.3 million to Trump-owned entities this year](#)

**Matea Gold and Anu Narayanswamy, The Washington Post**

The Republican National Committee paid the Trump International Hotel in Washington \$122,000 last month after the party held a lavish fundraiser at the venue in June, the latest example of how GOP political committees are generating a steady income stream for President Trump's private business, new Federal Election Commission records show. At least 25 congressional campaigns, state parties and the Republican Governors Association have together spent more than \$473,000 at Trump hotels or golf resorts this year,

according to a Washington Post analysis of campaign finance filings.

**[In U.S. Trade Fight With Canada, the Border Watches, Warily](#)**  
**William Mauldin, The Wall Street Journal**

The river that divides the U.S. and Canada in this border town also cuts directly through the Twin Rivers Paper Co.'s wood pulp and paper operation. The two-country arrangement has worked for years in the tightly integrated operation, with a Twin Rivers Canadian lumber mill up the road supplying wood chips to a plant that turns the chips into pulp in Edmundston, New Brunswick.

**[Jeffrey Lord, Fired Pro-Trump CNN Figure, In Talks With Breitbart](#)**  
**Lachlan Markay and Asawin Suebsang, The Daily Beast**

It's been nearly two weeks since Jeffrey Lord, the former Reagan administration official and pro-Trump political commentator, was sacked from his contributor job at CNN. The abrupt firing, officially due to Lord tweeting "Sieg Heil!," prompted a phone call of support from Steve Bannon, then President Donald Trump's chief strategist.

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## **Presidential**

**[Trump Sets U.S. Strategy but No 'Blank Check' for Afghan War](#)**  
**Julie Hirschfeld Davis and Mark Landler, The New York Times**

President Trump put forward on Monday a long-awaited strategy for resolving the nearly 16-year-old conflict in Afghanistan, but he declined to specify either the number of troops that would be committed, or the conditions by which he would judge the success of their mission there. In a nationally televised prime-time speech to troops at Fort Myer, Va., Mr. Trump said there would be no "blank check" for the American engagement in Afghanistan.

**[How Trump swallowed a bitter Afghanistan pill](#)**  
**Eliana Johnson, Politico**

In his first national security address, President Donald Trump broke with his "America First" campaign rhetoric and his past skepticism about the war in Afghanistan, bowing to the stay-the-course advice of the generals who occupy top posts in his administration. Trump's Monday night speech laid out a new American strategy for the war in Afghanistan that he cast as a bold new

approach - "I'm a problem-solver... in the end, we will win," he said - but which critics cast as an extension of a failed approach.

### [Lobbyist at Trump Campaign Meeting Has a Web of Russian Connections](#)

**Sharon LaFraniere et al., The New York Times**

Rinat Akhmetshin, a Russian immigrant who met last summer with senior Trump campaign officials, has often struck colleagues as a classic Washington mercenary - loyal to his wife, his daughter and his bank account. He avoided work that would antagonize Moscow, they suggested, only because he profited from his reputation as a man with valuable connections there.

### [White House Going Ahead With HBCU Conference After Charlottesville](#)

**Darren Sands, BuzzFeed News**

A White House official said that a Trump administration-backed conference for historically black colleges and universities will go ahead as planned next month. In recent days, a Democratic lawmaker and prominent nonprofit donor to the schools recommended to the White House that the National Historically Black Colleges and Universities Week Conference be postponed because of concerns "related to recent national events."

### [Secret Service director cleans up comments on Trump travel demands](#)

**Louis Nelson and Sarah Ferris, Politico**

The head of the U.S. Secret Service appeared to engage in some damage control on Monday, clarifying in a statement that the stresses placed on the agency by the travel habits and large size of President Donald Trump's family are nothing new. In an interview with USA Today published earlier Monday, Director Randolph "Tex" Alles had said Trump and his family's travel had stretched the Secret Service's budget so thin that the agency would not be able to pay some agents for work already completed.

### [Trump nominee Sam Clovis: 'As far as we know' homosexuality's a choice, 'logical' LGBT protections could lead to legalization of pedophilia](#)

**Andrew Kaczynski and Paul LeBlanc, CNN**

Sam Clovis, Donald Trump's pick to be chief scientist for the Department of Agriculture, has argued that homosexuality is a choice and that the sanctioning of same-sex marriage could lead to the legalization of pedophilia, a CNN KFile review of Clovis' writings, radio broadcasts, and speeches has found. Clovis made the comments between 2012 and 2014 in his capacity as a talk radio host, political activist, and briefly as a candidate for US Senate in Iowa.

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## Senate

### [As Trump heads to Arizona, GOP leaders want him out of Jeff Flake's Senate race](#)

**Sean Sullivan and Ed O'Keefe, The Washington Post**

Long-shot Senate candidate Kelli Ward was sound asleep just after 4 a.m. in Arizona last week when President Trump praised her on Twitter. She and many other Republicans were caught utterly by surprise - and her phone started buzzing immediately.

### [McConnell says there is 'zero chance' Congress will fail to raise debt ceiling](#)

**Damian Paletta, The Washington Post**

Senate Majority Leader Mitch McConnell (R-Ky.) said Monday that there was "zero chance - no chance" Congress would fail to raise the debt ceiling by late September, although he offered no clues about how he hoped to persuade lawmakers to back such a measure. McConnell spoke during a public event in Kentucky with Treasury Secretary Steven Mnuchin, who minutes before had implored Congress to focus immediately on raising the debt ceiling when members return to Washington after Labor Day.

### [McConnell: 'Most news is not fake'](#)

**Jordain Carney, The Hill**

Senate Majority Leader Mitch McConnell (R-Ky.) defended the media on Monday, just hours after President Trump lashed out at "fake news" on Twitter. "My view is that most news is not fake, but I do try to look at a variety of sources," McConnell said at a Louisville Chamber of Commerce event when asked what publications he reads amid "accusations and counteraccusations about fake news."

## [Susan Collins: 'Too difficult to say' whether Trump will be 2020 GOP nominee](#)

**Negassi Tesfamichael, Politico**

Though President Donald Trump has already ramped up efforts for a 2020 reelection campaign, one of his frequent critics, Sen. Susan Collins (R-Maine), says it's unclear whether he will be the GOP nominee. "It's too difficult to say," Collins said in an interview with MSNBC on Monday when asked whether she thinks Trump will be the Republican Party's nominee.

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## **House**

### [Ryan faces heat back home in Wisconsin](#)

**Rachael Bade, Politico**

Paul Ryan was one of most popular Republicans in the country last fall, routing his Democratic challenger and beating back a Donald Trump-inspired primary challenger who trolled him at every turn. Yet there he was, taking flak from discontent constituents at a town hall in Racine on Monday night.

### [This House Democrat Lost A Leadership Race To Nancy Pelosi. Now He May Run For President.](#)

**Alexis Levinson, BuzzFeed News**

It's still more than three years until the next presidential election, and yet here was Ray Buckley - the chairman of the New Hampshire Democratic Party for the last decade - riding shotgun last Wednesday from Boston to Hopkinton, New Hampshire with Rep. Tim Ryan, the 44-year old Democrat from Youngstown, Ohio. Ryan made a name for himself when he challenged Nancy Pelosi for the leadership of the House Democrats last year, arguing he was the right man for the job because he was one of the few who was able to handily win re-election in a district where many of his white, working class constituents also voted for Donald Trump.

### [Judge orders Gianforte to take mugshot, fingerprints](#)

**Whitney Bermes, Bozeman Daily Chronicle**

A Gallatin County judge has ordered that U.S. Rep. Greg Gianforte must have his mugshot and fingerprints taken as part of his misdemeanor assault

conviction. In a one-page ruling issued Thursday afternoon, Justice Court Judge Rick West ordered that the Republican congressman must report to the Gallatin County Detention Center to provide booking information, including a photograph and fingerprints, no later than Sept. 15.

### [Ed Perlmutter changes course and will run for re-election to Congress](#)

**Mark K. Matthews, The Denver Post**

U.S. Rep. Ed Perlmutter has found the "fire in the belly" again - or at least the desire to remain a member of Congress. The Arvada Democrat said Monday that he would run for a seventh term in Colorado's 7th Congressional District, a declaration that comes five short weeks after Perlmutter said he was done with politics when he dropped out of Colorado's crowded race for governor.

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## **States**

### [Why Gov. Doug Ducey won't attend President Donald Trump's Phoenix rally](#)

**Yvonne Wingett Sanchez, The Arizona Republic**

Gov. Doug Ducey will greet President Donald Trump on the tarmac after Air Force One touches down Tuesday afternoon for his first presidential visit to the Grand Canyon state. But the Republican governor, who like many in the GOP has diplomatically sidestepped Trump and his more divisive rhetoric, will not attend Trump's campaign-style rally at the Phoenix Convention Center.

### [A Man Has Been Charged For Trying To Blow Up To A Confederate Statue](#)

**Jim Dalrymple II, BuzzFeed News**

A man was charged Monday with attempting to blow up a Confederate statue in Texas. The man, Andrew Schneck, was spotted by a ranger kneeling in the bushes near a statue of Confederate Maj. Richard Dowling on Saturday evening at Houston's Hermann Park.

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## **Advocacy**

## **[GOP divided over Trump's Ex-Im Bank nomination](#)**

**Zachary Warmbrodt, Politico**

President Donald Trump's nomination of former Rep. Scott Garrett to lead the Export-Import Bank has opened up yet another front in the Republican Party's civil war. Pro-business trade groups, free-market advocates and even social conservatives and gay-rights activists are targeting GOP senators with competing lobbying efforts as they clash over Garrett's past attempts to shut down the bank and his controversial views on LGBT issues.

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### **A Message from the Electronic Payments Coalition:**

Taking a road trip to escape the heat this summer? Watch out for skimmers at gas stations, which can steal your card data-including PINs-and cause you a headache during your vacation. [Learn more](#) from EPC.

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## **Opinions, Editorials and Perspectives**

### **[This would be a travesty of justice](#)**

**Editorial Board, The Washington Post**

Even as President Trump urges the nation to heal, he is publicly considering a step whose effect would be the exact opposite: a pardon for former sheriff Joe Arpaio, the former Arizona lawman who made his name as a paragon of racial profiling. Pardoning Mr. Arpaio now would throw a bone to the president's partisans on the racist alt-right just days after Mr. Trump fed them a juicy steak by explicitly equating the neo-Nazis, anti-Semites and Ku Klux Klansmen in Charlottesville with those who marched against them.

### **[\(Still\) Seeking IRS Accountability](#)**

**Editorial Board, The Wall Street Journal**

The Obama Justice Department dismissed the IRS political targeting scandal as no big deal, and the Trump Administration hasn't been any better. At least the judiciary is still trying to hold someone to account for this government abuse.

### **[Can Kid Rock Become Michigan's Next Senator?](#)**

**David Byler, RealClearPolitics**

"How could an entertainer with no political experience and a long history of controversial comments ever win one of the most important political positions in the United States?" No, that's not a quote from last year's presidential election.

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### **A Message from the Electronic Payments Coalition:**

\$2 BILLION! That's how much theft from gas station skimmers cost consumers in 2014. The Electronic Payments Coalition (EPC) has [tips to help you protect yourself](#) when you're filling up at home or traveling far and wide this summer.

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## **Research Reports and Polling**

[Who Falls for Fake News? The Roles of Analytic Thinking, Motivated Reasoning, Political Ideology, and Bullshit Receptivity](#)  
**Gordon Pennycook and David G. Rand, Yale University**

Inaccurate beliefs pose a threat to democracy and fake news represents a particularly egregious and direct avenue by which inaccurate beliefs have been propagated via social media. Here we investigate the cognitive psychological profile of individuals who fall prey to fake news.



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**Date:** Wednesday, August 23, 2017 8:53:17 AM

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By [Eli Yokley](#)

## Top Stories

- President Donald Trump's approval rating among registered voters fell to a new low, according to a new poll. Thirty-nine percent of respondents said they approve of his job performance, compared with 56 percent who disapprove. ([Morning Consult](#))
- Trump threatened to shut down the government if Congress does not fund his proposed border wall in next month's spending debate. During Tuesday's campaign rally in Arizona, he also said the North American Free Trade Agreement is likely to be terminated. ([The Washington Post](#))

- Senate Majority Leader Mitch McConnell (R-Ky.) has privately expressed doubts that Trump can deliver on his policy agenda after a series of political crises this summer. The relationship between the two men is frayed - they have not spoken to each other in weeks. ([The New York Times](#))
- Gov. John Kasich (R-Ohio) and Gov. John Hickenlooper (D-Colo.) hope to testify before a Senate Health, Education, Labor and Pensions Committee hearing next month about stabilizing the health insurance market, as the congressional panel considers smaller, bipartisan proposals to health care policy. ([Roll Call](#))

## Chart Review

[Trump's Approval Rating Dips Below 40% for First Time After Charlottesville](#)

**Morning Consult**

## Events Calendar (All Times Local)

### WEDNESDAY

No events scheduled

### THURSDAY

Heritage Foundation event: Protecting Public Employees'  
First Amendment Rights

12 p.m.

## FRIDAY

No events scheduled



## General

[U.S. Navy Relieves Admiral of Command After Collisions](#)

**Gordon Lubold, The Wall Street Journal**

The U.S. Navy removed the commander of the fleet that has suffered four

recent collisions in Asia and the deaths of several sailors, the Pacific Fleet said in a statement. The Wall Street Journal reported Tuesday that the Navy was planning to remove Vice Adm. Joseph Aucoin -the three-star commander of U.S. Seventh Fleet in Yokosuka, Japan-though officials had declined to comment.

### **[U.S. sanctions Chinese and Russian companies and individuals for conducting business with North Korea](#)**

**Carol Morello and Peter Whoriskey, The Washington Post**

As part of a broad effort to isolate North Korea, the Treasury Department on Tuesday placed sanctions on Chinese and Russian individuals and firms it said had conducted business with the country in ways that advanced its missile and nuclear weapons program. The sanctions against 10 companies and six individuals are designed to disrupt the economic ties that have allowed Pyongyang to continue funding its missile and nuclear program despite strict United Nations sanctions prohibiting it.

### **[Clooney Foundation for Justice Donates \\$1 Million to Combat Hate Groups in Wake of Charlottesville](#)**

**Rebecca Rubin, Variety**

The Clooney Foundation for Justice, led by George and Amal Clooney, gave a \$1 million grant to help the Southern Poverty Law Center combat hate groups in wake of recent white nationalist gatherings in Charlottesville, Va. "We are proud to support the Southern Poverty Law Center in its efforts to prevent violent extremism in the United States. What happened in Charlottesville, and what is happening in communities across our country, demands our collective engagement to stand up to hate," George and Amal said in a statement.

### **[Emails: Breitbart editor pledges to do 'dirty work' for Bannon, smears Ivanka](#)**

**Oliver Darcy and Jake Tapper, CNN**

A self-described "email prankster" seemingly fooled top editors at Breitbart over the weekend into believing he was Steve Bannon, the fired White House chief strategist who returned to the right-wing website as executive chairman on Friday. In the emails, Breitbart Editor-in-Chief Alex Marlow pledged that he and several other top editors would do Bannon's "dirty work" against White House aides.

## [Hillary Clinton: My "skin crawled" when Trump stood behind me](#)

**Shane Savitsky, Axios**

MSNBC's Morning Joe has the first batch of excerpts from "What Happened," Hillary Clinton's forthcoming memoir on the 2016 presidential election, which feature her reflecting why she wrote the book and on President Trump's intimidation tactics that made her "skin [crawl]" during their second, town hall-style debate. Her reason for writing: "I want to pull back the curtain on an experience that was exhilarating, joyful, infuriating, and just plain humbling."

## [Is Anybody Home at HUD?](#)

**Alec MacGillis, New York Magazine**

In mid-May, Steve Preston, who served as the secretary of Housing and Urban Development in the final two years of the George W. Bush administration, organized a dinner at the Metropolitan Club in Washington, D.C., for the new chief of that department, Ben Carson, and five other former secretaries whose joint tenure stretched all the way back to Gerald Ford. It was an event with no recent precedent within the department, and it had the distinct feel of an intervention.

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## **Presidential**

### [Trump threatens shutdown, suggests controversial pardon at Arizona rally](#)

**John Wagner et al., The Washington Post**

President Trump on Tuesday threatened to shut down the government over border wall funding, said the North American Free Trade Agreement is likely to be terminated and signaled that he was prepared to pardon former Arizona sheriff Joe Arpaio, who is anathema to the Latino community. Trump's freewheeling comments came at a boisterous campaign rally here during which he also went on an extended diatribe about the media, blaming reporters for the negative fallout he has received over his responses to the hate-fueled violence in Charlottesville.

### [More Voters Want Pence as President Than Trump, Poll Shows](#)

**Anna Gronewold, Morning Consult**

In a choice between the president of the United States and his second-in-command, more voters say Vice President Mike Pence should take charge of the country. A Morning Consult/POLITICO poll conducted Aug. 17-19 found 34 percent of registered voters said they'd rather have Pence as president than Donald Trump, if they had to choose.

### [Kushner in Middle East for peace talks](#)

**Annie Karni, Politico**

While everyone was busy gazing into the solar eclipse on Monday, White House adviser Jared Kushner quietly snuck away to the Middle East for a trip that will take him to the Persian Gulf and Israel. Accompanying Kushner on Monday in the Gulf states were deputy National Security Adviser Dina Powell, and Middle East envoy Jason Greenblatt, a White House official said.

### [A coal country dispute over an alleged Trump promise unmet](#)

**Jeff Horwitz et al., The Associated Press**

The Trump administration has rejected a coal industry push to win a rarely used emergency order protecting coal-fired power plants, a decision contrary to what one coal executive said the president personally promised him. The Energy Department says it considered issuing the order sought by companies seeking relief for plants it says are overburdened by environmental rules and market stresses.

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## **Senate**

### [Trump and McConnell Locked in a Cold War, Threatening the G.O.P. Agenda](#)

**Alexander Burns and Jonathan Martin, The New York Times**

The relationship between President Trump and Senator Mitch McConnell, the majority leader, has disintegrated to the point that they have not spoken to each other in weeks, and Mr. McConnell has privately expressed uncertainty that Mr. Trump will be able to salvage his administration after a series of summer crises. What was once an uneasy governing alliance has curdled into a feud of mutual resentment and sometimes outright hostility, complicated by the position of Mr. McConnell's wife, Elaine L. Chao, in Mr. Trump's cabinet, according to more than a dozen people briefed on their imperiled partnership.

## [Senate Health Panel Will Hear From Governors, Insurance Leaders](#)

**Mary Ellen McIntire, Roll Call**

The Senate's key health care panel announced plans to hear from governors and state insurance commissioners early next month about ways to rein in rising prices for medical insurance purchased directly by consumers. The Senate Health, Education, Labor and Pensions Committee on Tuesday set a hearing Sept. 6 with state insurance commissioners and another on Sept. 7 with governors.

## [Obamacare votes muddle Sen. Dean Heller's message in tough re-election bid](#)

**Eliza Collins, USA Today**

Sen. Dean Heller, R-Nev., is struggling to get his messaging straight. And it's becoming a problem, because Heller - who won his last election by just 1 percentage point - is one of the most vulnerable GOP senators trying to keep his seat in the 2018 midterm elections.

## [Former Romney aide enters GOP primary to unseat Warren](#)

**Max Greenwood, The Hill**

Beth Lindstrom, who served as an aide to former Massachusetts Gov. Mitt Romney (R), is mounting a bid to challenge Sen. Elizabeth Warren (D-Mass.) for her Senate seat. Lindstrom, a former consumer affairs director for Romney, cast herself in a video announcement as an "independent-minded Republican," saying "there's plenty of blame to go around" in Washington.

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## House

### [Dems' first wave of recruits 'outsiders' in 2017 version of Tea Party](#)

**Heidi M. Przybyla, USA Today**

If there is a Democratic wave election in 2018, the tide will probably bring in individuals like Brendan Kelly, a state's attorney in St. Clair County and former Navy officer who's never run for the state legislature or Congress. For Democrats like 41-year-old Kelly - a clean-cut Irishman and University of Notre Dame alum who's prosecuted corruption on both sides of the aisle and sat on the school board - entering national politics is no longer distasteful. It's

necessary.

### [Gowdy and Mulvaney tweak each other on Twitter](#)

**Kyle Cheney, Politico**

Rep. Trey Gowdy (R-S.C.) appeared to get into a pointed but apparently good-natured Twitter tiff Tuesday with Trump administration budget chief Mick Mulvaney, a fellow South Carolinian and former House member. Mulvaney tweeted a barb about Gowdy's famously shape-shifting mop of hair and joked that he'd buy Gowdy a comb and razor for his 60th birthday. Gowdy just turned 53.

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## **States**

### [Democratic gubernatorial candidates plunge into Confederate fight](#)

**Daniel Strauss and Negassi Tesfamichael, Politico**

The white supremacist march that turned violent in Charlottesville, Virginia, is spurring a wave of Democratic governors and gubernatorial candidates to call for Confederate monuments in their states to come down. The push offers Democrats an opportunity to take on President Donald Trump and mobilize the base ahead of the 2018 elections - though some strategists say the focus should be on bread-and-butter issues rather than a revived culture war.

### [Iowa Seeks Ambitious Waiver to Reshape Health Law Within Its Borders](#)

**Anna Wilde Mathews et al., The Wall Street Journal**

Iowa officials filed a federal application to alter major aspects of the Affordable Care Act next year, the most ambitious so far of a growing crop of state efforts to tweak the health law with the goal of shoring up individual insurance markets. Iowa's proposal, which state officials said they are already preparing to implement pending federal approval, would go the furthest in revamping the health law's rules, and its path will be closely watched in other states as Republican efforts to overhaul the ACA at the federal level appear stalled.

### [Trump signs resolution to improve safety at Metro](#)

**Martine Powers, The Washington Post**

President Trump signed a resolution Tuesday giving final approval to the long-

awaited Metro Safety Commission, the last legislative step in the years-long effort to establish an oversight organization tasked with making Metro safer. But there's plenty more that must still happen before the new agency is up and running.

### **[Gov. Greitens stays execution of Marcellus Williams in 1998 murder](#)** **Jason Hancock, The Kansas City Star**

Hours before Marcellus Williams was to be put to death for the 1998 murder of a former newspaper reporter, Gov. Eric Greitens issued a stay of execution and appointed a board to look into the case." A sentence of death is the ultimate, permanent punishment," Greitens said in a statement Tuesday afternoon.

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## **Advocacy**

### **[With alumni in the White House, Goldman sees an opening](#)** **Barney Jopson, Financial Times**

When Lloyd Blankfein, Goldman Sachs' chairman and chief executive, arrived at the Rayburn building on Capitol Hill in late 2010, he was battered and bruised. At the time his bank was viewed as a vivid example of Wall Street misbehaviour.

### **[UPS CEO says tax reform could deliver more jobs to its Louisville air hub](#)** **Lawrence Smith, WDRB**

A tax cut for UPS could deliver more jobs to Louisville. UPS Chairman and CEO David Abney, along with House Ways and Means Committee Chairman Kevin Brady, came to Louisville on Tuesday to push tax reform.

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### **A Message from the Electronic Payments Coalition:**

Taking a road trip to escape the heat this summer? Watch out for skimmers at gas stations, which can steal your card data-including PINs-and cause you a headache during your vacation. [Learn more](#) from EPC.

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## **Opinions, Editorials and Perspectives**

### [Trump's welcome self-correction](#)

**Editorial Board, The Washington Post**

President Trump offered in his speech on Afghanistan Monday a rare but welcome story of self-correction. His "original instinct," he said, was "to pull out" of the country, but after studying the issue with his advisers over several months he realized that "the consequences of a rapid exit are both predictable and unacceptable."

### [Mr. Trump Sides With Wall Street; You Lose](#)

**The Editorial Board, The New York Times**

The Trump administration has no grounds for blocking the "fiduciary rule," an Obama-era regulation that requires financial advisers to put their clients' interests first when giving advice or selling investments for retirement accounts. But blocking the rule remains an administration priority, no matter how arbitrary, capricious and harmful that would be.

### [Trump's Afghan Commitment](#)

**The Editorial Board, The Wall Street Journal**

President Trump inherited a mess in Afghanistan, so give him credit for heeding his generals and committing to more troops and a new strategy. His decision has risks, like all uses of military force, but it will prevent a rout of our allies in Kabul and allow more aggressive operations against jihadists who would be delighted to plan global attacks with impunity.

### [Polls Show Trump Cratering? Not So Fast](#)

**Steve Kornacki, NBC News**

Diagnosing the state of President Donald Trump's political health should be a simple matter. The story that the traditional metrics tell is straightforward.

### [Fake Polls Are A Real Problem](#)

**Harry Enten, FiveThirtyEight**

Is Kid Rock leading the U.S. Senate race in Michigan? A story like that is essentially designed to go viral, and that's exactly what happened when Delphi Analytica released a poll fielded from July 14 to July 18.

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\$2 BILLION! That's how much theft from gas station skimmers cost consumers in 2014. The Electronic Payments Coalition (EPC) has [tips to help you protect yourself](#) when you're filling up at home or traveling far and wide this summer.

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## **Research Reports and Polling**

### **[Trump's Approval Rating Dips Below 40% for First Time After Charlottesville](#)**

#### **Cameron Easley, Morning Consult**

Americans are taking a dimmer-than-ever view of President Donald Trump's job performance following his response to the white nationalist rally in Charlottesville, Va., earlier this month, when a woman was killed after a man aligned with one of the extremist groups allegedly drove a car through a crowd of counter-protesters. A new Morning Consult/POLITICO survey of 1,987 registered voters, conducted Aug. 17 through Aug. 19, shows 39 percent of respondents approve of the president while 56 percent disapprove, putting him 17 points underwater - the worst net rating he's posted since taking office.

### **[US Senator Jeff Flake in Double Electoral Jeopardy Twelve Months Away from Primary Election](#)**

#### **HighGround Public Affairs Consultants**

A statewide Arizona survey of 400 likely Arizona 2018 General Election voters shows Republican incumbent Senator Jeff Flake fourteen points behind his primary Republican opponent Kelli Ward and eight points behind prospective Democratic opponent U.S. Congresswoman Kyrsten Sinema (D, AZ-9). The Republican Primary Election sample was of 273 high efficacy Republican and PND/Independent voters and has a margin of error of  $\pm 5.93\%$ .

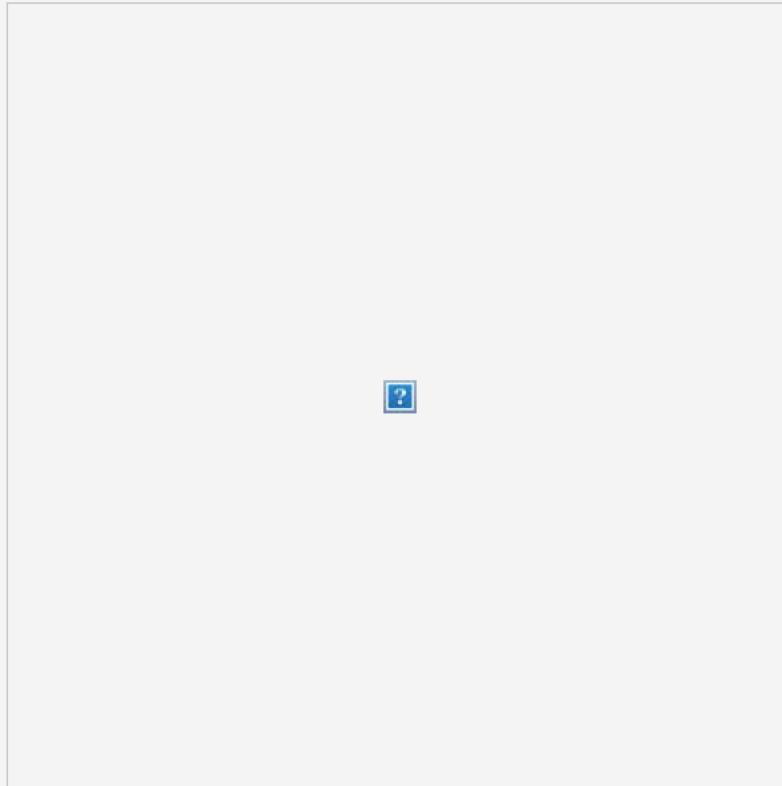


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**Date:** Monday, December 04, 2017 9:05:09 AM

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By [Eli Yokley](#)

## Top Stories

- President Donald Trump tweeted that he had to fire Michael Flynn, his former national security adviser, "because he lied" to the vice president and the Federal Bureau of Investigation. Legal experts and some Democratic lawmakers later said that if Trump pressured the FBI to not investigate Flynn while knowing he had lied, that could bolster a charge of obstruction of justice against Trump. ([Reuters](#))
- Trump lent his support to Roy Moore, the Republican nominee for Senate in Alabama's Dec. 12 special election, saying in a tweet that "Democrats refusal to give even one vote for massive Tax Cuts is why we need Republican Roy

Moore to win in Alabama." The comments were Trump's strongest in support of Moore since allegations that the former state Supreme Court chief justice had sexually assaulted teenage girls decades ago. ([The Associated Press](#))

- Rep. Sander Levin (D-Mich.) said he will not run for re-election next year. The 86-year-old lawmaker said he will join the Gerald R. Ford School of Public Policy at the University of Michigan after he finishes his 18th term in Congress. ([Detroit Free Press](#))
- Lawmakers return to Capitol Hill today for a frantic week, with developments in the Russia investigation, debates over tax reform, and conflicts over immigration and gun polices, in addition to government funding that's set to expire on Friday. House GOP leaders are pushing for a two-week continuing resolution that would keep the government open until Dec. 22, but House Speaker Paul Ryan (R-Wis.) is short on the Republican votes he needs to pass the measure without Democratic support. ([Politico](#))

## Chart Review

[In U.S., Support for Government-Run Health System Edges Up](#)  
Gallup



## Events Calendar (All Times Local)

### MONDAY

No events scheduled

### TUESDAY

Axios event on health care innovation 8 a.m.

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Washington Post event on HIV/AIDS 8:30 a.m.

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Senate Banking Committee confirmation hearing for Fed chairman nominee 10 a.m.

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Brookings Institution event on Public Religion Research Institute's 2017 American Values Survey 10 a.m.

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### **WEDNESDAY**

California Attorney General Becerra speaks at National Press Club 10 a.m.

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Sen. Burr speaks at Council on Foreign Relations event 12:45 p.m.

---

Sen. Coons speaks at ITIF event on the economy 1 p.m.

---

House Foreign Affairs Committee hearing on Brexit negotiations 2 p.m.

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### **THURSDAY**

ACCF event on Trump's economic policy agenda 9:30 a.m.

---

Carnegie Endowment for International Peace event on sanctions for nonproliferation 10 a.m.

---

Senate Armed Services Committee hearing on the Defense Department's acquisition reform efforts 10 a.m.

---

FBI director testifies before House Judiciary Committee 10 a.m.

---

CSIS event on OPEC's World Oil Outlook 2017 2 p.m.

---

### **FRIDAY**

Carnegie Endowment for International Peace event on China and the U.S.-Japan alliance 10:30 a.m.

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Trump campaign rally in Pensacola, Fla. 7 p.m.



## General

### [Congress faces frantic week with possible shutdown, taxes, Russia](#)

**John Bresnahan, Politico**

Congress faces another frantic week as GOP leaders and President Donald Trump wrestle with a possible government shutdown; immigration, tax and gun policies; multiple allegations of sexual harassment against lawmakers; and the probe into Russia's meddling in the 2016 election. Funding for federal agencies is set to run out on Friday, but lawmakers don't really think there will be a shutdown - at least not yet.

## [Inside the secretive nerve center of the Mueller investigation](#)

**Robert Costa et al., The Washington Post**

A white sedan whisked a man into the loading dock of a glass and concrete building in a drab office district in Southwest Washington. Security guards quickly waved the vehicle inside, then pushed a button that closed the garage door and shielded the guest's arrival from public view.

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## **Presidential**

### [Trump offers full support for embattled Republican Roy Moore](#)

**Nancy Benac, The Associated Press**

President Donald Trump endorsed embattled Republican Roy Moore in the Alabama Senate race on Monday, looking past sexual misconduct allegations against the GOP candidate to argue that his vote is needed in Congress. Trump tweeted early Monday that "Democrats refusal to give even one vote for massive Tax Cuts is why we need Republican Roy Moore to win in Alabama."

### [Trump tweets about Russia probe spark warnings from lawmakers](#)

**Roberta Rampton and Karen Freifeld, Reuters**

A series of tweets by U.S. President Donald Trump about the investigation into contacts between his 2016 campaign and Russia prompted concerns on Sunday among both Democratic and Republican lawmakers, with Republican Senator Lindsey Graham saying Trump could be wading into "peril" by commenting on the probe. "I would just say this with the president: There's an ongoing criminal investigation," Graham said on the CBS program "Face the Nation."

### [Emails Dispute White House Claims That Flynn Acted Independently on Russia](#)

**Michael S. Schmidt et al., The New York Times**

When President Trump fired his national security adviser, Michael T. Flynn, in February, White House officials portrayed him as a renegade who had acted independently in his discussions with a Russian official during the presidential transition and then lied to his colleagues about the interactions. But emails among top transition officials, provided or described to The New York Times, suggest that Mr. Flynn was far from a rogue actor.

## [U.S. appeals courts to consider legality of Trump's latest travel ban](#)

**Mica Rosenberg, Reuters**

Federal appeals courts in the states of Washington and Virginia are set to hear arguments this week on the legality of President Donald Trump's most recent travel ban, which sharply limits visitors and immigrants from eight countries, six of them Muslim-majority. Challengers, including the state of Hawaii and immigrant advocacy organizations, have argued the ban is discriminatory and violates the U.S. Constitution.

## [Trump moves to block Romney from the Senate](#)

**Alex Isenstadt, Politico**

Donald Trump is going all out to persuade seven-term Utah Sen. Orrin Hatch to seek reelection - a push aimed in no small part at keeping the president's longtime nemesis, Mitt Romney, out of the Senate. Romney has been preparing to run for Hatch's seat on the long-held assumption that the 83-year-old would retire.

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## **Senate**

### [Feinstein: Senate Russia probe building obstruction case against Trump](#)

**Kailani Koenig, NBC News**

A Senate investigation into Russia's meddling in the 2016 presidential election has revealed a possible obstruction of justice case against President Donald Trump, Democratic Sen. Dianne Feinstein said on "Meet The Press" Sunday. "The [Senate] Judiciary Committee has an investigation going as well and it involves obstruction of justice and I think what we're beginning to see is the putting together of a case of obstruction of justice," Feinstein, the panel's top Democrat, said.

### [Sen. Mitch McConnell softens on Roy Moore sexual assault accusations](#)

**Christopher Harress, AL.com**

With nine days to go before voters in Alabama head to the polls, Senate Majority Leader Mitch McConnell softened his tone on GOP candidate Roy

Moore during an interview Sunday. Sen. McConnell had previously called on Moore to drop out of the race after multiple women accused the twice-removed Alabama Chief Justice of making sexual advances on them when they were teenagers.

### [Sen. Chuck Grassley suggests estate tax repeal helps wealthy, not people who splurge on 'booze' or 'women'](#)

**Elizabeth Elizade, New York Daily News**

Sen. Chuck Grassley (R-Iowa) said he supports getting rid of the federal estate tax because it "recognizes the people that are investing," rather than those who spend their money on "booze or women or movies." "I think not having the estate tax recognizes the people that are investing as opposed to those that are just spending every darn penny they have, whether it's on booze or women or movies," the Republican senator told the Des Moines Register.

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## House

### [U.S. Rep. Sander Levin will retire from Congress when term ends next year](#)

**Kathleen Gray, Detroit Free Press**

After 35 years in Congress, U.S. Rep. Sander Levin, D-Royal Oak, has decided it's time for a different adventure. The 86-year-old Democrat will not run for reelection in 2018, but will instead join the University of Michigan's Gerald R. Ford School of Public Policy, where he will continue to work on issues that have engrossed him in Congress, such as health care and trade issues.

### [Conyers to decide within days on political future](#)

**Heather Caygle, Politico**

Rep. John Conyers (D-Mich.) will decide in the next few days whether to resign in the face of sexual harassment allegations involving three women, his attorney said Friday. "We will discuss in the next day or so what Mr. Conyers plans to do," the attorney, Arnold Reed, said at a news conference in Detroit.

### [House Republicans Prepare Contempt Action Against FBI, DOJ](#)

**Billy House, Bloomberg**

U.S. House Republicans are drafting a contempt of Congress resolution against

Deputy Attorney General Rod Rosenstein and FBI Director Christopher Wray, claiming stonewalling in producing material related to the Russia-Trump probes and other matters. Intelligence Chairman Devin Nunes and other committee Republicans, after considering such action for several weeks, decided to move after media including the New York Times reported Saturday on why a top FBI official assigned to Special Counsel Robert Mueller's probe of Russia-Trump election collusion had been removed from the investigation.

### [Battle for the House: GOP targets Democrats in Trump districts](#)

**Elena Schneider, Politico**

When Democratic Rep. Matt Cartwright woke up on Election Day 2016, he represented a safe blue Pennsylvania district. But by the time he went to sleep that night, Donald Trump had painted Cartwright's turf red beneath his feet.

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## **States**

### [Maine's Obamacare Vote Revives Medicaid Expansion Debate in Some States](#)

**Mattie Quinn, Governing**

Prior to last month's elections, no polling had been done on Maine's first-of-its-kind ballot initiative to expand Medicaid. Considering how controversial the health-care debate in Congress has been all year and the fact that the state elected a Republican governor, health policy experts were expecting a nailbiter.

### [ACLU of Nebraska sues to block executions, says Ricketts overstepped in referendum process](#)

**Paul Hammel, Omaha World-Herald**

The 11 men on Nebraska death row do not have valid death sentences, a leading anti-capital punishment group argued in a lawsuit filed early today. The ACLU of Nebraska charged that the death penalty repeal, enacted by the State Legislature over a veto by Gov. Pete Ricketts, was in effect long enough to convert the death sentences for the 11 men to life in prison.

### [Kentucky GOP rejects governor's call for resignations](#)

**Adam Beam, The Associated Press**

Kentucky's Republican governor asked his party on Saturday to call for the

resignation of four GOP lawmakers who signed a secret sexual harassment settlement, but party leaders rejected it in a move the governor said "speaks to the fact that we've got real problems." The Republican Party of Kentucky's Central Committee held its regular meeting on Saturday.

### [Rep. Matt Dean tops GOP governor straw poll](#)

**Erin Golden, Star Tribune**

Nearly a year out from next year's election for Minnesota governor, a straw poll of Republican Party activists on Saturday provided a first indication of which GOP candidate could end up on the ballot. More than 350 attendees of the Republican Party of Minnesota's State Central Committee meeting in Brainerd listened to speeches from seven candidates before casting their ballots.

### [What happened when North Carolina cut taxes like the GOP plans to for the country](#)

**Todd C. Frankel, The Washington Post**

For a peek into a world after a massive tax cut, visit North Carolina and ride along with factory owner Eric Henry. Conservative groups have hailed North Carolina as a model of a tax overhaul since it began slashing state corporate and individual tax rates four years ago.

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## **Advocacy**

### [Giffords buys ads against 8 Republicans on concealed carry](#)

**Edward-Isaac Dovere, Politico**

Gabby Giffords is going up on the air Monday with a six-figure ad buy against Reps. Rodney Frelinghuysen (R-N.J.) and Jason Lewis (R-Minn.) from her gun safety group. The ads come ahead of this week's expected House vote on Concealed Carry Reciprocity, which, if enacted, would be a massive opening of gun laws across the country, forcing all states to accept gun licenses issued in any state.

### [Analysis: More than 6,000 lobbyists have worked on taxes in 2017](#)

**Megan R. Wilson, The Hill**

Tax reform is taking over Washington, so much so that more than half of all registered lobbyists have disclosed working on the issue, according to an

analysis from Public Citizen, a government watchdog group. There are just under 11,000 active lobbyists in the nation's capital, according to data compiled by the Center for Responsive Politics (CRP), and more than half of them - 6,243 - have reported working on taxes this year, according to the report, which relies on CRP data.

### **Coal and nuclear firms seek billions in new tax credits**

**Amy Harder, Axios**

Two separate lobbying pushes are underway urging Congress to create new multi-billion dollar tax credits benefiting virtually all coal and nuclear power plants across the United States. The price tags: up to \$65 billion for coal and \$4.8 billion for nuclear.

### **US firms push Washington to restart nuclear pact talks with Riyadh-sources**

**Reem Shamseddine and Sylvia Westall, Reuters**

U.S. firms attracted by Saudi Arabia's plans to build nuclear reactors are pushing Washington to restart talks with Riyadh on an agreement to help the kingdom develop atomic energy, three industry sources said. Saudi Arabia has welcomed the lobbying, they said, though it is likely to worry regional rival Iran at a time when tensions are already high in the Middle East.

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### **A Message from the Electronic Payments Coalition:**

A new EPC report analyzes how countries that adopt EMV experience lower counterfeit card fraud rates. It's time for a dynamic data security strategy to protect consumers like you. [Learn more](#) from EPC.

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## **Opinions, Editorials and Perspectives**

### **Tax Reform: What's in It for You**

**Mitch McConnell, The Wall Street Journal**

For many Americans the legacy of the Obama economy is sluggish growth, stagnant paychecks and missed opportunities. A lost generation of workers still struggle with the consequences of the Great Recession and find it nearly impossible to get ahead.

## [Paul Manafort and Me](#)

**Corey Lewandowski, Politico**

We were somewhere over New Jersey, on our way to an event in Delaware, on the Trump helicopter when all hell broke loose. On board were Mr. Trump, the campaign's press secretary Hope Hicks, security chief Keith Schiller, one Secret Service agent and me.

## [Why the Trump Team Should Fear the Logan Act](#)

**Daniel Hemel and Eric Posner, The New York Times**

President Trump's former national security adviser, Michael Flynn, acknowledged in court last week that he lied to F.B.I. investigators about his communications with the Russian ambassador to the United States in the run-up to Mr. Trump's inauguration. While Mr. Flynn pleaded guilty to only one count of making materially false statements, his admissions leave little doubt that he also violated a federal criminal statute known as the Logan Act.

## [Trump's crusade against immigrants is an attack on America](#)

**Editorial Board, The Washington Post**

The Trump administration likes to justify its multi-front crusade against immigration and immigrants as a revival of the rule of law, or a recalibration of the rules to favor disadvantaged American workers. In fact, it is largely a resurrection of xenophobia that coincides with a spike, nearly 50 years in the making, in the number of foreign-born residents living in the United States.

## [Let Them Not Bake Cake](#)

**The Editorial Board, The Wall Street Journal**

The Supreme Court on Tuesday will hear Masterpiece Cakeshop v. Colorado Civil Rights Commission, which ostensibly pits the government's interest in social equality against an individual's constitutional right to express his beliefs. But these two democratic values aren't incompatible, assuming the Justices respect America's pluralistic tradition that lets people of good faith disagree.

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## **A Message from the Electronic Payments Coalition:**

[NEW REPORT](#): EMV adoption is critical to reduce counterfeit fraud in the U.S. [Learn how](#) EPC members are developing and implementing new technologies

to make your life more secure.

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## Research Reports and Polling

### [CBS News poll: Alabama Republicans say allegations against Roy Moore false](#)

#### **CBS News**

A new CBS News poll finds 71 percent of Alabama Republicans say the allegations against Roy Moore are false, and those who believe this also overwhelmingly believe Democrats and the media are behind those allegations. The poll found 92 percent of Republicans who don't believe the allegations against Moore say the Democrats are behind the charges, and 88 percent say newspapers and the media are behind them.

### [Post-Schar School Alabama poll Nov. 27-30, 2017](#)

#### **The Washington Post**

This Washington Post-Schar School poll was conducted by telephone November 27-30, 2017, among a random sample of 1,304 adults in the state of Alabama, including landline and cell phone respondents. The error margin is 3.5 points among the sample of 1,110 registered voters and 4.5 points among the sample of 739 likely voters.



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By [Eli Yokley](#)

## Week in Review

### The White House

- President Donald Trump defended his eldest son, [Donald Trump Jr.](#), after it was revealed that in June 2016 he met with a Russian lawyer who has ties to the Kremlin. The meeting came after he was led to believe the lawyer would provide damaging information about Democratic presidential candidate [Hillary Clinton](#), and that the information was part of the Russian government's effort to assist his father's presidential campaign. The meeting included a Russian-American lawyer who's a [former Russian intelligence officer](#).
- A federal judge in Hawaii loosened Trump's [temporary travel ban](#) by removing a prohibition on grandparents, grandchildren, aunts, uncles and cousins. The judge said the Trump administration's approach to the ban contradicted a recent Supreme Court ruling regarding visitors from six Muslim-majority countries. Attorney General Jeff Sessions said the Trump administration will [appeal the Hawaii ruling](#) to the Supreme Court.
- The Congressional Budget Office said Trump's proposed budget would not balance in a decade, [contradicting White House's estimates](#) that say the spending plan would result in a surplus.
- Trump visited France, at the invitation of French President Emmanuel Macron. The two discussed [trade and security](#). Trump also attended an event celebrating [Bastille Day](#).
- A plurality of registered voters (40 percent) in a recent poll said [North Korea](#) is the top threat to the United States, while 30 percent said the

Islamic State terrorist group is the main threat. Sixteen percent said it's Russia.

## Congress

- Senate GOP leaders released a revised version of their [health care bill](#), but several [Republicans are still skeptical](#). The legislation includes a proposal from [Sen. Ted Cruz](#) (R-Texas) that would allow insurers to sell cheaper plans that do not comply with all of Obamacare's regulations, in addition to keeping some of the Affordable Care Act's taxes on the wealthy and providing money for opioid addiction treatment. Timing for Senate consideration of the measure is uncertain, though, after the office of [Sen. John McCain](#) (R-Ariz.) said the lawmaker had surgery on Friday to remove a blood clot above his left eye, and that he will spend a week recovering in Arizona. Majority Leader Mitch McConnell (R-Ky.), who had previously said he wanted the Senate to vote on its health care bill the week of July 16, announced that the chamber would hold off on consideration of the measure while McCain recovers.
- [Christopher Wray](#), Trump's nominee to lead the Federal Bureau of Investigation, testified before the Senate Judiciary Committee for his confirmation hearing, where he received bipartisan support. He said he would notify special counsel Robert Mueller if there is any attempt to interfere with the FBI's investigation into Russian meddling in the 2016 U.S. presidential election.
- Federal Reserve Chair [Janet Yellen](#) testified before House and Senate committees. The appearances on Capitol Hill may be her last since [Trump is considering replacing her](#) when her term expires in February.
- The House Appropriations Committee released a government spending bill that includes \$1.6 billion to begin construction of Trump's proposed [border wall](#) along the U.S.-Mexico border. [Minority Whip Steny Hoyer](#) (D-Md.) reiterated the opposition of House Democrats.
- Most senators have seen negative swings in their approval ratings, according to a [new 50-state survey](#). McConnell is the most unpopular senator, and [Sen. Jeff Flake](#) (R-Ariz.) is the only senator up for re-election next year whose approval rating is under water.

## What's Ahead

- The Senate will convene Monday and take up the nomination of Patrick Shanahan to be deputy secretary at the Defense Department. The House is also in session on Monday.
- McConnell said he expects the CBO to publish its cost estimate of the Senate's revised health care legislation as soon as Monday. [Sen. John Thune](#) (R-S.D.) said Senate Republicans may rely on cost estimates from the Department of Health and Human Services and the Office of Management and Budget, instead of the nonpartisan CBO.
- Senators will remain in session for the first two weeks of August, and Speaker Paul Ryan (R-Wis.) [floated the idea](#) of keeping his chamber in session if the Senate passes its health care bill before the House is scheduled to adjourn.

## Calendar Events (All Times Local)

### Monday

<a href="#">House convenes</a>	12 p.m.
<a href="#">SEC's Piwowar speaks at Heritage Foundation event on economic growth</a>	12 p.m.
<a href="#">Brookings Institution's Municipal Finance Conference</a>	1 p.m.
<a href="#">Senate convenes</a>	3 p.m.

### Tuesday

<a href="#">Brookings Institution's Municipal Finance Conference</a>	7:45 a.m.
<a href="#">Energy Secretary Perry speaks at National Press Club</a>	8:45 a.m.
<a href="#">Senate Foreign Relations Committee hearing on Callista Gingrich's nomination to be ambassador to the Vatican</a>	10 a.m.

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[Rep. Massie speaks at Heritage Foundation event on aviation](#) 11:30 a.m.

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### **Wednesday**

[Center for American Progress event on voting rights](#) 9 a.m.

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[Sen. Kaine speaks at Brookings Institution event on foreign policy](#) 9 a.m.

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[Senate Judiciary Committee hearing on the Foreign Agents Registration Act](#) 10 a.m.

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### **Thursday**

[Senate Judiciary Committee meets to vote on nominations](#) 9:30 a.m.

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[J.D. Vance speaks at Brookings Institution event on economic trends](#) 10 a.m.

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### **Friday**

[No events scheduled](#)

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## **Morning Consult Washington Top Reads**

1) [Trump says he does not fault son for meeting Russian lawyer](#)  
Steve Holland, Reuters

2) [Russian Dirt on Clinton? 'I Love It,' Donald Trump Jr. Said](#)

Jo Becker et al., The New York Times

3) [Trump's Son Met With Russian Lawyer After Being Promised Damaging Information on Clinton](#)

Jo Becker et al., The New York Times

4) [America's Most and Least Popular Senators - July 2017](#)

Cameron Easley, Morning Consult

5) [Hawaii Judge Orders Loosening of Trump Travel Ban](#)

Brent Kendall, The Wall Street Journal

6) [Former Soviet Counter Intelligence Officer at Meeting With Donald Trump Jr. and Russian Lawyer](#)

Ken Dilanian et al., NBC News

7) [Senate Parliamentarian Backs Republicans on Health Law Question](#)

Paul M. Krawzak, Roll Call

8) [Comey friend: Flynn memo was not classified](#)

Kyle Cheney and Austin Wright, Politico

9) [Trump suggested a cybersecurity pact with Russia. Lawmakers say they were 'dumbfounded.'](#)

Cleve R. Wootson Jr., The Washington Post

10) [Sharp Partisan Divisions in Views of National Institutions](#)

Pew Research Center



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By [Eli Yokley](#)

## Week in Review

### The White House

- President Donald Trump [signed into law new sanctions](#) against Russia, but he criticized the Republican-controlled Congress for tying his hands with the legislation.
- Robert Mueller, the Justice Department's special counsel investigating Russian meddling in the 2016 election, has [convened a grand jury](#), signaling his investigation has entered a new phase. Investigators [expanded their probe](#) to include the finances of Trump and his campaign associates.

- At a Trump rally in West Virginia, Gov. Jim Justice announced he would [switch parties](#) and register as a Republican. Justice had one of the [steepest drops](#) in approval among his constituents earlier this year, according to Morning Consult's Governor Approval Rankings.
- A transcript of Trump's January call with Mexican President Enrique Peña Nieto was [leaked and published](#). Attorney General Jeff Sessions later [detailed new steps](#) to take on leakers.
- Trump's disapproval rating climbed to 53 percent, [tying an all-time high](#), following the Senate's failure to repeal Obamacare and amid turmoil in his administration, a recent poll showed.
- White House Chief of Staff John Kelly completed his first week on the job, where he imposed a [military-style discipline](#) on administration staff. The week began with the departure of communications director [Anthony Scaramucci](#), and news that the administration is considering [Rick Perry](#) to replace Kelly, who previously served as secretary of the Department of Homeland Security before taking the White House post.

## **Congress**

- By a [92-5 vote](#) the Senate confirmed Christopher Wray to be the next director of the Federal Bureau of Investigation.
- The Senate [unanimously passed legislation](#) that would allow terminally ill patients to access drugs that have not yet been approved by the Food and Drug Administration. Senators also reauthorized funding for the FDA's prescription drug and medical device review process, by a 94-1 vote.
- With a [unanimous Senate vote](#), Congress sent Trump a bill that would increase veterans education benefits by \$3 billion over the next decade.
- Josh Hawley, Missouri's attorney general, [formed a committee](#) to consider seeking the Republican nomination to challenge Democratic Sen. Claire McCaskill next year. The party does not yet have a challenger to one of the Senate's most vulnerable incumbents.
- In Pennsylvania, Rep. Lou Barletta (R-Pa.) said he would seek his party's nomination [to challenge Sen. Bob Casey](#) (D-Pa.) next year. In Montana, State Auditor Matt Rosendale (R) said he would [challenge Sen. Jon Tester](#)

(D).

- Rep. Diane Black (R-Tenn.), head of the House Budget Committee, said she would [seek the Republican nomination for governor](#). She will need to resign her chairmanship or seek a waiver, [per House Republican rules](#).
- [Sen. Jeff Flake](#) (Ariz.) released a book in which he faulted partisanship, and fellow Republicans, for the rise of Trump. In Arizona, [where Trump is much more popular than him](#), Flake's challengers are taking notice of his distance from the president.

## What's Ahead

- The House and Senate are in recess this week. Both chambers will hold pro-forma sessions, which in the Senate will [prevent Trump from making recess appointments](#). Lawmakers are scheduled to return to Washington on Sept. 5.
- Trump left Washington on Friday for a [17-day stay](#) at his residence at the Trump National Golf Club in Bedminster, N.J.
- Several [town hall meetings](#) with lawmakers are scheduled for the coming days.
- In Alabama, Republicans - including Sen. Luther Strange, Rep. Mo Brooks and former Alabama Supreme Court Chief Justice Roy Moore - are entering their final week of campaigning before the Aug. 15 primary for a special election.
- Senate Finance Committee Chairman Orrin Hatch (R-Utah) said the Republican Party is [too divided to continue](#) its efforts to pass a major health care bill. Instead, he wants lawmakers to focus on tax reform when they return next month. House Speaker Paul Ryan (R-Wis.) [predicted that the tax debate](#) will be easier than the health care one.
- The Trump administration had been planning to announce [trade actions against China](#), but that announcement was delayed last week. It is not clear

when the announcement will be rescheduled.

## Events Calendar (All Times Local)

### MONDAY

No events scheduled

### TUESDAY

Heritage Foundation event on countering extremism	11 a.m.
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Carnegie Endowment for International Peace event on the oil industry	12 p.m.
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Institute of Foreign Politics event on Russian foreign policy	5 p.m.
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### WEDNESDAY

No events scheduled

### THURSDAY

House Veterans' Affairs Committee hearing on rural care	9:30 a.m.
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Public Citizen event at on the Regulatory Accountability Act	10 a.m.
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### FRIDAY

Mitchell Institute event on nuclear deterrence	8 a.m.
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Heritage Foundation event on U.S.-Taiwan relations	1:30 p.m.
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## **Morning Consult Washington Top Reads**

- 1) [Trump dictated son's misleading statement on meeting with Russian lawyer](#)  
Ashley Parker et al., The Washington Post
- 2) [Health Care Failure Takes a Political Toll on Trump, GOP Lawmakers](#)  
Cameron Easley, Morning Consult
- 3) [Trump Is Considering Perry for Homeland Security Chief](#)  
Jennifer A. Dlouhy and Jennifer Jacobs, Bloomberg News
- 4) [Sen. Flake Faults GOP, Democrat Partisanship for Trump Rise](#)

The Associated Press

**5) [This week: Senate GOP picks up the pieces after agenda setback](#)**

Jordain Carney, The Hill

**6) [Justice Dept. to Take On Affirmative Action in College Admissions](#)**

Charlie Savage, The New York Times

**7) [Senate confirms Wray to lead FBI](#)**

Seung Min Kim, Politico

**8) [Commission urges President Trump to declare emergency over opioid crisis](#)**

Jessica Estepa, USA Today

**9) [Trump plan on China may come as soon as this week](#)**

Andrew Restuccia and Josh Dawsey, Politico

**10) [How a Lawmaker Survived Getting Caught Red-Handed Doing an Industry's Bidding](#)**

Lachlan Markay, The Daily Beast



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**Subject:** Morning Consult Washington, Presented by the Electronic Payments Coalition: Week in Review & What's Ahead  
**Date:** Sunday, August 27, 2017 9:01:41 AM

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By [Eli Yokley](#)

## Week in Review

### The White House

- President Donald Trump [signed a directive banning transgender people](#) from joining the military. He also instructed the Pentagon and the Department of Homeland Security to evaluate what to do with transgender people who are currently serving.
- Trump pardoned former Arizona Sheriff [Joe Arpaio](#), who had been convicted of criminal contempt for not following a judge's order to stop detaining Latinos solely on suspicions about their immigration status.

- [Sebastian Gorka](#), a former Breitbart staffer who served as a deputy assistant to Trump, is no longer part of the administration. A White House official said Gorka did not resign, but confirmed that he is no longer employed at the White House.
- Trump [threatened to shutdown the federal government](#) if Congress does not include funding for his proposed border wall in a forthcoming spending measure that needs to be passed before Oct. 1 to avoid a shutdown.
- [North Korea](#) used multiple-rocket launchers to test three short-range missiles, the first such test since it launched two intercontinental ballistic missiles last month and threatened the United States.
- Trump outlined a [new strategy](#) for the war in Afghanistan in a primetime address. The administration's plan includes sending [3,900 additional U.S. troops](#) to the country.
- The president's [approval rating fell to a new low](#) following his response to the deadly protest in Charlottesville, Va. on Aug. 12, with 39 percent of voters saying they approve of his job performance, compared with 56 percent who said they disapprove.

## **Congress**

- Senate Majority Leader Mitch McConnell (R-Ky.) pushed back on [media reports](#) of a growing divide between him and Trump, saying in a statement that they're both "[committed to advancing our shared agenda together.](#)"
- Sen. Jeff Flake (R-Ariz.) faced more criticism from Trump, whose attacks were featured in a [campaign commercial](#) by Flake's top Republican challenger, former state Sen. Kelli Ward. Trump met with other possible Republican [primary challengers](#) during his visit to Phoenix.
- House Speaker Paul Ryan (R-Wis.) [took some flak](#) from constituents during a town hall in his congressional district hosted by CNN. He later visited Oregon to tout the [GOP's tax plan](#) and said he's confident the House would pass the proposal by year's end.
- Missouri state Rep. Marsha Haefner said she's considering a campaign for the Republican nomination [to challenge Democratic Sen. Claire](#)

[McCaskill](#) next year. Irked by the focus of party brass on state Attorney General Josh Hawley, she met with consultants in Washington about a possible campaign.

- Rep. Ed Perlmutter (D-Colo.) [reversed course](#) and said he will run for re-election in Colorado's Seventh District next year. He previously sought the Democratic nomination for governor in 2018 but dropped his bid in July.

## What's Ahead

- Congress will reconvene on Sept. 5.
- Trump is expected to travel to Missouri this week [to campaign for tax reform](#). Hawley, the state's top GOP prospect to run for Senate next year, [will not be in attendance](#). One of his top backers recently wrote an opinion piece urging Republicans to "[disassociate ourselves from Trump](#)."
- Five governors - Charlie Baker (R-Mass.), Steve Bullock (D-Mont.), Bill Haslam (R-Tenn.), Gary Herbert (R-Utah) and John Hickenlooper (D-Colo.) - are slated to discuss bipartisan fixes to the [Affordable Care Act](#) at a hearing on Capitol Hill. Their testimony will follow another hearing with state insurance commissioners.
- A judge in New Jersey [denied requests](#) by Democratic Sen. Robert Menendez's lawyers to delay his corruption trial or let them explain his absence to a jury if the trial interferes with Senate votes. Oral arguments are set to begin Sept. 6.

## Events Calendar (All Times Local)

**MONDAY**

Brookings Institution event on criminal justice reform 10 a.m.

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Cato Institute on the politics of 'Game of Thrones' 6:30 p.m.

**TUESDAY**

National Press Club lunch event with new NAACP President  
Derrick Johnson 12:30 p.m.

**WEDNESDAY**

AEI event on retirement income 10 a.m.

---

Heritage Foundation event on Iran 12 p.m.

**THURSDAY**

Brookings Institution event on global financial ecosystem 10 a.m.

---

National Press Club book event with Sheryl Attkisson 6:30 p.m.

**FRIDAY**

No events scheduled

## Morning Consult Washington Top Reads

1) [Trump threatens shutdown, suggests controversial pardon at Arizona rally](#)

John Wagner et al., The Washington Post

2) [Ryan faces heat back home in Wisconsin](#)

Rachael Bade, Politico

3) [McConnell, in Private, Doubts if Trump Can Save Presidency](#)

Alexander Burns and Jonathan Martin, The New York Times

4) [Is Anybody Home at HUD?](#)

Alec MacGillis, New York Magazine

**5) [Trump's Approval Rating Dips Below 40% for First Time After Charlottesville](#)**

Cameron Easley, Morning Consult

**6) [Navy orders 7th Fleet review amid search for 10 from McCain](#)**

Lolita C. Baldor, The Associated Press

**7) [Emails: Breitbart editor pledges to do 'dirty work' for Bannon, smears Ivanka](#)**

Oliver Darcy and Jake Tapper, CNN

**8) [A Second Korean War Could Quickly Spread Across All of Asia](#)**

Brendan Scott and Adrian Leung, Bloomberg

**9) [Senate Health Panel Will Hear From Governors, Insurance Leaders](#)**

Mary Ellen McIntire, Roll Call

**10) [White House Sets Rules for Military Transgender Ban](#)**

Gordon Lubold, The Wall Street Journal



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**Date:** Sunday, September 17, 2017 9:01:55 AM

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By [Eli Yokley](#)

## Week in Review

### The White House

- President Donald Trump moved [closer to a deal](#) with House Minority Leader Nancy Pelosi (D-Calif.) and Senate Minority Leader Chuck Schumer (D-N.Y.) on how to replace the Deferred Action for Childhood Arrivals program. A recent poll found that [voters trust the president more](#) than congressional Republican leaders when it comes to bipartisan dealmaking.
- Trump [signed a joint resolution](#) condemning white supremacists and last month's racially motivated violence in Charlottesville, Va. He also met with

South Carolina Sen. Tim Scott, the Senate's only black Republican, who [shared his concerns](#) about Trump's "both sides" comments.

- The Supreme Court sided with a provision in Trump's travel ban, a move that [allows the administration to continue](#) preventing about 24,000 people from entering the United States even though they have relationships with refugee resettlement organizations. The court will hear oral arguments next month in two cases pertaining to the overall ban.
- The United States [imposed sanctions](#) on Cambodia, Eritrea, Guinea, and Sierra Leone, saying the countries have refused to accept their own citizens who have been deported from the United States.

## **Congress**

- Conservatives on Capitol Hill [expressed uneasiness](#) about Trump's dealmaking with Democrats regarding DACA, particularly when it comes to granting citizenship. Republican voters, however, said achieving the policy of protecting so-called "Dreamers" [should be an important or top priority](#) for Congress.
- Sen. Bernie Sanders (I-Vt.) [introduced his single payer health care proposal](#), which would expand Medicare to all Americans, flanked by some of the Senate's 2020 Democratic presidential prospects. Sens. Lindsey Graham (R-S.C.) and Bill Cassidy (R-La.) proposed their own health care plan that would provide block grants to states.
- Senators [scuttled an attempt](#) by Sen. Rand Paul (R-Ky.) to amend the National Defense Authorization Act to include a component repealing the war powers authorizations for the wars in Iraq and Afghanistan.
- The House [passed a \\$1.2 trillion spending package](#) by a vote of 211 to 198. The measure is not expected to be taken up in the Senate, where it would likely face a Democratic filibuster. Congress faces a Dec. 8 deadline to pass another spending bill in order to avoid a government shutdown.
- Rep. Dave Trott (R-Mich.) said [he will not run for re-election next year](#) and will instead leave Congress at the end of his second term. He joins a string of House Republicans, including Pennsylvania Rep. Charlie Dent and Washington Rep. Dave Reichert, who are retiring in districts where Democrats say they have a better chance of winning open contests during

the 2018 midterm elections.

- Rep. Mo Brooks (R-Ala.), who came in third in a special primary election last month for the Senate seat vacated by Jeff Sessions, [endorsed](#) former state Supreme Court Chief Justice Roy Moore (R) in his effort to unseat incumbent Sen. Luther Strange (R) during a Sept. 26 primary runoff. Brooks [previously withheld support](#) for the two remaining GOP candidates, and he even suggested that a Democrat could win the general election.

## What's Ahead

- The Senate is scheduled to convene on Monday to resume consideration of the National Defense Authorization Act. The House is not scheduled to return until Sept. 25.
- World leaders from 193 countries are [scheduled to meet in New York](#) this week for the 72nd U.N. General Assembly. [Trump is expected](#) to seek support for tougher measures against North Korea, which fired another missile over Japan last week.
- [Trump said he'll visit Alabama](#) on Saturday to campaign for Strange. The winner of the Sept. 26 runoff will face Democratic nominee Doug Jones, a former U.S. attorney, in December.
- Roger Stone, a longtime Republican strategist who has informally advised Trump, is [scheduled to testify](#) in private before the House Intelligence Committee on Sept. 26.

## Events Calendar (All Times Local)

**MONDAY**

U.S. Trade Representative Lighthizer speaks at CSIS event on trade policy 10:30 a.m.

## **TUESDAY**

Senate Finance Committee hearing on business tax reform 10 a.m.

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CAP event on gerrymandering 12 p.m.

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Heritage Foundation event previewing 2017 Supreme Court term 12 p.m.

---

Sen. Capito at PCORI/Anthem event on opioids 3 p.m.

## **WEDNESDAY**

Senate Aging Committee hearing on disaster preparedness and response needs for older Americans 9 a.m.

---

Washington Post event on health care 4 p.m.

## **THURSDAY**

PPI event on NAFTA and U.S.-Mexico relations 10 a.m.

## **FRIDAY**

Brookings Institution event on immigration policy 10 a.m.

---

Federalist Society event on budget process, omnibus spending bills 12 p.m.



## Morning Consult Washington Top Reads

1) [Hurricanes in America have become less frequent](#)

The Economist

2) [Bannon on 60 Minutes: 9 key quotes](#)

Erica Pandey, Axios

3) [McConnell Says Democrats' Glee on Debt Limit Deal Was Premature](#)

Carl Hulse, The New York Times

4) [Hillary Clinton, in TV Interview, Says Election Loss Still 'Very Painful'](#)

Eli Stokols, The Wall Street Journal

**5) [Trump to host six senators from both parties for White House dinner](#)**

Ed O'Keefe and Ashley Parker, The Washington Post

**6) [Pelosi and Schumer Say They Have Deal With Trump to Replace DACA](#)**

Maggie Haberman and Yamiche Alcindor, The New York Times

**7) [Trump to meet with bipartisan group of House moderates Wednesday](#)**

Nicole Gaudiano, USA Today

**8) [Mike Flynn's Son Is Subject of Federal Russia Probe](#)**

Carol E. Lee et al., NBC News

**9) [Senators eye defense bill as a way to challenge Trump's foreign policy](#)**

Karoun Demirjian, The Washington Post

**10) [Bannon plotting primaries against slate of GOP incumbents](#)**

Alex Isenstadt, Politico



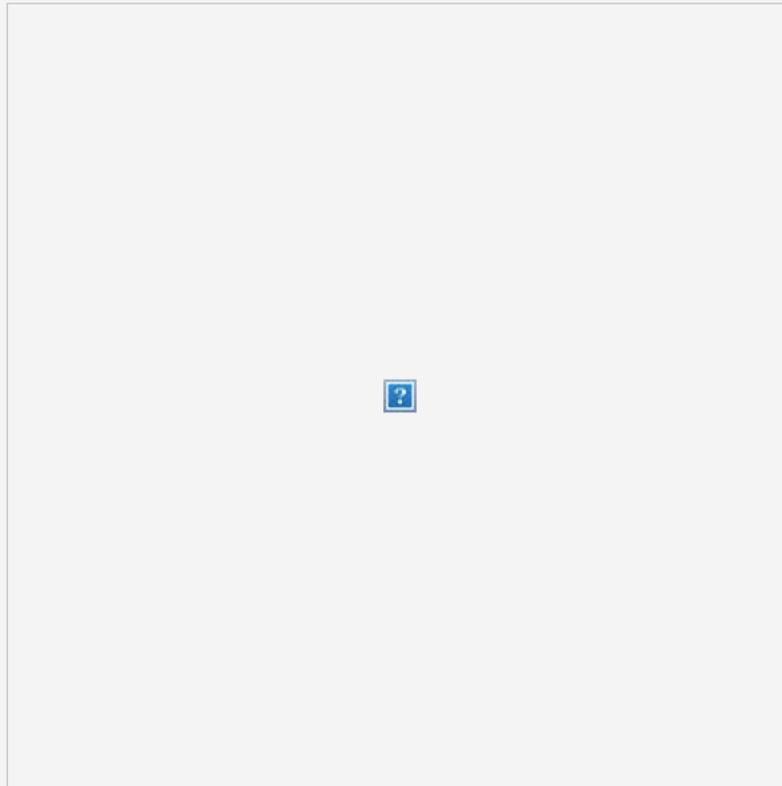
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By [Eli Yokley](#)

## Week in Review

### The White House

- President Donald Trump nominated Alex Azar to serve as [secretary of the Department of Health and Human Services](#) and fill the position previously held by Tom Price, who left the administration amid criticism of his use of taxpayer-funded private charter jets. Azar, a former pharmaceutical company executive who served on the board of directors of a drug industry lobbying group, was a deputy secretary at HHS during the George W. Bush administration.
- Attorney General [Jeff Sessions](#) told members of the House Judiciary

Committee that he did not lie under oath in previous congressional testimony about his contacts with Russian officials during Trump's 2016 campaign. He also said the Justice Department's review of allegations that the [Clinton Foundation](#) may have influenced an Obama administration decision to allow a Russian agency to buy a company with access to uranium in the United States will be conducted without regard to political considerations after the Justice Department told the committee that it's looking into whether a special prosecutor should be appointed.

- The 9th Circuit Court of Appeals in California let [Trump's travel ban](#) partially go into effect, temporarily blocking another judge's ruling that had put on hold the administration's latest iteration of the ban that was announced on Sept. 24. The court ruling means the administration can block travel for people from Chad, Iran, Libya, Somalia, Syria and Yemen who do not have connections to the United States.
- Fifty-six percent of registered voters in a new poll said they think [Trump will personally benefit](#) from the GOP's proposed changes to the tax code if they become law. Twenty-nine percent of respondents said they and their families will benefit from tax reform.

## **Congress**

- The House passed the GOP [tax reform bill](#) by a 227-205 vote, with all Democrats and 13 Republicans opposing the measure.
- The [Senate Finance Committee](#) approved that chamber's tax overhaul measure on a party-line vote of 14 to 12 after a four-day markup. [Sen. Ron Johnson](#) (R-Wis.) said he opposes the Senate GOP's bill.
- [Roy Moore](#), the Republican nominee for Senate in Alabama's Dec. 12 special election, maintained support from state Republicans even as national Republicans further severed their ties to his campaign after more allegations of sexual misconduct emerged.
- [Sen. Al Franken](#) (D-Minn.) was accused of kissing and groping a woman without her consent during a 2006 USO tour of the Middle East, before he was elected to the Senate. Majority Leader Mitch McConnell (R-Ky.) and Minority Leader Chuck Schumer (D-N.Y.) said the matter should be forwarded to the [Senate Ethics Committee](#).

- A judge in New Jersey declared a mistrial in the federal corruption trial of [Sen. Bob Menendez](#) (D-N.J.) that lasted 11 weeks. While prosecutors did not say whether they would retry Menendez and his co-defendant, Florida doctor Salomon Melgen, McConnell called for a separate ethics investigation into Menendez.
- The House voted 237 to 189 to pass legislation that would overhaul the federal [flood insurance](#) program and renew it for five years. The program is set to expire in December, but the Senate might not take legislative action until 2018.
- The Senate passed the [\\$700 billion National Defense Authorization Act](#), sending the measure to the White House. There is not a clear plan from lawmakers on Capitol Hill regarding how they'll fund the increased spending for the Pentagon.
- [Rep. Gene Green](#) (D-Texas), who was first elected to Congress in 1992, said he will not seek re-election next year. Green is the sixth member of the Texas delegation to forgo a 2018 run, and he'll leave a district viewed as electorally safe for Democrats.

## What's Ahead

- Congress is not in session this week. The Senate's next votes are scheduled for Nov. 27, and the House is scheduled to be back in session the following day.
- Senate leaders are aiming to take up the tax reform bill after Thanksgiving. Republican leaders on Capitol Hill are pushing to have a tax reform bill on Trump's desk by the end of the year.
- Lawmakers are working on a deal that would [fund the government](#) for the next two years. Current funding runs through Dec. 8.
- Alabama's special election for a Senate seat is scheduled for Dec. 12. Recent polls have shown gains for [Moore's Democratic rival](#), former U.S. attorney

Doug Jones.

## Events Calendar (All Times Local)

### MONDAY

American Enterprise Institute event on health care delivery 9 a.m.

---

Fed's Yellen speaks at New York University event 6 p.m.

### TUESDAY

Brookings Institution event on U.S.-Saudi Arabia relations 2:30 p.m.

### WEDNESDAY

No events scheduled

### THURSDAY

Federal holiday -- no events scheduled

### FRIDAY

No events scheduled



## Morning Consult Washington Top Reads

- 1) [GOP leaders weigh drastic plan to save Alabama Senate seat](#)  
Alex Isenstadt and Eliana Johnson, Politico
- 2) [Senate Finance Committee approves GOP tax reform plan](#)  
Brian Faler, Politico
- 3) [Gun-control rivals team up on bill to fix background-check database](#)  
Karoun Demirjian, The Washington Post
- 4) [The More Education Republicans Have, the Less They Tend to Believe in](#)

## [Climate Change](#)

Kevin Quealy, The New York Times

### **5) [House Passes Tax Bill, as Does Senate Panel](#)**

Thomas Kaplan and Alan Rappeport, The New York Times

### **6) [U.S. House will reject total elimination of state and local tax deductions: Brady](#)**

Doina Chiacu, Reuters

### **7) [A Wave Is a Comin'](#)**

Amy Walter, The Cook Political Report

### **8) [Trump returns to GOP panic. Will he try to push Moore out?](#)**

Zeke Miller, The Associated Press

### **9) ['Where do his hands go?': Trump takes aim at 'Al Frankenstien' over groping claims](#)**

Herman Wong, The Washington Post

### **10) [House Votes to Overhaul Flood-Insurance Program](#)**

Andrew Ackerman, The Wall Street Journal



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By [Eli Yokley](#)

## Week in Review

### The White House

- President Donald Trump signed into law legislation to [fund the government through Dec. 22](#), giving lawmakers more time to reach an agreement on longer-term funding. The House passed the [legislation](#) 235 to 193, and the Senate cleared it on an 81-14 vote.
- Trump [declared](#) Jerusalem as the capital of Israel and said the United States will move its embassy from Tel Aviv to Jerusalem. The announcement [sparked protests](#) and prompted criticism from world leaders.

- The Supreme Court granted the Trump administration's request to fully reinstate the third iteration of the president's [travel ban](#), pending appeal. Previous court rulings had said the administration could block nationals from eight designated countries only if those individuals lacked a bona fide relationship with a person or entity in the United States.
- Federal Bureau of Investigation Director [Christopher Wray](#) defended his agency from Trump's charge that it was "in tatters" during testimony before the House Judiciary Committee.

## **Congress**

- [Rep. Trent Franks](#) (R-Ariz.) resigned Friday, a day after he said he would resign on Jan. 31, amid a House Ethics Committee investigation of his "discussion of surrogacy" with two female staffers. Friday's announcement came shortly before a news report that said he offered a staffer \$5 million to act as a surrogate, and another media report that said two staffers were not sure if he wanted them to serve as surrogates by having intercourse with him or through in vitro fertilization.
- [Sen. Al Franken](#) (D-Minn.) said he will resign from the Senate "in the coming weeks" amid allegations of sexual misconduct and after he lost the support of fellow Senate Democrats.
- [Rep. John Conyers](#) (D-Mich.), who was the longest-serving member in Congress, resigned amid sexual harassment allegations against him. Conyers [endorsed his eldest son](#), John Conyers III, to replace him in the state's 13th District, though Conyers III has said he has not decided whether he will run. His great-nephew, state Sen. Ian Conyers, has said he is running for the seat.
- The House Ethics Committee established a subcommittee to investigate allegations of misconduct by [Rep. Blake Farenthold](#) (R-Texas) after new information emerged about an \$84,000 taxpayer-funded settlement he reached with his former communications director, who accused him of making sexually charged comments. He has denied wrongdoing in the case.
- A new poll found that 61 percent of registered voters say [Congress should probe all credible allegations](#) of sexual misconduct against a sitting politician, even if the alleged events took place before the lawmaker took office.

- House Intelligence Committee Chairman [Devin Nunes](#) (R-Calif.) was cleared by the House Ethics Committee of allegations that he disclosed classified information related to his panel's Russia investigation. Nunes, who said he would step aside but not recuse himself from the intelligence committee's probe into Russian meddling in the 2016 election, did not say if he would retake control of the Russia investigation.
- The Senate voted 62 to 37 to confirm [Kirstjen Nielsen](#) to lead the Department of Homeland Security. Nielsen had served as chief of staff to John Kelly when he was DHS secretary, and she later became a top White House aide when Kelly was named Trump's chief of staff.
- The House and Senate voted to go to a conference committee over competing bills that would overhaul the federal tax code. The eight Senate [GOP conferees](#) include Finance Committee Chairman Orrin Hatch of Utah, Budget Committee Chairman Mike Enzi of Wyoming, and Energy and Natural Resources Committee Chairman Lisa Murkowski of Alaska, while the [House GOP's nine conferees](#) include Ways and Means Committee Chairman Kevin Brady of Texas.
- The House voted 231 to 198 to pass legislation that would let concealed carry license holders conceal a handgun in other states, with opposition from 14 Republicans and support from six Democrats. The measure, a top priority for the [National Rifle Association](#), is strongly opposed by Senate Democrats.
- The House voted 364 to 58 to table a [resolution to impeach Trump](#). Minority Leader Nancy Pelosi (D-Calif.) and Minority Whip Steny Hoyer (D-Md.) were among the Democrats who voted with Republicans to table the resolution, offered by Rep. Al Green (D-Texas), after saying in a joint statement, "Now is not the time to consider articles of impeachment."

## What's Ahead

- Both the House and Senate are in session this week.

- Voters in Alabama head to the polls Tuesday for the special election to replace Jeff Sessions, who left the Senate earlier this year to be U.S. attorney general. The contest pits Republican nominee Roy Moore, the former chief justice of the Alabama Supreme Court who has faced allegations of sexual misconduct, against Democratic nominee Doug Jones, a former U.S. attorney.
- Lawmakers on Capitol Hill have until Dec. 22 to reach another deal to [fund the government](#).
- A conference committee is set to begin meeting to resolve differences in the House and Senate's separate tax reform bills. Among the issues up for debate are deductions for medical expenses and state income taxes, whether to repeal the corporate alternative minimum tax and the size of the corporate tax cut.

## Events Calendar (All Times Local)

### MONDAY

Axios event on energy under Trump	8 a.m.
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AEI event on the 2018 farm bill	8:30 a.m.
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### TUESDAY

Rep. Hurd speaks at Wilson Center event on future of NAFTA	8 a.m.
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American Consumer Institute event on net neutrality	12 p.m.
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Heritage Foundation event on agriculture in NAFTA renegotiations	12 p.m.
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Agriculture Secretary Perdue speaks at National Press Club	12:30 p.m.
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House Foreign Affairs subcommittee hearing on future of NAFTA	2 p.m.
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Sen. Whitehouse speaks at American Constitution Society event about obstruction of justice 3 p.m.

### **WEDNESDAY**

CSIS event on U.S. trade enforcement agenda 8:45 a.m.

---

Deputy Attorney General Rosenstein testifies at House Judiciary Committee hearing 10 a.m.

---

House Ways and Means subcommittee hearing on the taxpayer experience with the IRS 10 a.m.

---

White House Council of Economic Advisers chairman speaks at Hamilton Project event 1:30 p.m.

### **THURSDAY**

House Natural Resources subcommittee hearing on Grand Staircase-Escalante bill 9:30 a.m.

---

Stimson Center event on the impact of the first year of Trump's presidency 9:30 a.m.

### **FRIDAY**

Wilson Center event on alternate forms of Brexit and implications for the U.K., EU, U.S. 9 a.m.



## **Morning Consult Washington Top Reads**

- 1) [Among the Tax Bill's Biggest Losers: High-Income, Blue State Taxpayers](#)  
Alicia Parlapiano and K.K. Rebecca Lai, The New York Times
- 2) [Deutsche Bank Records Said to Be Subpoenaed by Mueller](#)  
Steven Arons and Shannon Pettypiece, Bloomberg
- 3) [Congress faces frantic week with possible shutdown, taxes, Russia](#)  
John Bresnahan, Politico
- 4) [A congressman's accuser: Blackballed and baby-sitting for cash](#)

Rachael Bade, Politico

**5) [House conservatives almost topple tax vote](#)**

Bernie Becker et al., Politico

**6) [Warnings intensify as Trump readies Jerusalem declaration](#)**

Josef Federman and Matthew Lee, The Associated Press

**7) ['I've Got a Crook Running My Campaign'](#)**

Corey Lewandowski, Politico

**8) [Senate Votes to Begin Tax-Overhaul Negotiations With House](#)**

Richard Rubin, The Wall Street Journal

**9) [What happened when North Carolina cut taxes like the GOP plans to for the country](#)**

Todd C. Frankel, The Washington Post

**10) [Inside the secretive nerve center of the Mueller investigation](#)**

Robert Costa et al., The Washington Post



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**Date:** Tuesday, September 19, 2017 9:06:23 AM

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By [Eli Yokley](#)

## Top Stories

- President Donald Trump's former campaign chairman, Paul Manafort, was reportedly wiretapped by federal investigators, under a Foreign Intelligence Surveillance Act court order, before and after the 2016 election. ([CNN](#))
- The Senate voted 89-8 to pass its version of a \$700 billion National Defense Authorization Act. The measure, which needs to be reconciled with the House-passed measure before final congressional consideration, would authorize a pay raise for the military and stronger missile defense but rejected a proposal by Defense Secretary Jim Mattis to begin closing more

bases in 2021. ([Reuters](#))

- Vice President Mike Pence plans to campaign for Sen. Luther Strange (R-Ala.) in Alabama on Monday, a day before a special primary election runoff against former Alabama Supreme Court Chief Justice Roy Moore (R). Trump is also expected to campaign for Strange ahead of the primary election that will determine which candidate faces Democratic nominee Doug Jones, a former U.S. attorney, in December. ([Politico](#))
- Voters in both parties say they are content with the ideological positions of their parties, but they want their 2020 presidential candidates to be more true to their definitions of "liberal" and "conservative," according to a new poll. Six in 10 Democrats said their party is "about right" on the ideological spectrum, compared to half of Republicans who said the same of theirs. ([Morning Consult](#))

## Chart Review

[The Latest Health Care Repeal Plan Would Give States Sweeping Discretion](#)

**The New York Times**

## Events Calendar (All Times Local)

### TUESDAY

Senate Finance Committee hearing on business tax reform	10 a.m.
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Center for American Progress event on gerrymandering	12 p.m.
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Heritage Foundation event previewing 2017 Supreme Court term	12 p.m.
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Sen. Capito at PCORI/Anthem event on opioids	3 p.m.
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**WEDNESDAY**

Senate Aging Committee hearing on disaster preparedness  
and response needs for older Americans 9 a.m.

---

Washington Post event on health care 4 p.m.

**THURSDAY**

PPI event on NAFTA and U.S.-Mexico relations 10 a.m.

**FRIDAY**

Brookings Institution event on immigration policy 10 a.m.

---

Federalist Society event on budget process, omnibus  
spending bills 12 p.m.

## General

### [US government wiretapped former Trump campaign chairman](#) **Evan Perez et al., CNN**

US investigators wiretapped former Trump campaign chairman Paul Manafort under secret court orders before and after the election, sources tell CNN, an extraordinary step involving a high-ranking campaign official now at the center of the Russia meddling probe. The government snooping continued into early this year, including a period when Manafort was known to talk to President Donald Trump.

## [With a Picked Lock and a Threatened Indictment, Mueller's Inquiry Sets a Tone](#)

**Sharon LaFraniere et al., The New York Times**

Paul J. Manafort was in bed early one morning in July when federal agents bearing a search warrant picked the lock on his front door and raided his Virginia home. They took binders stuffed with documents and copied his computer files, looking for evidence that Mr. Manafort, President Trump's former campaign chairman, set up secret offshore bank accounts.

## [Poll: Voters Content With Party Stance But Want Ideologically Pure Candidates](#)

**Eli Yokley, Morning Consult**

Democratic and Republican voters both say they are comfortable with the ideological positions of their parties, but both groups also want their 2020 presidential candidates to be more ideologically true to their definitions of "liberal" and "conservative" when compared to their preferred candidate in 2016. A Morning Consult/POLITICO poll conducted Sept. 14-17 found six in 10 Democrats said their party is "about right" when they were also asked if they thought it was too liberal or conservative.

## [Iran Accuses U.S. of Sabotaging Nuclear Deal Ahead of U.N. Talks](#)

**Laurence Norman, The Wall Street Journal**

Iranian Vice President Ali Akbar Salehi on Monday accused the U.S. of violating the spirit and letter of the 2015 nuclear deal, escalating a clash between the two countries at the start of a crucial week of talks on the accord's future. President Donald Trump has said he expects not to certify Iran's compliance with the accord when a decision comes due next month, a move that could unravel the agreement.

## [Pence Gets New Communications Team From the Capitol](#)

**Niels Lesniewski, Roll Call**

Vice President Mike Pence has poached the Capitol for a new communications team. The departure of Pence's longtime spokesman Marc Lotter from the White House, which was announced last week, created an opening for two communicators from Capitol Hill to move in.

## [\*\*GOP lawmakers: Move Appalachian agency out of Washington\*\*](#)

**Matthew Daly, The Associated Press**

Two powerful Kentucky Republicans have an idea to boost an economic development agency that helps Appalachia: Move it out of the nation's capital. Senate Majority Leader Mitch McConnell and veteran Rep. Hal Rogers are sponsoring a bill they say will refocus the Appalachian Regional Commission to invest more in the poorest communities in 13 Appalachian states.

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## **Presidential**

### [\*\*Trump to lay out vision of U.S. role in the world, focusing on 'outcomes, not ideology'\*\*](#)

**David Nakamura and Anne Gearan, The Washington Post**

President Trump on Tuesday will present a vision of U.S. engagement with the world in a maiden address to the United Nations that aides said will be consistent with the nation's "values and traditions" but will not focus on advancing democracy abroad. This dichotomy of a U.S. leader pledging to shape global conditions to ensure America's prosperity and security without explicitly promoting its way of life is expected to distinguish Trump's speech from those of his White House forebears.

### [\*\*Trump says U.S. prepared to take further action in Venezuela\*\*](#)

**Henry C. Jackson, Politico**

President Donald Trump said Monday that the "growing crisis" in Venezuela was unacceptable and that the U.S. was ready to take further action to ensure democracy was restored in the Latin American nation. "The Venezuelan people are starving. ... " Trump said, speaking at a dinner with leaders from the region on the sideline of the U.N. General Assembly in New York.

### [\*\*Trump says he wants a massive military parade down Pennsylvania Avenue on July 4\*\*](#)

**Abby Phillip, The Washington Post**

President Trump's trip to France for the country's Bastille Day parade in July left a big impression. So big, in fact, that he wants to replicate the experience back home.

## [DACA recipients file suit over Trump's move to end program](#)

**Josh Gerstein, Politico**

A half dozen DACA recipients are suing President Donald Trump over his decision to end the program giving quasi-legal status and work permits to undocumented immigrants who were brought to the U.S. as children. Several legal luminaries are backing the lawsuit filed Monday morning in federal court in San Francisco, including Harvard Law professor Larry Tribe and University of California at Berkeley law school dean Erwin Chemerinsky.

## [Donald Trump Jr. Gives Up Secret Service Protection, Seeking Privacy](#)

**Nicholas Fandos and Maggie Haberman, The New York Times**

Donald Trump Jr., the president's eldest son, has elected to forgo protection by the Secret Service, according to a senior administration official, and another top White House official is losing hers. The agency ceased protecting Mr. Trump, who lives in New York City and is an executive at the Trump Organization, last week.

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## **Senate**

### [Senate sidesteps controversy, passes mammoth defense bill](#)

**Connor O'Brien, Politico**

The Senate sidestepped controversy Monday and overwhelmingly passed a sweeping \$692 billion defense policy bill for the new fiscal year. Scrapped without votes were a handful of contentious proposals to prevent transgender troops from being kicked out of the military, eliminate across-the-board budget cuts, bar indefinite detention of U.S. citizens and launch a new round of military base realignments and closures.

### [Pence to campaign for Luther Strange next Monday](#)

**Daniel Strauss and Matthew Nussbaum, Politico**

Vice President Mike Pence will campaign for Sen. Luther Strange next Monday in Alabama, a senior administration official and two top political operatives involved in the Alabama Senate race confirmed to POLITICO. Pence's appearance in Alabama will come a day before the runoff between Strange and former Alabama chief Judge Roy Moore.

## [Senate GOP Has 12 Days to Repeal Obamacare and No Room for Error](#)

**Laura Litvan et al., Bloomberg**

Senate Republicans making one last-ditch effort to repeal Obamacare have the daunting task of assembling 50 votes for an emotionally charged bill with limited details on how it would work, what it would cost and how it would affect health coverage - all in 12 days. They need to act by Sept. 30 to use a fast-track procedure that prevents Democrats from blocking it, but the deadline doesn't leave enough time to get a full analysis of the bill's effects from the Congressional Budget Office.

## [Senate Republicans Consider a Trillion-Dollar-Plus Tax Cut for Budget](#)

**Richard Rubin and Siobhan Hughes, The Wall Street Journal**

Senate Republicans are considering writing a budget that would allow for up to \$1.5 trillion in tax cuts over the next decade, said people familiar with the discussions. Budget talks are continuing and no final decision has been reached yet.

## [Bob Menendez's trial is already taking a political toll](#)

**Jonathan Tamari, The Philadelphia Inquirer**

His bribery trial holds the most immediate peril for Sen. Bob Menendez - but federal prosecutors aren't the only ones threatening his political future. If he wins in court, the New Jersey Democrat still has to stand for reelection next year - and at least one poll shows that the daily headlines coming from his trial are already taking a toll.

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## House

### [Ryan Says House Would Vote on Graham-Cassidy If Senate Passes It](#)

**Lindsey McPherson, Roll Call**

Speaker Paul D. Ryan said Monday that the House would bring up a health care measure sponsored by Sens. Lindsey Graham and Bill Cassidy for a vote if it were to pass the Senate. "It would be our intention to bring the matter

through," Ryan said at a news conference from a Harley Davidson facility in Wisconsin, where he was promoting GOP plans to overhaul the tax code.

### **Freedom Caucus chief: House would pass Obamacare repeal plan** **Rachael Bade, Politico**

House Freedom Caucus Chairman Mark Meadows predicted Monday that the House would pass a last-ditch effort to repeal Obamacare if it clears the Senate, with conservatives getting on board. The North Carolina Republican said in an interview that while it's too early for his group to take a position on the 11th-hour Obamacare replacement bill authored by Sens. Lindsey Graham (R-S.C.) and Bill Cassidy (R-La.), he is "very optimistic" about its prospects in the House.

### **After she was confronted by protesters, Pelosi says Democrats want a 'clean' Dream Act - with no border wall** **Jazmine Ulloa, Los Angeles Times**

House Minority Leader Nancy Pelosi on Monday said she understood the fear in young protesters who shouted her down at a San Francisco news conference, asking for a legal path to citizenship for themselves and their parents. Speaking at Sacramento State hours after the disruption, Pelosi said she agreed with the protesters, pointing to the Dream Act as only the first step to broader immigration reform.

### **'You've Lost That Centrist Feeling': Comstock challenger hits cringe-worthy notes** **Jenna Portnoy, The Washington Post**

If congressional races hinged on singing talent, Dan Helmer might have lost the race before it has really begun. Helmer, one of the Democrats competing to challenge Rep. Barbara Comstock (R) next year, released a painful-to-watch web ad Monday spoofing a "Top Gun" scene.

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## **States**

### **St. Louis mayor to meet with protesters after nights of violence** **Greg Bailey, Reuters**

Activists in St. Louis plan to voice their concerns directly to the mayor on

Tuesday over the acquittal of a white policeman who shot a black man to death, a verdict that sparked four night of violent protest. Mayor Lyda Krewson will speak with residents at a town hall meeting at a local high school, hoping to defuse tensions in a city where demonstrators have clashed with police and destroyed property.

### [New poll: Northam has slight edge, but Va. governor's race looks like a squeaker](#)

**Gregory S. Schneider, The Washington Post**

Virginia's race for governor continues to look like a close contest, as Democrat Ralph Northam has a slight but statistically insignificant edge over Republican Ed Gillespie in one new poll of likely voters and another new poll shows a dead heat. Northam is the pick for 44 percent of likely voters and Gillespie gets 39 percent in the University of Mary Washington survey released Monday.

### [Kentucky joining 37 states in new approach to curb flow of addictive opioids](#)

**Beth Warren, Louisville Courier-Journal**

Andy Beshear, Kentucky's attorney general, has joined 37 other states in announcing a new approach to reduce the flow of addictive opioid pain medicine. Beshear and his counterparts are urging health insurance companies to create financial incentives for pain management methods - other than prescribing opioids, unless the medication is for cancer patients.

### [Virgin Islands lack supplies for second hurricane pummeling](#)

**Sarah Ferris, Politico**

Still in a state of near-total destruction from Hurricane Irma this month, the U.S. Virgin Islands are now bracing for another major storm and may be woefully unprepared. As much as 20 inches of rain could pound the islands of St. Croix, St. Thomas and St. John over the next two days, prompting President Donald Trump to declare a state of emergency on Monday.

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## **Advocacy**

### [Lobbyists on Edge Awaiting Details of Trump Tax Overhaul Plan](#)

**Ben Brody, Bloomberg**

The National Association of Home Builders has already created ads to either support or oppose a U.S. tax-code overhaul, depending on how Congress and President Donald Trump propose to treat its favorite tax breaks. "We're at DEFCON One," said Jerry Howard, president of the trade group that represents 140,000 builders.

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### **A Message from the National Association of Broadcasters:**

Local radio and TV stations help drive our nation's economy, creating millions of jobs and generating more than \$1 trillion in economic activity.

[Click here](#) to find out how America's local TV and radio stations are serving your community and state.

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## **Opinions, Editorials and Perspectives**

### **[The Republican Health Care Zombie Is Back](#)**

**The Editorial Board, The New York Times**

Republican lawmakers have wasted much of the year trying to repeal the Affordable Care Act, a move that would deprive millions of people of health insurance. They're back at it.

### **[Graham-Cassidy Is a Triumph of Federalism](#)**

**Theodore Kupfer, National Review**

Republicans are trying to pass health-care reform: The noontide hour returns. The latest installment of this eternal endeavor is a bill drafted by Senators Lindsey Graham (R., S.C.) and Bill Cassidy (R., La.) that was introduced on September 13.

### **[The 2016 election was not a fluke](#)**

**Eugene Robinson, The Washington Post**

Leaders of both major parties are wrong to think of the 2016 election as some kind of fluke. I believe a political realignment is underway, and those who fail to discern its outlines could end up powerless and irrelevant.

---

## **A Message from the National Association of Broadcasters:**

Not only do local broadcasters provide a vital lifeline during times of emergency and critical news and weather for local communities, they also foster economic growth and development by serving as an advertising platform for local businesses.

[Click here](#) to find out how America's local TV and radio stations are serving your community and state.

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## **Research Reports and Polling**

### **[Like Other ACA Repeal Bills, Cassidy-Graham Plan Would Add Millions to Uninsured, Destabilize Individual Market](#)**

**Jacob Leibenluft et al., Center on Budget and Policy Priorities**

In releasing a revised version of their legislation to repeal and replace the Affordable Care Act (ACA), Senators Bill Cassidy and Lindsey Graham, along with co-sponsors Dean Heller and Ron Johnson, claimed that their bill isn't a "partisan" approach and doesn't include "draconian cuts." In reality, however, the Cassidy-Graham bill would have the same harmful consequences as those prior bills.



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**Date:** Sunday, September 24, 2017 9:02:14 AM

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By [Eli Yokley](#)

## Week in Review

### The White House

- President Donald Trump's temporary [travel ban](#) is set to be replaced with more targeted restrictions that would differ for each country. The changes could have an impact on a Supreme Court case challenging the travel ban. Oral arguments in that case are scheduled for Oct. 10.
- Trump vowed to "[totally destroy North Korea](#)" if it threatens the United States. He made the remarks during his first address to the United Nations General Assembly. North Korean leader Kim Jong-un responded by saying

Trump is a "[mentally deranged U.S. dotard](#)."

- The Treasury Department was given more authority by Trump to target banks, business and individuals with ties to North Korea. The [executive order](#) appeared aimed at China, the North's largest trading partner.
- [Robert Mueller](#), the Justice Department's special counsel leading the Russia investigation, requested documents from the White House related to the firing of both national security adviser Michael Flynn and Federal Bureau of Investigation Director James Comey, as well as the president's Oval Office meeting with Russian officials.
- The Trump administration scrapped Obama-era guidance for college campuses investigating [sexual assaults](#), with Education Secretary Betsy DeVos saying the rules were skewed against students who are accused of assault. Interim guidance will allow campuses to decide which standards of evidence to use when investigating allegations.

## **Congress**

- Sen. John McCain (R-Ariz.) [said he would vote against](#) a health care overhaul bill authored by fellow GOP Sens. Lindsey Graham (S.C.) and Bill Cassidy (La.). His announcement dealt a blow to Senate Republican leaders who are looking to secure 50 votes in support of an Obamacare repeal bill ahead of a Sept. 30 deadline.
- [Facebook Inc.](#) said it has reached an agreement with congressional investigators to share advertisements that were purchased by Russians during the 2016 U.S. presidential campaign. The company has already shared similar information with Mueller's team.
- The Senate voted 89-8 to pass its version of a [\\$700 billion National Defense Authorization Act](#). The measure, which needs to be reconciled with the House-passed measure before final congressional consideration, would authorize a pay raise for the military and stronger missile defense but rejected a proposal by Defense Secretary Jim Mattis to begin closing more bases in 2021.
- Republicans criticized a measure introduced by Sen. Bernie Sanders (I-Vt.), and co-sponsored by some of the Senate's possible 2020 Democratic contenders, calling the legislation akin to "socialism." Recent [polling](#) found

that a 49 percent plurality of registered voters support the single-payer system proposed by Sanders, while 35 percent oppose the policy. Support for single-payer is up 5 percentage points since April.

- Democratic Reps. Adriano Espaillat, (N.Y.), Raul Grijalva (Ariz.) and Luis Gutierrez (Ill.) were [arrested in New York](#) as part of a protest outside of Trump Tower over the president's decision to end protections for hundreds of thousands of young people in the Deferred Action for Childhood Arrivals program.

## What's Ahead

- The House and Senate are in session this week.
- The Senate is scheduled to vote Monday on the nomination of William Emanuel to be a member of the National Labor Relations Board.
- Graham and Cassidy are set to face Sen. Bernie Sanders (I-Vt.) and Sen. Amy Klobuchar (D-Minn.) in a [town-hall style event](#) Monday to debate the GOP's latest Obamacare repeal bill ahead of a potential Senate floor vote this week.
- Trump is set to meet with conservative groups on Monday to discuss tax reform. On Wednesday, House Republicans are expected to hold a half-day retreat on how to message their [tax plan](#) to the public.
- GOP voters in Alabama head to the polls Tuesday in a closely watched [Republican primary runoff](#) between Sen. Luther Strange and former state Supreme Court Chief Justice Roy Moore. Trump campaigned for Strange on Friday, and Pence is scheduled to do the same on Monday.
- Trump's personal attorney, [Michael Cohen](#), is slated to testify publicly before the Senate Intelligence Committee on Oct. 25.

## Events Calendar (All Times Local)

### MONDAY

Wharton Innovation Summit 8 a.m.

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Rep. Ryan speaks at National Press Club 2 p.m.

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Senate Finance Committee hearing on Graham-Cassidy health care bill 2 p.m.

### TUESDAY

Sens. Johnson, Whitehouse speak at Atlantic Council event on strategic communications 8 a.m.

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SEC's Clayton testifies before Senate Banking Committee 10 a.m.

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Senate Judiciary Committee hearing on special counsels, separation of powers 10 a.m.

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House Energy and Commerce Committee hearing on technology's role for consumers 10 a.m.

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The Atlantic's Washington Ideas conference 10 a.m.

### WEDNESDAY

The Atlantic's Washington Ideas conference 7:30 a.m.

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House Homeland Security Committee hearing on threats to the United States 10 a.m.

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Sen. Bennet speaks at Center for American Progress event on congressional priorities 1 p.m.

### THURSDAY

The Atlantic's Washington Ideas conference 7:30 a.m.

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Reps. Dent, Jordan, Walker speak at Ripon Society event 7:45 a.m.

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Heritage Foundation event on constitutionality of Trump's travel ban 12 p.m.

## FRIDAY

No events scheduled



## Morning Consult Washington Top Reads

1) [US government wiretapped former Trump campaign chairman](#)

Evan Perez et al., CNN

**2) [The Latest Health Care Repeal Plan Would Give States Sweeping Discretion](#)**

Haeyoun Park and Margot Sanger-Katz, The New York Times

**3) [White House seriously considers abandoning some tax cuts for the wealthy](#)**

Damian Paletta and Mike DeBonis, The Washington Post

**4) [Trump using campaign, RNC funds to pay legal bills from Russia probe: sources](#)**

Karen Freifeld and Ginger Gibson, Reuters

**5) [Trump team drafting plan to deport more young people - Central American teens](#)**

Franco Ordoñez, McClatchy DC

**6) [Seven in 10 Dissatisfied With Way U.S. Is Being Governed](#)**

Frank Newport, Gallup

**7) [Trump Takes Agenda of Change to the United Nations](#)**

Farnaz Fassihi and Eli Stokols, The Wall Street Journal

**8) [Senate Backs Bill to Pump \\$700 Billion Into Military](#)**

Richard Lardner, The Associated Press

**9) [U.S. Support for Free Trade Endures in Trump Era, Poll Shows](#)**

David Mark, Morning Consult

**10) [The 2016 election was not a fluke](#)**

Eugene Robinson, The Washington Post



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By [Eli Yokley](#)

## Top Stories

- Voters in Alabama are heading to the polls today to select the Republican nominee to replace Attorney General Jeff Sessions in the Senate. Sen. Luther Strange, who was appointed to the seat, is in a close race for second with Rep. Mo Brooks, and only one will head to the runoff with former Alabama Supreme Court Judge Roy Moore. ([Politico](#))
- A Trump campaign staffer sent at least a half-dozen emails attempting to set up meetings with Trump or Trump campaign officials and Russian officials, according to emails. ([The Washington Post](#))

- The Republican base is defending President Donald Trump's response to a white nationalist rally in Charlottesville, Va. They say his two-day refusal to condemn neo-Nazis is not a big deal. ([McClatchy DC](#))

## Chart Review

[Donnelly, Popular Among Indiana Republicans, Awaits GOP Challenger](#)

**Morning Consult**

## Events Calendar (All Times Local)

### TUESDAY

Special primary elections in Alabama and Utah

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House meets for a pro forma session

9:30 a.m.

---

Heritage Foundation event on reorganizing the federal government

11 a.m.

## **WEDNESDAY**

No events scheduled

## **THURSDAY**

No events scheduled

## **FRIDAY**

No events scheduled

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## General

### [North Korea Says It Will Wait 'a Little More' Before Acting on Guam Threat](#)

**Choe Sang-Hun, The New York Times**

North Korea appeared on Tuesday to pause its threat to launch ballistic missiles toward Guam, saying it would wait to assess "the foolish and stupid conduct" of the United States before carrying the launchings out. The statement came as the United States and South Korea were preparing to conduct joint military exercises on the Korean Peninsula and surrounding waters starting on Monday, despite North Korea's vehement opposition to such drills.

### [GOP activists scold Republicans for criticizing Trump over Charlottesville](#)

**Katie Glueck and Lesley Clark, McClatchy DC**

The Republican base is fiercely defending Donald Trump's response to a violent white nationalist rally, arguing that the president's dayslong refusal to explicitly condemn white supremacists and neo-Nazis is a matter of splitting hairs. Trump has faced enormous backlash from his own party's leaders for being slow to condemn the neo-Nazis and white-power groups who recently gathered in Charlottesville, Virginia, suggesting an increased willingness among Washington Republicans to break with an administration whose support among base voters has so far kept lawmakers in line.

### [Anthony Scaramucci talks to Colbert about Reince Priebus, Steve Bannon and Trump's Charlottesville remarks](#)

**Bethonie Butler, The Washington Post**

On Monday, former White House communications director Anthony

Scaramucci appeared on "The Late Show With Stephen Colbert," where he faced a late-night host who for weeks has gleefully joked about his brief and chaotic time in the White House. Colbert introduced Scaramucci as "the shortest-tenured communications director in White House history."

### **[South Korea to Prevent War at All Costs, President Moon Says](#)** **Peter Pae, Bloomberg**

South Korean President Moon Jae-in said that any military action against Kim Jong Un's regime requires his nation's approval, and vowed to prevent war at all costs. "There will be no war repeated on the Korean Peninsula," Moon said in a speech on Tuesday marking the anniversary of the end of Japanese occupation in the 1940s.

### **[Far Right Plans Its Next Moves With a New Energy](#)** **Alan Feuer, The New York Times**

The white supremacists and right-wing extremists who came together over the weekend in Charlottesville, Va., are now headed home, many of them ready and energized, they said, to set their sights on bigger prizes. Some were making arrangements to appear at future marches. Some were planning to run for public office.

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## **Presidential**

### **[Trump campaign emails show aide's repeated efforts to set up Russia meetings](#)**

**Tom Hamburger et al., The Washington Post**

Three days after Donald Trump named his campaign foreign policy team in March 2016, the youngest of the new advisers sent an email to seven campaign officials with the subject line: "Meeting with Russian Leadership - Including Putin. "The adviser, George Papadopoulos, offered to set up "a meeting between us and the Russian leadership to discuss US-Russia ties under President Trump," telling them his Russian contacts welcomed the opportunity, according to internal campaign emails read to The Washington Post.

### **[The 'Fire and Fury' Crisis: Trump Risks a Backfire Over China and North Korea](#)**

## **Andrew Browne, The Wall Street Journal**

By ordering his first trade action against Beijing, while amping up pressure on Chinese leaders to rein in Pyongyang's nuclear menace, U.S. President Donald Trump is bringing to a head two of the most intractable problems that bedevil U.S.-China relations. There are hints that Mr. Trump's hard-nosed strategy could be having an impact—at least in the near-term.

## **[Bowling to pressure, Trump denounces hate groups by name](#)**

**Jonathan Lemire, The Associated Press**

Bowing to pressure from right and left, President Donald Trump condemned white supremacist groups by name on Monday, declaring "racism is evil" after two days of public equivocation and internal White House debate over the deadly race-fueled clashes in Charlottesville, Virginia. In a hastily arranged statement at the White House, Trump branded members of the KKK, neo-Nazis and white supremacists who take part in violence as "criminals and thugs."

## **[Bannon in limbo as Trump faces growing calls for the strategist's ouster](#)**

**Maggie Haberman, The New York Times**

Rupert Murdoch has repeatedly urged President Trump to fire him. Anthony Scaramucci, the president's former communications director, thrashed him on television as a white nationalist. Lt. Gen. H. R. McMaster, the national security adviser, refused to even say he could work with him.

## **[Trouble in Trumpland: The president's core supporters begin to worry](#)**

**Susan Page and Josh Hafner, USA Today**

There's trouble in Trumpland. The voters who backed Donald Trump like the disruption but are looking for more function from the outsider they helped put in the White House, members of the USA TODAY Network Trump Voter Panel say.

## **[New York braces as thousands gather to protest Trump visit](#)**

**Justin Sink and Henry Goldman, Bloomberg**

Thousands of people took to New York streets on Monday to protest president

Donald Trump's response to weekend violence in Virginia, clogging midtown Manhattan as he arrived for his first overnight stay in the city since taking office. The president landed at John F. Kennedy International Airport about 8:15 p.m. Monday night.

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## Senate

### [5 things to watch in Alabama's special election](#)

**Seung Min Kim and Daniel Strauss, Politico**

The Alabama GOP Senate primary on Tuesday will go a long way in answering the overriding question of the race: How much do Mitch McConnell's cash and Donald Trump's endorsement matter? The brutal fight on the Republican side is all but assured to go to a September runoff, with no one expected to reach the 50 percent threshold to win the nomination outright. Sen. Luther Strange has the backing of Trump - who remains immensely popular in Alabama and cut a robocall for the senator on Monday - and millions in ads from a McConnell-blessed super PAC.

### [New campaign targets GOP members who won't hold town halls](#)

**Alex Roarty, McClatchy DC**

A group aligned with the Democratic Party is launching a new effort this week to criticize Republican politicians who don't hold town halls during August recess, using an online video and digital ads to accuse them of hiding from their constituents. The campaign from American Bridge 21st Century will run through Labor Day, the group said, and will include a website used to highlight the targeted GOP officials.

### [Russia Portfolio Comes in Handy for Senate Staffer](#)

**Niels Lesniewski, Roll Call**

Naz Durakoglu started her new job working for Sen. Jeanne Shaheen in early June, shortly after the New Hampshire Democrat had pushed to add Russia sanctions to an Iran sanctions bill as it moved through the Foreign Relations Committee. But after Senate Foreign Relations Chairman Bob Corker of Tennessee said he would move ahead with a bipartisan effort to tighten sanctions against Moscow, Shaheen withdrew her amendments.

### ['Kid Rock' May Be Ineligible for Michigan Ballot](#)

## **Nathan L. Gonzales, Roll Call**

Robert Ritchie may end up challenging Democratic Sen. Debbie Stabenow next year, but his stage name, Kid Rock, may not be allowed to appear on the ballot in Michigan. Kid Rock is a household name to Americans under the age of 50, and voters might be attracted to vote for him as a middle finger to the political establishment.

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## **House**

### **[A race to the right marks race for Chaffetz's replacement](#)**

**Mike DeBonis, The Washington Post**

A House special election has attracted hundreds of thousands of dollars in spending, a big-name outsider candidate and unusually heated political attacks in a state known for its relatively subdued politics. But as voters in Utah's 3rd Congressional District head to the polls Tuesday to start choosing a successor to retired Republican Jason Chaffetz, the race has garnered only a fraction of the national scrutiny given to other contests this year.

### **[Former Hobbs Mayor runs for Congress](#)**

**Algernon D'Ammassa, Deming Headlight Reporter**

Another Republican is seeking to replace Steve Pearce in New Mexico's second Congressional district. Monty Newman, the former mayor of Hobbs who was elected as Chair of the Republican Party of New Mexico in 2010 with Pearce's endorsement, announced his bid for Congress on Monday through campaign spokeswoman Jessica Perez.

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## **States**

### **[California files suit over Trump sanctuary city policy](#)**

**Josh Gerstein, Politico**

California has become the first state to sue the Trump administration over its anti-sanctuary cities policy. Speaking at a San Francisco news conference, California Attorney General Xavier Becerra said the state's suit argues that the Justice Department is violating the Constitution by trying to implement a new

policy that would deny grants to jurisdictions that fail to give immigration authorities access to local jails or fail to give immigration officials 48 hours' notice on the release of prisoners being sought on immigration charges.

### **[This Illinois Republican faced a choice: Vote for a tax increase or 'let it burn.'](#)**

**Sandhya Somashekhar, The Washington Post**

Reggie Phillips had all the right qualifications to get elected to the state House from this rural community about 200 miles and a world away from Chicago. The silver-haired businessman was successful and self-made, a born-again Christian with a deeply conservative, low-tax message.

### **[La. Politics: Speaker, governor meeting ahead of 'fiscal cliff'](#)**

**Jeremy Alford, LAPolitics.com**

Republican Gov. John Bel Edwards is calling it Louisiana's "fiscal cliff," and it'll be the prime topic of conversations this week when he meets with Republican House Speaker Taylor Barras. The so-called cliff represents a dramatic drop, scheduled for next year, when temporary taxes collide with sluggish tax revenue for an anticipated \$1.5 billion shortfall.

### **[Kansas Republicans urge Roberts to back Senate rules change](#)**

**Roxana Hegeman, The Associated Press**

Two fellow Republicans in the Kansas congressional delegation urged a reluctant Sen. Pat Roberts on Monday to support changing the Senate rules to make it easier for the party to push through its legislative priorities. The sometimes testy exchange came at the convention of the Kansas Independent Oil and Gas Association, typically a friendly venue for the state's all-Republican delegation.

### **[A Top Lawyer Asks Supreme Court To Hear A Major Death Penalty Case](#)**

**Chris Geidner, BuzzFeed News**

One of the country's top lawyers is asking the Supreme Court to take up a case that could reshape - or even end - the death penalty in America. The aggressive filing comes as the Supreme Court is already set to hear a high-profile series of cases.

## [Nevada report shows human impact of Trump's proposed cuts to community development grants](#)

**Michelle Rindels, The Nevada Independent**

Nevada could lose \$20 million a year that's bolstering homeless shelters, rural 911 infrastructure and the Meals on Wheels program if a proposed cut in President Donald Trump's budget becomes reality. A report from Democratic Sen. Catherine Cortez Masto's staff that's scheduled for release on Monday highlights the types of projects backed by the Community Development Block Grant.

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## **Advocacy**

### [Tech companies in the crosshairs on white supremacy and free speech](#)

**Jim Finkle and Salvador Rodriguez, Reuters**

The neo-Nazi website Daily Stormer had its internet domain registration revoked twice in less than 24 hours in the wake of the weekend violence in Charlottesville, Virginia, part of a broad move by the tech industry in recent months to take a stronger hand in policing online hate-speech and incitements to violence. GoDaddy Inc, which manages internet names and registrations, disclosed late on Sunday via Twitter that it had given Daily Stormer 24 hours to move its domain to another provider, saying it had violated GoDaddy's terms of service.

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## **Opinions, Editorials and Perspectives**

### [How Mr. Trump Could Face Up to White Supremacists](#)

**The Editorial Board, The New York Times**

There's a moral awakening taking place across America, but President Trump is still hiding under his blanket. The racists' march in Charlottesville, Va., on Saturday, a protest against the planned removal of a statue of the Confederate general Robert E. Lee, presented Mr. Trump with the most glaring opportunity yet to separate himself decisively from the white supremacists and neo-Nazis who have cheered him on since he announced his candidacy, and to make clear that America has no room for what they stand for.

### [A Short-Term ObamaCare Fix](#)

**The Editorial Board, The Wall Street Journal**

Republicans in Congress haven't repealed or replaced Obama Care, but the Trump Administration still has an obligation to help Americans facing higher premiums and fewer choices. One incremental improvement would be rescinding regulations on temporary health-insurance plans.

### [The U.S. trade deficit is a good thing. Really](#)

**James Lankford, The Washington Post**

Last month, the Trump administration issued its objectives for a renegotiation of the North American Free Trade Agreement. There is much about the trade agreement that should be modernized, such as updated rules for e-commerce and stronger intellectual property protections.

### [President Trump Cannot Redeem Himself](#)

**Frank Bruni, The New York Times**

We saw Donald Trump's true colors on Saturday, when he was given the chance - a ready-made moment for presidential grace - to denounce the neo-Nazis in Charlottesville, Va., and instead found wrongdoing "on many sides." That was Trump minus the pressure and the planning. That was his initial instinct, his first impulse.

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## **Research Reports and Polling**

### [Will Luther Strange Lose Alabama's GOP US Senate Nomination?](#)

**Eric Ostermeier, University of Minnesota**

With 10 Republican candidates appearing on Tuesday's ballot - including the incumbent, a U.S. Representative, and a very well-known ex-state supreme court justice - a primary runoff for the GOP U.S. Senate special election in Alabama is all but assured with no candidate expected to capture a majority of the vote. Senator Luther Strange is hoping Donald Trump's 11th hour endorsement will ensure he is one of the top two candidates headed to the runoff, besting four-term Congressman Mo Brooks with former Alabama Supreme Court Chief Justice Roy Moore expected to emerge with a plurality.

## [Where the robots are](#)

**Mark Muro, The Brookings Institution**

Where are the robots, exactly? One answer-if you read the steady flow of doomy articles online - is that automation is everywhere, not just all over the media but (you would have to conclude) thoroughly infiltrating the economy. In that sense, the trend seems omnipresent even as it spawns a kind of free-floating dread amongst the chattering class.

## [Voters Pessimistic on Afghanistan as Trump Weighs Boosting Troops](#)

**Jessie Jiang, Morning Consult**

Registered voters are feeling less confident about America's prospects in Afghanistan as the war there closes in on 16 years, recent Morning Consult/POLITICO polling shows. Less than a quarter of Americans (23 percent) believe the United States is winning the war there, versus 38 percent who believe it's losing, according to the poll of 1,992 voters.



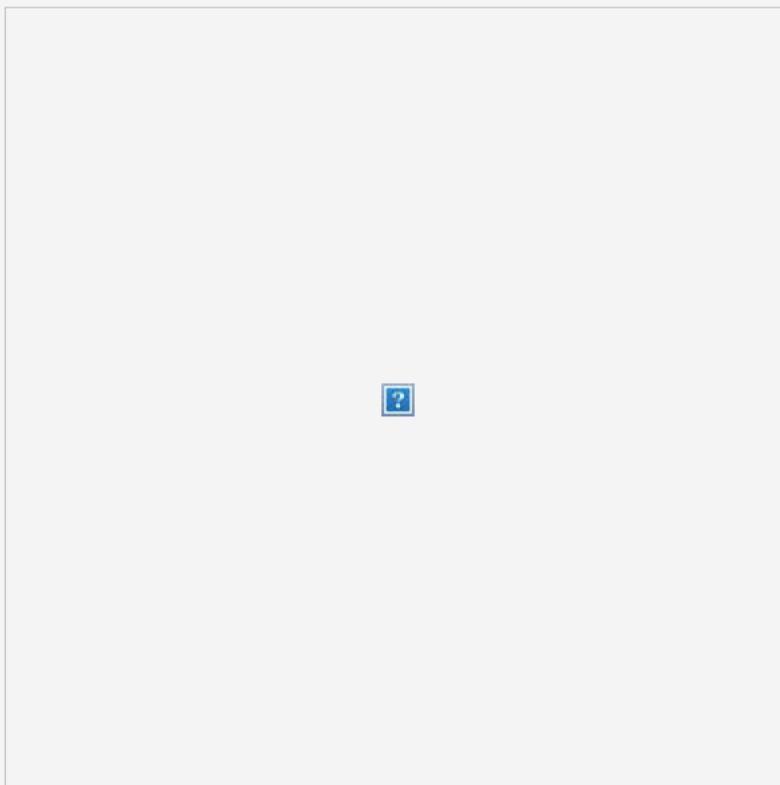
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**Date:** Tuesday, December 12, 2017 8:39:51 AM

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By [Eli Yokley](#)

## Top Stories

- Alabama voters head to the polls today in a special election to pick a new U.S. senator: Republican Roy Moore or Democrat Doug Jones. The Democratic nominee asked that "decency" prevail amid allegations of sexual misconduct against his rival, while Moore called the accusations "disgusting." ([The Associated Press](#))
- A super PAC supporting Jones was revealed to be a joint project of the Senate Majority PAC and Priorities USA Action, two of the largest Democratic super PACs. The group's funding had remained secret, with Jones trying to distance himself from the national Democratic Party in his campaign against Moore. ([Politico](#))

- Fifty-six female Democratic lawmakers called on the House Oversight and Government Reform Committee to investigate allegations of sexual misconduct against President Donald Trump. ([NBC News](#)) Separately, Sen. Kirsten Gillibrand (D-N.Y.) and Sen. Ron Wyden (D-Ore.) said Congress should investigate the allegations if Trump does not resign. ( [CNN](#))

## **Chart Review**

**[Moore Relied Heavily On Fundraising Outside Alabama During Final Campaign Stretch](#)**

**Roll Call**

## Events Calendar (All Times Local)

### TUESDAY

Rep. Hurd speaks at Wilson Center event on future of NAFTA 8 a.m.

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American Consumer Institute event on net neutrality 12 p.m.

---

Heritage Foundation event on agriculture in NAFTA renegotiations 12 p.m.

---

Agriculture Secretary Perdue speaks at National Press Club 12:30 p.m.

---

House Foreign Affairs subcommittee hearing on future of NAFTA 2 p.m.

---

Sen. Whitehouse speaks at American Constitution Society event about obstruction of justice 3 p.m.

### **WEDNESDAY**

CSIS event on U.S. trade enforcement agenda 8:45 a.m.

---

Deputy Attorney General Rosenstein testifies at House Judiciary Committee hearing 10 a.m.

---

House Ways and Means subcommittee hearing on the taxpayer experience with the IRS 10 a.m.

---

White House Council of Economic Advisers chairman speaks at Hamilton Project event 1:30 p.m.

---

Conference committee meeting on House, Senate tax overhaul bills 2 p.m.

### **THURSDAY**

House Natural Resources subcommittee hearing on Grand Staircase-Escalante bill 9:30 a.m.

---

Stimson Center event on the impact of the first year of Trump's presidency 9:30 a.m.

---

Council on Foreign Relations event on "America's Forgotten Wars" 6:30 p.m.

### **FRIDAY**

Wilson Center event on alternate forms of Brexit and implications for the U.K., EU, U.S. 9 a.m.



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### General

[Justice Department won't disclose details on Mueller ethics waiver](#)

Josh Gerstein, Politico

The Justice Department is refusing to reveal details of the process that led up to former FBI Director Robert Mueller being granted an ethics waiver to serve as special counsel investigating the Trump campaign's alleged collusion with Russia during the 2016 presidential election. In response to a POLITICO Freedom of Information Act request, the agency released a one-sentence memo Friday confirming that Mueller was granted a conflict-of-interest waiver in order to assume the politically-sensitive post.

### **'Journalism for rent': Inside the secretive firm behind the Trump dossier**

**Jack Gillum and Shawn Boburg, The Washington Post**

Fusion GPS bills itself as a corporate research firm, but in many ways it operates with the secrecy of a spy agency. No sign marks its headquarters above a coffee shop in Northwest Washington.

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## **Presidential**

### **White House calls for immigration reform after NYC terror attack**

**Jonathan Easley, The Hill**

The White House on Monday called on Congress to overhaul the immigration system, saying an attack in New York City is evidence the U.S. needs to strengthen border security. "This attack underscores the need for Congress to work with the president on immigration reforms that enhance the national security and public safety," White House press secretary Sarah Huckabee Sanders told reporters.

### **Trump to Open the Door for Oil Drilling Off U.S.'s East Coast**

**Jennifer A Dlouhy, Bloomberg**

The Trump administration is preparing to unveil as soon as this week an expansive offshore oil plan that would open the door to selling new drilling rights in Atlantic waters, according to people familiar with the plan. President Donald Trump ordered his Interior Department to write the new blueprint with the aim of auctioning oil and gas drilling rights off the U.S. East Coast - territory that his predecessor, former President Barack Obama, had ruled out.

### **World leaders gather at climate summit - without Trump**

## **The Associated Press**

More than 50 world leaders are gathering in Paris for a summit that President Emmanuel Macron hopes will give new momentum to the fight against global warming, despite U.S. President Donald Trump's rejection of the Paris climate accord. Some 3,100 security personnel are fanned out around Paris for Tuesday's event, including extra patrol boats along the Seine River. Macron will accompany the visiting leaders to the summit site on a river island by boat.

### **[Trump wants to send U.S. astronauts back to moon, someday Mars](#)**

**Steve Holland, Reuters**

At a time when China is working on an ambitious lunar program, President Donald Trump vowed on Monday that the United States will remain the leader in space exploration as he began a process to return Americans to the moon. "We are the leader and we're going to stay the leader, and we're going to increase it many fold," Trump said in signing "Space Policy Directive 1" that establishes a foundation for a mission to the moon with an eye on going to Mars.

### **[Spicer writing book about White House tenure](#)**

**Brent D. Griffiths, Politico**

Former White House press secretary Sean Spicer announced Monday night that he is writing a book about his brief run behind the podium, taking readers "behind the scenes of his turbulent tenure." "I've decided that it is incumbent on me to set the record straight," Spicer told Fox News' Sean Hannity on Monday night.

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## **Senate**

### **[Turbulent Senate race now in hands of Alabama voters](#)**

**Bill Barrow and Kim Chandler, The Associated Press**

Depending on who is making the case, Alabama's special Senate election Tuesday is about either continuing the "Trump miracle" in Washington or allowing "decency" to prevail back home. At the center is Roy Moore - "Judge Moore," to his supporters.

### **[Secret super PAC backing Jones in Alabama exposed](#)**

## **Gabriel Debenedetti, Politico**

A mystery super PAC backing Democrat Doug Jones in Alabama is controlled by a pair of groups closely aligned with the national Democratic Party, even as the candidate strives to dissociate himself from Washington interests. Highway 31, which has dropped more than \$4.1 million in support of Jones and against Roy Moore ahead of Tuesday's Senate special election, is a joint project of two of the largest national Democratic super PACs - Senate Majority PAC and Priorities USA Action - along with a group of Alabama Democrats, multiple senior officials familiar with the arrangement told POLITICO.

### **Sen. Kirsten Gillibrand calls on Trump to resign**

**Mick Krever and Sophie Tatum, CNN**

Democratic Sen. Kirsten Gillibrand of New York told CNN on Monday that President Donald Trump should resign over allegations of sexual assault. "President Trump has committed assault, according to these women, and those are very credible allegations of misconduct and criminal activity, and he should be fully investigated and he should resign," Gillibrand told CNN's Christiane Amanpour in an exclusive interview.

### **Analysis: McConnell Enters Year-End Sprint With Options Limited**

**Joe Williams, Roll Call**

Senate Majority Leader Mitch McConnell is hoping to close out 2018 with a bang and silence the skeptics who just a few short months ago were ramping up calls for his ouster following a brutal defeat on the Republican effort to overturn the 2010 health care law. But after creating an intricate web of promises to get the GOP tax legislation past the Senate, the Kentucky Republican must now juggle the difficult task of keeping those commitments.

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## **House**

### **Fifty-six female Democratic lawmakers ask House to investigate Trump sexual misconduct claims**

**Tim Stelloh, NBC News**

More than 50 female Democratic lawmakers on Monday asked the House oversight committee to investigate allegations of sexual misconduct against President Donald Trump. In a letter to committee chairman Rep. Trey Gowdy,

R-S.C., and ranking member Rep. Elijah Cummings, D-Md., the Democratic Women's Working Group wrote that the country deserves "a full inquiry into the truth of these allegations."

### **Dem lawmaker calls for extra protections to 'safeguard' Senate pages if Moore is elected**

**Avery Anapol, The Hill**

Rep. Gwen Moore (D-Wis.) is calling for extra protections for Senate pages to prepare for the possible election of Alabama GOP Senate candidate Roy Moore. In a Dec. 8 letter to the Senate Sergeant at Arms, the congresswoman writes of her "urgent concern" for the safety of Senate pages if Moore is elected.

### **Tawdry Tales Depict a Texas Congressman's Frat House on the Hill**

**Sheryl Gay Stolberg, The New York Times**

When Lauren Greene, a former communications director for Representative Blake Farenthold, sued him claiming sexual harassment, among her complaints was that he "disclosed that a female lobbyist had propositioned him for 'a threesome.'" Mr. Farenthold, in legal documents, said that Ms. Greene had it wrong. The woman wasn't a lobbyist, he said.

### **Congress Looks to Overhaul Sexual-Harassment Rules**

**Natalie Andrews, The Wall Street Journal**

Lawmakers are moving to change procedures for reporting sexual harassment on Capitol Hill and how settlements are funded, after Congress was shaken last week by more allegations of improper behavior and three resignations. Lawmakers are looking inward at their own policies in the wake of the "Me Too" movement, which has created a national outpouring of personal stories involving sexual harassment and assault in the workplace.

### **Congressional scorekeeper: House-passed tax bill wouldn't pay for itself**

**Naomi Jagoda, The Hill**

The tax bill House Republicans passed last month wouldn't produce enough revenue from economic growth to pay for itself, Congress's tax scorekeeper said in a 12-page report released Monday. The economic growth resulting from the bill would lower the measure's revenue loss by more than \$400 billion over 10 years.

## [House passes Homeland Security cyber overhaul bill](#)

**Morgan Chalfant, The Hill**

House lawmakers have passed legislation that would reorganize the Department of Homeland Security's cybersecurity mission. The House passed the legislation, which is spearheaded by Homeland Security Committee Chairman Michael McCaul (R-Texas), by a voice vote Monday evening.

## [Dates set for special election to replace Rep. Trent Franks](#)

**Ronald J. Hansen, The Arizona Republic**

Gov. Doug Ducey announced dates for the special election to replace Rep. Trent Franks, who resigned abruptly on Friday amid allegations he sexually harassed two of his female employees. The governor's proclamation said: The primary election will be held on Feb. 27.

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## **States**

### [Kentucky Republicans call for resignation of GOP lawmaker accused of molesting girl](#)

**Daniel Desrochers, Lexington Herald Leader**

The Republican Party of Kentucky called on a GOP member of the Kentucky House of Representatives to resign from office following a news report Monday that revealed he was accused of molesting a 17-year-old girl in 2012. "Last October, after local media reports about reprehensible and racist posts on his Facebook page, we asked then-candidate Dan Johnson to drop out of the race for State Representative," said Mac Brown, the chairman of the Republican Party of Kentucky.

### [Nebraska RNC official resigns to protest support of Moore](#)

**Alex Isenstadt, Politico**

Nebraska Republican National Committeewoman Joyce Simmons resigned Monday in protest of the committee's financial support for Roy Moore. "I strongly disagree with the recent RNC financial support directed to the Alabama Republican Party for use in the Roy Moore race. There is much I could say about this situation, but I will defer to this weekend's comments by Senator Shelby," she wrote in an email to fellow party officials.

## [Maryland lawmakers to update sex harassment policy](#)

**Brian Witte, The Associated Press**

Maryland lawmakers will take up a proposal to update the Legislature's sexual harassment policy by creating a central repository to keep track of complaints against legislators each year, an official to House Speaker Michael Busch said Monday. The proposal is scheduled for a vote Tuesday before the Legislative Policy Committee, a panel of state lawmakers that decides on rules for the Maryland General Assembly.

## [NC Democrats announce new candidates, and they're almost all women](#)

**Will Doran, The News & Observer**

The wave of women signing up to run for political office has hit North Carolina. The state Democratic Party is spending Monday announcing nine new candidates for the state legislature Monday, including six women, according to party leaders.

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## **Advocacy**

### [Schumer, Cornyn alums launch lobbying firm](#)

**Alexi McCammond, Axios**

A former top aide to Sen. Chuck Schumer (D-NY) and former chief counsel for Sen. John Cornyn (R-TX) are launching a lobbying firm and their first big task is taking on the "backpage" anti-sex trafficking bill. Izzy Klein, a top communications aide for Schumer, and Matt Johnson, Cornyn's former chief counsel, have worked on both sides of Capitol Hill across 12 committees and the Senate and House Leadership.

### [PhRMA sues to block Calif. drug transparency law](#)

**Nathaniel Weixel, The Hill**

Drug companies are suing the state of California over a recently enacted law that would require manufacturers to give advance notice before significantly raising prices. The Pharmaceutical Research and Manufacturers of America (PhRMA), the industry's leading lobby group, filed a complaint late Friday seeking to block the law, which supporters say is one of the most

comprehensive drug transparency measures in the country.

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## Opinions, Editorials and Perspectives

### [The Comprehensive Case against Roy Moore](#)

**David French, National Review**

Partisan politics does strange things to human minds. I continue to see Twitter, Facebook, and my email inbox light up with the most bizarre comparisons. Roy Moore is like Martin Luther King Jr. Moore is like General George S. Patton.

### [I'm Not Convinced Franken Should Quit](#)

**Zephyr Teachout, The New York Times**

I care passionately about #MeToo. Women are routinely demeaned, dismissed, discouraged and assaulted. Too many women's careers are stymied or ended because of harassment and abuse.

### [The Trump administration's tax 'report' reads like fan fiction](#)

**Catherine Rampell, The Washington Post**

Unable to produce an actual analysis of its tax plan, the Trump administration has resorted to cooking the books. Again.

### [The GOP's Capital-Gains Tax Hike](#)

**The Editorial Board, The Wall Street Journal**

Republicans are on final approach to land their tax bill out of House-Senate conference, and for the most part the winds look favorable. Yet one surprising provision in the Senate bill would gratuitously harm individual investors, and the GOP ought to eliminate this de facto increase on capital-gains taxes.

### [Why Team Trump Needs to Lay Off the Mueller Probe](#)

**Bob Bauer, The New York Times**

While President Trump's allies have unleashed a political assault on the investigation led by the special counsel, Robert Mueller, his lawyers are arguing that Mr. Mueller lacks even the legal authority to investigate the president for obstruction of justice. The president, they maintain, fully controls the executive branch and possesses the constitutional power to dismiss a subordinate like James Comey, the former F.B.I. director, for any reason.

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## Research Reports and Polling

**[For the first time, more Americans say 2010 health care law has had a positive than negative impact on U.S.](#)**

**Hannah Fingerhut, Pew Research Center**

While the future of the Affordable Care Act is in question, the public increasingly thinks the law has had a positive impact on the country. Today, more Americans say the 2010 health care overhaul has had a mostly positive than mostly negative effect on the country (44% versus 35%), while 14% say it has not had much effect.



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**Date:** Tuesday, September 26, 2017 9:05:58 AM

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By [Eli Yokley](#)

## Top Stories

- At least six of President Donald Trump's top advisers, including former chief strategist Steve Bannon and former chief of staff Reince Priebus, used private email addresses on occasion to conduct official business. Trump's 2016 campaign repeatedly criticized Democratic presidential nominee Hillary Clinton's use of a personal email address from when she was secretary of state. ([The New York Times](#))
- Voters in Alabama head to the polls today for a special election primary runoff between Sen. Luther Strange (R) and former Alabama Supreme Court Chief Justice Roy Moore (R). On Monday, Bannon campaigned on behalf of

Moore, who leads in the polls, while Vice President Mike Pence rallied support for Strange. ([AL.com](#))

- Roger Stone, a longtime Republican political operative and confidant of Trump, is set to testify privately before the House Intelligence Committee today. The panel is investigating Russian meddling in the 2016 U.S. presidential election and possible Kremlin ties to the Trump campaign. ([Politico](#))
- House Democratic leaders said they oppose GOP efforts to expedite consideration of legislation that would fund the Federal Aviation Administration for six months, with a Sept. 30 deadline looming for FAA reauthorization. The measure currently includes a provision that would expand access to the flood insurance market for private insurers, but the bill does not extend the Children's Health Insurance Program or the DREAM Act. ([Roll Call](#))
- Sam Fox, former U.S. ambassador to Belgium and a prominent Republican campaign donor, penned a fundraising appeal letter in which he told potential donors that Missouri Attorney General Josh Hawley (R) "is going to run" against Democratic Sen. Claire McCaskill (D-Mo.) in 2018. Hawley is currently exploring a campaign but has not said publicly whether he is going to run. ([Morning Consult](#))

## Chart Review

[Democrats Regain Edge in Party Favorable Ratings](#)  
Gallup



## Events Calendar (All Times Local)

### TUESDAY

Sens. Johnson, Whitehouse speak at Atlantic Council event on strategic communications 8 a.m.

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SEC's Clayton testifies before Senate Banking Committee 10 a.m.

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Senate Judiciary Committee hearing on special counsels, separation of powers 10 a.m.

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House Energy and Commerce Committee hearing on technology's role for consumers 10 a.m.

---

The Atlantic's Washington Ideas conference 10 a.m.

### **WEDNESDAY**

The Atlantic's Washington Ideas conference 7:30 a.m.

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House Homeland Security Committee hearing on threats to the United States 10 a.m.

---

Sen. Bennet speaks at Center for American Progress event on congressional priorities 1 p.m.

### **THURSDAY**

The Atlantic's Washington Ideas conference 7:30 a.m.

---

Reps. Dent, Jordan, Walker speak at Ripon Society event 7:45 a.m.

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Heritage Foundation event on constitutionality of Trump's travel ban 12 p.m.

### **FRIDAY**

No events scheduled

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### **General**

**[U.S. Sees 'Four or Five' Ways to Resolve North Korean Crisis](#)**

**Margaret Talev et al., Bloomberg**

The U.S. has gamed out four or five different scenarios for how the crisis with North Korea will be resolved, and "some are uglier than others," National Security Adviser H.R. McMaster said as tensions remain high between the two countries. While McMaster said the threat from Pyongyang is "much further advanced" than anticipated and the Pentagon said the president has a "deep arsenal" to draw upon if needed, U.S. officials dismissed North Korean Foreign Minister Ri Yong Ho's comment that President Donald Trump's warnings to Pyongyang at the United Nations amounted to a declaration of war.

### [Anthony Weiner must report to prison by Nov. 6](#)

**The Associated Press**

Anthony Weiner must report to prison by Nov. 6 to begin serving his 21-month sentence for sexting with a 15-year-old girl. As his sentence was announced Monday, the former Democratic congressman from New York dropped his head into his hand and wept, then stared straight ahead.

### [Russian operatives used Facebook ads to exploit America's racial and religious divisions](#)

**Adam Entous et al., The Washington Post**

The batch of more than 3,000 Russian-bought ads that Facebook is preparing to turn over to Congress shows a deep understanding of social divides in American society, with some ads promoting African American rights groups, including Black Lives Matter, and others suggesting that these same groups pose a rising political threat, say people familiar with the covert influence campaign. The Russian campaign - taking advantage of Facebook's ability to send contrary messages to different groups of users based on their political and demographic characteristics - also sought to sow discord among religious groups.

### [Reines leaves consulting firm to protest Trump full time](#)

**Annie Karni, Politico**

Hillary Clinton's longtime gatekeeper Philippe Reines is no longer just a freelancing critic of the Trump administration: he has quit his day job to devote himself full-time to excoriating the president and his top aides. Reines left the consulting firm he co-founded four years ago, Beacon Global Strategies, on Sept. 5 - one week before the release of Clinton's campaign memoir, "What Happened" - to turn full-time "resistance," a word he says he hates.

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## Presidential

### [At Least 6 White House Advisers Used Private Email Accounts](#)

**Matt Apuzzo and Maggie Haberman, The New York Times**

At least six of President Trump's closest advisers occasionally used private email addresses to discuss White House matters, current and former officials said on Monday. The disclosures came a day after news surfaced that Jared Kushner, the president's son-in-law and adviser, used a private email account to send or receive about 100 work-related emails during the administration's first seven months.

### [Trump: 'Great anger' at Dallas Cowboys for taking a knee last night](#)

**Louis Nelson, Politico**

President Donald Trump said online Tuesday morning that the booing prompted by the Dallas Cowboys' decision to kneel Monday night before the national anthem was the "loudest I have ever heard," blaming the protesting trend for declining NFL ratings. "Ratings for NFL football are way down except before game starts, when people tune in to see whether or not our country will be disrespected!" the president wrote on Twitter.

### [Trump says Puerto Rico in trouble after hurricane, debt 'must be dealt with'](#)

**Eric Beech, Reuters**

U.S. President Donald Trump said on Monday Puerto Rico is in "deep trouble" after being hit by Hurricane Maria and that its billions of dollars of debt to the Wall Street and banks "must be dealt with." "Puerto Rico, which was already suffering from broken infrastructure & massive debt, is in deep trouble," Trump wrote in a series of posts on Twitter.

### [U.S. appeals court to consider rights of gay workers](#)

**Daniel Wiessner, Reuters**

The Trump administration on Tuesday will urge a U.S. appeals court in Manhattan to rule that federal law does not ban discrimination against gay employees. The U.S. Department of Justice is supporting a New York skydiving company, Altitude Express Inc, in a lawsuit brought by former instructor

Donald Zarda, who accused the company of firing him after he told a customer he was gay and she complained.

[Trump has been great for the economy. The anti-Trump economy, that is.](#)

**Ben Terris, The Washington Post**

Noah Bookbinder may not be the first guy you'd draft to help unseat a president. For months, panicky liberals have gazed hopefully at special counsel Robert Mueller, the square-jawed former FBI director whose legal dream team has been kicking down doors and questioning countless Donald Trump associates over allegations that sound like something out of a spy novel.

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## Senate

[Stephen Bannon sets sights on 2018 midterms, praises Trump in Fairhope speech](#)

**John Sharp, AL.com**

President Donald Trump's former strategist said Monday he wasn't sure why the president was supporting Senator Luther Strange in Tuesday's Alabama Senate runoff election, noting that "it takes a moment of reflection." But Stephen Bannon, the chief executive at Breitbart News, never once criticized Trump or his decision to endorse Strange.

[Missouri GOP Fundraiser Says Hawley Will Run for U.S. Senate](#)

**Eli Yokley, Morning Consult**

Missouri Attorney General Josh Hawley has largely avoided electoral politics since he launched his committee to explore a campaign for the Republican nomination to challenge Democratic Sen. Claire McCaskill next year. But despite his public posture, at least one major donor says the young lawyer is all in for a Senate run.

[Republicans vow to 'press on' with health care bill in CNN debate](#)

**Stephen Collinson, CNN**

Two Republican senators leading the reeling, last ditch bid to replace Obamacare vowed to fight on Monday, even after another GOP defection dealt the potential killer blow to their bill. "We are going to press on. It's OK to vote.

It's OK to fall short, if you do, for an idea that you believe in," South Carolina Sen. Lindsey Graham told CNN's Jake Tapper and Dana Bash at town hall debate in Washington.

### [NJ voters overwhelmingly want Sen. Bob Menendez to resign if he is convicted of bribery](#)

**Herb Jackson, USA Today**

New Jersey voters overwhelmingly want Sen. Bob Menendez to resign if he is convicted of bribery charges, and those with an unfavorable opinion of the Paramus Democrat outnumber those with a favorable view by more than 2-to-1, a Suffolk University poll conducted for the USA TODAY Network in New Jersey found. Menendez, 63, went on trial Sept. 6 in U.S. District Court in Newark for allegedly taking bribes over a period of years to use his office to benefit the business and personal interests of his longtime friend and codefendant, Dr. Salomon Melgen, also 63, of North Palm Beach, Fla.

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## House

### [Congress braces for Roger Stone show](#)

**Kyle Cheney, Politico**

After months of taunting congressional Russia investigators from afar, Roger Stone, a longtime confidant of President Donald Trump, will meet them face-to-face on Capitol Hill Tuesday in what he promises will be "epic" testimony debunking charges of collusion between the Kremlin and Trump associates. The Republican operative will testify behind closed doors as part of the House Intelligence Committee's investigation into Russian meddling in the 2016 election.

### [Democrats May Sink FAA Extension, Hurricane Tax Relief Package](#)

**Lindsey McPherson, Roll Call**

Legislation that would reauthorize the Federal Aviation Administration for six months and provide tax relief to victims of recent hurricanes could fail on the House floor Monday evening amid Democratic opposition. The minority party's support is needed to pass the measure under a fast-track procedure known as suspension of the rules.

### [Full GOP Tax Proposal Will Wait Until Later](#)

## **Lindsey McPherson, Roll Call**

If the tax overhaul framework congressional leaders and White House officials are releasing Wednesday fails to appease rank-and-file member calls for more details, House Republican leaders may find themselves still short of the votes needed to pass a budget. That's especially problematic given that tax writers are not planning to unveil a full tax plan until after the House and Senate pass a reconciled budget.

## **[Black lawmaker kneels on House floor in solidarity with athletes](#)**

**Cristina Marcos, The Hill**

Rep. Sheila Jackson Lee (D-Texas) kneeled on the House floor Monday night to show solidarity with NFL players defying President Trump to protest police brutality. Jackson Lee, a member of the Congressional Black Caucus, blasted Trump for attacking NFL players who kneel during the national anthem at games to draw attention to the treatment of African Americans by law enforcement.

## **[Fla. lawmaker warned officials before retirement home tragedy](#)**

**Scott Wong, The Hill**

A day before eight residents from the same Florida nursing home died, Rep. Frederica Wilson joined other state and federal officials on a Hurricane Irma recovery conference call and warned the situation could quickly turn deadly if power is not restored to local senior facilities. The Florida Democrat's phone had been ringing nonstop since Hurricane Irma knocked out power to much of South Florida on Sept. 10.

## **[New NRCC adviser expected to lead outside-spending unit](#)**

**Elena Schneider, Politico**

The National Republican Congressional Committee is naming Joe King, an Ohio-based strategist with close ties to NRCC Chairman Steve Stivers, as a senior adviser to the committee - with the expectation that King will later lead the committee's independent expenditure unit in the 2018 election, according to a source close to the committee. King will advise the committee on races by "surveying the battlefield, determining what's important to us" and developing a "winning strategy," he said in an interview.

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## States

### [In Battered Puerto Rico, Governor Warns of a Humanitarian Crisis](#)

**Frances Robles et al., The New York Times**

Gov. Ricardo A. Rosselló of Puerto Rico said on Monday that the island was on the brink of a "humanitarian crisis" nearly a week after Hurricane Maria knocked out its power and most of its water, and left residents waiting in excruciating lines for fuel. He called on Congress to prevent a deepening disaster.

### [Florida Governor Rick Scott May Have Broken the Law by Deleting Pleas for Help From Nursing Home Where 11 Died](#)

**Christal Hayes, Newsweek**

Florida's governor may have broken the state's famously liberal public records laws by deleting several pleas for help from a nursing home where 11 died due to a power outage after Hurricane Irma. Gov. Rick Scott had given out his personal cellphone number to emergency responders and officials at the Hollywood Hills facility before the massive storm hit.

### [Poll shows 'Trump Effect' on race for Virginia governor](#)

**Laura Vozzella, The Washington Post**

President Trump looms large over the race for Virginia governor, according to a new survey that finds the president is a factor for a sizeable slice of the electorate. For nearly 40 percent of voters, Trump plays into the choice between Democrat Ralph Northam and Republican Ed Gillespie, according to a poll released Tuesday by the Wason Center for Public Policy at Christopher Newport University.

### [Hogan joins Virginia governor, D.C. mayor in trade mission to Canada](#)

**Erin Cox, The Baltimore Sun**

Maryland Gov. Larry Hogan is leaving the country Tuesday to join Virginia Gov. Terry McAuliffe and Washington D.C. Mayor Muriel Bowser on a trade mission to Canada. The trio will be in Toronto to pitch the capital region tourism to Ontario, and they will meet with the province's leader, Premier Kathleen Wynne.

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## Advocacy

### [Putting GOP women in Congress](#)

**Megan R. Wilson, The Hill**

Jenn Higgins only intended to spend a brief time in Washington. But roughly 16 years later, she has found her place in D.C. When she's not lobbying on health care and tax policy, she's working to increase the number of women - particularly Republican women - in Congress.

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## Opinions, Editorials and Perspectives

### [Disrespecting the flag is a disgraceful way to protest Trump](#)

**Marc A. Thiessen, The Washington Post**

This weekend, the more than 100 NFL players who refused to stand during the national anthem were met with boos from crowds in stadiums across America - and deservedly so. Playing in London, Baltimore Ravens and Jacksonville Jaguars players wouldn't stand for the U.S. national anthem but did for "God Save the Queen" in the very country we fought to win our independence.

### [I Understand Why They Knelt](#)

**David French, National Review**

Americans do not and should not worship idols. We do not and should not worship the flag.

### [Trump's new travel ban still has no justification](#)

**Editorial Board, The Washington Post**

Four hours before President Trump's ban on travel from six majority-Muslim countries expired on Sunday, the White House issued a new proclamation - this time also barring entry into the United States by certain citizens of North Korea, Venezuela and Chad. Now in its third iteration, the travel ban has been steadily watered down from Mr. Trump's promised "Muslim ban."

### [Do Republicans Really Care About the Deficit?](#)

**Jared Bernstein, The New York Times**

Though America really doesn't need a tax cut - demographic pressures alone suggest the need for more, not less, future revenues - President Trump and the Republican majority want one. But they don't want to pay for it, which means the budget deficit is going to rise.

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## Research Reports and Polling

### [History Gives Luther Strange Long Odds in US Senate Primary Runoff](#)

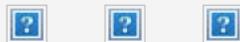
**Eric Ostermeier, University of Minnesota**

As Luther Strange and Roy Moore suit up for Election Day in Alabama on Tuesday, political observers watch with great anticipation to see if (quasi-) establishment forces can tip the scales and bring an unexpected come-from-behind victory to the appointed senator. Moore brought home a plurality of 38.9 percent of the vote in last month's GOP primary - with Strange 6.1 points back in a 10-candidate field.

### [Key facts about unauthorized immigrants enrolled in DACA](#)

**Gustavo López and Jens Manuel Krogstad, Pew Research Center**

Approximately 800,000 young unauthorized immigrants have received work permits and protection from deportation through the Deferred Action for Childhood Arrivals program, or DACA, since its creation five years ago. And nearly 690,000 of these immigrants are currently enrolled in the program, according to new data from U.S. Citizenship and Immigration Services.



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**Date:** Thursday, August 17, 2017 7:56:59 AM

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By [Cameron Easley](#)

## Top Stories

- President Donald Trump's relationships with members the business community, the armed services and his own party are fraying in the wake of his comments defending white nationalists. GOP leaders in Congress have distanced themselves from the remarks but have not mentioned Trump by name in their public comments. ([The New York Times](#))
- The Trump administration confirmed it will make its cost-sharing reduction payments to insurers for the month of August. The president has repeatedly threatened to end the payments in hopes of pressuring congressional Democrats to the negotiating table on health care legislation. ([Business](#))

[Insider](#))

- In a wide-ranging interview, White House adviser Steve Bannon undercut the president's stance on North Korea and spoke frankly about his clashes with the administration's national security and trade officials as he pushes Trump to take on China. He later said he did not realize he was speaking on the record, according to a source close to the former Breitbart chairman.

([CNN](#))

## Chart Review

**[There Are Still More Than 700 Confederate Monuments In The U.S.](#)**  
**FiveThirtyEight**

## **Events Calendar (All Times Local)**

### **THURSDAY**

No events scheduled

### **FRIDAY**

No events scheduled

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## **This Is the Future of Brand Reputation Tracking**

See how Morning Consult Brand Intelligence is changing the way media, marketing and communications executives are managing brand reputation.

### **General**

[China's Crackdown on North Korea Over U.N. Sanctions Starts to Pinch](#)

## **Jane Perlez, The New York Times**

Trucks packed with seafood were backed up, bumper to bumper, at the Chinese border with North Korea. Protesters carried red banners demanding compensation. And Chinese businessmen who have been making big money from North Korean crabs, shrimp and squid were furious.

## **Fed minutes: Central bank split over path of rate hikes**

**Jeff Cox, CNBC**

A fissure appears to be developing at the Federal Reserve over when to raise interest rates: One side is preaching caution in a low-inflation environment while another worries over the price of delaying. The divide appeared in minutes released from the Federal Open Market Committee's July meeting, when central bank policymakers voted to hold the target rate to a range of 1 percent to 1.25 percent.

## **'Nazis must be confronted': World leaders accuse Trump of 'glossing over' racist violence**

**Amy B. Wang, The Washington Post**

President Trump's off-the-rails Tuesday news conference - in which he once again blamed "both sides" in Charlottesville, effectively undoing his earlier conciliatory remarks - earned him another wave of backlash from world leaders Wednesday. British Prime Minister Theresa May didn't call Trump out by name but said in a statement Wednesday there was "no equivalence" between the two sides.

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## **Presidential**

## **Trump Comments on Race Open Breach With C.E.O.s, Military and G.O.P.**

**Michael D. Shear et al., The New York Times**

President Trump found himself increasingly isolated in a racial crisis of his own making on Wednesday, abandoned by the nation's top business executives, contradicted by military leaders and shunned by Republicans outraged by his defense of white nationalist protesters in Charlottesville, Va. The breach with the business community was the most striking.

## [The Trump administration won't deal a blow to Obamacare - for now](#)

**Bob Bryan, Business Insider**

The Trump administration will continue to fund critical Obamacare payments for the month of August despite the president's repeated threat to yank them. The White House confirmed on Wednesday that the cost sharing reduction (CSR) payments would continue to go to insurers to help offset the cost of providing poorer Americans with lower out-of-pocket costs.

## [Bannon says US locked in 'economic war' with China, slams White House colleagues](#)

**Jeremy Diamond, CNN**

Embattled White House chief strategist Steve Bannon declared in an interview published Wednesday that the US is at "economic war with China," promised aggressive trade actions against Beijing and said he is "fighting" other top White House aides "every day." Bannon also dismisses the ratcheting up of tensions stemming from North Korea's nuclear and ballistic missile activity as "just a sideshow" and argues there is "no military solution" to the growing crisis, despite President Donald Trump's promises of "fire and fury" if North Korea continues to threaten or tries to target the US and its allies.

## ['He is stubborn and doesn't realize how bad this is getting'](#)

**Nancy Cook and Josh Dawsey, Politico**

President Donald Trump's decision to double down on his argument that "both sides" were to blame for the violent clashes at a white supremacist rally in Charlottesville, Va., was driven in part by his own anger - and his disdain for being told what to do. Trump's temper has been a constant force in this 8-month-old White House.

## [Attorney General Jeff Sessions finds ally in Miami in fight against sanctuary cities](#)

**Alan Gomez, USA Today**

Attorney General Jeff Sessions used a trip to this southern city on Wednesday to thank local officials for becoming the first in the nation to fully comply with President Trump's demands to help with immigration enforcement. Trump and Sessions have tried to get cities and counties to abandon so-called

"sanctuary city" policies that limit their cooperation with federal immigration authorities by threatening to withhold federal grants.

### [Trump Lawyer Forwards Email Echoing Secessionist Rhetoric](#)

**Michael S. Schmidt and Matt Apuzzo, The New York Times**

President Trump's personal lawyer on Wednesday forwarded an email to conservative journalists, government officials and friends that echoed secessionist Civil War propaganda and declared that the group Black Lives Matter "has been totally infiltrated by terrorist groups." The email forwarded by John Dowd, who is leading the president's legal team, painted the Confederate general Robert E. Lee in glowing terms and equated the South's rebellion to that of the American Revolution against England.

### [Virtual Unknown Hope Hicks to Lead White House](#)

[Communications for Now](#)

**Cameron Easley, Morning Consult**

Hope Hicks, a longtime aide to President Donald Trump, has been named the White House's interim communications director - a move that could raise her profile. According to a new Morning Consult/POLITICO survey, Hicks is the most unknown high-level staffer working at the White House.

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## Senate

### [GOP State Senator to Challenge Heitkamp](#)

**Bridget Bowman, Roll Call**

North Dakota state Sen. Tom Campbell has decided to challenge Democratic Sen. Heidi Heitkamp for her Senate seat, the state lawmaker confirmed Wednesday. Campbell said he made his decision after months of consideration and traveling the state.

### [Fusion GPS co-founder to be interviewed by Senate panel](#)

**Austin Wright, Politico**

The co-founder of the firm that commissioned a dossier of salacious allegations against President Donald Trump will be interviewed later this month by the Senate Judiciary Committee, according to a source familiar with the issue. Glenn Simpson, head of the private investigation firm Fusion GPS, agreed to a

voluntary, closed-door interview after Judiciary Chairman Chuck Grassley (R-Iowa) issued and then withdrew a subpoena for Simpson to appear at a public hearing last month.

### [Trump Re-Ups Support for Strange Ahead of Alabama Senate Runoff](#)

**Eli Yokley, Morning Consult**

President Donald Trump re-upped his support for Sen. Luther Strange (R) on Wednesday after he failed to avoid a runoff for the party's nomination in a special election for Attorney General Jeff Sessions' old seat in the Senate. Trump, whose late endorsement of Strange was featured prominently in his closing messages to voters, congratulated him and former state Supreme Court Judge Roy Moore, who led the contest.

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## House

### [Ryan Touts Permanent Tax Cuts Amid Talk of a Scaled Back Plan](#)

**Anna Edgerton, Bloomberg News**

House Speaker Paul Ryan is sticking to the principle of making any tax cuts permanent - this time in a blog post Wednesday - even as others in his party have been discussing some temporary alternatives. Ryan's post notes that working families need the certainty of permanent tax-rate cuts to spend wisely and save for the future.

### [Democrats Will Introduce A Bill To Censure Trump Over His Response To Charlottesville](#)

**Emma Loop, BuzzFeed News**

Three Democratic members of Congress are introducing a resolution to censure President Donald Trump over his "inadequate response" to the deadly white supremacist rally in Charlottesville this past weekend. While a vote to censure the president has no legal ramifications, it is a significant and rare symbolic vote of disapproval.

### [Rep. Dana Rohrabacher meets with WikiLeaks founder Julian Assange, plans to tell Trump what he heard](#)

**Christine Mai-Duc, The Los Angeles Times**

Orange County GOP Rep. Dana Rohrabacher confirmed that he met Wednesday with WikiLeaks founder Julian Assange, who is still living in asylum at the Ecuadorean Embassy in London. In a statement, Rohrabacher's office said the Australian fugitive "emphatically stated that the Russians were not involved" in the theft of Democratic National Committee emails during the 2016 presidential campaign.

### [Lawmakers raise cash off Trump-Russia probe](#)

**Austin Wright and Darren Samuelsohn, Politico**

Rep. Eric Swalwell's campaign website features ominous photos of President Donald Trump, Donald Trump Jr. and Jared Kushner. It warns about Russia's attacks on last year's presidential election and asks visitors to sign a petition demanding that a bipartisan commission investigate.

### [Farenthold to Run for Re-Election Despite Redistricting Issues](#)

**Bridget Bowman, Roll Call**

GOP Rep. Blake Farenthold said Wednesday that he would run for re-election in 2018, even though his southern Texas district might need to be redrawn. A federal panel ruled Tuesday that the boundaries for Farenthold's 27th District and the 35th District, represented by Democrat Lloyd Doggett, violated the Constitution and the Voting Rights Act.

### [Trump's Charlottesville Uproar Overshadows GOP Tax Plan](#)

**Roadshow**

**Sahil Kapur, Bloomberg News**

Top Republican tax writers went to a national shrine for tax cutters - former President Ronald Reagan's California ranch - hoping to make a sales pitch for a historic overhaul of the U.S. tax code. But their efforts were overshadowed by the party's incumbent leader.

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## **States**

### [Federal court: Arkansas can block Planned Parenthood money](#)

**Andrew DeMillo, The Associated Press**

A federal appeals court panel ruled Wednesday that Arkansas can block Medicaid funding to Planned Parenthood, two years after the state ended its

contract with the group over videos secretly recorded by an anti-abortion group. In a 2-1 ruling, an 8th U.S. Circuit Court of Appeals panel vacated preliminary injunctions a federal judge issued preventing the state from suspending any Medicaid payments for services rendered to patients from Planned Parenthood.

### [Mayor wants Trump to delay Phoenix rally](#)

**John Bowden, The Hill**

The mayor of Phoenix, Arizona, issued a statement Wednesday night urging President Trump to delay his campaign rally in the city while "our nation is still healing" from the violence that took place in Charlottesville, Va. "It is my hope that more sound judgement prevails and that he delays his visit," Mayor Greg Stanton (D) said in a statement, also saying he is "disappointed" with the president.

### [Madigan: Attempt to override Rauner's education veto set for next week](#)

**Monique Garcia, The Chicago Tribune**

Democratic House Speaker Michael Madigan said Wednesday that he's "not walking away from" his party's bill to change the state's school funding system and planned votes next week to either override Republican Gov. Bruce Rauner's changes or eventually send him identical legislation again. Madigan's comments came after the state House overwhelmingly rejected a bill designed to reflect Rauner's amendatory veto of legislation to overhaul the way Illinois divvies up money for school districts.

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## **Advocacy**

### [Pot industry massively increases its Washington lobbying](#)

**Tony Mecia, Washington Examiner**

As states increasingly legalize marijuana use, the pot industry has started plowing more money into shaping federal policies. In the first six months of 2017, the marijuana industry spent \$450,000 on lobbyists, double the amount it did in the same period a year earlier, according to a recent report from the Center for Responsive Politics, which tracks lobbying expenditures.

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## Opinions, Editorials and Perspectives

### [The U.S. cannot abandon Afghanistan now](#)

**The Editorial Board, The Washington Post**

President Trump's evident frustration with the U.S. mission in Afghanistan is entirely understandable. After nearly 16 years of war, the country is torn by violence and the government of President Ashraf Ghani remains weak.

### [Blame-Sharing on Obamacare](#)

**The Editorial Board, The Wall Street Journal**

The oracles at the Congressional Budget Office this week descended from Delphi to predict 20% premium increases if the Trump Administration ends illegal Obama Care subsidies for insurers, and Democrats are happy to agree. Yet a careful reading of the report reveals some surprising results that are far less ominous and for consumers mostly benign.

### [Why I Quit Trump's Business Council](#)

**Richard Trumka, The New York Times**

On Tuesday, President Trump stood in the lobby of his tower on Fifth Avenue in Manhattan and again made excuses for bigotry and terrorism, effectively repudiating the remarks his staff wrote a day earlier in response to the white supremacist violence in Charlottesville, Va. I stood in that same lobby in January, fresh off a meeting with the new president-elect.

### [The Breitbart Presidency](#)

**Rich Lowry, Politico**

If Van Jones was right, that a moving tribute to the widow of a fallen Navy SEAL in a speech to Congress earlier this year was the moment Donald Trump became president, Trump's news conference on Tuesday was the moment he became a Breitbart contributing editor. Charlottesville has been a diminishing event for President Trump.

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## Research Reports and Polling

### [FBI Agents Gave Comey High Marks in His Final Months on the Job](#)

**Tom Winter, NBC News**

Former FBI Director James Comey was widely admired by agents who worked for him, winning high scores in anonymous surveys for his values and trustworthiness, even as he became embroiled in controversies over investigations related to the 2016 election. Comey was fired in May by President Donald Trump, who called him a "showboat" and a "grandstander," suggested he was incompetent and described the FBI as "in turmoil" under his leadership.



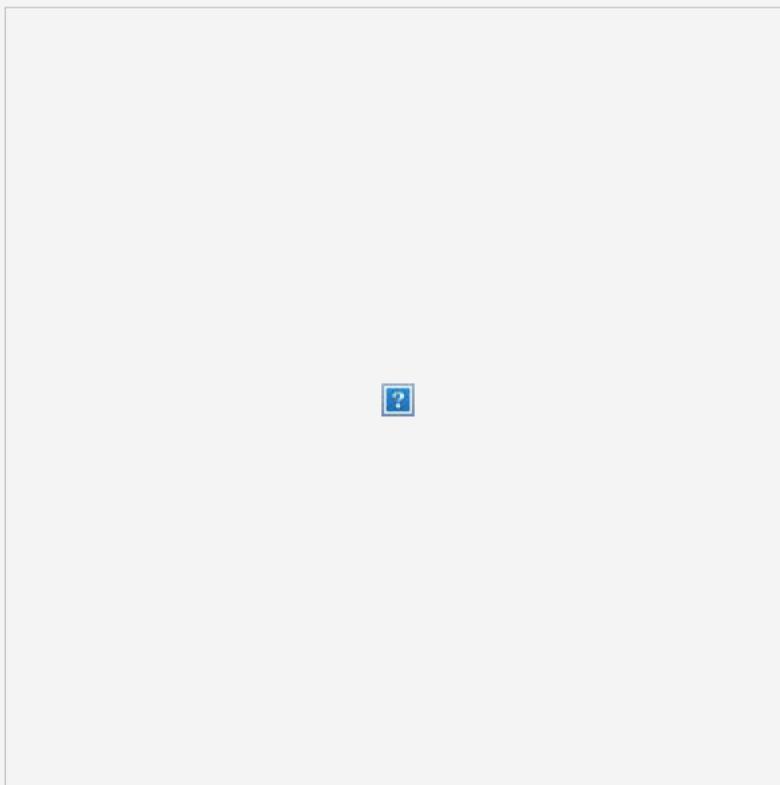
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**Date:** Friday, October 13, 2017 9:14:04 AM

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By [Eli Yokley](#)

## Top Stories

- Sen. Susan Collins (R) said she will not run for governor of Maine next year. Gov. Paul LePage (R) is prohibited from running again due to term limits, and Collins is next up for Senate re-election in 2020. ([Politico](#))
- President Donald Trump today is slated to lay out his Iran strategy and announce that he will not re-certify Iran's compliance with the 2015 nuclear agreement ahead of an Oct. 15 deadline. But instead of rewriting the deal, the administration is expected to request Congress establish "trigger points," which could result in reimposing sanctions on Iran if the country crosses thresholds established by lawmakers. ([The New York Times](#))

- Trump is planning to end federal subsidies to health insurance companies that help defer costs for low-income people. The move to eliminate cost-sharing reduction payments is seen as a blow to the Affordable Care Act and could cause a spike in health insurance premiums. ([The Wall Street Journal](#))

## **Chart Review**

**[Puerto Rico after Hurricane Maria: The Public's Knowledge and Views of Its Impact and the Response](#)**

**Kaiser Family Foundation**

## Events Calendar (All Times Local)

### FRIDAY

AEI event on U.S. agricultural policy

1:30 p.m.

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## **The NFL Is Now One of the Most Divisive Brands in the U.S.**

According to Morning Consult Brand Intelligence data published in The New York Times, the NFL has become one of the most controversial organizations in the country.

### **General**

[Twitter deleted data potentially crucial to Russia probes](#)

## **Josh Meyer, Politico**

Twitter has deleted tweets and other user data of potentially irreplaceable value to investigators probing Russia's suspected manipulation of the social media platform during the 2016 election, according to current and former government cybersecurity officials. Federal investigators now believe Twitter was one of Russia's most potent weapons in its efforts to promote Donald Trump over Hillary Clinton, the officials say, speaking on the condition of anonymity.

## **[U.S. withdraws from UNESCO, the U.N.'s cultural organization, citing anti-Israel bias](#)**

**Eli Rosenberg and Carol Morello, The Washington Post**

The United States will withdraw from UNESCO at the end of next year, the State Department said Thursday, to stop accumulating unpaid dues and make a stand on what it said is anti-Israel bias at the U.N.'s educational, science and cultural organization. In notifying UNESCO of the decision Thursday morning, the State Department said it would like to remain involved as a nonmember observer state.

## **[Mexico, Canada Focus on Reaching Nafta Overhaul Deal With U.S.](#)**

**Anthony Harrup, The Wall Street Journal**

Mexican President Enrique Peña Nieto and Canadian Prime Minister Justin Trudeau on Thursday reaffirmed their commitment to securing a pact with the U.S. to redraw the North American Free Trade Agreement. The two leaders met during Mr. Trudeau's state visit to Mexico, discussing bilateral relations and the negotiations under way in Washington this week to revise Nafta, which has linked the U.S., Mexico and Canada in a free-trade zone since 1994.

## **[Where's Zinke? The interior secretary's special flag offers clue](#)**

**Lisa Rein, The Washington Post**

At the Interior Department's headquarters in downtown Washington, Secretary Ryan Zinke has revived an arcane military ritual that no one can remember ever happening in the federal government. A security staffer takes the elevator to the seventh floor, climbs the stairs to the roof and hoists a special secretarial flag whenever Zinke enters the building.

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## Presidential

### [Trump Won't Certify Iran Nuclear Deal, but He Also Won't Unravel It](#)

**Mark Landler and David E. Sanger, The New York Times**

President Trump will make good on Friday on a long-running threat to disavow the Iran nuclear deal that was negotiated by his predecessor, Barack Obama. But he will stop short, for now, of unraveling the accord or even rewriting it, as the deal's defenders had once feared.

### [Trump to End Subsidies to Health Insurers](#)

**Stephanie Armour, The Wall Street Journal**

The Trump administration will end billions of dollars in payments to insurers under the Affordable Care Act program, but President Donald Trump has privately told at least one lawmaker that the payments may continue if a bipartisan deal is reached on health care, according to people familiar with the matter on Capitol Hill and in the health-care industry. The White House in a statement Thursday night said that based on guidance from the Justice Department, the Department of Health and Human Services has determined there is no appropriation for the payments and the government can't lawfully make the payments.

### [Trump Interviews Stanford Economist John Taylor for Fed Chairman Job](#)

**Kate Davidson and Peter Nicholas, The Wall Street Journal**

President Donald Trump is nearing a decision on whom to pick to lead the Federal Reserve, and met Wednesday with one of four candidates, according to people familiar with the matter. Mr. Trump met with Stanford University economist John Taylor, a White House official said. Mr. Taylor has criticized the central bank's easy-money stimulus policies since the financial crisis and pushed for the adoption of a mathematical formula to guide the Fed's interest-rate decisions.

### [John Kelly lets loose](#)

**Annie Karni, Politico**

White House chief of staff John Kelly had a few things to get off his chest. He's not quitting or getting fired (at least not today).

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## Senate

### [Collins declines run for Maine governor](#)

**Daniel Strauss, Politico**

Republican Sen. Susan Collins announced Friday that she would not run for governor of Maine, ending weeks of speculation with a decision to stay in the Senate. Collins' decision preserves her role as a key moderate and swing vote in the Senate.

### [Trump to extend March 5 deadline to end DACA protections if Congress doesn't act, GOP senator says](#)

**Elise Viebeck, The Washington Post**

President Trump will extend a March 5 deadline to end protections for young undocumented immigrants if Congress fails to act by then, according to a Republican senator who spoke directly with the president about the issue. Sen. James Lankford (R-Okla.) said Trump told him he was willing to "give it some more time" to allow lawmakers to find a solution for "dreamers," unauthorized immigrants brought to this country as children, if Congress does not pass legislation extending protections before time is up.

### [Menendez case gets potential 'death blow'](#)

**Matt Friedman, Politico**

When the corruption trial of U.S. Sen. Robert Menendez began in early September, the federal bribery charges threatened to end his career and land him in jail. By Wednesday, when the prosecution rested its case, Menendez was reportedly singing "Amazing Grace" in the courthouse elevator.

### [Concerns mount over Thad Cochran's health](#)

**Anna Palmer and Burgess Everett, Politico**

Republicans are worried about Thad Cochran. The Mississippi senator has been recovering the past several weeks from a urological procedure.

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## House

## [Ryan Threatens to Keep Members in for Christmas to Finish Tax Overhaul](#)

**Lindsey McPherson, Roll Call**

Nothing seems to push lawmakers to get their jobs done and pass legislation more than the threat of having to be in Washington over the holidays. Knowing this, House Speaker Paul D. Ryan made it clear Thursday that Congress staying in session over Christmas is an option if they have not advanced a tax overhaul bill by then.

## [Congressman seeks probe of chartered flights by U.S. energy secretary](#)

**Emily Flitter and Timothy Gardner, Reuters**

A Democratic U.S. congressman is asking the Department of Energy's watchdog to investigate Energy Secretary Rick Perry's travel on chartered aircraft, the congressman said at a hearing on Thursday. U.S. Representative Frank Pallone said Perry's trips on chartered planes need scrutiny in light of the "extreme" budget cuts the department faces in a 2018 federal budget proposed by Republican President Donald Trump.

## [Congressional Black Caucus Members Raise Diversity Concerns With Facebook COO](#)

**Edward Graham, Morning Consult**

Members of the Congressional Black Caucus met on Thursday with Sheryl Sandberg, chief operating officer of Facebook Inc., to discuss questions they had about the social media giant's efforts to diversify its workforce and to prevent racially divisive ads from appearing on the social networking site. Rep. Robin Kelly (D-Ill.), ranking member of the Subcommittee on Information Technology and a member of the CBC who attended the meeting, said that Sandberg "was very agreeable with our concerns and acknowledged that they definitely have work to do."

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## **States**

### [California files legal challenge to Trump administration's revised travel restrictions](#)

**Patrick McGreevy, Los Angeles Times**

California joined five other states Thursday in filing a court action seeking to block the Trump administration's new restrictions on travelers from a handful of countries, arguing it is unconstitutionally motivated by anti-Muslim animus. State Atty. Gen. Xavier Becerra said the new restrictions, which take effect Oct. 18, contain the same flaws as those previously challenged by states in the courts.

### [California governor responds to deadly wildfires from afar](#)

**Kathleen Ronayne, The Associated Press**

Gov. Jerry Brown has remained a background player as one of the worst series of wildfires in California history tears across the state's wine country and beyond. He's yet to visit the fire zones, preferring to stay in Sacramento, where he's issued emergency declarations, secured federal disaster relief and commented on the deadly fires at press conferences for bill signings and in one visit to the state's central Office of Emergency Services.

### [Cuomo defends keeping Weinstein money, says criticism 'misses the point'](#)

**Jimmy Vielkind, Politico**

Gov. Andrew Cuomo reiterated Thursday that he will keep some of the campaign money he's raised from embattled Hollywood mogul Harvey Weinstein, declaring the inquisition on that topic "misses the point." Cuomo, a Democrat who is positioning himself for a possible presidential bid in 2020, has raised \$118,204 from Weinstein and his company since his 2006 campaign for attorney general.

### [Ald. Ameya Pawar leaves race for Illinois governor](#)

**Rick Pearson, Chicago Tribune**

When he became the first Democratic governor candidate in January, North Side Ald. Ameya Pawar acknowledged he faced a big challenge in trying to corral progressive support to make up for his lack of significant money and name recognition. On Thursday, Pawar abruptly became the first major-tier contender to pull the plug on his candidacy, telling supporters he lacked the campaign cash needed to fully organize and compete across Illinois compared to better-funded and wealthier rivals in the March 18 primary election.

### ['She likes fancy words': Md. GOP delegate's mockery of Democratic](#)

## [gubernatorial candidate sparks a backlash](#)

**Ovetta Wiggins, The Washington Post**

Maryland House Minority Whip Kathy Szeliga (R-Baltimore County) is receiving some backlash for comments about Democratic gubernatorial candidate Maya Rockey Moore Cummings that some critics have characterized as petty and divisive. Szeliga wrote on her Facebook page: "Elijah Cumming's wife running for MD gov. - she likes fancy words - 'minutiae' to let us know how smart she is - 'I have a Ph.D. in political science with an emphasis on public policy,' she said. 'I am confident on mastering any minutiae when it comes to government and policy.'"

## [As Trump slams media, an Indiana lawmaker has drafted a bill to license journalists](#)

**Tony Cook, Indianapolis Star**

An Indiana lawmaker has drafted a bill that would require professional journalists to be licensed by state police. Rep. Jim Lucas had the measure drawn up earlier this year and said he may file it to drive home a point about his signature issue - gun rights.

## [Weakening of anti-discrimination law could cost Missouri \\$500,000 in federal funds](#)

**Bryan Lowry, The Kansas City Star**

Missouri will no longer be allowed to participate in a federal housing program after state lawmakers changed the state's anti-discrimination law this year, according to a letter from federal officials. The U.S. Department of Housing and Urban Development sent state officials a letter in July informing them that Gov. Eric Greitens' decision to sign Senate Bill 43, which critics say weakens the state's anti-discrimination protections, put the state out of compliance with the Fair Housing Assistance Program.

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## **Advocacy**

### [Hospital group warns Trump's executive order could weaken insurance markets](#)

**Jessie Hellmann, The Hill**

The largest hospital association warned that an executive order signed by

President Trump on Thursday could destabilize insurance markets and make coverage unaffordable for people with pre-existing conditions. "Today's Executive Order will allow health insurance plans that cover fewer benefits and offer fewer consumer protections," said Tom Nickels, executive vice president of the American Hospital Association, in a statement.

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## **Opinions, Editorials and Perspectives**

### **[Republicans in Congress are about to give Trump even more power](#)**

**Dianne Feinstein, The Washington Post**

For 100 years the Senate has allowed home-state senators to play a central role in approving nominees for federal judgeships in their states. For a judicial nomination to move forward, both senators from a nominee's state must return a "blue slip" that signals their agreement that that nominee should receive a hearing in the Judiciary Committee.

### **[Congress Can't Let Mr. Trump Kill Obamacare on His Own](#)**

**The Editorial Board, The New York Times**

Fed up with failed attempts in Congress to repeal the Affordable Care Act, President Trump on Thursday took matters into his own hands, signing an executive order that could significantly damage the health insurance market and harm millions of people. Mr. Trump directed his administration to effectively create an alternative health insurance system that does not include the safeguards of the A.C.A. and could sabotage that 2010 law, one of his predecessor's biggest accomplishments.

### **[Salvaging Private Health Insurance](#)**

**The Editorial Board, The Wall Street Journal**

Republicans are still trying to defuse the ticking Obama Care bomb without blowing themselves up, and on Thursday the GOP cut the first wire: President Trump signed an executive order that could begin to revive private insurance markets. More to the point, Americans may start to have more choices at a lower cost. One piece of this week's order directs the Labor Department to "consider expanding access" to Association Health Plans, which would allow small businesses to team up to offer insurance.

## [Let white nationalists march - and their ideas die](#)

**Editorial Board, The Washington Post**

After a few dozen racists led by Richard Spencer, the white nationalist, returned to Charlottesville for 15 minutes of torch-lit marching and chanting last weekend - a short-order reprise, without the violence, of their much larger demonstration in August - Mayor Mike Signer (D) said he is "looking at all our legal options" to prohibit future such spectacles in the city. It's easy to sympathize with Mr. Signer's anger and disgust: No mayor would want his town, his police and his constituents exposed to repeat performances by the loathsome Mr. Spencer and his band of thugs.

## [What Bob Corker Sees in Trump](#)

**Peggy Noonan, The Wall Street Journal**

In early March I met with a dozen Republican U.S. senators for coffee as part of a series in which they invite writers, columnists and historians to share what's on their mind. The consuming topic was the new president.

## [How Elizabeth Warren Became the Soul of the Democratic Party](#)

**Graham Vyse, New Republic**

The Democratic establishment was shocked-and in some cases appalled-by Bernie Sanders's insurgent bid for president last year. How could 12 million primary voters cast ballots not for market-friendly progressivism or New Deal liberalism, but democratic socialism?

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## **Research Reports and Polling**

### [Virginia's Gubernatorial Race: Where Things Stand With Less Than a Month to Go](#)

**Geoffrey Skelley, Sabato's Crystal Ball**

The November of the year following a presidential election is always relatively quiet on the electoral front, with only regularly-scheduled statewide races for governor in New Jersey and Virginia. With the Garden State's contest looking like a safe Democratic pickup and Alabama's special election for the U.S. Senate not happening until December, coverage of the competitive Virginia race seems to be accelerating as it enters the final month before Election Day.

## [2017 Federal Employee Viewpoint Survey](#)

### **U.S. Office of Personnel Management**

The Federal Employee Viewpoint Survey (FEVS) is a tool that measures employees' perceptions of whether, and to what extent, conditions characterizing successful organizations are present in their agencies. Survey results provide valuable insight into the challenges agency leaders face in ensuring the Federal Government has an effective civilian workforce and how well they are responding.



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By [Cameron Easley](#)

## Top Stories

- Ahead of today's meeting with President Donald Trump and other national security advisers at Camp David, Defense Secretary Jim Mattis said talks will move the administration toward a decision on Afghanistan, which he anticipates "in the very near future." ([The Associated Press](#))
- There is a growing concern among lawmakers and advocates that the Trump administration will refuse to spend all the money Congress authorizes and appropriates for foreign aid programs, a move they fear could harm diplomacy efforts and jeopardize national security. ([Politico](#))

- Police in Spain killed five suspected terrorists in Cambrils, a seaside resort town near Barcelona, after an attack left 5 injured early Friday morning. Authorities say the attack was linked to the earlier van incident on The Ramblas earlier Thursday which killed 13 people and injured 100 more. ([The Associated Press](#))
- With Sinclair Broadcasting Group in the middle of \$3.9 billion purchase of Tribune Media, which would see the company add 42 new stations, a new Morning Consult/POLITICO survey shows Americans put more trust in their local news outlets than national media. ([Morning Consult](#))

## Chart Review

### [U.S. Business Sectors Gain or Hold Steady in Public Esteem](#)

Gallup

## Events Calendar (All Times Local)

### FRIDAY

No events scheduled

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## **This Is the Future of Brand Reputation Tracking**

See how Morning Consult Brand Intelligence is changing the way media, marketing and communications executives are managing brand reputation.

### **General**

**[Barcelona van attack kills 13 in agonizing repeat for Europe](#)**

**Barry Hatton and Joseph Wilson, The Associated Press**

A van veered onto a promenade Thursday and barreled down the busy walkway in central Barcelona, swerving back and forth as it mowed pedestrians down and turned a picturesque tourist destination into a bloody killing zone. Thirteen people were killed and 100 were injured, 15 of them seriously, in what authorities called a terror attack.

### [Dow's Slide Drags Down Stocks World-Wide](#)

**Justin Yang, The Wall Street Journal**

Global stock markets were lower Friday, amid political tensions in the U.S. and as some European stocks suffered following terror attacks in Spain. European markets were broadly lower after an assault in Barcelona where at least 13 people died and a subsequent attack in the Spanish coastal town of Cambrils.

### [WikiLeaks Turned Down Leaks on Russian Government During U.S. Presidential Campaign](#)

**Jenna McLaughlin, Foreign Policy**

In the summer of 2016, as WikiLeaks was publishing documents from Democratic operatives allegedly obtained by Kremlin-directed hackers, Julian Assange turned down a large cache of documents related to the Russian government, according to chat messages and a source who provided the records. WikiLeaks declined to publish a wide-ranging trove of documents - at least 68 gigabytes of data - that came from inside the Russian Interior Ministry, according to partial chat logs reviewed by Foreign Policy.

### [Democrats Are Preparing To Run Against Mike Pence In 2020](#)

**Tarini Parti, BuzzFeed News**

Democrats are already preparing for a possible 2020 presidential bid by Vice President Mike Pence, with a major group dedicating staff - including on the ground in Indiana - to dig up dirt on him, amid rumblings that Pence is positioning himself for a run. American Bridge 21st Century - a Democratic opposition super PAC and nonprofit funded by liberal megadonors - is leading the effort, which started earlier this summer and kicked into high gear following a New York Times story reporting on Pence's "shadow campaign."

### [AT&T-Time Warner Deal, an Early Trump Target, Reaches Advanced Stage](#)

**Drew FitzGerald and Joe Flint, The Wall Street Journal**

The government review of AT&T Inc.'s 1.65% \$85 billion takeover of Time Warner Inc. has reached an advanced stage, people close to the situation said, a significant milestone in a deal that was closely watched for signs of how the Trump administration would view large mergers. The deal's regulatory review has hit a late-stage point where AT&T lawyers are discussing merger conditions with the Justice Department, the people said.

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## **Presidential**

### **[Mattis says a decision is closer on strategy for Afghanistan](#)**

**Robert Burns, The Associated Press**

After months of sometimes heated internal debate, the Trump administration has almost reached a decision on a new approach for fighting the 16-year-old war in Afghanistan, Defense Secretary Jim Mattis said Thursday. He gave no hint of what the strategy would look like.

### **[Fears grow that Trump could ignore Congress on spending](#)**

**Nahal Toosi, Politico**

Lawmakers and activists are preparing for the possibility that President Donald Trump's administration, in its zeal to slash the federal budget, will take the rare step of deliberately not spending all the money Congress gives it - a move sure to trigger legal and political battles. The concern is mainly focused on the State Department, where Secretary of State Rex Tillerson has drawn criticism for failing to spend \$80 million allocated by Congress to fight Russian and terrorist propaganda and for trying to freeze congressionally authorized fellowships for women and minorities.

### **[Defiant, Trump Laments Assault on Culture and Revives a Bogus Pershing Story](#)**

**Michael D. Shear and Maggie Haberman, The New York Times**

Despite ongoing rebukes over his defense of white supremacists, President Trump defiantly returned to his campaign's nativist themes on Thursday. He lamented an assault on American "culture," revived a bogus, century-old story about killing Muslim extremists, and attacked Republicans with a renewed vigor.

### **[Trump aides worry he hurt hopes of defeating Flake](#)**

## **Alex Isenstadt, Politico**

President Donald Trump upended the Arizona Senate race on Thursday by signaling support for an underdog primary challenger - a move that went against the wishes of his advisers and potentially undercut their efforts to unseat GOP Sen. Jeff Flake. The president gave a shout-out on Twitter to Kelli Ward, a conservative former state senator running to take out Flake in a primary next year.

## **[Trump scraps plan for White House infrastructure council](#)**

**Jordan Fabian and Melanie Zanona, The Hill**

President Trump is abandoning plans to form a council of outside advisers on infrastructure, the White House said Thursday. The council, which had not yet been assembled, would have provided the White House with advice on how to spend billions of dollars to improve the nation's roads, bridges and railways.

## **[Rex Tillerson Is Not Going To Fire The Top Asia Diplomat Bannon Hates](#)**

**Spencer Ackerman, The Daily Beast**

The State Department is standing firmly behind a senior Asia-focused diplomat under attack by Steve Bannon. Bannon, Trump's chief strategist, phoned an American Prospect journalist to boast about his intentions to fire officials he considered insufficiently hardline on China and related regional issues.

## **[Steve Bannon Detonates His Trump Survival Plan, Worrying Allies](#)**

**Adrian Carraquillo, BuzzFeed News**

Allies who spend too long in Donald Trump's dog house usually get sent away for good. Chief strategist Steve Bannon is trying to forestall that fate.

## **[Gary Cohn stays put - for now - following Trump's comments on Charlottesville](#)**

**Damian Paletta and Renae Merle, The Washington Post**

The White House on Thursday took the unusual step of saying National Economic Council Director Gary Cohn would not resign, trying to contain the fallout from President Trump's controversial comments about the deadly riot in Charlottesville over the weekend and his assertion that "very fine people" were protesting alongside neo-Nazis. Cohn, who funded the Cohn Jewish

Student Center at Kent State University in 2009, was mortified by Trump's comments, three people close to him said, and he has been bombarded with calls from friends asking him if he will leave.

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## **Senate**

### **[Key Republican Calls for 'Radical Changes' in Trump's Presidency](#)**

**Justin Blum and Billy House, Bloomberg News**

A Senate Republican who once considered joining Donald Trump's administration called Thursday for "radical changes," saying the president hasn't yet demonstrated the characteristics needed to serve in his job. "We're at a point where there needs to be radical changes take place at the White House itself. It has to happen," Senator Bob Corker told local reporters in his home state of Tennessee.

### **[Southwest Rises as 2018 Senate Battleground](#)**

**Alexander Burns, The New York Times**

Even before President Trump's rise, a pair of Western states foreshadowed some of the consuming clashes of his presidency: the tug of war between traditional conservatives and border-hawk nationalists, and the struggle for power between diverse, booming cities like Las Vegas and Phoenix, and far-flung rural precincts struggling to keep up. And in a season of political tumult, Nevada and Arizona have emerged anew as a defining battleground for both parties - states that encapsulate the evolving politics of the Southwest and may control the balance of power in the Senate.

### **[At Senator Menendez's Trial, Stakes Are High for Democrats](#)**

**Shane Goldmacher, The New York Times**

When Senator Robert Menendez of New Jersey goes on trial on federal corruption charges in three weeks, far more than his own fate hinges on the outcome. If Mr. Menendez, a Democrat, is convicted and then expelled from the United States Senate by early January, his replacement would be picked by Gov. Chris Christie, the Republican governor of New Jersey and an ally of President Trump.

### **[Progressives begin 2020 dissection of Kamala Harris](#)**

**Alex Roarty and Christopher Cadelago, McClatchy DC**

Kamala Harris, liberal hero? It certainly doesn't feel that way after some left-wing leaders and think-piece writers spent the summer dissecting the California senator's record - often harshly.

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## House

### [Call to Remove Confederate Statues From Capitol Divides](#)

#### [Democrats](#)

**Thomas Kaplan, The New York Times**

The nationwide push to dismantle Confederate memorials divided Congress's most senior Democrats on Thursday, as Representative Nancy Pelosi, the House minority leader, pressed for the removal of Confederate statues from the Capitol while her Senate counterpart tried to keep the focus on President Trump's equivocation over white nationalists. "The Confederate statues in the halls of Congress have always been reprehensible," Ms. Pelosi said, putting pressure on the House speaker, Paul D. Ryan of Wisconsin, to act.

### [House GOP Tax Writers Stick with Full Expensing Provision](#)

**Anna Gronewald, Morning Consult**

On the hallowed Republican grounds of the Reagan Ranch in Santa Barbara, Calif., House tax writers embraced a provision that would provide immediate relief to export-heavy businesses but whose high cost might prevent the deep corporate tax rate cuts they had initially promised. House Ways and Means Chairman Kevin Brady confirmed Wednesday that GOP tax policy will include full expensing, which would allow businesses to immediately deduct equipment expenses from their income.

### [For Bobby Scott, a District Carved in Calm](#)

**Rema Rahman, Roll Call**

At a recent town hall here in Virginia's second most populous city, Rep. Robert C. Scott patiently took questions from more than two dozen residents waiting in line. The queue stretched to the very back of a high school auditorium with some standing for the entire portion of the two-hour public meeting.

### [Grand Jury Indicts Former Democratic IT Staffer For Bank Fraud](#)

**Salvador Hernandez, BuzzFeed News**

A federal grand jury has charged a former IT staffer for ex-Democratic National Committee chair Debbie Wasserman Schultz with bank fraud charges, the US Attorney's office announced Thursday. Imran Awan was arrested July 24 before getting on a plane to Pakistan.

### [Some Democrats Back Presidential Censure, Again](#)

**David Mark, Morning Consult**

Some Hill Democrats are attempting to use censure, a political pressure technique that falls short of impeachment, to confront what they call gross presidential malfeasance. And like the episode with former President Bill Clinton, the Republicans aren't biting - though for starkly different reasons.

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## **States**

### [Palm Beach chamber head to charities: 'Have a conscience' on Mar-a-Lago](#)

**Alexandra Clough, Palm Beach Post**

Laurel Baker, executive director of the Palm Beach Chamber of Commerce, minced no words Thursday about whether charities should continue to hold their events at Mar-a-Lago this season following President Donald Trump's statements about the recent violence in Charlottesville, Va. "If you have a conscience, you're really condoning bad behavior by continuing to be there," Baker said.

### [McCaskill, Clay and others call for Mo senator to resign after post hoping for Trump's assassination](#)

**Kevin McDermott, St. Louis Post-Dispatch**

U.S. Sen. Claire McCaskill, U.S. Rep. William Lacy Clay and other top Missouri Democrats called Thursday for the resignation of fellow Democrat Maria Chappelle-Nadal, a state senator from University City, for posting a Facebook comment stating: "I hope Trump is assassinated!" "I condemn it," McCaskill said in a brief emailed statement. "It's outrageous. And she should resign."

### [10-year, \\$1B life sciences plan bears fruit in Massachusetts](#)

**Steve LeBlanc, The Associated Press**

n his offices at Boston Children's Hospital, Leonard Zon is busily developing cutting-edge stem cell therapies surrounded by fellow researchers, lab equipment and 300,000 striped, transparent zebrafish. Zon's lab - and the zebrafish - are the results of an initiative begun nearly a decade ago to make Massachusetts one of the country's premier life sciences incubators.

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## **Advocacy**

### **[Dem group urges candidates to campaign against money in politics](#)**

**Alex Roarty, McClatchy DC**

A political group trying to drive big money out of politics is endorsing three House Democratic candidates - and declaring it an electoral necessity that the party adopt an aggressive message of campaign finance reform. In a first for the group this year, End Citizens United on Wednesday threw support to House Democratic challengers, breaking from past practice of backing incumbents and Senate candidates.

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## **Opinions, Editorials and Perspectives**

### **[Donald Trump has no grasp of what it means to be president](#)**

**The Economist**

Defenders of President Donald Trump offer two arguments in his favour-that he is a businessman who will curb the excesses of the state; and that he will help America stand tall again by demolishing the politically correct taboos of left-leaning, establishment elites. From the start, these arguments looked like wishful thinking. After Mr Trump's press conference in New York on August 15th they lie in ruins.

### **[I Voted for Trump. And I Sorely Regret It.](#)**

**Julius Krein, The New York Times**

When Donald Trump first announced his presidential campaign, I, like most people, thought it would be a short-lived publicity stunt. A month later, though, I happened to catch one of his political rallies on C-Span. I was riveted.

### **[Refighting the Civil War](#)**

## **The Editorial Board, The Wall Street Journal**

When Donald Trump first announced his presidential campaign, I, like most people, thought it would be a short-lived publicity stunt. A month later, though, I happened to catch one of his political rallies on C-Span. I was riveted. In fewer than seven days after the Charlottesville violence last weekend, statuary and other symbols of the American Confederacy are disappearing. Others are being vandalized-someone in Washington on Tuesday, perhaps a Middlebury history major, even spray-painted an expletive on the memorial to Abraham Lincoln.

### **Senate: Rating Changes in Five Races**

**Jennifer E. Duffy, Cook Political Report**

There are new Senate ratings in five states. Updated bottom lines for these races are below.

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## **Research Reports and Polling**

### **Poll: Voters Trust Local News Outlets More Than National Ones**

**Edward Graham, Morning Consult**

President Donald Trump has frequently lashed out at news organizations for reporting "fake news" about him and his administration, but most Americans continue to maintain faith in at least one media pillar - their local news outlets. A new Morning Consult/POLITICO poll conducted Aug. 10-14 found that 41 percent of registered voters have more trust in their local news outlets to report the truth, while 27 percent said they have more faith in the truthfulness of national news coverage.



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**Date:** Friday, August 11, 2017 8:22:06 AM

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By [Eli Yokley](#)

## Top Stories

- Republican senators - including Arizona Sen. Jeff Flake and Nevada Sen. Dean Heller, both up for re-election next year - are coming to the defense of Senate Majority Leader Mitch McConnell (R-Ky.), who is facing attacks from President Donald Trump. ([The Hill](#))
- Trump on Thursday declared the opioid crisis a "national emergency," pledging "to spend a lot of time, a lot of effort and a lot of money" to address the problem. He has not yet adopted any specific recommendations from the President's Commission on Combating Drug Addiction and the Opioid Crisis. ([The Washington Post](#))

- Russian President Vladimir Putin got the praise of Trump, rather than a critique, after he expelled 755 American diplomats from Moscow. Trump said he was "very thankful that he let go of a large number of people, because now we have a smaller payroll." ([The New York Times](#))
- Some Democratic senators are accusing the Trump administration of ignoring them when nominating judges from their states, breaking longstanding tradition. Senate Judiciary Committee Chairman Chuck Grassley (R-Iowa) has also said he would be willing to advance the nominees without the home-state senators' approval. ([Politico](#))

## **Chart Review**

**[Voters Don't Trust Zinke to Decide on National Monuments](#)**

**Morning Consult**

poll public lands Zinke Trump energy

## Events Calendar (All Times Local)

### FRIDAY

Mitchell Institute event on nuclear deterrence 8 a.m.

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Heritage Foundation event on U.S.-Taiwan relations 1:30 p.m.

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## **This Is the Future of Brand Reputation Tracking**

See how Morning Consult Brand Intelligence is changing the way media, marketing and communications executives are managing brand reputation.

### **General**

**[FBI Says ISIS Used eBay to Send Terror Cash to U.S.](#)**

**Mark Maremont and Christopher S. Stewart, The Wall Street Journal**

U.S. investigators uncovered a global financial network run by a senior Islamic State official that funneled money to an alleged ISIS operative in the U.S. through fake eBay transactions, according to a recently unsealed FBI affidavit. The alleged recipient of the funds was an American citizen in his early 30s who had been arrested more than a year ago in Maryland after a lengthy Federal Bureau of Investigation surveillance operation that found the first clues to the suspected network.

### [Four Top Cybersecurity Officials Are Leaving US Government](#)

**Kevin Collier, BuzzFeed News**

Four senior cybersecurity officials are stepping down from their US government positions, raising concerns that an exodus of top leaders may make the federal government more vulnerable to hacking. Two of those resigning - Sean Kelley, the chief information security officer for the Environmental Protection Agency, and Richard Staropoli, the chief information officer for the Department of Homeland Security - had been in their jobs for just a few months.

### [Canadians in Cuba were also treated for hearing loss, Ottawa says amid U.S. probe of possible attack](#)

**CBC News**

Global Affairs Canada has confirmed at least one Canadian diplomat in Cuba has been treated in hospital after suffering headaches and hearing loss. The information comes a day after the U.S. government said it believed some of its diplomats in Havana had been targeted with a covert sonic device that left them with severe hearing loss.

### [CNN severs ties with Jeffrey Lord](#)

**Brian Stelter, CNN**

CNN severed ties with Jeffrey Lord on Thursday, hours after he ignited controversy by tweeting the words "Sieg Heil!" at a prominent liberal activist. "Nazi salutes are indefensible," a CNN spokesperson said in a statement.

### [Manafort switching legal team as feds crank up heat on him](#)

**Josh Dawsey, Politico**

Former Trump campaign chairman Paul Manafort is changing his attorneys as a federal investigation heats up into his financial transactions, according to people familiar with the matter. Manafort's case will now be handled by Miller and Chevalier, a boutique firm in Washington that specializes in complicated financial crimes among other issues, these people said.

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## Presidential

### [Trump says opioid crisis is a national emergency, pledges more money and attention](#)

**Joel Achenbach et al., The Washington Post**

President Trump on Thursday declared the country's opioid crisis a national emergency, saying the epidemic exceeded anything he had seen with other drugs in his lifetime. The statement by the president came in response to a question as he spoke to reporters outside a national security briefing at his golf club in Bedminster, N.J., where he is on a working vacation.

### [Trump Praises Putin Instead of Critiquing Cuts to U.S. Embassy Staff](#)

**Peter Baker, The New York Times**

President Trump offered gratitude rather than outrage on Thursday for Russia's decision to force the United States Embassy in Moscow to slash its personnel by 755 people, despite bipartisan condemnation from other American leaders who protested the Cold War-style move. President Vladimir V. Putin last month ordered the seizure of two American diplomatic properties and directed the American Embassy staff in Russia be cut by more than half in retaliation for sanctions imposed by Congress because of Russia's meddling in last year's presidential election in the United States.

### [Trump Attorney Calls FBI's Raid on Manafort Home 'Gross Abuse'](#)

**Jacob Gershman and Del Quentin Wilber, The Wall Street Journal**

President Donald Trump's outside attorney on Thursday denounced the FBI's July raid of former Trump campaign chairman Paul Manafort's Virginia home as "extraordinary invasive" and a "gross abuse" of the judicial process. In an email to The Wall Street Journal, Trump attorney John Dowd excoriated Special Counsel Robert Mueller's aggressive pursuit of evidence, calling the

raid a gratuitous attempt to bully Mr. Manafort.

### **Trump's Twitter Fury at McConnell Risks Alienating a Key Ally** **Carl Hulse, The New York Times**

By preventing President Barack Obama from filling a Supreme Court vacancy, Senator Mitch McConnell secured Donald J. Trump the signature accomplishment of his young presidency: the confirmation of Justice Neil M. Gorsuch. But any gratitude President Trump felt for Mr. McConnell's first-of-its-kind maneuver appears to be exhausted as the president, upset at the failed health care repeal, has turned his Twitter fire and fury on Mr. McConnell, the one person he may most need to execute a stalled Republican legislative agenda.

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## **Senate**

### **GOP senators rally to McConnell's defense amid Trump attacks** **Jordain Carney, The Hill**

Republican senators are coming to the aid of Majority Leader Mitch McConnell, as President Trump has launched a string of attacks against the Kentucky Republican. Four GOP senators offered their support for McConnell on Thursday after the president escalated his war of words with the Senate leader, arguing he's failing to pass the GOP legislative agenda.

### **White House vs. Democrats in tense standoff over judge picks** **Seung Min Kim, Politico**

President Donald Trump's judicial nominees are ignoring key Senate Democrats as they vie for lifetime appointments to the bench - a break from longstanding practice that diminishes the minority's power to provide a check against ideologically extreme judges. The brewing tension between the White House and the Senate over filling an unusually high number of judicial vacancies is impeding the pace at which Trump installs lifetime appointees to the federal bench - so far one of the president's few major victories, with his legislative agenda largely stymied in Congress.

### **Frustrated with Trump, McCain promotes his own Afghan plan** **Richard Lardner, The Associated Press**

In a rebuke of President Donald Trump, Republican Sen. John McCain declared Thursday that "America is adrift in Afghanistan" as he promoted a war strategy that would expand the U.S. counterterrorism effort and provide greater support to Afghan security forces. McCain, chairman of the Armed Services Committee, said the U.S. needs to put strict conditions on continued assistance to Afghanistan, and require the Kabul government to demonstrate "measurable progress" in curbing corruption, strengthening the rule of law and improving financial transparency.

### **[Jeff Flake Isn't Worrying About A Trump Donor's Investment Against Him](#)**

**Henry J. Gomez, BuzzFeed News**

Robert Mercer, the Republican mega-donor who backs President Donald Trump, is spending big money to defeat Sen. Jeff Flake, one of Trump's loudest Republican critics, in 2018. Kelli Ward, the candidate Mercer favors, fell short last year in a bid to unseat Arizona's other Republican senator, John McCain - despite a major investment from Mercer and his wife.

### **[Paul LePage says Eric Brakey is a long shot to beat Angus King](#)** **Steve Collins, Maine Sun Journal**

Gov. Paul LePage is sounding more and more like he plans next year to challenge independent Angus King's bid for a second term in the U.S. Senate. During a radio interview Thursday, the governor indicated that the only declared major party challenger - state Sen. Eric Brakey, R-Auburn - likely can't win.

### **[U.S. Rep. Beto O'Rourke on 34-day road trip in underdog Senate bid](#)** **Patrick Svitek, The Texas Tribune**

Looking to overcome the long odds in his U.S. Senate campaign, U.S. Rep. Beto O'Rourke, D-El Paso, has hit the road for an aggressive 34-day tour of Texas. O'Rourke launched the trip without much fanfare at the end of last month, when he flew to San Antonio and bought a new truck for the trip.

### **['Maybe Putin is right': Republican Senate frontrunner on Russian leader](#)**

**Paul Lewis and Adithya Sambamurthy, The Guardian**

Roy Moore, the controversial former judge and a leading contender in

Alabama's Senate race, has said "maybe Putin is right" and "more akin to me than I know" given the Russian leader's stance on gay marriage. Moore, who was propelled to fame in 2001 over his refusal to remove a monument to the Ten Commandments that he'd installed in state courthouse, is a leading contender to fill the vacancy left by Donald Trump's attorney general, Jeff Sessions.

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## House

### [Congressional Republicans Are Scrambling for a Debt-Ceiling Workaround](#)

**Andrew Desiderio, The Daily Beast**

Six weeks before the government is set to run out of money to pay its bills, congressional Republicans are trying to cobble together an agreement to skirt a dramatic showdown within their own caucus. Four Republican congressional sources told The Daily Beast that GOP lawmakers have explored attaching a "clean" increase of the debt limit to an unrelated, popular, potentially-bipartisan piece of legislation rather than vote on it as a stand-alone measure.

### [Freedom Caucus tries to force Paul Ryan's hand](#) **Politico**

The conservative House Freedom Caucus will file a petition today to try to force Speaker Paul Ryan to bring up a so-called "clean Obamacare repeal" bill. The legislation passed the House and Senate in the past - it repeals Obamacare after a two-year transition period.

### [Congressional investigators want to question Trump's longtime secretary, Rhona Graff, in Russia probe](#)

**Benjamin Siegel, ABC News**

Congressional investigators want to question President Donald Trump's longtime personal secretary as part of their ongoing probe into a controversial meeting between Trump campaign officials and a Russian lawyer promising dirt on Hillary Clinton, ABC News has learned. Rhona Graff, a senior vice president at the Trump Organization who has worked at Trump Tower for nearly 30 years, has acted as a gatekeeper to Trump.

### [Congressman Visclosky questions Trump boast of strengthening](#)

## [America's nuclear arsenal in a rare outspoken moment](#)

**Dan Carden, NWI Times**

The top Democrat serving on the U.S. House panel responsible for defense spending is condemning President Donald Trump's "loose and imprecise language" concerning nuclear weapons. U.S. Rep. Pete Visclosky, D-Merrillville, took issue Thursday with the Republican's claim, made via Twitter at 6:56 a.m Wednesday, that his "first order as president was to renovate and modernize our nuclear arsenal."

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## **States**

### [Questions Emerge Over What Wisconsin Must Give for Foxconn Plant](#)

**Julie Bosman, The New York Times**

When Gov. Scott Walker announced last month that the electronics giant Foxconn had chosen Wisconsin as a site for its new factory, he was a picture of grinning, fist-pumping excitement. It would be the biggest economic project in Wisconsin history, Mr. Walker promised, with a \$10 billion investment, as many as 13,000 jobs and a high-tech campus the size of 11 Lambeau Fields.

### [Political rally at Missouri State Fair ruffles feathers](#)

**Kurt Erickson, St. Louis Post-Dispatch**

A year after the state's top farm organizations endorsed a Democrat for governor for the first time, Republican Gov. Eric Greitens will preside over a "Salute to Agriculture" next week at the Missouri State Fair. In a move that could help burnish the new governor's farm-country credentials after last year's snub, the first-ever event is being organized by the Missouri Republican Party, which says it wants to "celebrate Missouri's long history as an agricultural powerhouse."

### [Terry McAuliffe: "there's total dysfunction in Washington"](#)

**Shannon Vavra, Axios**

Virginia Gov. Terry McAuliffe and Steve Benjamin, the mayor of Columbia, South Carolina, both blamed Washington for a failure to find solutions to the nation's problems. Officials in Washington "can't come to agreement on

anything," McAuliffe told Axios' Mike Allen at a U.S. Conference of Mayors discussion on "City & State Partnerships."

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## **Advocacy**

### **[Conservative Groups Call for Delay on Medical Device and Insurance Taxes](#)**

**Jon Reid, Morning Consult**

Dozens of conservative groups are calling on congressional Republican leaders to make sure that the Affordable Care Act's taxes on health insurers and medical device makers do not take effect next year. Congressional Republicans had aimed to permanently scrap nearly all Obamacare taxes as part of their effort to repeal and replace the ACA.

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## **Opinions, Editorials and Perspectives**

### **[Let Calm and Cool Trump 'Fire and Fury'](#)**

**Peggy Noonan, The Wall Street Journal**

What is happening with North Korea is not analogous to what happened in 1962, except for the word crisis. Fifty-five years ago was a different age with vastly different players and dynamics. We all mine the past to make our points, but Mr. Gorka's evoking of the Cuban crisis to summon political support is intellectually cheap and self-defeating.

### **[Donald Trump's First Nine Holes](#)**

**Roger Cohen, The New York Times**

Golf is a big deal to President Trump. Over the years he has defended his stubborn character by saying a change of swing is a mistake, and dismissed Mitt Romney as a guy who can't sink a three-foot putt.

### **[John McCain's Defense Cut](#)**

**The Editorial Board, The Wall Street Journal**

There is no more passionate and principled advocate for greater military spending than Senator John McCain, so we wonder if the Arizona Republican appreciates that he recently voted to guarantee weaker U.S. defenses. To wit,

his vote to kill health reform means that entitlements like Medicaid will continue to squeeze the Pentagon like an ever-tightening vise long after he has retired.

### [Democrats try to co-opt populist rage. Hilarity ensues.](#)

**Matt Bai, Yahoo News**

Washington was abuzz this week with talk about the new Democratic agenda, "A Better Deal," which is suddenly dominating news coverage and captivating voters with a plan to remake the American economy, sending Republicans scrambling for a viable platform of their own in advance of the midterm elections. No, not really.

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## Research Reports and Polling

### [An Early Look at 2018 Premium Changes and Insurer Participation on ACA Exchanges](#)

**Rabah Kamal et al., The Kaiser Family Foundation**

Each year insurers submit filings to state regulators detailing their plans to participate on the Affordable Care Act marketplaces (also called exchanges). These filings include information on the premiums insurers plan to charge in the coming year and which areas they plan to serve.



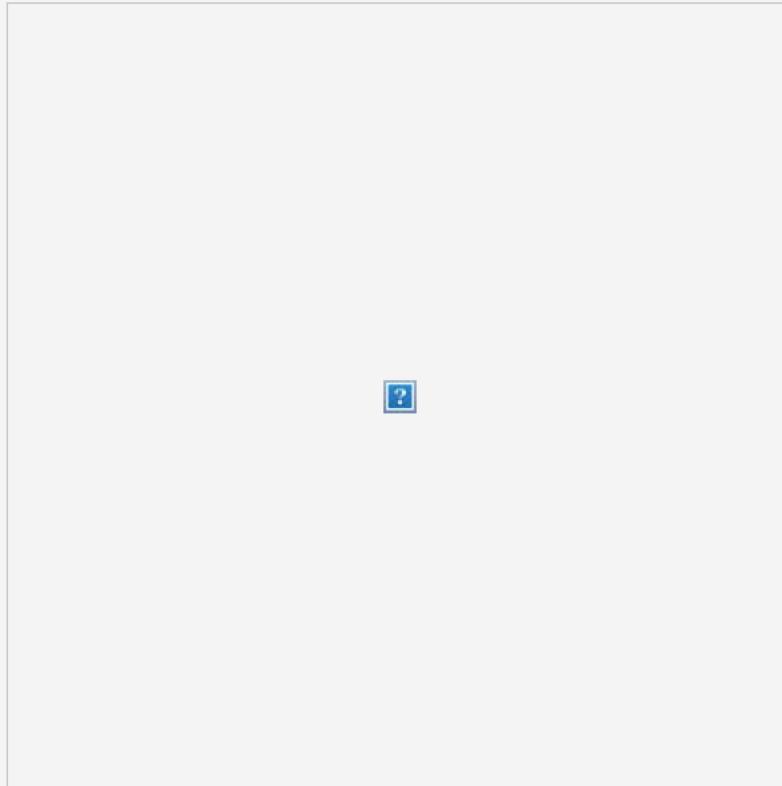
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**Date:** Thursday, October 12, 2017 9:05:23 AM

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By [Eli Yokley](#)

## Top Stories

- Leaders of the House Intelligence Committee said they will soon release the Facebook ads purchased by Kremlin-linked groups as part of Russia's efforts to influence the 2016 U.S. presidential election. The announcement came after a closed-door meeting between lawmakers and Facebook Chief Operating Officer Sheryl Sandberg, and the public release of about 3,000 ads is likely after Nov 1. ([USA Today](#))
- President Donald Trump is planning to sign an executive order today that would allow the sale of less-expensive health care plans that offer fewer benefits, a move that takes aim at the Affordable Care Act. The order is

designed to let small businesses pool together to purchase insurance. ([The Wall Street Journal](#))

- Trump's lawyers are open to the president being interviewed by Robert Mueller, the special counsel in the Justice Department's Russia investigation, according to an unnamed senior White House official. The White House believes the move could bring Mueller's probe closer to an end, even though a sit-down meeting poses risks for Trump, who could be asked about potential obstruction of justice regarding his dismissal of former Federal Bureau of Investigation Director James Comey. ([Politico](#))
- Federal prosecutors in New Jersey rested their case against Sen. Robert Menendez (D-N.J.), who is accused of taking gifts from Florida eye doctor Salomon Melgen in exchange for doing favors for him. Testimony over the past month came from former federal officials and congressional staffers, as well as former Sen. Tom Harkin (D-Iowa). ([The Washington Post](#))

## Chart Review

[\*\*The N.F.L. Is Now One of the Most Divisive Brands in the U.S.\*\*](#)

**The New York Times**

## Events Calendar (All Times Local)

### THURSDAY

HUD's Carson testifies at House Financial Services  
Committee hearing 9:30 a.m.

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Energy Secretary Perry testifies at House Energy and  
Commerce hearing 10 a.m.

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House Oversight Committee hearing on 2020 Census 10 a.m.

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Heritage Foundation event on Iran policy

12 p.m.

**FRIDAY**

AEI event on U.S. agricultural policy

1:30 p.m.

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## General

### [Congressional staffer charged with filing false security clearance forms](#)

**Clarence Williams, The Washington Post**

Prosecutors charged a top congressional staffer Wednesday with filing a false security clearance form nearly a year after he pled guilty to failing to pay taxes, officials said. The Justice Department alleges that Isaac Lanier Avant, chief of staff to Rep. Bennie Thompson (D-Miss.) and Democratic staff director for the Homeland Security Committee, "willfully made a false statement" on security clearance forms in 2008 and 2013, officials said in a news release.

### [Judge allows Dakota Access pipeline to keep running](#)

**Blake Nicholson, The Associated Press**

A federal judge ruled Wednesday that the Dakota Access oil pipeline can continue operating while a study is completed to assess its environmental impact on an American Indian tribe. U.S. District Judge James Boasberg's decision will come as a blow to the Standing Rock Sioux, who have argued that an oil spill from the pipeline under Lake Oahe - from which the tribe draws its water - could have a detrimental effect on the tribal community.

### [Militants Free American Woman and Family Held for 5 Years in Afghanistan](#)

**Adam Goldman, The New York Times**

An American woman and her family who have been held hostage by militants in Afghanistan for five years have been freed, ending a case that has long frustrated diplomats and F.B.I. agents involved in trying to secure their release, according to people familiar with the situation. The family was in Pakistan early Thursday, and the White House was preparing to release a statement once they are safely in American hands, according to people who described their status on condition of anonymity because the details have not yet been made public.

### [An old-school pharmacy hand-delivers drugs to Congress, a little-](#)

## [known perk for the powerful](#)

**Erin Mershon, STAT**

If House Speaker Paul Ryan comes down with the flu this winter, he and his security detail won't be screeching off toward the closest CVS for his Tamiflu. Instead, he can just walk downstairs and pick up the pills, part of a little-known perk open to every member of Congress, from Ryan and Majority Leader Mitch McConnell down to the newest freshman Democrat.

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## **Presidential**

### [In Start to Unwinding the Health Law, Trump to Ease Insurance Rules](#)

**Louise Radnofsky et al., The Wall Street Journal**

President Donald Trump is planning to sign an executive order Thursday to initiate the unwinding of the Affordable Care Act, paving the way for sweeping changes to health-insurance regulations by instructing agencies to allow the sale of less-comprehensive health plans to expand. Mr. Trump, using his authority to accomplish some of what Republicans failed to achieve with their stalled congressional health-care overhaul, will direct federal agencies to take actions aimed at providing lower-cost options and fostering competition in the individual insurance markets, according to a Wall Street Journal interview with two senior White House officials.

### [President's lawyers may offer Mueller a meeting with Trump](#)

**Darren Samuelsohn, Politico**

Donald Trump's lawyers are open to having the president sit down for an interview with Robert Mueller, according to a senior White House official, as part of a wider posture of cooperation with the special counsel's Russia probe. If Mueller doesn't request an interview by Thanksgiving, Trump's lawyers may even force the issue by volunteering Trump's time, the official said.

### [White House nominates AccuWeather CEO to head climate agency](#)

**David Shepardson, Reuters**

U.S. President Donald Trump on Wednesday nominated the chief executive of AccuWeather Inc to head the government's meteorological agency that monitors the climate and issues daily weather forecasts. Trump nominated

Barry Myers, CEO of privately owned weather forecasting company AccuWeather, to head the National Oceanic and Atmospheric Administration, part of the U.S. Commerce Department.

**[Trump's Tough Talk on Nafta Suggests Pact's Demise Is Imminent](#)**  
**Ana Swanson, The New York Times**

The North American Free Trade Agreement, long disparaged by President Trump as bad for the United States, was edging closer toward collapse as negotiators gathered for a fourth round of contentious talks here this week. In recent weeks, the Trump administration has sparred with American businesses that support Nafta and has pushed for significant changes that negotiators from Mexico and Canada say are nonstarters.

**[At Pennsylvania appearance Trump turns back to tax overhaul; pitch aimed at truckers](#)**

**Catherine Lucey and Josh Boak, Pittsburgh Post-Gazette**

President Donald Trump pitched his tax plan as a boost for truckers at an event Wednesday in Pennsylvania, saying, "America first means putting American truckers first." Trump appeared before about a thousand cheering people at an airplane hangar dramatically draped with American flags.

**["I Hate Everyone In The White House!": Trump Seethes As Advisers Fear The President Is "Unraveling"](#)**

**Gabriel Sherman, Vanity Fair**

At first it sounded like hyperbole, the escalation of a Twitter war. But now it's clear that Bob Corker's remarkable New York Times interview-in which the Republican senator described the White House as "adult day care" and warned Trump could start World War III-was an inflection point in the Trump presidency.

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## Senate

**[Prosecution rests in bribery trial of Sen. Robert Menendez](#)**

**Devlin Barrett and Alan Maimon, The Washington Post**

Menendez is accused of taking gifts - including a luxury hotel stay, flights on private jets, and hundreds of thousands of dollars in campaign contributions -

from Salomon Melgen, in exchange for doing favors for the doctor. One of the last pieces of evidence entered in the prosecution case was an email Menendez wrote to a staffer in 2009, in which the senator said he was looking for "the best juice" he could find inside the federal government to help Melgen in a multimillion-dollar billing dispute with Medicare.

### [Undisclosed deal guaranteed Roy Moore \\$180,000 a year for part-time work at charity](#)

**Shawn Boburg and Robert O'Harrow Jr., The Washington Post**

Former Alabama judge Roy Moore, a Republican candidate for U.S. Senate, once said publicly that he did not take a "regular salary" from the small charity he founded to promote Christian values because he did not want to be a financial burden. But privately, Moore had arranged to receive a salary of \$180,000 a year for part-time work at the Foundation for Moral Law, internal charity documents show.

### [McConnell ratchets up judicial wars - again](#)

**Burgess Everett and Seung Min Kim, Politico**

Mitch McConnell wants to further erode Democrats' influence over lifetime judge appointments, floating plans to jam through judicial nominees opposed by their home-state Democratic senators. But the Republican Senate leader's own Judiciary Committee chairman, Sen. Chuck Grassley, is warning McConnell: Not so fast.

### [Conservative leaders call on Senate Majority Leader Mitch McConnell to resign](#)

**Deirdre Shesgreen, USA Today**

An influential array of ultra-conservative leaders is calling on Senate Majority Leader Mitch McConnell to resign, calling him a "failure" who "has cost Republicans almost a year of victories." "He has demonstrated that he either does not understand the frustration coming from conservatives and the urgency of passing key legislation - or he does not care," FreedomWorks President Adam Brandon said in a statement on Wednesday.

### [Bannon-tied group kicks off brutal GOP primary season](#)

**Jonathan Easley, The Hill**

A pro-Trump outside group aligned with Stephen Bannon endorsed three

Republicans running for Senate on Wednesday, firing the starting pistol on what's shaping up to be a nasty primary season for the GOP. The Great America Alliance - an antiestablishment group which counts Bannon's political adviser Andy Surabian as a strategist - announced it will support West Virginia Attorney General Patrick Morrisey (R), Montana state Auditor Matt Rosendale (R) and Rep. Marsha Blackburn (R-Tenn.) in their bids for Senate.

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## House

### [House Intel leaders to release Facebook ads purchased by Kremlin-linked groups](#)

**Erin Kelly, USA Today**

Leaders of the House Intelligence Committee said Wednesday they will soon make public the Facebook ads that were purchased by Kremlin-linked groups as part of Russia's efforts to meddle in the 2016 presidential election. Rep. Mike Conaway, R-Texas, who is leading the panel's Russia investigation, said the committee will release about 3,000 ads provided to the panel by Facebook.

### [Curbelo: Regulatory Fix to Bump Stocks a 'Big Mistake'](#)

**Lindsey McPherson, Roll Call**

Rep. Carlos Curbelo on Wednesday called Speaker Paul D. Ryan's push for a regulatory fix banning bump stocks "a big mistake." "If we agree that this should be banned we should have the courage of our convictions and proceed with legislation that will make that explicitly clear," the Florida Republican said.

### [Opposition mounts against bill to renew surveillance program](#)

**Katie Bo Williams, The Hill**

A carefully crafted compromise proposal to reform the NSA's warrantless surveillance program is in trouble, with opposition coming from libertarian-leaning conservatives and members of the House Intelligence Committee. The House Freedom Caucus appears dissatisfied with the National Security Agency reform measure, which was drafted by a bipartisan group of Judiciary Committee lawmakers led by chairman Bob Goodlatte (R-Va.).

### [House Dem pulls back from forcing impeachment vote](#)

## **Cristina Marcos, The Hill**

Rep. Al Green (D-Texas) stopped short of forcing a vote Wednesday on articles of impeachment against President Trump, but insisted his push isn't over yet. Green announced his intention on the House floor to offer the impeachment articles as a privileged resolution, which under House rules allows any member to force a vote within two legislative days.

## **[Key House Republican Plans Bill to Rein In Credit Bureaus After Equifax Hack](#)**

### **Andrew Ackerman, The Wall Street Journal**

A top House Republican is moving to boost federal oversight of credit-reporting companies, the first broad legislative effort to rein in the industry in response to the massive hack disclosed by Equifax Inc. last month. Rep. Patrick McHenry of North Carolina plans to introduce a bill on Thursday that is expected to require the companies to submit to regular federal cybersecurity reviews.

## **[D.C. Republicans to Grimm: Stay in Staten Island](#)**

### **Rachael Bade and John Bresnahan, Politico**

House Republicans have a message for ex-congressman and convicted felon Michael Grimm: Stay home. The disgraced former New York congressman, who served seven months in federal prison for tax evasion, wants to reclaim his old Staten Island seat, declaring a primary challenge against his successor, GOP Rep. Dan Donovan.

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## **States**

## **[Former President Barack Obama to campaign for Ralph Northam in Richmond](#)**

### **Andrew Cain, Richmond Times-Dispatch**

Former President Barack Obama will return to the campaign trail next Thursday to stump for Democratic gubernatorial nominee Ralph Northam at a rally in Richmond. Details on the location of the get-out-the-vote rally were not yet available.

## **[Rockey Moore Cummings launches bid for Maryland governor](#)**

## **Ovetta Wiggins, The Washington Post**

Maya Rockey Moore Cummings, a policy consultant who is married to longtime U.S. Rep. Elijah E. Cummings (D-Md.), is launching a bid for Maryland governor, becoming the second woman and the third African American to join the crowded Democratic primary field. "I truly believe Maryland is punching below its fighting weight," Rockey Moore Cummings, who is also a small-business owner, said in explaining her decision to seek the nomination to challenge Gov. Larry Hogan in 2018.

## **[Covered California slaps a surcharge on health plans as Trump remains coy on subsidies](#)**

### **Chad Terhune, Los Angeles Times**

California's health insurance exchange said Wednesday it has ordered insurers to add a surcharge to certain policies next year because the Trump administration has yet to commit to paying a key set of consumer subsidies under the Affordable Care Act. The decision to impose a 12.4% surcharge on silver-level health plans in 2018 means the total premium increase for those policies will average nearly 25%, according to Covered California.

## **[Democrats Say Florida Nursing Home Deaths May Dog Scott If He Runs for Senate](#)**

### **Eli Yokley, Morning Consult**

In a tragedy at a nursing home whose air conditioners shut down during Hurricane Irma, Democratic strategists in Florida are seeing a possible cudgel against Gov. Rick Scott should he run against Democratic Sen. Bill Nelson next year. But Republican operatives defended Scott's handling of the disaster and said his actions could ultimately prove to be an asset in a potential campaign.

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## **Advocacy**

## **[Facebook's Sandberg meets with lawmakers amid Russia probe](#)**

### **Mary Clare Jalonick, The Associated Press**

One of Facebook's top executives met Wednesday with House members investigating the company's Russia-linked ads, and told them the social media giant is serious about dealing with the issue. Sheryl Sandberg, Facebook's chief operating officer, told lawmakers the company is working hard to ensure

Americans "understand what the propaganda is that they may or may not be reading," said House Republican Rep. Mike Conaway, who is leading the House intelligence committee probe.

### [Business, farm groups lobby the Hill as contentious phase of NAFTA talks begin](#)

**John Lauinger, Politico**

On Capitol Hill on Wednesday, there were signs of the increased stakes in the NAFTA talks: Business and agricultural groups mounted a lobbying push targeting more than 250 House members, and the Ways and Means chairman seemed to say businesses have reason to worry. At the White House, in the most visible and symbolic moment of the day, Canadian Prime Minister Justin Trudeau met with President Donald Trump, who relishes being unpredictable.

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## Opinions, Editorials and Perspectives

### [Trump May Do the Harm to Insurers That Congress Couldn't](#)

**Max Nisen, Bloomberg**

Despite seven years of alleged prep work and more than seven months of high-pressure effort, destroying the Affordable Care Act was beyond Congress this year. But President Donald Trump might manage it anyway, with an executive order he could sign this week.

### [Mr. Trump Alone Can Order a Nuclear Strike. Congress Can Change That.](#)

**The Editorial Board, The New York Times**

The broad debate over President Trump's fitness for the difficult and demanding office he holds has recently been reframed in a more pointed and urgent way: Does he understand, and can he responsibly manage, the most destructive nuclear arsenal on earth? The question arises for several reasons.

### [An Air-Traffic Winner](#)

**The Editorial Board, The Wall Street Journal**

The House has been working for months behind the scenes on the most significant improvement to commercial air travel in decades: Converting Federal Aviation Administration (FAA) air-traffic control into an operation

governed by pilots, airlines, controllers and other industry experts. This would be good news for the economy and the traveling public, if Republicans don't wig out.

### **[Faster, Steve Bannon. Kill! Kill!](#)**

**Robert Kagan, The Washington Post**

Rarely has a political party more deserved the destruction the Republican Party may be about to suffer at the hands of President Trump's former strategist, ideological guru and onetime puppeteer Steve Bannon. It was obvious during the earliest days of the campaign that Trump never intended to be either the leader or the protector of the Republican Party.

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## **Research Reports and Polling**

### **[U.S. Voters Feel Good About Economy, But Not Trump, Quinnipiac University National Poll Finds; Voters Take A Knee For Both Trump And NFL Players](#)**

**Quinnipiac University**

American voters feel better about the economy and good about their own pocketbooks, but still disapprove 56 - 38 percent of the job President Donald Trump is doing, according to a Quinnipiac University national poll released today. Today's approval rating compares to a 57 - 36 percent disapproval in a September 27 survey by the independent Quinnipiac University.



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By [Eli Yokley](#)

## Top Stories

- House Republican leaders are planning to vote on a short-term funding bill today in hopes of avoiding a government shutdown, with the Senate expected to take up the measure after House passage. In addition to the legislation that would fund the government through Jan. 19, House GOP leaders plan to vote on an \$81 billion disaster-relief measure, which faces an uphill battle in the Senate and might not receive a vote there until next year. ([Politico](#))
- The nomination of KT McFarland, former national security adviser Michael Flynn's ex-deputy, to be U.S. ambassador to Singapore is in jeopardy. Flynn's plea agreement with special counsel Robert Mueller appeared to

contradict McFarland's congressional testimony, prompting some senators to question her interactions with Flynn regarding Russia. ([CNN](#))

- Justice Department prosecutors are asking Federal Bureau of Investigation agents for information about their now-dormant criminal investigation into the Uranium One deal, which critics have linked to Bill Clinton and Hillary Clinton. The internal questioning comes on the orders of Attorney General Jeff Sessions after an assistant attorney general told Congress that the Justice Department would examine whether a special counsel was warranted. ([NBC News](#))
- President Donald Trump issued his first commuted sentence for a federal prisoner, a commutation that had bipartisan support. Trump freed Sholom Rubashkin, the former owner of a kosher meat-processing plant, who was sentenced in 2009 to 27 years in prison for financial crimes. ([The Hill](#))

## Chart Review

[Polls show sizable advantage for Democrats in 2018 midterm election](#)

**Politico**

## Events Calendar (All Times Local)

### **THURSDAY**

Sens. McConnell, Warner speaks at Axios event

8 a.m.

### **FRIDAY**

No events scheduled



## **2017 Brands in Review**

This year, Morning Consult conducted nearly 1 million survey interviews on nearly 1,000 brands. Get a never-before-seen look at how public perception changed for the world's biggest brands.

## **General**

[Prosecutors ask FBI agents for info on Uranium One deal](#)

## **Tom Winter et al., NBC News**

On the orders of Attorney General Jeff Sessions, Justice Department prosecutors have begun asking FBI agents to explain the evidence they found in a now dormant criminal investigation into a controversial uranium deal that critics have linked to Bill and Hillary Clinton, multiple law enforcement officials told NBC News. The interviews with FBI agents are part of the Justice Department's effort to fulfill a promise an assistant attorney general made to Congress last month to examine whether a special counsel was warranted to look into what has become known as the Uranium One deal, a senior Justice Department official said.

## **[Democrats ready year-long assault against tax cut package](#)**

### **David Weigel, The Washington Post**

In just six seconds, the new ad from the Democratic Senatorial Campaign Committee previews an attack that will have millions of dollars behind it in 2018. "The Republican tax scheme gives huge breaks to corporations but raises taxes on middle class families," says a narrator, as a woman checks her mailbox and recoils.

## **[Over Golf and an Airport Chat, Trump and GOP Hashed Out a Historic Tax Plan](#)**

### **Peter Nicholas et al., The Wall Street Journal**

Over rounds of golf at President Donald Trump's club in northern Virginia in October, Sen. Lindsey Graham offered a warning: If the tax plan fails, the Republicans are "dead" as a party. Coming off the slow-rolling collapse of the party's effort to overhaul health-care laws, "the consequences of going o-for-2," Mr. Graham (R., S.C.) said, would be "just devastating."

## **[Supreme Court sets guidelines for DACA legal fight](#)**

### **Josh Gerstein, Politico**

The Supreme Court on Wednesday issued what appeared to be a compromise ruling that laid out guidelines for lower courts as they wrestle with legal issues stemming from the Trump administration's decision to wind down the immigration program providing quasi-legal status and work permits to so-called Dreamers. Less than two weeks ago, the justices split, 5-4, along ideological lines as they halted a lower court's orders requiring federal officials to assemble and disclose a large volume of documents related to the decision

announced in September to end the Deferred Action for Childhood Arrivals program, also known as DACA.

### [Pawlenty eyes return to national stage but in a new GOP era](#)

**Thomas Beaumont and Kyle Potter, The Associated Press**

Long ago, in a seemingly distant political universe, Tim Pawlenty was a fresh-faced Republican star with blue-collar appeal and presidential prospects. Now The former Minnesota governor is a high-powered banking lobbyist, and he's eyeing a climb back onto the national stage.

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## **Presidential**

### [Trump issues first commuted prison sentence](#)

**Jonathan Easley, The Hill**

President Trump on Wednesday issued his first commuted sentence for a federal prisoner, freeing Sholom Rubashkin, the former owner of the country's largest kosher meat-processing plant who in 2009 was sentenced to 27 years in prison for a litany of financial crimes. The commutation had bipartisan support from lawmakers and had become a cause among many leading voices in the legal community, petitioning the Obama and Trump administrations to draw attention to a sentence they said was wildly disproportionate to the crime that had been committed.

### [Trump Plans Tax Signing on Jan. 3 Due to Technical Issue](#)

**Erik Wasson, Bloomberg**

President Donald Trump plans to sign the tax bill on Jan. 3 to ensure automatic spending cuts to Medicare and other programs don't take effect, according to a House Republican aide familiar with the plans. The White House informed House GOP members of the timetable, following the likely decision by House Republicans to leave the so-called PAYGO provision out of a year-end spending deal to avoid a government shut down before Friday, the person said who asked not to be named because the plan hasn't been publicly announced.

### [US allowing Ukraine to buy arms from US companies](#)

**Michelle Kosinski and Eli Watkins, CNN**

The Trump administration is now allowing the export of arms to Ukraine, marking a potentially significant turn against Russia. US State Department spokeswoman Heather Nauert said the department notified Congress on December 13 that it had approved an export license, which allows Ukraine to buy certain light weapons and small arms from US manufacturers.

### [Mueller Avoids Pitfalls by Giving Trump the Silent Treatment](#)

**Chris Strohm et al., Bloomberg**

Through all the controversy, threats and noise surrounding the Trump-Russia investigation, one person has been conspicuously silent: Special Counsel Robert Mueller. The former FBI director hasn't uttered a single word in public since he was appointed in May to lead the probe into Russian meddling in the U.S. election despite increasingly combative attacks by Republicans and their allies on the FBI, the Justice Department and the integrity of his probe.

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## **Senate**

### [Senate unlikely to advance McFarland nomination amid questions about Flynn contacts with Russia](#)

**Manu Raju, CNN**

President Donald Trump's nominee to be the ambassador to Singapore could be derailed in the Senate amid questions about whether she properly disclosed to Congress her communications with former national security adviser Michael Flynn, according to senators and sources from both parties. KT McFarland, who previously served as Flynn's deputy and is now Trump's nominee to be ambassador to Singapore, came under renewed scrutiny earlier this month after Flynn's plea agreement with Justice Department special counsel Robert Mueller appeared to be at odds with her testimony to Congress.

### [Cochran's future in the Senate in doubt](#)

**John Bresnahan, Politico**

Sen. Thad Cochran, chairman of the powerful Appropriations Committee, hasn't presided over a hearing since early September. The Mississippi Republican has not given a speech on the Senate floor all year, and he's introduced only two bills during that time, both of them minor.

## [Franken to resign in early January](#)

**Max Greenwood, The Hill**

Sen. Al Franken will step down on Jan. 2, a spokesman for the Minnesota Democrat said Wednesday. Franken announced earlier this month that he would resign from the Senate in the face of sexual harassment allegations.

## [Senate shields taxpayer-funded harassment settlements from public](#)

**Elana Schor, Politico**

The congressional office that handles sexual harassment complaints, along with a top Republican senator, have refused to divulge information about taxpayer dollars doled out to settle harassment claims - and pressure is mounting on them to come clean. Congress' Office of Compliance, which oversees payments to resolve sexual harassment claims and other workplace disputes, has given data on the Senate's taxpayer-funded settlements to Senate Rules Committee Chairman Richard Shelby (R-Ala.).

## [Senators Threaten Filibuster to Block Key Surveillance Law](#)

**Byron Tau, The Wall Street Journal**

A bipartisan pair of senators vowed Wednesday to mount a filibuster of any long-term extension of a key surveillance law, complicating the efforts of congressional leaders to keep one of the most important spying tools in the government's arsenal from expiring. Sens. Rand Paul, a Kentucky Republican, and Ron Wyden, an Oregon Democrat, said they would block consideration of any long-term extension of the surveillance law.

## [Immigration Talks Gain Steam, but No Deal Seen Until Next Year](#)

**Laura Meckler and Kristina Peterson, The Wall Street Journal**

Bipartisan talks over legislation to legalize young undocumented immigrants are gaining steam, key senators said, but top Democrats who have pushed for quick action said any fix won't happen by year's end. The immigration debate is one of many matters involved in year-end talks over a bill to keep the government funded.

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## House

## [House to vote on government funding Thursday](#)

**Rachael Bade and John Bresnahan, Politico**

Speaker Paul Ryan and his top lieutenants plan to bring a short-term government funding bill to the House floor Thursday despite internal resistance - in hopes of averting a shutdown and then leaving town for the holidays. GOP leaders are betting that their conference doesn't want to trample on its tax victory by shuttering federal agencies.

## [U.S. lawmakers seek temporary extension to internet spying program](#)

**Dustin Volz, Reuters**

Republican leaders in the U.S. House of Representatives are working to build support to temporarily extend the National Security Agency's expiring internet surveillance program by tucking it into a stop-gap funding measure, lawmakers said. The month-long extension of the surveillance law, known as Section 702 of the Foreign Intelligence Surveillance Act, would punt a contentious national security issue into the new year in an attempt to buy lawmakers more time to hash out differences over various proposed privacy reforms.

## [House Republicans quietly investigate perceived corruption at DOJ, FBI](#)

**Kyle Cheney and John Bresnahan, Politico**

A group of House Republicans has gathered secretly for weeks in the Capitol in an effort to build a case that senior leaders of the Justice Department and FBI improperly - and perhaps criminally - mishandled the contents of a dossier that describes alleged ties between President Donald Trump and Russia, according to four people familiar with their plans. A subset of the Republican members of the House intelligence committee, led by Chairman Devin Nunes of California, has been quietly working parallel to the committee's high-profile inquiry into Russian meddling in the 2016 presidential election.

## [FBI deputy director to sit for closed interview with House panels](#)

**Sarah N. Lynch, Reuters**

The FBI'S deputy director, Andrew McCabe, will appear for a closed-door interview on Thursday with two key U.S. congressional committees, after Republicans asked him to discuss the bureau's handling of its Hillary Clinton email probe. The Justice Department confirmed in a letter on Wednesday to

the chairmen of the House of Representatives Judiciary and Oversight committees that McCabe will sit for a transcribed interview, but said McCabe will not be permitted to discuss anything related to Special Counsel Robert Mueller's investigation into Russian meddling in the 2016 presidential election.

### [Fear and yelling in L.A. congressman's office led to silence on harassment, aides say](#)

**Emily Cadei, McClatchy DC**

Los Angeles-area Congressman Brad Sherman says none of his staff ever complained about longtime aide and California Assemblyman Matt Dababneh, who's been accused of sexual harassment while working in the congressman's district office. Eight former aides said the environment in Sherman's D.C. and California offices was so toxic, it was laughable to think junior staff would have felt comfortable raising concerns about harassment - or anything else.

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## **States**

### [Virginia court tosses one-vote victory that briefly ended GOP majority in House](#)

**Jim Morrison and Fenit Nirappil, The Washington Post**

Control of Virginia's legislature hung in limbo Wednesday after a three-judge panel declined to certify the recount of a key House race, saying that a questionable ballot should be counted in favor of the Republican and tying a race that Democrats thought they had won by a single vote. "The court declares there is no winner in this election," Newport News Circuit Court Judge Bryant L. Sugg said after the panel deliberated for more than two hours.

### [State officials panicked over children's health program](#)

**Rachana Pradhan, Politico**

Families are becoming increasingly panicked about children losing health insurance without new funding from Congress, state officials warned Wednesday as a new report showed nearly 2 million kids could be dropped from coverage next month. Roughly 1.9 million children across the country could lose insurance in January if Congress fails to renew Children's Health Insurance Program funding, according to a new report from the Georgetown University Center for Children and Families.

## [Missouri attorney general will investigate Gov. Greitens' use of secret texting app](#)

**Jason Hancock, The Kansas City Star**

Missouri Attorney General Josh Hawley has launched an investigation into whether Gov. Eric Greitens and his staff illegally destroyed public records by using an app that erases text messages. News of the investigation comes nearly two weeks after The Star first revealed that the governor and his senior staff use Confide, an app that destroys a text message after it has been read.

## [State Sen. Jack Latvala quits in face of corruption investigation, possible expulsion](#)

**Steve Bousquet, The Miami Herald**

Facing a public corruption investigation and possible expulsion from the Florida Senate, Jack Latvala resigned Wednesday, a day after a retired judge concluded that he likely violated state corruption laws by trading legislative favors for physical contact and for sexually harassing and groping multiple women. Latvala, 66, of Clearwater, a longtime Tampa Bay leader and Republican candidate for governor, sent a letter of resignation to Senate President Joe Negron in an abrupt and dramatic end to a controversial career that spanned three decades.

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## **Advocacy**

### [Ex-Industry Lobbyists Win Top Jobs in Agencies They Once Fought](#) **Jennifer A Dlouhy and Jesse Hamilton**

In his first year as president, Trump studded his cabinet with people who previously fought to undermine what some see as the traditional missions of the agencies they now lead. EPA Administrator Scott Pruitt, for example, built his political career suing the agency and challenging what he termed its "activist agenda."

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## **Opinions, Editorials and Perspectives**

### [Trump's Opportunity to Save American Farmers](#)

**Dan Conston, Morning Consult**

President Donald Trump was elected in large part on a promise to protect and restore key forgotten industries and help middle-class families get ahead. He has a unique opportunity to get a win on both and secure the promises he made during his campaign to working-class families.

### [Tax Reform Take 2: The States](#)

**The Editorial Board, The Wall Street Journal**

Congress passed the most sweeping tax reform since 1986 on Wednesday, and with any luck that success for the country will trigger a new reform debate in many states. To wit, how much will they have to cut income-tax rates to retain and attract the high-income earners who finance so much of their state budgets?

### [Congress Refuses to Do Right by Children's Health Care](#)

**The Editorial Board, The New York Times**

As Republican lawmakers celebrate the passage of a tax bill that will make the wealthiest Americans richer, many lower-income families are faced with the real possibility that their children will soon lose their health insurance because Congress didn't care enough to renew funding for it. The Children's Health Insurance Program has enjoyed bipartisan support since its creation in 1997.

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## **Research Reports and Polling**

### [From #MAGA to #MeToo: A look at U.S. public opinion in 2017](#)

**Michael Dimock, Pew Research Center**

In his first year as U.S. president, Donald Trump represented a clear break in style and substance from his predecessor, Barack Obama - and from many of the chief executives who came before them. The businessman-turned-politician upended Washington with unrestrained rhetoric and an "America First" agenda that included renegotiating international trade pacts, withdrawing from a worldwide climate change agreement and curtailing immigration into the United States.



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**Date:** Tuesday, July 18, 2017 8:43:23 AM

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By [Eli Yokley](#)

*The latest edition of Morning Consult's [Governor Approval Rankings](#) is now live. See the full results [here](#).*

## Top Stories

- Two more GOP senators - Mike Lee of Utah and Jerry Moran of Kansas - said they oppose the latest iteration of the Senate's health care bill. Majority Leader Mitch McConnell (R-Ky.) said the chamber would now turn to "a

repeal of Obamacare with a two-year delay to provide for a stable transition period." ([Roll Call](#))

- The House Budget Committee released a blueprint of its spending plan for fiscal year 2018 that calls for \$621.5 billion in defense spending and \$511 billion for non-defense spending. Passage of a budget resolution would unlock a key procedural tool for Republican leaders hoping to tackle tax reform. ([The New York Times](#))
- Republican governors are thriving in blue states like Massachusetts, Maryland and Vermont, according to a new 50-state voter survey. ([Morning Consult](#)) In Alabama, 64 percent of voters approve of Gov. Kay Ivey (R), who took over for scandal-plagued Robert Bentley (R) after he stepped down earlier this year. ([Morning Consult](#))
- Treasury Secretary Steven Mnuchin reiterated that his preference for raising the debt ceiling is "to get it clean," meaning without spending cuts that could attract support from conservative lawmakers. He called for lawmakers to "get it done sooner rather than later." ([The Washington Post](#))

## Chart Review

[America's Most and Least Popular Governors - July 2017 Morning Consult](#)



## Events Calendar (All Times Local)

### TUESDAY

Brookings Institution's Municipal Finance Conference 7:45 a.m.

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Energy Secretary Perry speaks at National Press Club 8:45 a.m.

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Gov. Fallin, Sens. Harris, Booker and Reps. Love, Jackson Lee, Collins at Justice Action Network event 9 a.m.

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Senate Foreign Relations Committee hearing on Callista Gingrich's nomination to be ambassador to the Vatican	10 a.m.
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Rep. Massie speaks at Heritage Foundation event on aviation	11:30 a.m.
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### **WEDNESDAY**

Center for American Progress event on voting rights	9 a.m.
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Sen. Kaine speaks at Brookings Institution event on foreign policy	9 a.m.
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House Budget Committee marks up 2018 budget resolution	10 a.m.
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Senate Judiciary Committee hearing on the Foreign Agents Registration Act	10 a.m.
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### **THURSDAY**

Senate Judiciary Committee meets to vote on nominations	9:30 a.m.
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J.D. Vance speaks at Brookings Institution event on economic trends	10 a.m.
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### **FRIDAY**

No events scheduled

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## **This Is the Future of Brand Reputation Tracking**

See how Morning Consult Brand Intelligence is changing the way media, marketing and communications executives are managing brand reputation.

### **General**

**[Steven Mnuchin, Trump's treasury secretary, is hurtling toward his first fiasco](#)**

**Damian Paletta, The Washington Post**

Shortly before he was sworn in as treasury secretary, Steven Mnuchin spoke with his predecessor to get some advice. Pay attention to the debt problems in Puerto Rico, Treasury Secretary Jack Lew warned Mnuchin, and remember that China's currency issues are more complex than the incoming president, Donald Trump, had suggested during the campaign, according to two people briefed on the exchange who spoke on the condition of anonymity to reveal private discussions.

### **Jeff Sessions Said A Plan Is Coming To Seize More Property From Drug Defendants**

**Dominic Holden, BuzzFeed News**

US Attorney General Jeff Sessions announced Monday he will soon release a plan to seize more property from people accused of profiting from drugs. Addressing prosecutors from around the country, Sessions appeared to pledge the department will expand a practice that has been criticized for taking assets from citizens who in many cases haven't been convicted of a crime.

### **As Paperwork Goes Missing, Private Student Loan Debts May Be Wiped Away**

**Stacy Cowley and Jessica Silver-Greenberg, The New York Times**

Tens of thousands of people who took out private loans to pay for college but have not been able to keep up payments may get their debts wiped away because critical paperwork is missing. The troubled loans, which total at least \$5 billion, are at the center of a protracted legal dispute between the student borrowers and a group of creditors who have aggressively pursued them in court after they fell behind on payments.

### **Capitol Police Officer Injured in Car Crash**

**Andrew Breiner, Roll Call**

A car crash near the Library of Congress on Monday injured a Capitol Police officer and the car's driver, authorities said. It is unclear at this point what caused the crash, but Capitol Police said around the same time that it planned to "disrupt" a suspicious vehicle's trunk shortly after the crash occurred.

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## **Presidential**

## [Trump blames Dems, 'a few Republicans' for collapse of healthcare bill](#)

**Rebecca Savransky, The Hill**

President Trump on Tuesday put blame on Democrats and "a few Republicans" for the collapse of the Senate GOP's healthcare bill. "We were let down by all of the Democrats and a few Republicans," Trump tweeted.

## [U.S. Says It Aims to Cut Trade Deficits Through Nafta Revamp](#)

**Andrew Mayeda et al., Bloomberg**

President Donald Trump said the U.S. wants to reduce trade imbalances with Mexico and Canada and boost exports of everything from farm goods to financial services as it prepares to kick off talks to revamp the North American Free Trade Agreement. The office of Trump's top trade negotiator on Monday released the administration's list of negotiating objectives for talks with Mexico and Canada that are expected to begin as early as Aug. 16.

## [Trump Certification Of Iran Nuclear Deal Comes With Tough Talk](#)

**Mark Seibel, BuzzFeed News**

The Trump administration, on the verge of renewing its certification of the Iran nuclear deal, issued tough talking points on Monday - obtained by BuzzFeed News - to supporters promising that it will continue to search for ways to modify the agreement. The talking points said that the Treasury Department would impose sanction on seven entities Iranian government agencies and five individuals in an effort to show determination to punish Iran for what it called "malign activities" that make Iran "one of the most dangerous threats to US interests."

## [Growing cast of lawyers signing up to defend Trump and team](#)

**Julie Pace and Julie Bykowicz, The Associated Press**

As the government's Russia investigations heat up, a growing cast of lawyers is signing up to defend President Donald Trump and his associates. But the interests of those lawyers - and their clients - don't always align, adding a new layer of drama and suspicion in a White House already rife with internal rivalries. Trump himself has both an outside legal team and a new in-house special counsel, Ty Cobb, for Russia-related matters. White House senior adviser Jared Kushner, who is also Trump's son-in-law, has a pair of high-powered attorneys working for him.

## **Trump Says He Has Signed More Bills Than Any President, Ever. He Hasn't.**

**Michael D. Shear and Karen Yourish, The New York Times**

To hear President Trump tell it, his first six months in the White House should be judged in part by the legislation he has signed into law. At rallies, in speeches and on Twitter, Mr. Trump repeatedly boasts of the bills he has signed - 42 as of this week.

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## **Senate**

### **McConnell Abandons Obamacare Repeal and Replace Effort**

**Joe Williams, Roll Call**

Senate Majority Leader Mitch McConnell pulled the plug late Monday on the Republican effort to overhaul the U.S. health insurance system and pledged the chamber will now focus on only dismantling the 2010 health care law. "Regretfully, it is now apparent that the effort to repeal and immediately replace the failure of Obamacare will not be successful," the Kentucky Republican said.

### **Obama Officials Meeting With Senate Intelligence Panel**

**Mary Clare Jalonick, The Associated Press**

Former National Security Adviser Susan Rice will speak to staff on the Senate intelligence committee this week. The panel, which is investigating Russian interference in U.S. elections, is interviewing several former Obama administration officials.

### **Key Democrat calls for ouster of DeVos's civil rights chief in light of 'egregious' remarks about sexual assault**

**Emma Brown, The Washington Post**

Sen. Patty Murray of Washington, the top Democrat on the Senate education committee, is calling for the ouster of the Education Department's civil rights chief, saying she is unfit for the job. Candice Jackson, the acting head of the agency's Office for Civil Rights, triggered fierce criticism last week when she told the New York Times that "90 percent" of campus sexual-assault complaints "fall into the category of 'we were both drunk,' 'we broke up, and six

months later I found myself under a Title IX investigation because she just decided that our last sleeping together was not quite right."

### [Rep. Hartzler Opts Against Missouri Senate Run; All Eyes on Hawley](#)

**Eli Yokley, Morning Consult**

Rep. Vicky Hartzler (R-Mo.) said Monday she would not seek her party's nomination to challenge Democratic Sen. Claire McCaskill, who is widely viewed as one of the most vulnerable senators seeking re-election next fall. The announcement came less than two weeks after Rep. Ann Wagner (R-Mo.), who had been expected to run, said she would instead seek another term in Congress rather than risk losing her federal perch in a Senate race with little certainty for either party.

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## House

### [A New G.O.P. Battle Begins as Republicans Look to Pass a Budget](#) **Alan Rappeport, The New York Times**

Republicans in Congress may be locked in an internal battle over their stumbling health legislation, but on Tuesday the fight begins over another herculean legislative lift: the budget. The House Budget Committee unveiled a blueprint of its 2018 budget resolution on Tuesday morning, setting up a potentially heated debate over the fractious Republican Party's fiscal priorities for the coming year.

### [Conservative caucus withholding support from Republican budget](#) **Niv Elis, The Hill**

Members of the House Freedom Caucus are withholding support for the House GOP budget as lawmakers prepare for a committee vote on Wednesday. Conservatives in the Freedom Caucus would not have the votes to block approval of the budget by the House Budget Committee, but their opposition could sink the measure on final passage by the full House.

### [Angie Craig Back for Rematch Against Jason Lewis in Minnesota](#) **Simone Pathé, Roll Call**

Angie Craig lost last year's open-seat race in Minnesota's 2nd District by less

than 2 points. On Monday, the Democratic-Farmer-Labor candidate announced she'd try to unseat last year's rival, freshman GOP Rep. Jason Lewis.

### [Hurd Defends District Lines in Court](#)

#### **Kyle Stewart, Roll Call**

Rep. William Hurd said more districts should be drawn like his, defending Texas' 23rd Congressional District ahead of a federal court decision on alleged racial gerrymandering that could impact the 2018 midterm elections. "My district is competitive, and that's a good thing...because it forces people to talk to a broader sense of the community," Hurd said Saturday as the closing witness in a trial over whether the district lines should be redrawn.

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## **States**

### [Republican Governors Thrive in Blue States, Polling Shows](#)

#### **David Mark, Morning Consult**

A trio of Republican governors in deep blue states could - again - prove elusive electoral targets for Democrats in 2018. Govs. Charlie Baker of Massachusetts, Maryland's Larry Hogan and Phil Scott in Vermont sport enviable approval ratings, Morning Consult's latest survey of governors shows.

### [Ala. Governor Shines After Replacing Scandal-Plagued Predecessor](#)

#### **Eli Yokley, Morning Consult**

Alabama Gov. Kay Ivey (R), who ascended to the job after scandal forced out her predecessor, is among the country's most popular governors, just three months into her term. The former lieutenant governor, who took over in April after now-former Gov. Robert Bentley was forced to step down, is viewed favorably by 64 percent of her constituents, according to a Morning Consult survey of voters in all 50 states.

### [Gov. Eric Greitens' drug monitoring executive order aligns Missouri with rest of states](#)

#### **Jason Hancock and Andy Marso, The Kansas City Star**

Missouri will no longer be the only state without a prescription drug monitoring program after Gov. Eric Greitens issued an executive order creating

one on Monday in St. Louis. Greitens' order directs the Department of Health and Senior Services to build the database, which will be designed to help prevent doctor shopping, by which people get medicine from multiple physicians to feed an addiction or to sell.

### [Two cabinet appointments, and an extraordinary allegation, roil Maryland politics](#)

**Ovetta Wiggins, The Washington Post**

Two Maryland cabinet secretaries are the unlikely figures at the center of a growing political brawl between the state's Republican governor and the Democratic-majority legislature that could end up in court. The dispute, over whether the legislature can prohibit the state from paying appointees whose nominations were sent to the state Senate but not approved, prompted an extraordinary allegation this week from Doug Mayer, Gov. Larry Hogan's chief spokesman.

### [Ethics panel: Beshear shouldn't investigate Bevin if he might run for governor](#)

**Daniel Desrochers, Lexington Herald-Leader**

Attorney General Andy Beshear shouldn't investigate Gov. Matt Bevin if he might run for governor in 2019, a state ethics panel advised Monday. As long as Beshear, a Democrat, is considering a gubernatorial bid, he should refer any investigation of Bevin to a separate law enforcement entity, the Executive Branch Ethics Commission said in an advisory opinion.

### [Can Roy Cooper Show Democrats How to Win Again?](#)

**Edward-Isaac Dove, Politico**

Roy Cooper wants Democrats to do something they haven't done in state politics in years: Go on offense. His eyes on 2018 state legislature races and potential special elections in between, the North Carolina governor is launching a multi-million dollar, multi-year effort to knock Republicans out of the state capital.

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## **Advocacy**

### [Outgoing Ethics Chief: U.S. Is 'Close to a Laughingstock'](#)

**Eric Lipton and Nicholas Fandos, The New York Times**

Actions by President Trump and his administration have created a historic ethics crisis, the departing head of the Office of Government Ethics said. He called for major changes in federal law to expand the power and reach of the oversight office and combat the threat.

### [Kelly Ayotte's back - as an environmental advocate](#)

**Katie Glueck, McClatchy DC**

The faction of the Republican Party that cares much about climate change is small. But it just scored an influential advocate with deep connections in Congress and in conservative political circles across the country.

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## **Opinions, Editorials and Perspectives**

### [In Congress, Obstructionists Are Obstructing Themselves](#)

**The Editorial Board, The New York Times**

Republican legislative leaders are in a bind. While they appear to have failed for now in their goal of destroying the Affordable Care Act, their eagerness to shower tax breaks on the wealthy at the expense of health coverage for millions of Americans has crimped their ability to pass other fiscal legislation.

### [The Trumps and the Truth](#)

**The Editorial Board, The Wall Street Journal**

Even Donald Trump might agree that a major reason he won the 2016 election is because voters couldn't abide Hillary Clinton's legacy of scandal, deception and stonewalling. Yet on the story of Russia's meddling in the 2016 election, Mr. Trump and his family are repeating the mistakes that doomed Mrs. Clinton.

### [Trump Just Came Very Close to Killing the Iran Deal](#)

**Eli Lake, Bloomberg**

Under President Barack Obama this kind of thing was routine. Since the Iran nuclear deal was reached in 2015, every few months the State Department would inform Congress that the Tehran government was in compliance. Then Donald Trump was elected president.

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# Research Reports and Polling

## [America's Most and Least Popular Governors - July 2017](#)

### Cameron Easley, Morning Consult

Familiar faces remain affixed the top and bottom of the new Morning Consult Governor Approval Rankings, based on interviews with more than 195,000 registered voters across the U.S. from April 1 through July 10. Chris Christie (R-N.J.) and Sam Brownback (R-Kan.) anchor the list of 50 governors, while their GOP colleagues in two blue states, Charlie Baker of Massachusetts and Larry Hogan of Maryland, lead the way with supermajority support from their constituents.



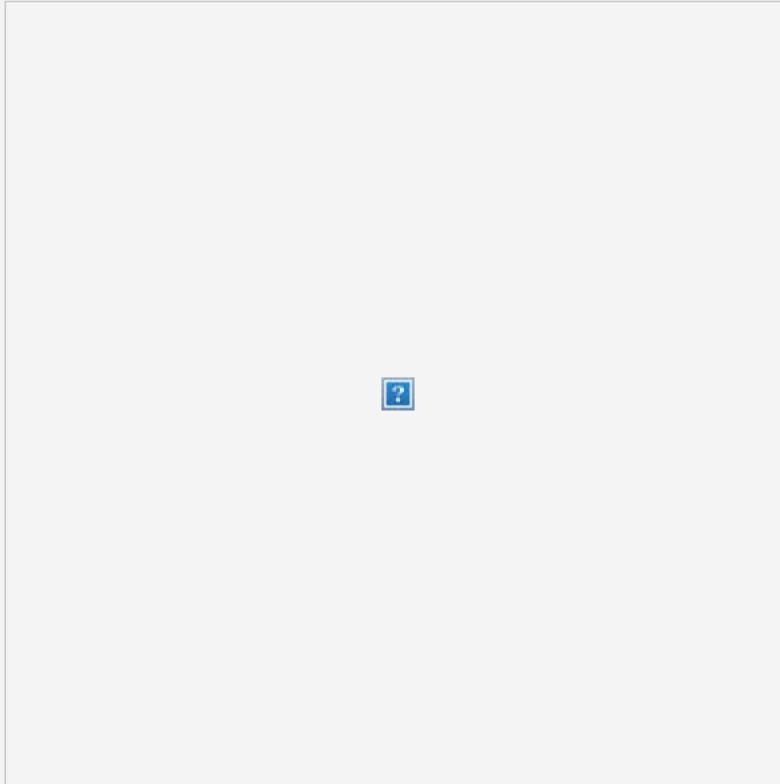
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**Date:** Wednesday, October 11, 2017 9:03:06 AM

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By [Eli Yokley](#)

## Top Stories

- Support from Republican voters for stricter gun control laws has risen 5 percentage points, to 49 percent, since June, according to a new poll. The nationwide survey also found that 75 percent of GOP voters support banning bump stocks - devices used by the Las Vegas shooter that speed up the rate at which semi-automatic weapons can fire. ([Morning Consult](#))
- The Supreme Court dismissed a case challenging the expired version of President Donald Trump's travel ban, marking a legal victory for the administration, which had asked the court to drop the case after the temporary ban was replaced with an indefinite one affecting eight countries. ([USA Today](#))

- The Trump administration increased its request from Congress for emergency hurricane relief funding to almost \$35 billion, with the Office of Management and Budget asking for an additional \$4.9 billion to help "address the immediate liquidity issue" for the government of Puerto Rico. The additional amount could be added to the recovery package the House is expected to approve this week. ([Politico](#))
- Trump is scheduled to pitch the Republican tax plan today in Harrisburg, Pa., where he's expected to tout "a \$4,000 pay raise" for the average American household. However, his economic advisers have said such a benefit would only materialize over eight years, with the annual amount closer to \$500. ([Bloomberg](#))

## Chart Review

[\*\*GOP Voter Support for Stronger Gun Control Measures Is Growing, Polling Shows\*\*](#)

**Morning Consult**

## Events Calendar (All Times Local)

### WEDNESDAY

Rep. Sinema at Bloomberg Government event on electronic payments	8 a.m.
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Reps. Neal, Roskam at tax policy event hosted by The Hill	8 a.m.
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Third Way event on federal student loans	9 a.m.
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Bipartisan Policy Center event on Medicare, Social Security	10 a.m.
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Rep. McHenry speaks at Financial Services Roundtable event on tax reform	11:30 a.m.
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Atlantic Council event on defensible cyberspace	5 p.m.
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**THURSDAY**

HUD's Carson testifies at House Financial Services Committee hearing	9:30 a.m.
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Energy Secretary Perry testifies at House Energy and Commerce hearing	10 a.m.
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House Oversight Committee hearing on 2020 Census	10 a.m.
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Heritage Foundation event on Iran policy	12 p.m.
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**FRIDAY**

AEI event on U.S. agricultural policy	1:30 p.m.
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## **This Is the Future of Brand Reputation Tracking**

See how Morning Consult Brand Intelligence is changing the way media, marketing and communications executives are managing brand reputation.

### **General**

[North Korean Hackers Stole U.S.-South Korean Military Plans, Lawmaker Says](#)

**Choe Sang-Hun, The New York Times**

North Korean hackers stole a vast cache of data, including classified wartime contingency plans jointly drawn by the United States and South Korea, when they breached the computer network of the South Korean military last year, a South Korean lawmaker said Tuesday. One of the plans included the South Korean military's plan to remove the North Korean leader, Kim Jong-un, referred to as a "decapitation" plan, should war break out on the Korean Peninsula, the lawmaker, Rhee Cheol-hee, told reporters.

### [Agriculture Secretary Perdue Favors Food Stamp Restrictions](#) **Heather Haddon and Jacob Bunge, The Wall Street Journal**

Agriculture Secretary Sonny Perdue criticized the distribution of food stamps to Americans who are able to work, a stance that could concern food retailers who make billions of dollars in sales to the federal program's beneficiaries. Speaking at the WSJ Global Food Forum on Tuesday, Mr. Perdue said that relying on food stamps has become a "lifestyle" for some able-bodied adults.

### [Navy punishes 2 more over USS John S. McCain wreck](#) **The Associated Press**

The commander and executive officer of the USS John S. McCain were relieved of their duties Wednesday due to lost confidence after the warship and an oil tanker collided near Singapore in August. The cause of the Aug. 21 collision is still under investigation but the U.S. Navy described it as preventable.

### [Obamas 'disgusted' by Weinstein reports](#) **Henry C. Jackson, Politico**

Former President Barack Obama and former first lady Michelle Obama said Tuesday night that they were "disgusted" by recent reports detailing serial sexual misconduct by film producer and Democratic donor Harvey Weinstein. "Any man who demeans and degrades women in such fashion needs to be condemned and held accountable, regardless of wealth or status," the Obamas said in a joint statement.

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## **Presidential**

### [In victory for Trump, Supreme Court dismisses travel ban case](#) **Richard Wolf and Gregory Korte, USA Today**

The Supreme Court dismissed a major challenge to President Trump's travel ban on majority-Muslim countries Tuesday because it has been replaced by a new version, sending the controversy back to the starting block. The ruling is a victory for the Trump administration, which had asked the court to drop the case after Trump signed a proclamation Sept. 24 that replaced the temporary travel ban on six nations with a new, indefinite ban affecting eight countries.

### [White House seeks \\$4.9B to shore up Puerto Rico finances](#)

**Sarah Ferris, Politico**

The Trump administration on Tuesday sought an additional \$4.9 billion in emergency hurricane aid to stave off what Puerto Rico's governor recently warned could become a fiscal catastrophe. The Office of Management and Budget sent a formal request to House leadership Tuesday afternoon, revising its most recent recovery package request to nearly \$35 billion.

### [Trump to Tout \\$4,000 Worker Benefit in Tax Sales Pitch](#)

**Jennifer Epstein, Bloomberg**

President Donald Trump will try to make the case that corporate tax breaks would benefit middle-class wage earners Wednesday evening - and an excerpt of his speech suggests he'll use a measure of salesmanship. Trump is expected to say the typical American household would get "a \$4,000 pay raise" from facets of the planned legislation that would cut the corporate tax rate and end the current U.S. practice of taxing corporations' foreign earnings, according to part of the speech released by the White House.

### [Trump Wanted Tenfold Increase in Nuclear Arsenal, Surprising Military](#)

**Courtney Kube et al., NBC News**

President Donald Trump said he wanted what amounted to a nearly tenfold increase in the U.S. nuclear arsenal during a gathering this past summer of the nation's highest ranking national security leaders, according to three officials who were in the room. Trump's comments, the officials said, came in response to a briefing slide he was shown that charted the steady reduction of U.S. nuclear weapons since the late 1960s.

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**Senate**

## [Twitter reverses decision, will allow Blackburn to promote Senate ad](#)

**Kevin Robillard, Politico**

Twitter is reversing a decision to block Rep. Marsha Blackburn of Tennessee from promoting her Senate campaign launch video on the social network. The company on Monday said a line in Blackburn's video referencing "baby body parts" was "inflammatory" and violated its guidelines, a decision that Blackburn and other Republicans quickly criticized.

## [McCaskill tears into GOP challenger Hawley during Jackson County visit](#)

**Bryan Lowry, The Kansas City Star**

U.S. Sen. Claire McCaskill tore into her Republican challenger during a visit Tuesday to Independence, accusing Missouri Attorney General Josh Hawley of avoiding tough questions in recent weeks. Hawley, who filed in August with the Federal Election Commission to create a campaign committee, officially announced his candidacy Tuesday.

## [Senate Democrats worry Russia could jeopardize reelection bids](#) **Kyle Cheney et al., Politico**

Democratic senators fighting to hold on to their seats next year are increasingly worried about a troubling reality: Russia appears set to mess with U.S. elections - again. The bipartisan leaders of the Senate Intelligence Committee warned last week that Russia's second straight attempt to upend a major election appears certain.

## [Lawmakers Seek to Crack Down on Veterans Affairs Budget Requests](#)

**Kellie Mejdrich, Roll Call**

Following repeated last-minute requests from the Department of Veterans Affairs for billions of dollars to keep a private care access program running, lawmakers have introduced legislation to crack down on how the agency comes calling for more money. Sens. Jon Tester, D-Mont., John McCain, R-Ariz., Tim Kaine, D-Va., and Joe Manchin III, D-W.Va., introduced legislation that would require the VA to make additional funding requests outside the regular budget process 45 days before a veteran could lose health care or benefits, according to

a press release late last week.

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## House

### [Nunes signs off on new subpoenas to firm behind Trump-Russia dossier](#)

**Evan Perez et al., CNN**

The chairman of the House intelligence committee has issued subpoenas to the partners who run Fusion GPS, the research firm that produced the dossier of memos on alleged Russian efforts to aid the Trump campaign, according to sources briefed on the matter. The subpoenas - signed by California Republican Rep. Devin Nunes - were issued Oct. 4, demanding documents and testimony later this month and early November.

### [Iran deal negotiators to brief House Democrats](#)

**Heather Caygle, Politico**

House Minority Leader Nancy Pelosi will hold a briefing with key negotiators of the Iran nuclear deal just days before President Trump is expected to decertify the Obama-era agreement. Former Secretary of State John Kerry and former Energy Secretary Ernest Moniz, who spearheaded the negotiations that led to the agreement, will participate in a panel discussion for Democratic lawmakers on Wednesday, according to a notice obtained by POLITICO.

### [DCCC to donate all Harvey Weinstein donations to women's group](#)

**Ed O'Keefe, The Washington Post**

The campaign arm for House Democrats is donating more than \$23,000 it's received from Harvey Weinstein over more than two decades in response to allegations of rape and sexual assault against the Hollywood mogul. The Democratic Congressional Campaign Committee confirmed it has received \$23,225 from Weinstein in four separate donations since 1993.

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## States

### [Corey Stewart in talks to endorse Gillespie at urging of Trump allies Bannon and Bossie](#)

## **Laura Vozzella and Robert Costa, The Washington Post**

Corey Stewart, who pilloried Republican Ed Gillespie during their GOP gubernatorial primary fight in Virginia, has been communicating with Gillespie about a potential endorsement at the urging of former White House chief strategist Stephen K. Bannon and President Trump's former deputy campaign manager, David N. Bossie, according to five people familiar with the matter. Stewart, who had run for governor in Trump's anti-establishment mold and derided Gillespie as "Establishment Ed," withheld his support after narrowly losing the June 13 primary.

## **[Biden to campaign for Northam in Northern VA](#)**

**NBC 12**

Former Vice President Joe Biden will hit the campaign trail in Northern Virginia on Saturday as Election Day draws closer. Biden and Democratic candidate for governor Ralph Northam will host a workforce development roundtable in Reston.

## **[Ben Jealous wants tuition-free college in Maryland. His plan is like Sanders' 'College For All' bill](#)**

**Ovetta Wiggins, The Washington Post**

Maryland gubernatorial candidate Ben Jealous wants Maryland to become the second state after New York to provide public higher education free of charge. Jealous told a group of students and progressive activists gathered Tuesday night at the University of Maryland, Baltimore, that he would help pay for the plan by ending mass incarceration.

## **[Internal affairs: Gov. Scott Walker's administration shut unit down for exposing Lincoln Hills problems](#)**

**Patrick Marley, Milwaukee Journal Sentinel**

The leaders of a Department of Corrections internal affairs unit that was recently shut down by Gov. Scott Walker's administration said changes were ordered because they had done too good a job at exposing problems at the state's juvenile prison. A Department of Corrections spokesman discounted that contention.

## **[Kansas Tried a Tax Plan Similar to Trump's. It Failed.](#)**

**Jim Tankersley, The New York Times**

In December 2014, the University of Kansas agreed to pay David Beaty \$800,000 a year, plus incentives, to be the football program's head coach, but with an interesting structure: More than two-thirds of that pay would be channeled to an organization called DB Sports L.L.C. DB Sports is what accountants call a pass-through entity, and it pays all of its profits directly to Mr. Beaty.

### [Steve Bullock and the Lost Art of Political Persuasion](#)

**Gabriel Debenedetti, Politico**

He's one of the most popular governors in the country. Some Democrats think he'd make a great presidential candidate. There's just one problem: Few outside of Montana have heard of the guy.

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## **Advocacy**

### [Sheryl Sandberg is headed to D.C. to do damage control on Facebook's Russian ad problem](#)

**Tony Romm, Recode**

Facebook is dispatching Sheryl Sandberg, its powerful chief operating officer, to Washington, D.C., this week, as the company attempts to contain the political fallout from revelations that Russian agents spread disinformation on the social network. The house call to the nation's capital - confirmed to Recode on Tuesday by multiple source - comes as Facebook prepares to join its tech peers and testify at two public congressional hearings in November that are focused on the Kremlin's suspected meddling in the 2016 U.S. presidential election.

### [Former Pence aide Pitcock joining Oracle](#)

**Nancy Cook and Anna Palmer, Politico**

Vice President Mike Pence's former chief of staff and longtime aide Josh Pitcock has landed a new job at the tech giant Oracle, according to two people briefed on the hire. Pitcock left the White House in August during a summer of high-profile departures that included chief of staff Reince Priebus, chief strategist Steve Bannon, and communications director Sean Spicer.

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## Opinions, Editorials and Perspectives

### [Tax Reform and Deficits](#)

#### **The Editorial Board, The Wall Street Journal**

While you are reading about Donald Trump's Twitter irruptions, real news keeps happening. To wit, results for the government's complete fiscal year 2017, which ended on Sept. 30, prove again that the federal budget will never be balanced without faster economic growth.

### [Erdogan is bullying America. Trump should do something.](#)

#### **Editorial Board, The Washington Post**

Authoritarian governments around the world have increasingly embraced the disgraceful tactic of arresting U.S. citizens and holding them as de facto hostages in an attempt to gain leverage over Washington. Iran and North Korea were pioneering practitioners - and both repeatedly extracted U.S. concessions.

### [Mr. Trump Nails Shut the Coffin on Climate Relief](#)

#### **The Editorial Board, The New York Times**

The Trump administration formally proposed on Tuesday to roll back yet another of President Barack Obama's efforts to position the United States as a global leader in the fight against climate change. The move, though widely anticipated, was deeply disheartening.

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## Research Reports and Polling

### [Americans' Views on Government Regulation Remain Steady](#)

#### **Art Swift, Gallup**

For the 12th year in a row, more Americans say there is "too much" government regulation of business and industry than say there is either "too little" or "the right amount." Forty-five percent of U.S. adults say there is too much government regulation of business and industry, compared with 23% who think there is too little and 29% the right amount.



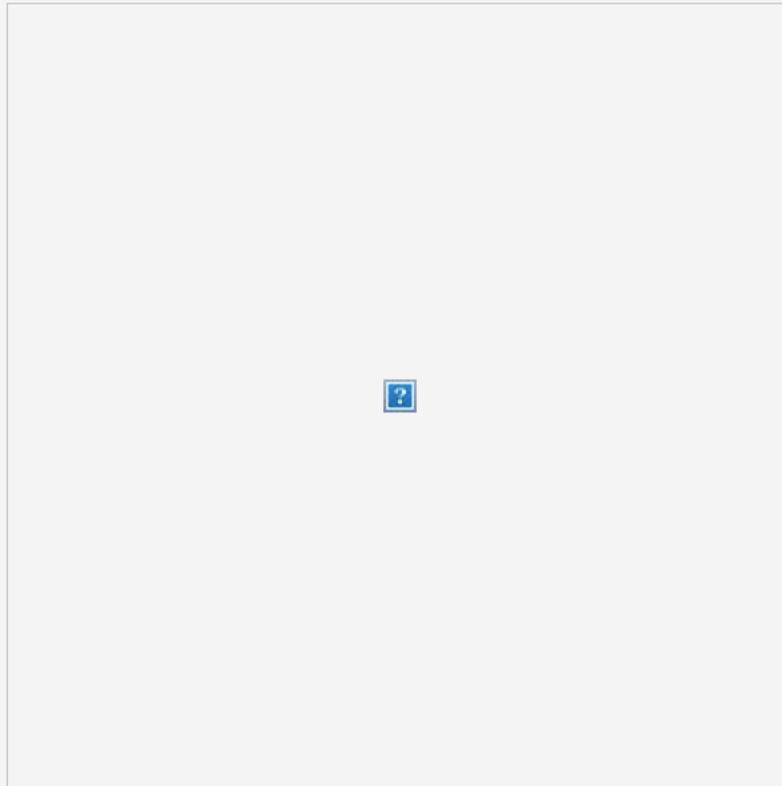
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**To:** [lori\\_mashburn@ios.doi.gov](mailto:lori_mashburn@ios.doi.gov); [The Morning Consult](#)  
**Subject:** Morning Consult Washington: Rep. Tiberi Plans to Announce He's Resigning From Congress  
**Date:** Thursday, October 19, 2017 8:50:45 AM

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By [Eli Yokley](#)

## Top Stories

- Rep. Pat Tiberi (R-Ohio), chairman of the House Ways and Means subcommittee on health, is expected to resign from Congress, with sources saying an announcement is possible before the end of the week. Republicans briefed on his plans said he will take an executive post with the Ohio Business Roundtable, but it's unclear whether Tiberi intends to vacate his House seat before the end of his ninth term. ([The New York Times](#))
- The Senate is set to vote today on its fiscal year 2018 budget resolution. Republicans are expected to approve the measure, a necessary step that would allow GOP lawmakers to pass tax-reform legislation without Democratic support. ([CNBC](#))

- A federal judge in California said he plans to issue a ruling next week in a case brought by 19 states requesting that the U.S. Department of Health and Human Services continue cost-sharing reduction payments to insurance companies. The case was filed after President Donald Trump said the payments would be ended. ([Politico](#))
- Sen. John McCain (R-Ariz.) endorsed a Democratic bill that would establish disclosure requirements for political ads sold online, including who paid for them. Democratic Sens. Mark Warner (Va.) and Amy Klobuchar (Minn.) are planning to introduce the legislation today. ([The Wall Street Journal](#))

## Chart Review

[Wide Partisan Gaps in U.S. Over How Far the Country Has Come on Gender Equality](#)

**Pew Research Center**

## Events Calendar (All Times Local)

### **THURSDAY**

CSIS event on U.S. energy policy 12:30 p.m.

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Heritage Foundation event on North Korea 3 p.m.

### **FRIDAY**

Brookings Institution event on Trump's deregulatory efforts 10:30 a.m.

**SPONSORED BY BRAND INTELLIGENCE**



## **The NFL Is Now One of the Most Divisive Brands in the U.S.**

According to Morning Consult Brand Intelligence data published in The New York Times, the NFL has become one of the most controversial organizations in the country.

## General

### [Judge plans to rule next week in Obamacare subsidies fight](#)

**Josh Gerstein, Politico**

A federal judge said Wednesday he plans to rule next week on a request to force the Trump administration to make Obamacare subsidy payments that it plans to cut off beginning with a payment due on Friday. A group of 19 states filed suit last week in federal court in San Francisco, asking that the Department of Health and Human Services be required to continue the so-called cost-sharing reduction payments despite President Donald Trump's announcement last week that they would be ended.

### [Congress Rolls Toward Shutdown Fight Over Immigration and Obamacare](#)

**Laura Litvan and Erik Wasson, Bloomberg**

The year's most divisive fights in Congress are set to converge in a bitter partisan clash in December that could result in a U.S. government shutdown. The unresolved battles - over a wall on the U.S.-Mexico border, immigration, health-care subsidies, Planned Parenthood and storm relief - are hanging over talks on must-pass spending legislation to keep the government open after Dec. 8.

### [Sessions: 'Dreamers' Fix Must Drive Down Illegal Immigration](#)

**Dean DeChiaro, Roll Call**

Attorney General Jeff Sessions told senators Wednesday they could work with President Donald Trump to protect undocumented childhood immigrants from deportation as long as "amnesty" is coupled with efforts to reduce illegal immigration overall. "The president has said he wants to work with Congress. He has a heart for young people," Sessions told the Senate Judiciary Committee at a wide-ranging Justice Department oversight hearing.

### [House, Senate intel committees receive briefing from Google](#)

**Mary Clare Jalonick, The Associated Press**

Google has briefed the House and Senate intelligence committees ahead of two Nov. 1 hearings that will examine Russian efforts to influence U.S. elections through social media. Officials from Google talked to investigators behind closed doors in recent weeks as part of the committees' probes into Russian

meddling in last year's election, according to people familiar with the briefings.

### [Hardly any federal employees are fired for poor performance. That could be a good sign, report says.](#)

**Eric Yoder, The Washington Post**

The low rate at which federal employees are fired for poor performance doesn't prove the government accepts it but instead "could actually be a positive sign," the agency that decides appeals of discipline against federal employees has said. A report from the Merit Systems Protection Board in effect responds to members of Congress and others who contend that federal managers don't care, or don't dare, to take disciplinary action because of civil service protections.

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## **Presidential**

### [Trump is nominating a longtime antitrust lawyer as the head of the Federal Trade Commission](#)

**Tony Romm, Recode**

President Donald Trump intends to nominate Joe Simons, a longtime antitrust lawyer who has represented tech companies like Microsoft, as the next chairman of the Federal Trade Commission, a White House official confirmed on Wednesday. Trump also plans to announce his candidate to fill the open Democratic slot at the FTC: Rohit Chopra, an ally of Sen. Elizabeth Warren.

### [Second judge halts Trump's travel ban](#)

**Lydia Wheeler, The Hill**

A second federal district judge has put a hold on President Trump's latest travel ban. Judge Theodore Chuang, a federal district judge in Maryland, temporarily blocked the majority of the president's ban on nationals from eight countries, but he said the president could still ban individuals from North Korea, business officials from Venezuela and individuals lacking a credible claim of a bona fide relationship with a person or entity in the United States.

### [Trump White House debates presidential visit to demilitarized zone along North Korean border](#)

**David Nakamura, The Washington Post**

It has become the ultimate symbol of American resolve against the threat of North Korea: a visit by the U.S. commander in chief to "freedom's frontier," the heavily guarded demilitarized zone that has separated the North and South for 64 years. Wearing bomber-style jackets, surrounded by military officers, peering through binoculars, all but one president since Ronald Reagan have gazed across the barren strip of land at the 38th parallel from an observation post where they've been moved to talk tough.

**[Families of fallen have mixed experiences with Trump, if any](#)**  
**Calvin Woodward and Tom Davies, The Associated Press**

Some got sympathy and solace. Some got silence. One got a promise of cash.

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## Senate

**[Senate poised for crucial vote related to tax reform measure](#)**  
**CNBC**

President Donald Trump's drive to overhaul the U.S. tax code headed for a pivotal moment on Thursday, with Senate Republicans poised to approve a budget measure that would help them pass tax legislation without Democratic support. The Senate and the House of Representatives must agree on a fiscal year 2018 budget resolution for Republicans to meet their goal of enacting a tax bill and sending it to Trump for his signature by the end of this year.

**[McCain Backs Measure to Tighten Disclosure of Online Political Ads](#)**  
**Byron Tau, The Wall Street Journal**

A proposal to require social media companies to disclose information about political advertising on their platforms has drawn the support of a key Senate Republican. Sen. John McCain (R, Ariz.), a longtime proponent of stricter political advertising disclosure rules and spending restrictions, has signed onto a bill being written by two Senate Democrats that was prompted by concerns about Russian activity on social media during the 2016 election, according to a statement from his office.

**[McConnell to hold Senate in session for longer workweeks](#)**  
**Burgess Everett, Politico**

Mitch McConnell is putting an end to the Senate's light schedule. The Senate

majority leader is preparing to hold the chamber in session for more rigorous workweeks, including Fridays and possibly even weekends, according to two sources familiar with the matter.

### [Frail and disoriented, Cochran says he's not retiring](#)

**John Bresnahan and Anna Palmer, Politico**

Mississippi GOP Sen. Thad Cochran insists that he is not retiring from Congress, despite widespread speculation about the veteran lawmaker's health and political future. The 79-year-old Cochran appeared frail and at times disoriented during a brief hallway interview on Wednesday.

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## House

### [Signaling Frustration, Senior House Republican Plans to Quit Early](#)

**Alexander Burns and Jonathan Martin, The New York Times**

In a sign of mounting frustration among Republicans in Washington, Representative Pat Tiberi of Ohio, a senior lawmaker with close ties to his party's leaders, is expected to resign and take up an executive post with a business group in his home state, according to three Republicans briefed on his plans. An abrupt departure by Mr. Tiberi, who is an influential member of the House Ways and Means Committee, would signal a deepening level of discontent among mainstream Republicans in Congress.

### [Mike Pence's brother launches run for Indiana US House seat](#)

**Brian Slodysko, The Associated Press**

Greg Pence, one of Mike Pence's older brothers, launched a campaign Wednesday for the eastern Indiana congressional seat that the vice president and former governor represented for 12 years. A campaign announcement video touts Greg Pence as a Republican who believes in "fiscal responsibility, the sanctity of life" and "our Second Amendment rights."

### [Gowdy threatens to subpoena DOJ, USDA over officials' air travel](#)

**Kyle Cheney, Politico**

House Oversight Committee Chairman Trey Gowdy on Wednesday threatened to subpoena the Department of Justice and Department of Agriculture for failing to adequately respond to a bipartisan inquiry on the use of private jets

by senior officials. In a letter to leaders of the two cabinet agencies, the South Carolina Republican and the committee's top Democrat, Rep. Elijah Cummings (D-Md.), said both departments missed their Oct. 10 deadline to provide documents detailing the use of charter jets and other taxpayer-funded flights for officials' personal travel.

### **[Pelosi calls on Congress to pass DREAM Act at stop in Los Angeles](#)** **Makeda Easter, Los Angeles Times**

House Minority Leader Nancy Pelosi on Wednesday called on the GOP-controlled Congress to come up with a new Dream Act by year's end and suggested a link between that policy and how her party fares in the 2018 midterm elections. Pelosi appeared at the Coalition for Humane Immigrant Rights with community leaders and Deferred Action for Childhood Arrival recipients in Los Angeles.

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## **States**

### **[Obama Returns to Campaign Trail to Rally Black Voters](#)** **Jonathan Martin and Alexander Burns, The New York Times**

President Barack Obama will hit the campaign trail on Thursday to rally black voters behind candidates for governor in Virginia and New Jersey amid stern warnings that African Americans may not come out in force on an Election Day that is just three weeks away. Mr. Obama's appearances on behalf of Virginia's lieutenant governor, Ralph S. Northam, in Richmond and the financier Philip D. Murphy in Newark - two white candidates in predominantly black cities - come as Democrats struggle to inspire African-Americans to vote this year.

### **[Trump strategist quits Gillespie campaign for Va. governor, sources say](#)**

#### **Laura Vozzella, The Washington Post**

The man who rallied Southwest Virginia to vote for Donald Trump last year quit Republican Ed Gillespie's gubernatorial campaign this week, offended by a personal snub and exasperated by the campaign's highly cautious stance toward the president, according to three Republicans familiar with his decision. Jack Morgan's departure follows a half-empty Gillespie rally headlined by Vice President Pence on Saturday in Southwest Virginia, a coal

country region that voted overwhelmingly for Trump in November.

### [Settlement proposed in North Carolina transgender bathroom lawsuit](#)

**Colleen Jenkins, Reuters**

Transgender people would be allowed to use public restrooms in North Carolina that match their gender identity under a settlement agreement filed on Wednesday that aims to resolve the federal lawsuit over the state's widely criticized bathroom law. The consent decree proposed by Governor Roy Cooper, the American Civil Liberties Union and transgender people who sued the state would remove some of the law's harmful effects, civil rights groups said.

### [N.J. governor debate full of nasty exchanges between Murphy and Guadagno](#)

**Brent Johnson, NJ.com**

The race to replace Chris Christie as New Jersey's governor isn't sleepy any more. That much was clear Wednesday night as Democratic nominee Phil Murphy and Republican nominee Kim Guadagno spent much of their second and final televised debate shooting verbal arrows at each other.

### [Dem megadonor Steyer calls on govts, mayors to support impeaching Trump](#)

**Lisa Hagen, The Hill**

Billionaire Democratic donor Tom Steyer sent a letter to mayors and governors urging them to publicize their stances on impeaching President Trump and call on federal lawmakers to support his removal from office. Steyer addressed the letter to all 50 governors and 2,000 mayors of cities around the country, who he said, "have a duty to speak out."

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## **Advocacy**

### [Bank industry searches for wins under Trump](#)

**Sylvan Lane, The Hill**

United States banks and financial services companies are digging in for a long fight to curtail the Dodd-Frank Act, the Obama-era banking regulation bill.

Republicans lack the votes in the Senate to fulfill President Trump's campaign promise to "dismantle" Dodd-Frank and face pushback from Obama-era officials who still hold key regulatory roles.

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## Opinions, Editorials and Perspectives

### [Steve Bannon's Motley Crew of Challengers](#)

**Karl Rove, The Wall Street Journal**

Steve Bannon, the failed presidential adviser and alt-right sympathizer, has declared war on incumbent Republicans, particularly Sen. Mitch McConnell. From his perch at Breitbart, Mr. Bannon is vowing to defeat officeholders who back Mr. McConnell as majority leader or who won't sign onto Mr. Bannon's populist agenda.

### [Trump trivializes the deaths of four soldiers](#)

**Editorial Board, The Washington Post**

Staff Sgt. Bryan C. Black, 35, always relished a challenge. As a child, he drove himself to learn chess; as a teen, he excelled as a wrestler; and as an adult, he joined the Army, where he finished Ranger school and joined the Special Forces.

### [Congress, End the Health Care Chaos. You Have 9 Million Kids to Protect.](#)

**The Editorial Board, The New York Times**

President Trump and Republicans in Congress have brought chaos to the American health care system by trying to destroy the Affordable Care Act and failing to reauthorize the Children's Health Insurance Program, which, with bipartisan support for the past 20 years, has provided care for millions of children. Over the next few weeks they can choose to set things right or to destroy them. Senators Lamar Alexander and Patty Murray on Tuesday announced a bipartisan deal that could help stabilize the A.C.A.'s insurance markets and undo some of the damage Mr. Trump has done through administrative actions.

### [More Freedom for More Money](#)

**The Editorial Board, The Wall Street Journal**

How does Washington define "bipartisan"? We are about to find out if it means that Republicans surrender to everything Democrats want, or if it means a genuine trade of policy priorities in which both sides get something and the country benefits.

### [The Supreme Court Justices Need Fact-Checkers](#)

**John Pfaff, The New York Times**

Supreme Court justices have a tough job. They are required to hand down decisions that can affect millions of people and cost billions of dollars.

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## Research Reports and Polling

### [Building Blocks for Effective Performance Management](#)

**U.S. Merit Systems Protection Board**

In 2016, the U.S. Merit Systems Protection Board (MSPB) conducted a Merit Principles Survey (MPS) that asked supervisors a wide range of questions about their experiences managing civilian employees with a particular focus on performance management issues. We then combined answers to questions about resources for work units (four questions), performance management training (3 questions), and measuring subordinate performance (2 questions) to form a single score to measure the presence of these building blocks for performance management.

### [Stress-Testing States](#)

**Dan White et al., Moody's Analytics**

One of the few great inescapable facts in the field of economics is the reality of the business cycle. No matter how high-flying an economy might appear, another recession is coming sooner or later.



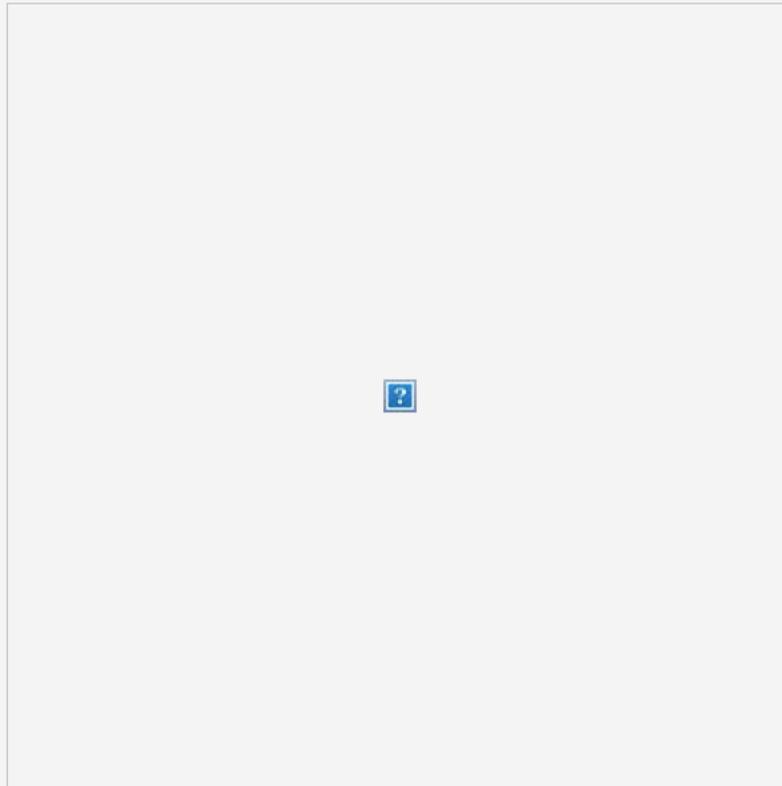
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**From:** Morning Consult  
**To:** [lori\\_mashburn@ios.doi.gov](mailto:lori_mashburn@ios.doi.gov); [The Morning Consult](#)  
**Subject:** Morning Consult Washington: Senate Passes Tax Bill, Sending Measure Back to House for Final Vote  
**Date:** Wednesday, December 20, 2017 9:12:47 AM

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By [Eli Yokley](#)

## Top Stories

- The Senate voted along party lines to pass legislation that would overhaul the tax code, but because of small changes the Senate made to the bill to comply with the chamber's budget rules, the House will have to vote on the measure again. The House is expected to hold the final vote today and then send the measure to President Donald Trump, who is expected to sign the legislation into law by Christmas. ([The New York Times](#))
- Congressional leaders are attempting to include several priorities - from disaster aid to the Children's Health Insurance Program - in legislation that would keep the government open past Friday, when current funding is set to expire. House leaders are planning to vote on a measure authorizing funding

until Jan. 19 that could be combined with a full year's defense spending bill and an \$81 billion disaster aid package, after which the Senate would work on its own version of the legislation that would have to be sent back to the House. ( [Bloomberg](#) )

- The Democrats' Steering Committee voted 41-18 in favor of Rep. Jerrold Nadler (N.Y.) over Rep. Zoe Lofgren (Calif.) to be the top Democrat on the House Judiciary Committee. The vote was a procedural step ahead of a vote among the entire Democratic caucus today to succeed now-former Rep. John Conyers (D-Mich.), who resigned from Congress amid a sexual misconduct scandal. ( [The Hill](#) )
- House Judiciary Committee Chairman Bob Goodlatte (R-Va.) and House Oversight and Government Reform Committee Chairman Trey Gowdy (R-S.C.) asked the Justice Department to make Federal Bureau of Investigation Deputy Director Andrew McCabe, FBI chief of staff Jim Rybicki and FBI lawyer Lisa Page available for transcribed interviews as early as Thursday, the next step in the expanding confrontation between congressional Republicans and the FBI. The two chairmen are seeking information about the bureau's handling of the investigation into Hillary Clinton's handling of classified information and of Trump's campaign associates' possible ties to Russia. ( [Politico](#) )

## Chart Review

[Support for GOP Tax Bill Could Hurt Lawmakers' Re-election Bids](#)  
**Morning Consult**



## Events Calendar (All Times Local)

### WEDNESDAY

National Economic Council Director Cohn at Axios event 8 a.m.

### THURSDAY

Sen. Warner speaks at Axios event 8 a.m.

### FRIDAY

No events scheduled



## **2017 Brands in Review**

This year, Morning Consult conducted nearly 1 million survey interviews on nearly 1,000 brands. Get a never-before-seen look at how public perception changed for the world's biggest brands.

## General

### [Congress Dives Into Shutdown Drama Hours After GOP Win on Taxes](#)

**Erik Wasson and Laura Litvan, Bloomberg**

Congressional leaders are trying to jam as many extras as possible into a must-pass spending bill that may end up ricocheting between the House and Senate right up to the deadline three days from now. Republican leaders, poised to finish a sweeping tax-cut bill this week, are eager to avoid an embarrassing shutdown.

### [Senators, White House lay groundwork for Dreamers deal](#)

**Seung Min Kim et al., Politico**

Top senators and White House officials are laying the groundwork for a major immigration deal in January to resolve the fate of young undocumented immigrants whose legal protections were put in limbo by President Donald Trump. At a Tuesday afternoon meeting with nearly a dozen senators deeply involved in immigration policy, White House chief of staff John Kelly pledged that the administration will soon present a list of border security and other policy changes it wants as part of a broader deal on so-called Dreamers, according to people who attended the meeting.

### [Poll: Public sours on GOP tax plan as Democrats regain lead on economy](#)

**Mark Murray, NBC News**

The tax plan that Republicans are soon expected to pass has grown more unpopular in the last two months, with nearly two-thirds of Americans believing it's designed mostly to help corporations and the wealthy, according to the latest NBC News/Wall Street Journal poll. In addition, the survey finds that Democrats have overtaken Republicans on which party better handles the economy - their first lead on this question since 2013 and their largest since 2009.

### [Supreme Court abortion showdown is defused](#)

**Josh Gerstein and Renuka Rayasam, Politico**

A looming Supreme Court showdown over abortion rights for immigrant children in federal custody appeared to be defused Tuesday night after the U.S.

government released one of the pregnant teens at the center of the fight, citing new evidence that she is an adult. Lawyers for the Trump administration said a birth certificate for the immigrant known in court filings as Jane Roe shows her to be 19, not 17 as previously thought.

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## **Presidential**

### **[Without New Laws or Walls, Trump Presses the Brake on Legal Immigration](#)**

**Miriam Jordan, The New York Times**

A scientist recruited by the renowned Cleveland Clinic is stuck in India because his visa is delayed. An entrepreneur courted by Silicon Valley companies had his application denied.

### **[White House Reaches Out to Black Republicans for Administration Jobs](#)**

**Louise Radnofsky, The Wall Street Journal**

White House chief of staff John Kelly has invited black Republicans to submit resumes for administration jobs, after the departure of Omarosa Manigault Newman left the West Wing without prominent African-American officials. Mr. Kelly told reporters Tuesday that he spoke with a group of black Republicans on Monday and made the request there.

### **[White House takes down 'We the People' petitions site before responding to a single one](#)**

**Eli Rosenberg, The Washington Post**

The White House has taken down a popular online tool created by President Barack Obama's administration that allowed the public to create online petitions, some of which required an official response. All of the petitions, including one that called on President Trump to release his tax returns - the most popular, with more than a million signatures - disappeared from Petitions.WhiteHouse.Gov as part of what a statement posted on the site said was part of a maintenance effort to improve its performance.

### **[Trump denies he considered revoking Gorsuch's nomination](#)**

**Nolan D. McCaskill, Politico**

Responding to a Washington Post story, President Donald Trump on Tuesday denied he considered rescinding the nomination of Supreme Court Justice Neil Gorsuch. "A story in the @washingtonpost that I was close to 'rescinding' the nomination of Justice Gorsuch prior to confirmation is FAKE NEWS," Trump tweeted Tuesday morning.

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## Senate

### [Republican Tax Bill Passes Senate in 51-48 Vote](#)

**Thomas Kaplan and Alan Rappoport, The New York Times**

Republicans took a critical step toward notching their first significant legislative victory since assuming full political control, as the House and Senate voted along party lines on Tuesday and into early Wednesday to pass the most sweeping rewrite of the tax code in decades. The \$1.5 trillion tax bill, which is expected to head to President Trump's desk in the coming days, will have broad effects on the economy, making deep and lasting cuts to corporate taxes as well as temporarily lowering individual taxes.

### [Collins Says News Coverage of Her Tax Vote 'Unbelievably Sexist'](#)

**Steven T. Dennis, Bloomberg**

Republican Senator Susan Collins ripped news coverage of her decision to vote for the GOP tax-cut bill as "unbelievably sexist" on Tuesday. "I cannot believe that the press would have treated another senator with 20 years of experience as they have treated me," the Maine senator told reporters at the Capitol.

### [Kaine warns U.S. mission shift in Syria, Iraq might be illegal](#)

**Olivier Knox, Yahoo News**

Sen. Tim Kaine, D-Va., pressed the Trump administration on Tuesday to clarify whether U.S. forces deployed in Syria and Iraq to fight ISIS are shifting their focus to confront Iran and its proxies. The Democrat also warned that such a change in the military mission might be illegal absent explicit authorization from Congress.

### [The Hill Interview: McConnell: 2017 a great year for GOP](#)

**Alexander Bolton, The Hill**

Senate Majority Leader Mitch McConnell (R-Ky.) is hailing 2017 as a year of

major Republican accomplishments, dismissing the unpopularity of the Republican tax bill as the influence of "left of center" press coverage. The anticipated passage of tax reform gives McConnell and his party a much-needed triumph at the end of a year in which the GOP has at times struggled to govern.

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## House

### [Nadler wins steering committee vote for Judiciary post](#)

**Mike Lillis, The Hill**

Rep. Jerrold Nadler (D-N.Y.) on Tuesday won the first leg of the race to become the leading Democrat on the Judiciary Committee, marking an early victory for seniority in the contest to replace Rep. John Conyers atop the powerful panel. The Democrats' Steering and Policy Committee voted 41-18 to recommend Nadler, over Rep. Zoe Lofgren (D-Calif.), to succeed Conyers (D-Mich.), who was forced to resign from Congress earlier this month over a string of sexual harassment allegations.

### [GOP chairmen seek to interview top FBI officials on Clinton, Trump](#)

**Kyle Cheney, Politico**

Two powerful House Republicans are asking the Justice Department to make senior FBI officials available to testify to Congress as early as this week, the latest salvo in an expanding confrontation between the GOP and the bureau. Judiciary Committee Chairman Bob Goodlatte and Oversight Committee Chairman Trey Gowdy say they're seeking information from FBI officials about their handling of two probes: the investigation of Hillary Clinton's handling of classified information and the investigation of President Donald Trump's campaign associates and their ties to Russia.

### [Paul Ryan Says He's Sticking Around, Vague With Timeline](#)

**Lindsey McPherson, Roll Call**

Speaker Paul D. Ryan on Tuesday sought to tamp down rumors that he's planning to resign soon or retire at the end of 2018, separately telling the House Republican Conference and the press that he's not going anywhere. However, the Wisconsin Republican did not qualify either statement with a timeline, leaving open to the possibility that he may not seek another term in

Congress.

### [House Panel Approves Sexual Harassment Training Guidelines](#)

**Katherine Tully-McManus, Roll Call**

The House Administration Committee on Tuesday approved guidelines for implementing newly mandated sexual harassment and discrimination training, as members were set to unveil this week more legislation that would respond to allegations of sexual misbehavior on Capitol Hill. The panel adopted by voice vote a set of regulations governing fulfillment of the training, including that it must be in person, have options for reporting complaints even from a bystander and that trainees must be allowed to ask questions anonymously.

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## **States**

### [A single vote leads to a rare tie for control of the Virginia legislature](#)

**Gregory S. Schneider, The Washington Post**

The balance of power in Virginia's legislature turned on a single vote in a recount Tuesday that flipped a seat in the House of Delegates from Republican to Democratic, leaving control of the lower chamber evenly split. The outcome, which reverberated across Virginia, ends 17 years of GOP control of the House and forces Republicans into a rare episode of power sharing with Democrats that will refashion the political landscape in Richmond.

### [Not-So-Happy New Year: Alabama Set To Toss Kids Off Insurance Plan Starting Jan. 1](#)

**Phil Galewitz, Kaiser Health News**

Citing Congress' failure to restore federal funding of the Children's Health Insurance Program, Alabama plans to drop 7,000 kids from coverage on New Year's Day, the first step to shutting down coverage for everyone, state officials said Monday. Those children, who are up for their yearly renewal in January, will not be allowed to continue in the program, and the state also plans to freeze enrollment at the same time.

### [Rauner lays out how second term will be different, blames Emanuel for first-term failures](#)

**Rick Pearson and Bill Ruthhart, Chicago Tribune**

Republican Gov. Bruce Rauner on Tuesday raised the central questions surrounding his re-election campaign: What exactly would be different in a second term? Why won't his agenda "just be crushed by" Democratic House Speaker Michael Madigan "again and again?"

### [Legislative economist - again - tosses cold water on Scott's rosy economic narrative](#)

**Matt Dixon, Politico**

The rosy picture Gov. Rick Scott described at nearly every public appearance last week was again dinged by Amy Baker, the state's top legislative economist, whose analysis of Florida's economic rebound has in the past given ammo to the governor's political foes. Baker's analysis is most often on display during often little-noticed public meetings of state economists, but it has already been used by Democrats to try to muddy the waters as Scott prepares a likely run against three-term Sen. Bill Nelson, Democrats' only statewide elected official.

### [Future of Keystone XL pipeline becomes more muddled after latest decision by Nebraska PSC](#)

**Paul Hammel, Omaha World-Herald**

The future of the Keystone XL pipeline became even more muddled Tuesday with further delays expected. The Nebraska Public Service Commission unanimously rejected TransCanada's request to amend its application for a route across Nebraska.

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## **Advocacy**

### [Heritage Foundation taps Kay Coles James to be next president](#)

**Nolan D. McCaskill and Eliana Johnson, Politico**

The conservative Heritage Foundation announced Tuesday that board member Kay Coles James will serve as its sixth president starting next year. Her goal, she said Tuesday, will be to expand the base of the conservative movement and "take it to places it may not have been before."

### [The pharma industry spent \\$57 million lobbying last year. And that's just the start of its spending](#)

**Jay Hancock, Kaiser Health News**

Facing bipartisan hostility over high drug prices in an election year, the pharma industry's biggest trade group boosted revenue by nearly a fourth last year and spread the millions collected among hundreds of lobbyists, politicians and patient groups, new filings show. It was the biggest surge for the Pharmaceutical Research and Manufacturers of America, known as PhRMA, since the group took battle stations to advance its interests in 2009 during the run-up to the Affordable Care Act.

### **[Boeing Bothered by Lobbyist Who Helped Failed Ex-Im Nominee John McCormick, Bloomberg](#)**

President Donald Trump's nominee to head the export credit agency nicknamed the "Bank of Boeing" had the assistance of a lobbyist with ties to European planemaker Airbus SE to guide him through a contentious nomination process that resulted Tuesday in his rejection by the Senate Banking Committee. That relationship has troubled Boeing Co., the U.S. Export-Import Bank's biggest customer.

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## **Opinions, Editorials and Perspectives**

### **[Tax Reform Means Your Paycheck Will Grow](#) Paul Ryan, *The Wall Street Journal***

The Tax Cuts and Jobs Act, which the House passed Tuesday, represents the biggest advancement for growth and opportunity in recent memory. It provides real relief to middle-income families and realizes policy goals conservatives have sought for decades.

### **[Trump's National Security Strategy isn't much of a strategy at all](#) Editorial Board, *The Washington Post***

The National Security Strategy issued by the Trump administration Monday differs from those of previous presidents in some fundamental ways, as might be expected given President Trump's transgressive nationalism and protectionism. It also differs from some of the policies the president himself has favored so far, especially with regard to Russia and China.

### **[Democrats Are the New Republicans](#) Frank Bruni, *The New York Times***

Family values. How long have we been subjected to that subjective phrase, championed by Republicans who equated it with heterosexuality, fecundity and Christian piety - and who appointed themselves the custodians of those?

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## **Research Reports and Polling**

### **[Who Gets a Tax Cut Under the Tax Cuts and Jobs Act?](#)**

**Amir El-Sibaie, Tax Foundation**

Last Friday the House and Senate conferees signed off on a conference report resolving differences between the versions of the Tax Cuts and Jobs Act that passed each chamber. The final bill is similar to the amended Senate bill from last month, with mostly minor changes, notably, to individual income brackets, the refundability of the child tax credit, and the individual alternative minimum tax.

### **[U.S. Voter Economic Outlook Hits All-Time High, Quinnipiac University National Poll Finds; But Voters Disapprove Of Trump's Handling Of Economy](#)**

**Quinnipiac University**

A total of 63 percent of American voters say in a poll released today the nation's economy is "excellent" or "good," while 34 percent say it is "not so good" or "poor," the highest positive rating for the economy since the Quinnipiac University Poll began asking the question in 2001. A total of 76 percent of voters describe their own financial situation as "excellent" or "good," as 23 percent say "not so good" or "poor," the independent Quinnipiac (KWIN-uh-pe-ack) University Poll finds.

### **[Most Americans Say Trump's Election Has Led to Worse Race Relations in the U.S.](#)**

**Pew Research Center**

Nearly a year into Donald Trump's presidency, a majority of Americans (60%) say his election has led to worse race relations in the United States. Just 8% say Trump's election has led to better race relations, while 30% say it has not made a difference.

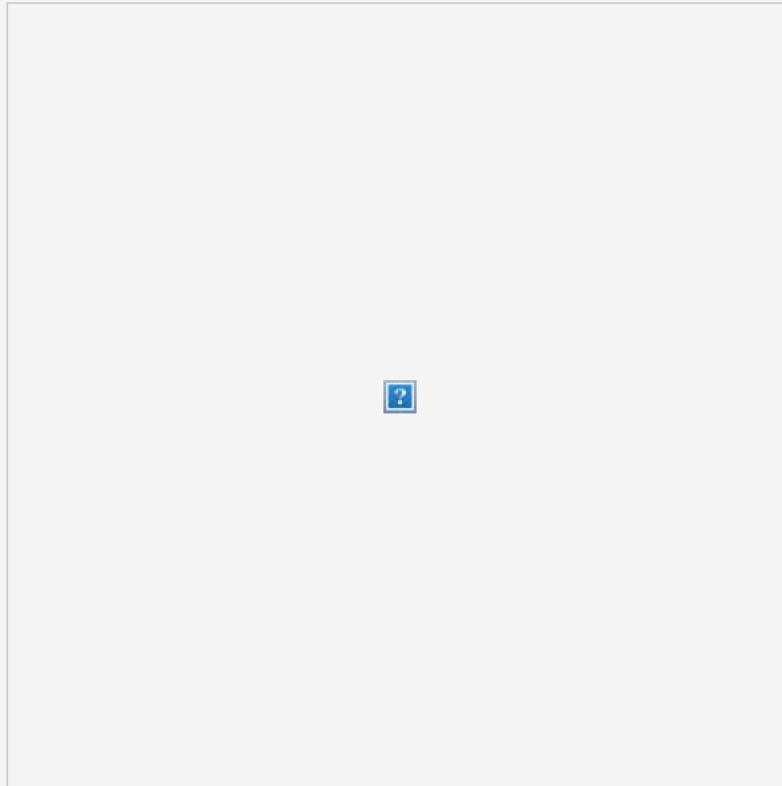


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**Date:** Tuesday, August 29, 2017 9:05:07 AM

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By [Eli Yokley](#)

## Top Stories

- President Donald Trump spoke with Japanese Prime Minister Shinzo Abe for 40 minutes after North Korea fired a test missile over Japan. In a statement, Trump reiterated his threat that "all options are on the table." ([Politico](#))
- Texas Gov. Greg Abbott (R) said the region grappling with the fallout from Hurricane Harvey will have to recognize a "new normal," even as officials struggle to measure the full scale of the crisis amid continued flooding. Trump is scheduled to visit the Corpus Christi, Texas, area today. ([The New](#))

[York Times](#))

- Trump defended his pardon of former Arizona Sheriff Joe Arpaio, who was convicted of criminal contempt earlier this year. He said because he announced his pardon during Hurricane Harvey, "I assumed the ratings would be far higher than they would be normally," denying the suggestion he tried to bury the news. ([The Washington Post](#))
- The House Ethics Committee said it is expanding its investigation of New York Rep. Chris Collins' (R) role in recruiting House colleagues to invest in an Australian pharmaceutical company. The investigation began in May after complaints were filed alleging insider trading. ([The Hill](#))

## Chart Review

[North Korea Fires Missile Over Japan, Renewing Tensions in Asia](#)  
**Bloomberg**

## Events Calendar (All Times Local)

### **TUESDAY**

National Press Club lunch event with new NAACP President  
Derrick Johnson 12:30 p.m.

### **WEDNESDAY**

AEI event on retirement income 10 a.m.

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Heritage Foundation event on Iran 12 p.m.

## **THURSDAY**

Brookings Institution event on global financial ecosystem 10 a.m.

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National Press Club book event with Sheryl Attkisson 6:30 p.m.

## **FRIDAY**

No events scheduled

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# This Is the Future of Brand Reputation Tracking

See how Morning Consult Brand Intelligence is changing the way media, marketing and communications executives are managing brand reputation.

## General

### [Amid Harvey havoc, northeastern politicians sourly recall Texas "no" votes on Sandy aid](#)

**Abby Livingston, The Texas Tribune**

Many New Yorkers and New Jerseyans serving in Congress have, for nearly five years now, kept a list of names handy to roll out at a moment's notice. They call it "the Comeuppance Caucus." For some, the list is on a physical paper or bookmarked on a computer.

### [Hurricane aid adds to GOP's dreadful September](#)

**Jennifer Scholtes and Austin Wright, Politico**

House Speaker Paul Ryan and Senate Majority Leader Mitch McConnell already face a daunting September, with deadlines looming to avoid a government shutdown and debt default. Now they'll likely have to add a multibillion-dollar aid package to the list to address the devastation from Hurricane Harvey.

### [Freight Companies Scramble to Reroute Goods in Wake of Harvey](#)

**Paul Page and Brian Baskin, The Wall Street Journal**

Trucking fleets, railroads and shipping lines are rerouting cargo and setting up alternate supply lines as Tropical Storm Harvey promises to disrupt freight traffic across southeast Texas for days. Seaports in Houston and Corpus Christi have been closed to most ships since before Harvey made landfall Friday, and rising waters from days of heavy rains and catastrophic flooding are threatening long stretches of highways and railroad tracks, bringing freight transportation in a major American hub to a virtual standstill.

### [Two Bankers Are Selling Trump's Tax Plan. Is Congress Buying?](#)

**Julie Hirschfeld Davis and Kate Kelly, The New York Times**

Gary D. Cohn and Steven Mnuchin have spent months behind closed doors with Republican congressional leaders sketching the contours of an elaborate and politically difficult tax overhaul that is President Trump's top priority. Mr. Trump hopes to jump-start the process on Wednesday, traveling to Springfield, Mo., for a speech calling for large tax reductions and a long-anticipated revamping of the code.

**['Dreamer' Plan That Aided 800,000 Immigrants Is Threatened](#)**  
**Miriam Jordan, The New York Times**

Jessica Rojas beat poverty to put herself through engineering college, where she collected accolades for academic achievement. After graduating last year, Ms. Rojas, who grew up in Chicago, was hired by a utility company to help modernize the city's electrical grid.

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## **Presidential**

**[Trump on North Korea's missile launch: 'All options are on the table'](#)**

**Louis Nelson, Politico**

North Korea's most recent ballistic missile test "has signaled its contempt" for its neighbors and the international community, President Donald Trump said in a statement released Tuesday morning, reiterating his threat that "all options are on the table." "The world has received North Korea's latest message loud and clear: This regime has signaled its contempt for its neighbors, for all members of the United Nations, and for minimum standards of acceptable international behavior," Trump's statement said.

**[Trump defends Arpaio pardon, assumed 'ratings would be far higher' by announcing during hurricane](#)**

**Ashley Parker, The Washington Post**

President Trump defended his controversial pardon of former Arizona sheriff Joe Arpaio on Monday, saying his decision to announce it during Hurricane Harvey likely earned it "far higher" ratings. Speaking at a joint news conference with the president of Finland, Trump made his first comments on Arpaio since his decision to pardon the Arizona lawman Friday - defending both the timing of the pardon late Friday evening, as Harvey made landfall, and the decision

itself.

### [Trump Punishes Longtime Aide After Angry Phoenix Speech, Sources Say](#)

**Jennifer Jacobs and Kevin Cirilli, Bloomberg**

Donald Trump was in a bad mood before he emerged for a confrontational speech in Arizona last week. TV and social media coverage showed that the site of his campaign rally, the Phoenix Convention Center, was less than full.

### [Trump Administration Lifts Limits On Military Hardware For Police](#)

**Ryan Lucas, NPR News**

The Trump administration is lifting limits on the transfer of some surplus military hardware, including grenade launchers, bayonets and large-caliber weapons, to police departments. Attorney General Jeff Sessions made the announcement in a speech on Monday to the Fraternal Order of Police conference in Nashville, Tenn.

### [Dueling clergy protests over the Trump presidency converge on Washington](#)

**Perry Stein and Julie Zauzmer, The Washington Post**

They wore clerical collars and vestments, their heads covered with kippahs and taqiyahs. Religious leaders and congregants rallied Monday in Washington to say "the soul of the nation" is at stake.

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## **Senate**

### [Senate chairman eyes Sessions testimony this fall](#)

**Seung Min Kim and Elana Schor, Politico**

Senate Judiciary Chairman Chuck Grassley is preparing for testimony by Attorney General Jeff Sessions as soon as next month - a high-stakes appearance for Sessions, who's likely to face tough questions over the ongoing investigation into President Donald Trump's ties to Russia. Grassley (R-Iowa) wrote to Sessions on Monday that "unfortunately we still do not have a confirmed date" for the committee's usual Department of Justice oversight hearing.

## [Experts: Roy Moore-connected foundation may be violating tax-exempt status](#)

**Howard Koplowitz, AL.com**

The Foundation for Moral Law, a nonprofit run by Kayla Moore - the wife of U.S. Senate candidate Roy Moore - may be violating its tax-exempt status by posting Moore's campaign ads and articles about Moore's campaign, according to attorneys who specialize in nonprofit tax law who spoke to AL.com. Tax-exempt 501(c)(3) organizations like the foundation, whose activity largely comprises filing religious liberty lawsuits, are barred from engaging in political activity and could lose their tax-exempt status if the IRS determines they did so.

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## **House**

### [Ethics panel extends review of Rep. Collins over investments](#)

**Cristina Marcos, The Hill**

The House Ethics Committee announced Monday that it is extending its review of Rep. Chris Collins's (R-N.Y.) role in recruiting investors to buy stock in an Australian pharmaceutical company. Ethics Committee Chairwoman Susan Brooks (R-Ind.) and ranking Democrat Ted Deutch (Fla.) said in a joint statement that they would determine how to proceed in the case by Oct. 12.

### [Republican floats measure to kill Mueller probe after 6 months](#)

**Austin Wright, Politico**

Rep. Ron DeSantis (R-Fla.) is pushing an amendment to severely curtail special counsel Robert Mueller's investigation into the Trump campaign's ties to Russia. DeSantis has put forward a provision that would halt funding for Mueller's probe six months after the amendment's passage.

### [DCCC Launches Health Care Facebook Ads in Targeted Districts](#)

**Bridget Bowman, Roll Call**

The Democratic Congressional Campaign Committee is launching a new Facebook ad campaign aimed at nearly all of its 80 GOP targets that highlights the Republican health care bill. The ads are targeted at Republicans who voted for the bill - and even Republicans who voted against it.

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## States

### [Texas Governor Warns of a Long, Slow Recovery](#)

**Julie Turkewitz et al., The New York Times**

As one of the most destructive storms in the nation's history pummeled southeast Texas for a fourth day, forecasts on Monday called for still more rain, making clear that catastrophic flooding that had turned neighborhoods into lakes was just the start of a disaster that would take years to overcome. Local, state and federal officials conceded that the scale of the crisis was so vast that they were nowhere near being able to measure it, much less fully address it.

### [McAuliffe, Hogan, Bowser agree with LaHood that Metro board should shrink](#)

**Robert McCartney, The Washington Post**

Former U.S. transportation secretary Ray LaHood urged the Washington region's top elected officials Monday to tackle Metro's problems by appointing a temporary "reform board" of five members to replace the transit system's existing 16-member governing body. Virginia Gov. Terry McAuliffe (D), Maryland Gov. Larry Hogan (R) and D.C. Mayor Muriel E. Bowser (D) all endorsed the overall goal of shrinking Metro's board, but they wanted more details about how it would happen.

### [After protest in his district, Miller says he regrets offering his 'historical perspective' about Justice Taney](#)

**Ovetta Wiggins, The Washington Post**

Maryland Senate President Thomas V. Mike Miller Jr., under fire for opposing the removal of a statue of former Supreme Court chief justice Roger B. Taney from the State House grounds, said Monday that he did not intend to cause division by defending the author of the Dred Scott decision. "As a student of history, I intended to respectfully state my preference for education about our flawed history and the greater historical context of Justice Taney," Miller (D-Calvert) said in a statement.

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## Advocacy

### **[How D.C. Lobbyists Helped Paul Manafort Prop Up a Putin Puppet](#)** **Betsy Woodruff, The Daily Beast**

For years, the influence-peddlers' work for a pro-Kremlin party flew under the radar. Then Bob Mueller's Trump-Russia probe got rolling.

### **[ACLU challenges Trump administration's transgender military ban](#)** **Justin Jouvenal, The Washington Post**

The American Civil Liberties Union filed a lawsuit Monday challenging the Trump administration's controversial ban on transgender people enlisting, receiving Armed Forces medical care for sex reassignment surgeries, and possibly continuing to serve. The suit, filed in federal court in Maryland on behalf of six active-duty military members, argues that the ban is unconstitutional because it discriminates against transgender people and treats them unequally.

### **[Bloomberg charity scrutinized by India for anti-tobacco funding, lobbying - documents](#)**

**Aditya Kalra, Reuters**

India has been investigating how Bloomberg Philanthropies, founded by billionaire Michael Bloomberg, funds local non-profit groups for anti-tobacco lobbying, government documents show, making it the latest foreign non-government organization to come under scrutiny. Prime Minister Narendra Modi's government has since 2014 tightened surveillance of non-profit groups, saying they were acting against India's national interests.

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## **Opinions, Editorials and Perspectives**

### **['The President Speaks For Himself'](#)**

**The Editorial Board, The New York Times**

It should be among the easier tasks of a cabinet member to affirm, without hesitation, that the president he or she serves represents the values of the American people. But that was more than Secretary of State Rex Tillerson could muster during an interview on "Fox News Sunday."

### **[The Arpaio pardon displays Trump's disdain for the rule of law](#)**

**Editorial Board, The Washington Post**

President Trump hinted for weeks that he might pardon former Arizona sheriff Joe Arpaio. When he finally did so on Friday, the White House's official statement lauding Mr. Arpaio failed to mention the charge for which Mr. Trump had granted clemency: a criminal conviction of contempt of court for defying an order to halt racial profiling.

### [Behind the Bedlam in Berkeley](#)

**Editorial Page, The Wall Street Journal**

As Charlottesville drew attention to the worst elements of the far right, Sunday's melee revealed an increasingly violent fringe of the radical left that has received far less media coverage, much less criticism. It's called Antifa, pronounced "An-tee-fa," which is short for "anti-fascist."

### [Mr. President, End DACA](#)

**The Editors, National Review**

Recent reports suggest that President Trump is torn about what to do about DACA, the de facto amnesty for so-called DREAMers instituted by Barack Obama. We understand the hesitation, since many of the beneficiaries of this amnesty have sympathetic stories, but as a matter of fidelity to our constitutional system and his campaign promises, Trump must end DACA.

### [Are Trump's August Controversies Careless-Or Calculated?](#)

**Gerald F. Seib, The Wall Street Journal**

Here are two ways of looking at how President Donald Trump has spent his August: He has ruined the month—perhaps even his presidency—by mindlessly picking fights with Republican congressional leaders and the media, and by wallowing in divisive cultural issues rather than pushing his economic agenda. But here is another: Rather than stumble and fumble into these controversies, Mr. Trump has quite deliberately chosen his issues and his enemies.

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## **Research Reports and Polling**

### [U.S. Muslims are religiously observant, but open to multiple interpretations of Islam](#)

**Elizabeth Podrebarac Sciupac, Pew Research Center**

For American Muslims, being highly religious does not necessarily translate into acceptance of traditional notions of Islam. While many U.S. Muslims say they attend mosque and pray regularly, sizable shares also say that there is more than one way to interpret their religion and that traditional understandings of Islam need to be reinterpreted to address the issues of today.



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**Date:** Thursday, September 28, 2017 9:09:19 AM

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By [Eli Yokley](#)

## Top Stories

- White House press secretary Sarah Huckabee Sanders said President Donald Trump has waived the Jones Act, a law that was prohibiting foreign ships from delivering relief supplies to Puerto Rico. The U.S. territory is still in the early stages of recovery after Hurricane Maria made landfall last week. ([The Hill](#))
- Executives at Facebook Inc., Twitter Inc. and Google Inc. have been asked to testify before House and Senate committees investigating Russian meddling in the 2016 U.S. presidential election. Lawmakers and their investigators are interested in the role social media and online advertising may have played.

([Bloomberg](#))

- House Republicans released a plan that would provide \$10 billion in funding for Trump's proposed wall along the U.S.-Mexico border. The legislation, which is unlikely to pass in the Senate, would also add 10,000 border patrol agents and Customs and Border Protection officers. ([Politico](#))

## Chart Review

[Minorities and Americans without college degrees showed greatest gains in wealth since 2013, new data says](#)

**The Washington Post**

## Events Calendar (All Times Local)

### THURSDAY

The Atlantic's Washington Ideas conference 7:30 a.m.

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Reps. Dent, Jordan, Walker speak at Ripon Society event 7:45 a.m.

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Heritage Foundation event on constitutionality of Trump's travel ban 12 p.m.

**FRIDAY**

No events scheduled

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## **This Is the Future of Brand Reputation Tracking**

See how Morning Consult Brand Intelligence is changing the way media, marketing and communications executives are managing brand reputation.

## General

### [Frustrated Lawmakers Ask Facebook to Explain Its Russia Response](#)

**Steven T. Dennis and Billy House, Bloomberg**

Facebook Inc., Twitter Inc. and Alphabet Inc.'s Google are set to face intense public scrutiny from U.S. House and Senate panels as investigators focus on social media's role in Russia's efforts to interfere in the 2016 presidential election. Executives from all three companies were asked to appear before the Senate committee Nov. 1, while the House panel requested them next month, according to aides from both committees.

### [FBI has 1,000 open investigations into violent white supremacy, domestic terror: Agency chief](#)

**Mike Levine, ABC News**

The FBI has about 1,000 open investigations into potential domestic terrorists, including people who may be linked to extremist white supremacy, white nationalism and environmental movements, the agency's new chief, Christopher Wray, told Congress today. During his first testimony as FBI director, Wray said domestic terrorism is "a very, very serious" matter that the investigative agency spends "a lot of our time focused on."

### [With Tax Cuts on the Table, Once-Mighty Deficit Hawks Hardly Chirp](#)

**Thomas Kaplan, The New York Times**

In 2001, when surging budget surpluses fueled hopes of extinguishing the national debt, a pitched battle broke out over President George W. Bush's proposed \$1.6 trillion tax cut. Nevermind that the tax cut's 10-year tab was supposed to leave behind more than \$3 trillion in surpluses - Democrats and some Republicans said that the tax cut was just too large.

### [Gorsuch's speeches raise questions of independence, critics say](#)

**Robert Barnes, The Washington Post**

No member of Congress was more essential to Neil M. Gorsuch's ascent to the Supreme Court than Senate Majority Leader Mitch McConnell, who blocked President Barack Obama's nominee for the job and then spearheaded the

confirmation process for Gorsuch. Last week found McConnell (R-Ky.) and Gorsuch traveling the Bluegrass State together for a tour of the senator's alma maters.

### [Bannon's Back and Targeting China](#)

**Joshua Green, Bloomberg**

As President Trump's chief strategist, Steve Bannon operated mostly behind the scenes to press his hard-right brand of nationalist politics, with only intermittent success. Since leaving the White House on Aug. 18, he's taken on a much more public role-declaring war against GOP congressional leaders on 60 Minutes and endorsing Roy Moore's insurgent candidacy in Alabama's Senate primary, despite Trump backing his opponent, Luther Strange.

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## **Presidential**

### [Trump lifts Jones Act to bolster Puerto Rico relief](#)

**Mallory Shelbourne, The Hill**

White House press secretary Sarah Huckabee Sanders announced early Thursday that President Trump has waived the Jones Act, lifting shipping restrictions to bolster relief efforts on hurricane-ravaged Puerto Rico. "At @ricardorossello request, @POTUS has authorized the Jones Act be waived for Puerto Rico. It will go into effect immediately," Sanders tweeted, referring to Puerto Rico Gov. Ricardo Rosselló.

### [Trump Administration To Drop Refugee Cap To 45,000, Lowest In Years](#)

**Joel Rose, NPR News**

The Trump administration plans to cap the number of refugees the U.S. will accept next year at 45,000. That is a dramatic drop from the level set by the Obama administration and would be the lowest number in years.

### [Mattis, in Afghanistan, Criticizes Iranian and Russian Aid to Taliban](#)

**Gordon Lubold and Craig Nelson, The Wall Street Journal**

U.S. Defense Secretary Jim Mattis on Wednesday criticized Iran and Russia for continuing to arm and support Taliban fighters in Afghanistan, aid that

American officials say provides the militant group with both firepower and added legitimacy. Mr. Mattis, on his first visit to Afghanistan since President Donald Trump spelled out a new South Asia strategy last month, met with Afghan President Ashraf Ghani and North Atlantic Treaty Organization Secretary-General Jens Stoltenberg, along with the top U.S. commander there, Gen. John Nicholson.

### [In Indiana, Trump promises 'revolutionary change' to tax code](#)

**Maureen Groppe, USA Today**

President Trump promised Wednesday to bring "revolutionary change" to the federal tax code that will help the middle class - and not the wealthy. "They can call me all they want. It's not going to help," Trump said of the well-to-do in a speech in Indianapolis.

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## Senate

### [Rubio won't seek Foreign Relations chairmanship](#)

**Seung Min Kim and Elana Schor, Politico**

Sen. Marco Rubio (R-Fla.) said Wednesday that he has no interest in seeking the chairmanship of the powerful Senate Foreign Relations Committee, clearing the way for Sen. Jim Risch (R-Idaho) to claim the gavel in the next Congress. The committee's current chairman, Sen. Bob Corker of Tennessee, announced Tuesday that he would not seek reelection in 2018.

### [Roy Moore's Alabama Victory Sets Off Talk of a G.O.P. Insurrection](#)

**Alexander Burns and Jonathan Martin, The New York Times**

Republicans are confronting an insurrection on the right that is angry enough to imperil their grip on Congress, and senior party strategists have concluded that the conservative base now loathes its leaders in Washington the same way it detested President Barack Obama. The defeat of Senator Luther Strange, Republican of Alabama, in a primary election on Tuesday night appears to have ushered in a season of savage nomination fights and activist-led attacks on party leaders, especially on Senator Mitch McConnell of Kentucky, the majority leader.

### [Senate Republicans have never heard of Roy Moore](#)

## **John Bresnahan, Politico**

Senate Republicans say they know almost nothing about Roy Moore, their wildly controversial candidate in the Alabama special election. But they really, really want him to be elected to the Senate.

### **[Half of California's likely voters think Sen. Dianne Feinstein should retire, poll finds](#)**

#### **Phil Willon, Los Angeles Times**

As Democratic Sen. Dianne Feinstein contemplates a 2018 bid for reelection, a new poll has found that 50% of California's likely voters think she shouldn't run again. Just 43% of likely voters support Feinstein running for a sixth term, according to a Public Policy Institute of California poll released Wednesday.

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## **House**

### **[House Republicans propose \\$10 billion for Trump's border wall](#)**

#### **Rachael Bade, Politico**

House Republicans on Wednesday unveiled a plan to provide \$10 billion for President Donald Trump's border wall with Mexico, a bill unlikely to clear the Senate but which could fuel a shutdown fight in December. Homeland Security Committee Chairman Mike McCaul (R-Texas) said his panel will vote on the legislation next week.

### **[Titus skips Senate race, will run for re-election to Congress](#)**

#### **Gary Martin, Las Vegas Review-Journal**

Las Vegas Democrat Dina Titus announced Wednesday that she will forgo a Senate race and instead seek re-election to Nevada's 1st congressional district. Titus, who is serving her fourth term in Congress, cited her seniority in the House and position on committees as a reason for seeking re-election in the Democrat majority district.

### **[Black Caucus chair: 'Utter disgust' with Trump's handling of race](#)**

#### **Mike Lillis, The Hill**

The head of the Congressional Black Caucus lashed out at President Trump Wednesday, accusing the president of both insensitivity and ignorance when it

comes to issues of race. In a letter to Trump, Rep. Cedric Richmond (D-La.) said the president's verbal attacks on NFL players protesting police brutality marked a "disgraceful response" to demonstrators -- most of them African American -- fighting for social justice.

### [Scalise to Appear on '60 Minutes' on Sunday](#)

#### **Griffin Connolly, Roll Call**

House Majority Whip Steve Scalise's first public interview since he was shot at a Congressional baseball team practice in June will air on Sunday. The interview with CBS's Norah O'Donnell will air on "60 Minutes" as part of a feature on Scalise's experience during the shooting and his recovery from it.

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## **States**

### [Judge strikes down Kentucky abortion law, saying it violates physicians' free speech](#)

#### **Darcy Costello, The Louisville Courier-Journal**

A Kentucky law requiring doctors who conduct abortions to first perform ultrasounds and describe the image to the patient violates the First Amendment rights of those physicians, according to a federal judge. U.S. District Judge David Hale ruled Wednesday in favor of the American Civil Liberties Union's challenge to the law, made on behalf of the state's sole abortion provider, EMW Women's Surgical Center, and barred the state from enforcing it.

### [Clinton to raise money for Northam in Va. governor race](#)

#### **Gabriel Debenedetti, Politico**

Hillary Clinton is set to return to the electoral fray next week. The Democratic Party's 2016 presidential nominee will break from her book tour to raise campaign money for Virginia Lt. Gov. Ralph Northam, the party's gubernatorial nominee, next Wednesday, multiple Democrats familiar with the plan confirmed to POLITICO.

### [Florida nursing homes challenge governor's order to install generators](#)

#### **The Associated Press**

A group that represents nursing homes and assisted living facilities is challenging Florida Gov. Rick Scott's order that they install generators by Dec. 1, saying the deadline is impossible to meet and the order is simply a reaction to one incompetent nursing home where 11 people died in sweltering heat after Hurricane Irma. LeadingAge Florida filed the legal challenge with the Florida Division of Administrative Hearings on Tuesday, claiming Scott's order went beyond what's necessary to protect residents in nursing homes and assisted living facilities.

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## **Advocacy**

### **[Lobbyists prepare for battle royal over tax breaks](#)**

**Theodoric Meyer, Politico**

House Speaker Paul Ryan warned Republican lawmakers on Wednesday to steel themselves to hear from "10,000 lobbyists" set on defending prized tax breaks that could be on the chopping block. Those lobbyists are getting ready, too.

### **[Homeowner tax relief looks vulnerable as industry breaks ranks](#)**

**Lorraine Woellert, Politico**

The National Association of Home Builders split with industry allies to endorse a White House plan that reduces tax breaks for homeowners, increasing the vulnerability of a write-off that was once considered untouchable. The rift is a first for the industry, where real estate agents, builders, bankers and others in the homebuying pipeline typically lock arms to defend the mortgage-interest tax deduction as a building block to homeownership and wealth creation.

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## **Opinions, Editorials and Perspectives**

### **[Washington Set Puerto Rico Up for Disaster](#)**

**Hector Figueroa, The New York Times**

It's been more than a week since I've had any word in New York from my 93-year-old father in Puerto Rico. He lives in Coamo, a town in the path of the worst storm to hit the island since 1928.

## **[Congress must act to preserve CHIP and protect America's children](#)**

**Tina Lee Cheng, The Baltimore Sun**

On any given day we see dozens of children and adolescents at the Harriet Lane Clinic, part of the Johns Hopkins Children's Center located in the heart of Baltimore City. The kids come in from around the city for a variety of services - anything from a vaccine to comprehensive care for complex health conditions.

## **[It's time for Mitch McConnell to go](#)**

**Erick Erickson, The Washington Post**

Until morale improves, the primary challenges against establishment Republicans from upstart conservatives will continue. And morale will not improve until Republicans replace Mitch McConnell as Senate majority leader.

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## **Research Reports and Polling**

### **["Big Six" Tax Framework Provides Windfall to High-Income Households, With Working Families Largely an Afterthought](#)**

**Chuck Marr, Center on Budget and Policy Priorities**

The "Big Six" Republican tax framework announced today specifies large tax cuts aimed at profitable corporations and wealthy households while offering only vague promises for lower- and middle-income working families. It closely follows many aspects of the House GOP's "Better Way" plan released last year, which was heavily tilted to those high on the income scale.

### **[Big 6 Tax Framework Could Cost \\$2.2 Trillion](#)**

**Committee for a Responsible Federal Budget**

The so-called "Big 6" today released their framework for comprehensive tax reform. While significant detail still needs to be filled in, enough exists for a very rough and very preliminary estimate of the details presented. Based on those details - and many assumptions - we estimate the plan calls for roughly \$5.8 trillion of tax cuts and \$3.6 trillion of base broadening, resulting in about \$2.2 trillion of net tax cuts.



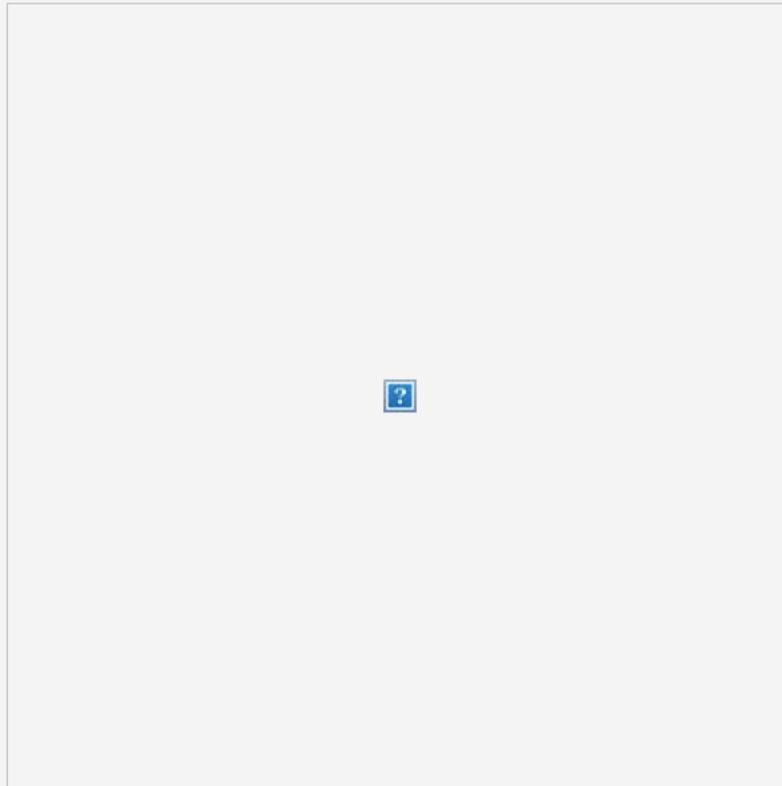
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**Subject:** Morning Consult Washington: Trump's National Security Strategy to Focus on Economic, Trade Policies  
**Date:** Monday, December 18, 2017 9:21:13 AM

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By [Eli Yokley](#)

## Top Stories

- President Donald Trump today is expected to introduce his national security strategy, which will emphasize economic and trade policies. The strategy will focus on confronting unfair trade practices and urge U.S. "energy dominance." ([The Wall Street Journal](#))
- Trump said he is not considering firing special counsel Robert Mueller amid criticism by conservatives over Mueller's acquisition of emails sent and received by Trump transition officials. Kory Langhofer, general counsel for Trump's transition group, said Mueller's investigators obtained transition emails from the General Services Administration instead of the transition team, a disclosure he called "unauthorized." ([The Associated Press](#))

- Sen. John McCain (R-Ariz.) will not be on Capitol Hill for the expected final vote on tax overhaul legislation later this week, but his absence will not likely determine whether the bill passes now that GOP Sens. Bob Corker (Tenn.) and Marco Rubio (Fla.) say they will support the measure. McCain had spent several days in the hospital recovering from the side effects from chemotherapy treatment for brain cancer, and his office said he "looks forward to returning to Washington in January." ([CBS News](#))
- Republican leaders in the House and Senate are backing conflicting strategies aimed at avoiding a government shutdown, with a Dec. 22 deadline for reaching a deal. A House strategy that would fund the Pentagon while doing nothing for Democratic priorities faces a tough reception in the Senate, where Republicans need Democratic votes to pass a government funding measure, and a Senate effort to pass legislation that would prop up Obamacare insurance markets could lose support among House Republicans. ([Politico](#))

## Chart Review

[Democrats hold biggest lead in congressional preference since 2008](#)  
NBC News



## Events Calendar (All Times Local)

### MONDAY

Center for Strategic & International Studies event on western and Chinese infrastructure development abroad 9 a.m.

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House Rules Committee hearing on the Systemic Risk Designation Improvement Act 5 p.m.

### TUESDAY

Incoming Virginia delegates Hurst, Roem speak at National Press Club 10 a.m.

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Senate Banking Committee nomination hearing for Scott Garrett to lead Export-Import Bank 10 a.m.

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Treasury official speaks at Council on Foreign Relations about combating human rights abuses and corruption 10 a.m.

**WEDNESDAY**

Education Secretary DeVos testifies before House Committee on Education and the Workforce 2 p.m.

**THURSDAY**

No events scheduled

**FRIDAY**

No events scheduled

## **2017 Brands in Review**

This year, Morning Consult conducted nearly 1 million survey interviews on nearly 1,000 brands. Get a never-before-seen look at how public perception changed for the world's biggest brands.

## **General**

[\*\*GOP leaders in House, Senate endorse conflicting shutdown strategies\*\*](#)

## **Rachael Bade et al., Politico**

Republican leaders in both houses of Congress face a sticky situation this week as they try to avert a government shutdown: Each side has promised its members things that will not fly in the other chamber. Senate Majority Leader Mitch McConnell (R-Ky.) told moderate Sen. Susan Collins (R-Maine) he'd support passage of legislation by the end of the year to prop up Obamacare insurance markets - so long as she votes for tax reform.

## **Record sexual harassment settlement exposes byzantine congressional process**

**Leigh Ann Caldwell, NBC News**

Of all the secret deals cut on behalf of accused members of congress, the one that resulted in the largest settlement yet uncovered may be the most surprising. The details provide a window into a process so opaque, convoluted and confusing that even the accused congressman was left in the dark about exactly how and why his accuser ended up being paid \$220,000 for her claim.

## **Paranoia grips Capitol Hill as harassment scandal spreads**

**Elana Schor and Rachael Bade, Politico**

The details change almost daily, but the rumor won't die: A credible news organization is preparing to unmask at least 20 lawmakers in both parties for sexual misconduct. Speculation about this theoretical megastory is spreading like wildfire across Congress and beyond, a lurking bad-press boogeyman that's always described as on the verge of going public.

## **E.P.A. Employees Spoke Out. Then Came Scrutiny of Their Email.**

**Eric Lipton and Lisa Friedman, The New York Times**

One Environmental Protection Agency employee spoke up at a private lunch held near the agency headquarters, saying she feared the nation might be headed toward an "environmental catastrophe." Another staff member, from Seattle, sent a letter to Scott Pruitt, the E.P.A. administrator, raising similar concerns about the direction of the agency.

## **Fallout from allegations of tea party targeting hamper IRS oversight of nonprofits**

**Robert O'Harrow Jr., The Washington Post**

Years of conservative attacks on the Internal Revenue Service have greatly diminished the ability of agency regulators to oversee political activity by charities and other nonprofits, documents and interviews show. The fall in oversight, a byproduct of repeated cuts to the IRS budget, comes at a time when the number of charities is reaching a historic high and they are becoming more partisan and financially complex.

### [CDC Pushes Back Against Report of Words Like 'Fetus' And 'Transgender' Being Banned](#)

**Alana Abramson, Time**

The Centers for Disease Control and Prevention is pushing back against a report alleging that the Trump administration had banned the organization from using specific words in next year's budget documents. The Washington Post reported the news on Friday, citing an analyst who had been briefed on the ban of seven terms, which was confirmed by other CDC officials.

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## **Presidential**

### [Trump Plans Shift to U.S. Security Strategy](#)

**Michael R. Gordon, The Wall Street Journal**

President Donald Trump will put his domestic economic and trade policies at the heart of a new national-security strategy that depicts the world as one of heightened rivalries and potentially dangerous competition. The new strategy, with an emphasis on confronting unfair trade practices and precluding rivals from stealing American technology, holds potentially far-reaching implications for relations with China, which is described as a "revisionist power" that is seeking to undermine U.S. security and prosperity.

### [Trump says he isn't considering firing Mueller over emails](#)

**Jonathan Lemire, The Associated Press**

President Donald Trump says he is not considering firing special counsel Robert Mueller, but that didn't stop him from adding to the growing conservative criticism of Mueller's acquisition of thousands of emails sent and received by Trump officials before the start of his administration. The disclosure came in a letter sent to two congressional committees by Kory Langhofer, general counsel of Trump's still-existing transition group, Trump

for America.

### [After Alabama loss, Trump has ambitious plans to campaign in 2018 midterms](#)

**Josh Dawsey and Michael Scherer, The Washington Post**

President Trump is not on the ballot in 2018, but the White House is planning a full-throttle campaign to plunge the president into the midterm elections, according to senior officials and advisers familiar with the planning. Trump's political aides have met with 116 candidates for office in recent months, according to senior White House officials, seeking to become involved in Senate, House and gubernatorial races - and possibly contested Republican primaries as well.

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## **Senate**

### [Sen. John McCain returns to Arizona, will miss vote on GOP tax bill](#)

**CBS News**

Republican Sen. John McCain is returning to Arizona after spending several days in a Maryland hospital recovering from side effects from chemotherapy treatment for brain cancer, CBS News has learned. McCain left Washington Sunday and is heading back to his home state to spend the holidays with his family.

### [Tax Bill: Bob Corker Demands Answers From Chairman Orrin Hatch About Last-Minute Tax Provision](#)

**David Sirota and Josh Keefe, International Business Times**

Facing a firestorm of criticism, Republican Sen. Bob Corker (TN) sent a letter Sunday night to Senate Finance Committee Chair Orrin Hatch, R-Utah, asking how the final tax bill ended up including a special tax cut provision experts say would particularly benefit investors in real-estate related LLCs. The letter follows an International Business Times investigative series showing that Corker, President Donald Trump, House Speaker Paul Ryan and a handful of key GOP lawmakers overseeing the tax bill have multimillion-dollar ownership stakes in such LLCs, meaning they could be personally enriched by the provision, which was added to the final tax legislation released on Friday.

### [Franken urged to reverse his resignation](#)

## **Edward-Isaac Dove, Politico**

At least four senators are urging Al Franken to reconsider resigning, including two who issued statements calling for the resignation two weeks ago and said they now feel remorse over what they feel was a rush to judgment. Sen. Joe Manchin (D-W.Va.), who urged Franken not to step down to begin with - at least not before he went through an Ethics Committee investigation - said the Minnesota senator was railroaded by fellow Democrats.

## **[Jones: Trump shouldn't resign over misconduct allegations](#)**

### **Hope Yen, The Associated Press**

Democratic Sen.-elect Doug Jones says he doesn't think President Donald Trump should resign over allegations of sexual misconduct, echoing the White House's position that voters have already spoken on the issue. "I don't think the president ought to resign at this point. We'll see how things go, but certainly those allegations are not new, and he was elected with those allegations at front center," said Jones, whose upset win in last week's Alabama special election was due in large part to allegations that his Republican opponent, 70-year-old Roy Moore, had engaged in sexual misconduct with teenage girls as a deputy district attorney in his 30s.

## **[How the oldest Senate ever is taking a toll on the business of Washington](#)**

### **Paul Kane, The Washington Post**

In November, Sen. Orrin G. Hatch, who is 83, was at the helm when the Senate's massive tax bill came through the Finance Committee. But Hatch also deputized four younger Republicans on the panel to serve as de facto co-chairmen over various parts of the legislation.

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## **House**

## **[Virginia Democrat Bobby Scott Accused of Sexual Harassment](#)**

### **Eric Garcia, Roll Call**

A former fellow with the Congressional Black Caucus Foundation on Friday accused Virginia Rep. Robert C. Scott of sexually harassing her. M. Reese Everson, who worked in Scott's office during her fellowship in 2013, made the

accusations during a press conference.

### [Kansas Dem Andrea Ramsey, accused of sexual harassment, to quit U.S. House race](#)

**Lindsay Wise and Bryan Lowry, The Kansas City Star**

Andrea Ramsey, a Democratic candidate for Congress, will drop out of the race after The Kansas City Star asked her about accusations in a 2005 lawsuit that she sexually harassed and retaliated against a male subordinate who said he had rejected her advances. Multiple sources with knowledge of the case told The Star that the man reached a settlement with LabOne, the company where Ramsey was executive vice president of human resources.

### [House Democrats Face Tough Choices in Judiciary Panel Race](#)

**Todd Ruger, Roll Call**

Two experienced Democratic lawmakers with contrasting styles are vying to become the ranking member of the House Judiciary Committee, and the vote this week could signal much more than just who will press the party's agenda on the panel. The choice of Rep. Jerrold Nadler of New York or Rep. Zoe Lofgren of California will reveal much about the Democrats' long-term strategy for a key committee as it deals with the tumult of President Donald Trump's administration, the special counsel investigating his campaign, threats to civil rights and a reckoning of allegations of improper sexual behavior sweeping through Capitol Hill.

### [House Intelligence Panel Is Rushing to Complete Russia Probe](#)

**Nicholas Fandos, The New York Times**

The House Intelligence Committee is racing to complete its investigation of Russia's interference in the 2016 presidential election, scheduling a host of witness interviews here and in New York for next week as Congress heads for its break, and, Democrats said, leaving other leads unfollowed. Some of the most important witnesses are to be interviewed in New York by committee staff early next week, possibly leaving Democrats to choose between attending those depositions or voting on the massive tax bill coming before the House.

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## **States**

### [Gov. Tom Wolf calls for resignation of Sen. Daylin Leach following](#)

### [allegations of inappropriate behavior](#)

**Charles Thompson, PennLive.com**

Gov. Tom Wolf Sunday became the first major public official to call for Sen. Daylin Leach to resign from office in the wake of newly-published allegations about inappropriate treatment of staff. Wolf's statement, issued by his press office shortly after 4 p.m., came in response to a lengthy Philadelphia Inquirer report detailing complaints from several former female staffers about a history of sexually suggestive jokes and a number of instances of inappropriate touches.

### [Gov. Terry McAuliffe proposes higher taxes in Northern Virginia to support Metro](#)

**Robert McCartney, The Washington Post**

Northern Virginians would pay higher taxes on real estate sales, hotel stays and wholesale gasoline to provide Metro with long-sought dedicated funding under a proposal to be announced Monday by Gov. Terry McAuliffe (D). The new tax revenue of \$65 million a year would be in addition to \$85 million that Northern Virginia would earmark for Metro from funds the region already devotes to transportation, according to the McAuliffe plan.

### [Gov. Cuomo Proposes \\$11.5 Million Gang-Fighting Plan](#)

**Melanie Grayce West, The Wall Street Journal**

New York Gov. Andrew Cuomo unveiled an \$11.5 million plan on Sunday that aims to curtail recruitment of new gang members to MS-13 on Long Island. The proposal, part of the governor's 2018 agenda, focuses on social and education programs for at-risk youth in Suffolk County.

### [Iowa Supreme Court justice blocks Register's use of court records](#)

**Clark Kauffman, Des Moines Register**

An Iowa Supreme Court justice has issued a highly unusual order prohibiting the Des Moines Register from publishing information gleaned from court records. The Register has objected, calling the order an unlawful form of prior restraint that violates the First Amendment and "stands as an undesirable and unsustainable outlier in the law and policy of this state and this nation."

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## Advocacy

### [Lobbyist Has To Change The Way She Does Business In Era Of #MeToo](#)

**NPR News**

The growing awareness about sexual harassment has opened up a dialogue in the workplace and changed behavior. But that transition can have awkward moments, too. Jennifer Green has been a lobbyist in the Florida state legislature in Tallahassee for more than 20 years, and she's found that she's had to change the way she does business.

### [Bitcoin boom brings new scrutiny from Washington](#)

**Sylvan Lane and Ali Breland, The Hill**

Bitcoin boom brings new scrutiny from Washington Bitcoin and other cryptocurrencies rallied to all time highs this past week, attracting new attention from U.S. regulators. Professional and amateur investors are flocking to the digital currencies as they explode in value.

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## Opinions, Editorials and Perspectives

### [Defense Bill Shows Impediments to Fiscal Restraint](#)

**Sean Kennedy, Morning Consult**

Republican members of Congress have long considered security spending to be a sacred cow. The refrain has been a familiar one: Any cuts to the Department of Defense would jeopardize national security.

### [Democrats Against Tax Reform](#)

**The Editorial Board, The Wall Street Journal**

Republicans are poised this week to cut taxes for most American workers and businesses, fulfilling a core campaign promise. But before the House and Senate vote, it's worth noting that they may do so without a single Democrat in support.

### [The Senate is rushing through Trump's judicial nominees. These embarrassments prove it.](#)

**Editorial Board, The Washington Post**

President Trump has confirmed 12 nominees to judgeships on the federal courts of appeals - more than any other modern president achieved during his first year. Yet while Republicans may pride themselves on this record, a string of recent embarrassments shows that the Senate is rushing too quickly through Mr.â€™s Trump's choices.

### [The Spiraling Diaspora From Puerto Rico](#)

**The Editorial Board, The New York Times**

It's been 12 weeks and counting, and Puerto Rico still flounders in the aftermath of Hurricane Maria, left to beg for federal help. The politics and indifference underlying the island's desperation recall the lyrics of Stephen Sondheim 60 years ago in "West Side Story": Nobody knows in America Puerto Rico's in America!

### [Paul Ryan Is More Than A Policy Wonk](#)

**Amy Walter, The Cook Political Report**

Rumors have been swirling around Washington for a few weeks now that Speaker Paul Ryan will hang up the Speaker's gavel in 2018. The famously wonky Wisconsin-ite is on the cusp of achieving his long-time goal of tax reform, and after that happens, the thinking goes, there's little left for Ryan to do except for the drudge work like responding to President Trump's tweets and disciplining sexual harassers.

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## **Research Reports and Polling**

### [Placing Priority How Issues Mattered More than Demographics in the 2016 Election](#)

**David Winston, Democracy Fund Voter Study Group**

The 2016 presidential election was arguably one of the most unusual in American history. The two major political parties chose nominees whom the majority of the country viewed unfavorably.



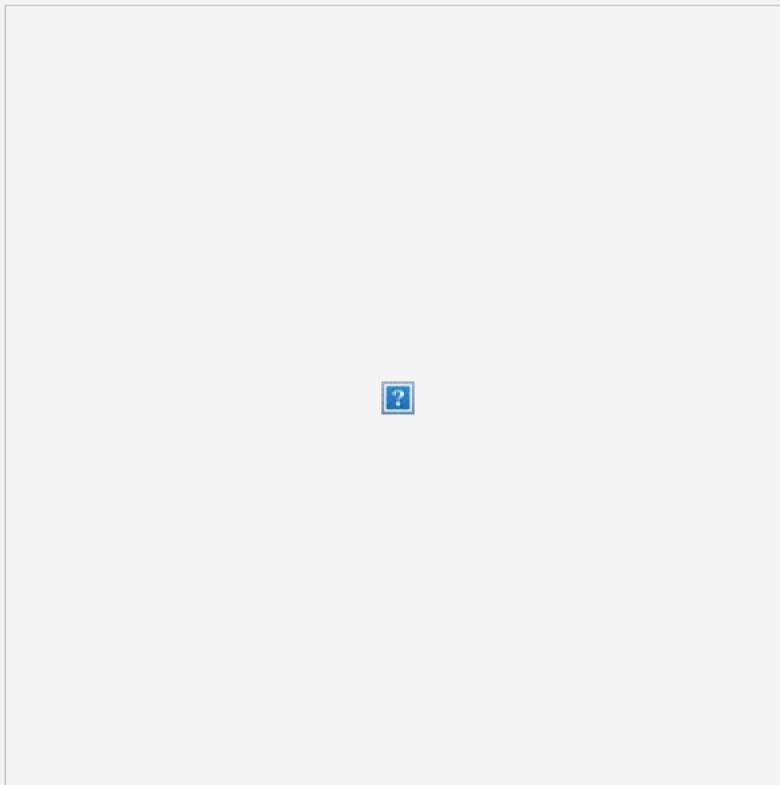
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By [Eli Yokley](#)

## Top Stories

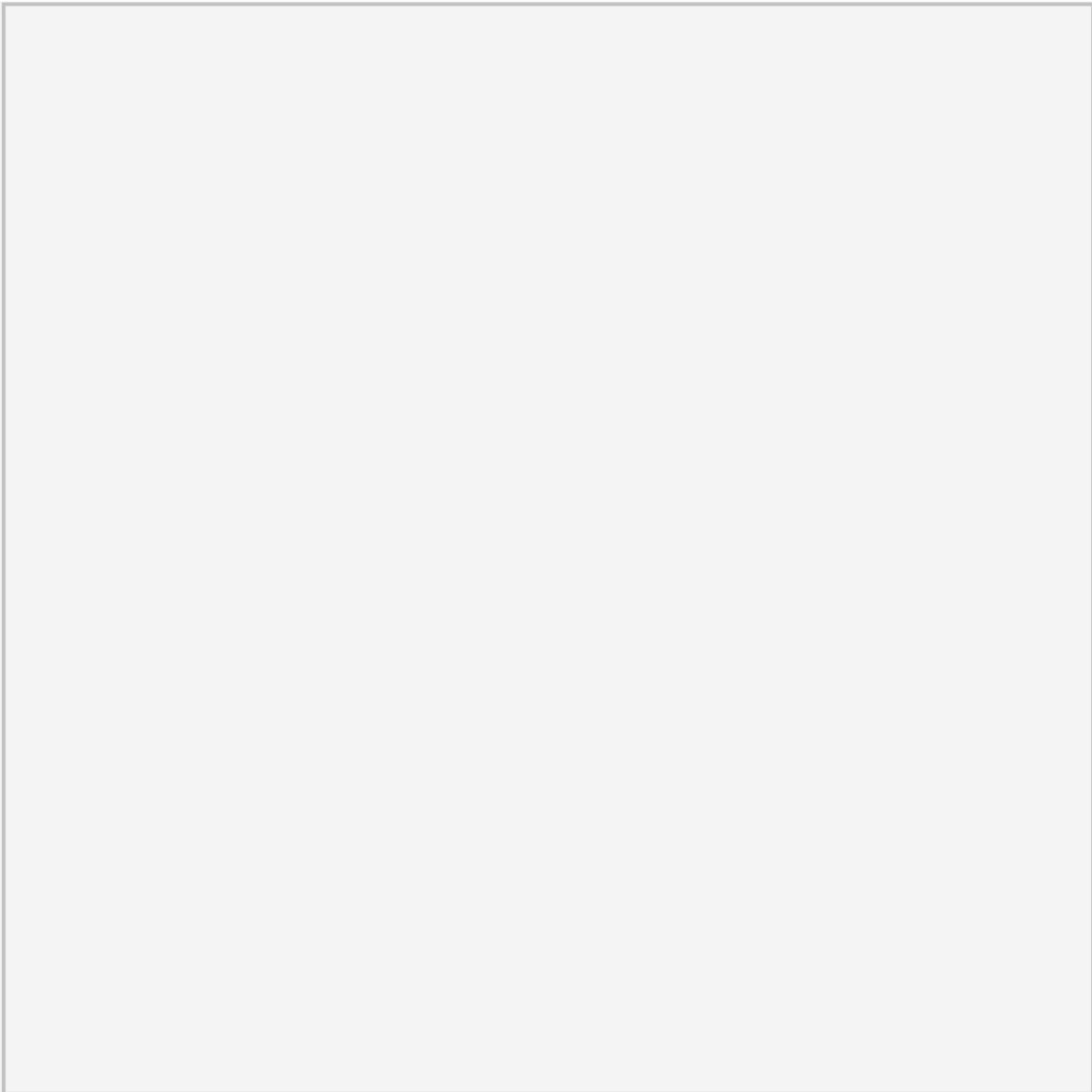
- Lawyers and aides to President Donald Trump are investigating the investigators hired by special counsel Robert Mueller, scouring their records for potential conflicts of interest in an attempt to discredit their work. Trump has said Mueller's team would be outside its mandate if they moved beyond Russia and into his personal finances. ([The New York Times](#))
- House Speaker Paul Ryan (R-Wis.) went to a factory in Massachusetts to pitch his tax reform plan, calling a 20 percent business tax rate "realistic." Republicans are aiming to pass comprehensive tax reform this year. ([CNBC](#))

- The United States is said to be preparing a ban on Americans traveling to North Korea. The reported policy shift follows the death of Otto Warmbier, a U.S. student who died after being imprisoned in North Korea, where he was on a tour. ([Reuters](#))

## Chart Review

[Since Trump's Election, Increased Attention to Politics - Especially Among Women](#)

**Pew Research Center**



## **Events Calendar (All Times Local)**

### **FRIDAY**

No events scheduled

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## **This Is the Future of Brand Reputation Tracking**

See how Morning Consult Brand Intelligence is changing the way media, marketing and communications executives are managing brand reputation.

### **General**

**[Tour operators say U.S. to ban citizens from travel to North Korea](#)**

**Se Young Lee and James Pearson, Reuters**

Two tour agencies that arrange trips to North Korea said on Friday the U.S. government will soon ban its citizens from traveling there, after the death of a U.S. student arrested there while on a tour. Koryo Tours said the ban would be announced on July 27 and would go into effect 30 days later.

### [Moscow in talks with U.S. to create cyber security working group - RIA report](#)

**Denis Pinchuk, Reuters**

Moscow and Washington are in talks to create a joint cyber security working group, Russia's RIA news agency reported on Thursday, citing Andrey Krutskikh, a special presidential envoy on cyber security. "The talks are underway ... different proposals are being exchanged, nobody denies the necessity of holding the talks and of having such contacts," Krutskikh said, according to RIA.

### [The strange legal battle that is pitting Trump's secretaries of the Treasury and State against each other](#)

**Damian Paletta and Carol Morello, The Washington Post**

Two of President Trump's most senior cabinet members became embroiled Thursday in an unusual legal battle over whether ExxonMobil under Secretary of State Rex Tillerson's leadership violated U.S. sanctions against Russia. Treasury officials fined ExxonMobil \$2 million Thursday morning for signing eight business agreements in 2014 with Igor Sechin, the chief executive of Rosneft, an energy giant partially owned by the Russian government.

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## **Presidential**

### [Trump Aides, Seeking Leverage, Investigate Mueller's Investigators](#)

**Michael S. Schmidt et al., The New York Times**

President Trump's lawyers and aides are scouring the professional and political backgrounds of investigators hired by the special counsel Robert S. Mueller III, looking for conflicts of interest they could use to discredit the investigation - or even build a case to fire Mr. Mueller or get some members of his team recused, according to three people with knowledge of the research effort. The search for potential conflicts is wide-ranging.

### [Mueller Expands Probe to Trump Business Transactions](#)

## **Greg Farrell and Christian Berthelsen, Bloomberg**

The U.S. special counsel investigating possible ties between the Donald Trump campaign and Russia in last year's election is examining a broad range of transactions involving Trump's businesses as well as those of his associates, according to a person familiar with the probe. FBI investigators and others are looking at Russian purchases of apartments in Trump buildings, Trump's involvement in a controversial SoHo development in New York with Russian associates, the 2013 Miss Universe pageant in Moscow and Trump's sale of a Florida mansion to a Russian oligarch in 2008, the person said.

## **Trump expected to make Scaramucci communications director**

**Jonathan Swan, Axios**

President Trump is expected to announce that Wall Street financier Anthony Scaramucci will be White House communications director, according to two sources familiar with the planning. Trump has left the role open since Mike Dubke resigned in May, and the President has vented frequently to his friends about the performance of his press operation.

## **The Trump Administration Wants To Loosen Bear Hunting Rules In Alaska Parks**

**Nidhi Subbaraman, BuzzFeed News**

The Interior Department is directing the National Park Service to overturn controversial hunting rules in public park lands in Alaska, according to a memo obtained by the National Parks Conservation Association. The July 14 memo was written by Virginia Johnson, a political appointee at Interior Secretary Ryan Zinke's office.

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## **Senate**

### **GOP Senators Take Sessions' Side in Spat With Trump**

**David Hawkings, Roll Call**

Confronted with the rare and awkward choice of siding with either a president of their party or a Cabinet member who's a former colleague, Senate Republicans are sounding of single mind: Attorney General Jeff Sessions, until five months ago a senior GOP senator from Alabama, has done nothing to

merit the upbraiding he's been taking from President Donald Trump. Being a former member of one of the most exclusive clubs in American politics, it seems, has privileges - including insulation from a wave of piling on when your job seems in jeopardy.

### **[GOP Floats Proposal to Ease Medicaid Cuts](#)**

**Louise Radnofsky and Kristina Peterson, *The Wall Street Journal***

Senate Republicans, scrambling to win support for their health-care bill, pushed a measure Thursday that they said could ease the impact of the bill's Medicaid cuts on low-income people. Advocating for the new direction is a little-known health official who is now at the center of the health-care fight: Seema Verma, head of the Centers for Medicare and Medicaid Services, which oversees the two federal medical programs.

### **[Under fire for opposing health bill, Mike Lee hits back](#)**

**Burgess Everett and Jennifer Haberkorn, *Politico***

Mike Lee hears the chorus of critics, with blame from the establishment wing of the GOP cascading on the Utah senator for being the Republican that stopped Obamacare repeal. And he's ready to respond.

### **[Trump Admin Actively Encouraging Kid Rock to Run for Senate, Want to Help Campaign, Insiders Say](#)**

**Benny Johnson, *Independent Journal Review***

Some Trump administration officials are actively looking for ways to help Kid Rock run and win a U.S. Senate seat in Michigan, according to multiple sources close to the administration. Two people with detailed knowledge of internal White House political dealings spoke on the condition of anonymity with *Independent Journal Review*, and cited a heavy curiosity by administration officials over the rap/rock superstar's flirtation with running for office.

### **[Harry Reid's Legacy Hangs Over Nevada Senate Race](#)**

**Eli Yokley, *Morning Consult***

As she considers a U.S. Senate run, Democratic Rep. Dina Titus could find herself going up against the political machine built by former Senate Democratic Leader Harry Reid during his decades in Nevada politics. Many strategists, elected officials and outside groups - from Nevada to Washington, D.C. - aligned almost instantly with Rep. Jacky Rosen, the first-term Democrat

whom Reid and his leadership successor, Senate Minority Leader Chuck Schumer (D-N.Y.), recruited to carry the party's torch against Republican Sen. Dean Heller next fall.

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## House

### [Paul Ryan says tax reform will get done because GOP is 'much more unified' on issue](#)

**Christine Wang, CNBC**

House Speaker Paul Ryan said he feels more confident that tax reform can get done this year than a health-care overhaul because Republicans are "wired the same way" on the issue. "Obviously, as you can see in the Senate, there is a difference of opinions on how to do health-care reform. We are so much more unified on tax reform, on what it looks like, and how to do it and the need to do it," the Wisconsin Republican told reporters Thursday.

### [House Republicans try to revive ban on Pentagon transgender surgeries](#)

**Rachael Bade, Politico**

Several House Republicans are working behind the scenes to revive a failed effort to bar the Pentagon from funding gender reassignment surgeries for troops. A mix of GOP defense hawks and conservatives are urging Speaker Paul Ryan and his team to use a procedural trick to automatically include the controversial proposal in a spending package set for floor consideration next week.

### [House Tees Up Vote Next Week on Bid to Undo CFPB Arbitration Rule](#)

**Ryan Rainey, Morning Consult**

The House will vote next week on a resolution that would block the Consumer Financial Protection Bureau's new rule that bars banks from requiring arbitration clauses in consumer contracts, House Majority Leader Kevin McCarthy (R-Calif.) said Thursday. The resolution, H.J. Res. 111, was introduced by Rep. Keith Rothfus (R-Pa.) with the backing from every Republican member of the House Financial Services Committee.

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## States

### [Democratic state attorneys general urge Trump to keep DACA, say it has boosted economy](#)

**Maria Sacchetti, The Washington Post**

Attorneys general from 19 states and the District of Columbia are urging President Trump to save an Obama-era program that protects nearly 800,000 undocumented immigrants from deportation, and offering to help him defend it in court. Led by California Attorney General Xavier Becerra, the group of Democrats is twice the size of the 10-state coalition of Republican officials that have threatened to sue the Trump administration if it does not start to phase out the program by Sept. 5.

### [Gillespie shifts from avoiding Trump to dropping the president's name](#)

**Laura Vozzella, The Washington Post**

Two little words are on Ed Gillespie's lips of late: "President Trump." Since launching his bid for Virginia governor, the establishment Republican had treated the man in the White House like a Voldemortian unmentionable.

### [Texas businesses rallying against bathroom bill](#)

**Chris Tomlinson, Houston Chronicle**

When did it become OK for the state's top politicians to ignore Texas executives on issues critical to our economic future? Gov. Greg Abbott and Lt. Gov. Dan Patrick are reviving their bill that would deny transgender Texans the liberty to live public lives.

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## Advocacy

### [Koch network prepares pivot to tax reform](#)

**Maggie Severns, Politico**

A political group backed by Charles and David Koch will soon kick off a multi-million dollar campaign in support of overhauling the tax code that is poised to become the Koch network's closest collaboration with the White House. The Koch-funded Americans for Prosperity will launch its new tax reform efforts on

Aug. 2 at the Newseum, according to an invitation reviewed by POLITICO.

### [Small Banks Warn Lawmakers Against 'Extreme' Overhaul of GSE Rules](#)

**Anna Gronewold, Morning Consult**

Amid efforts to overhaul Fannie Mae and Freddie Mac as they deplete their capital buffer, small lenders are warning against actions they say could be disastrous for community-based mortgage lending. Representatives from small banks and credit unions on Thursday urged the Senate Banking Committee to avoid mirroring previous congressional proposals regarding government-sponsored enterprises and instead called for changes to level the playing field for all mortgage lenders.

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## Opinions, Editorials and Perspectives

### [Sessions Hangs In There](#)

**The Editorial Board, The Wall Street Journal**

The White House said Thursday that President Trump still has confidence in Attorney General Jeff Sessions, but after the past two days the better question is whether Mr. Sessions still has confidence in the President. Mr. Trump needs the AG at this point more than the reverse.

### [Obama stood up to Russian interference. Now Trump must follow through.](#)

**Denis McDonough, The Washington Post**

I have watched with concern the tone, substance and trajectory of the national debate about Russian efforts to interfere in the 2016 U.S. presidential election. I write today to set the record straight about the events of last fall and, more important, to ensure that we as a nation do not lose sight of what happened - and what we must do to preserve our democracy.

### [Trump, ObamaCare and the Art of the Fail](#)

**Peggy Noonan, The Wall Street Journal**

It was a political drubbing of the first order. A new Republican president and a Republican Senate and House put everything they had into a bill to repeal and replace ObamaCare, and couldn't do it. The leadership is rocked.

## [A Republican Health Care Fix](#)

**J. D. Vance, The New York Times**

Imagine a young father stepping into the street. He is alert and conscientious.

## [To Shrink Jails, Let's Reform Bail](#)

**Kamala D. Harris and Rand Paul, The New York Times**

Kalief Browder, a 16-year-old New Yorker, was arrested on charges of stealing a backpack in 2010. To ensure he would show up for trial, and because of a previous offense, the judge set bail at \$3,000.

## [John McCain Is a National Treasure](#)

**Dov Zakheim, Foreign Policy**

I first got to know John McCain when I was a fresh-faced analyst at the recently established Congressional Budget Office and he was a captain in the Navy's Office of Legislative Affairs. We dealt briefly with each other when he served in the House of Representatives, and I was an official in Caspar Weinberger's Defense Department.

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## **Research Reports and Polling**

### [On Abortion, Americans Discern Between Immoral and Illegal](#)

**Frank Newport and Robert Bird, Gallup**

Americans are often more likely to view behaviors as morally wrong than they are to advocate that these behaviors be made illegal. This underscores a general tendency for Americans to hesitate before deciding that banning an action is appropriate.



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By [Eli Yokley](#)

## Week in Review

### White House

- President Donald Trump said that an investigative team led by special counsel Robert Mueller, who is looking into Russia's involvement in the 2016 U.S. election and possible ties to Trump's campaign, [would be crossing a line](#) if it began probing his finances. [Mueller's team](#) is said to be looking into Trump's business dealings, and the president's team of lawyers and aides is now [investigating Mueller's team](#) by looking for any conflicts of interest in an attempt to discredit their work.

- Trump said he would never have nominated Jeff Sessions to be attorney general if he knew Sessions would recuse himself from overseeing the Justice Department's Russia investigation. Sessions, a former Alabama senator, said he [plans to continue](#) on in his post.
- Fifty-two percent of registered U.S. voters said Donald Trump Jr.'s meeting with a Kremlin-linked attorney in June 2016 was inappropriate, according to a [Morning Consult/POLITICO poll](#). Voter support for the meeting rose 5 points, to 28 percent, when poll participants were told the lawyer "could allegedly provide official documents and information that would incriminate Hillary Clinton."
- [Sean Spicer announced his resignation](#) as White House press secretary, citing disagreements with Trump's hiring of New York financier Anthony Scaramucci as communications director. Spicer told Trump the hiring was a major mistake. Scaramucci said deputy press secretary Sarah Huckabee Sanders will take over when Spicer leaves in August.
- The Trump administration can continue to block many refugees from six predominantly Muslim countries with its temporary travel ban, but the [Supreme Court](#) said the ban could not apply to foreigners who are grandparents or cousins of Americans. That exemption prompted a Hawaii judge to challenge the implementation.
- After certifying that Iran is complying with the Obama-era nuclear deal, the Trump administration [slapped new sanctions](#) on 16 entities and individuals it said support Iran's elite military unit and ballistic missile program.

## **Congress**

- The Congressional Budget Office said the latest version of the Senate's bill to repeal and replace Obamacare would leave [22 million more people uninsured](#). Repeal without replacement - an approach Majority Leader Mitch McConnell (R-Ky.) said he now wants the Senate to consider - would leave 32 million more people uninsured, and it would double insurance premiums by 2026, [the CBO said](#).
- Sen. John McCain (R-Ariz.) [was diagnosed with brain cancer](#). McCain may undergo chemotherapy and radiation treatment. His office has given no timeline for when he might return to the Senate.

- Former Sen. Harry Reid (D-Nev.) has focused his political machine on getting Rep. Jacky Rosen to win the Democratic nomination to challenge Sen. Dean Heller (R-Nev.) next year. But [Rep. Dina Titus](#) (D-Nev.) said she has good poll numbers and is still considering a campaign against Rosen.
- Sen. Lindsey Graham (R-S.C.) and Senate Minority Whip Dick Durbin (D-Ill.) announced their [introduction of the Dream Act](#), with Graham saying that if Trump wants to get the Republican Party on board with saving "Dreamers" from deportation he could do so "at the snap of his fingers."

## What's Ahead

- The House and Senate will each convene on Monday.
- The Senate is slated to vote on the nomination of David Bernhardt to be deputy secretary of the Interior. McConnell is still pushing for a vote on health care this week, despite fears he may not have the votes to advance the legislation.
- Trump's son-in-law and adviser [Jared Kushner](#) is slated to appear privately before the Senate Intelligence Committee on Monday as part of the panel's Russia probe.
- The leaders of the Senate Judiciary Committee struck a deal with [Donald Trump Jr.](#) and the president's former campaign chairman, Paul Manafort, that lets the two men avoid testifying in public this week so long as they provide records and private testimony to the panel.
- House leaders rejected the White House's objections and [reached consensus](#) on a plan to modify a Russia sanctions package. The House could move forward on the legislation, which includes sanctions against Iran and North Korea, as soon as Tuesday.
- The House this week is also slated to vote on: Rep. Phil Roe's (R-Tenn.) Forever GI Bill; a resolution aimed at blocking the Consumer Financial Protection Bureau's arbitration rule; and spending

bills for various parts of the government, including defense, the legislative branch, energy and water programs, and military construction and Veterans' Affairs.

- After Rep. Vicky Hartzler (R-Mo.) said she would not run for her party's nomination to challenge Democratic Sen. Claire McCaskill, all eyes are now on state [Attorney General Josh Hawley](#), who has not yet announced his intentions.

## Events Calendar (All Times Local)

### MONDAY

IMF's Lagarde speaks at the Center for Global Development 10:30 a.m.

---

House Freedom Caucus Chairman Meadows speaks at Press Club 12 p.m.

---

Brookings Institution event on broadband in Trump's infrastructure plan 3 p.m.

---

House Rules Committee meeting 5 p.m.

### TUESDAY

Senate Agriculture Committee hearing on commodities, credit and crop insurance 8:30 a.m.

---

Chinese ambassador to the United States remarks at Institute for China-America Studies conference 9:10 a.m.

---

Senate Appropriations subcommittee markup of THUD spending bill 11 a.m.

---

Sens. Reed, Coons, Peters speak at Alliance For Manufacturing Foresight event 12 p.m.

---

Commerce Secretary Ross speaks at The Economic Club of Washington 12 p.m.

---

Senate Appropriations subcommittee markup of CJS spending bill 2:30 p.m.

### **WEDNESDAY**

Sen. Cassidy speaks at Bloomberg Government event on health care 7:30 a.m.

---

Reps. Blumenauer, Bucshon, Murphy speak at The Hill's health care event 8 a.m.

---

House Agriculture Committee hearing on renegotiating NAFTA 10 a.m.

---

Senate Appropriations subcommittee reviews Treasury Dept. budget request 10 a.m.

---

Sens. Whitehouse, Schatz speak at AEI about carbon taxes 3 p.m.

### **THURSDAY**

Treasury Secretary Mnuchin testifies before House Financial Services Committee 10 a.m.

---

Senate Appropriations Committee markup of CJS, THUD, legislative branch bills 10:30 a.m.

### **FRIDAY**

No events scheduled

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## **Morning Consult Washington Top Reads**

**1)** [A Top Republican Vows a Vote on Health Care, but Uncertainty Reigns](#)

Robert Pear, The New York Times

**2) [America's Most and Least Popular Governors - July 2017](#)**

Cameron Easley, Morning Consult

**3) [The Top Jobs in Trump's Administration Are Mostly Vacant: Who's to Blame?](#)**

Karen Yourish and Gregor Aisch, The New York Times

**4) [Citing Recusal, Trump Says He Wouldn't Have Hired Sessions](#)**

Peter Baker et al., The New York Times

**5) [Has Trump Turned CNN Into an Existential House of Dread](#)**

Sarah Ellison, Vanity Fair

**6) [Warner Wants More Investigation Into Trump Digital Campaign Role](#)**

Mark Niquette and Alan Bjerga, Bloomberg News

**7) [McConnell Abandons Obamacare Repeal and Replace Effort](#)**

Joe Williams, Roll Call

**8) [Trump is killing the Republican Party](#)**

Joe Scarborough, The Washington Post

**9) [House panel approves budget with hopes for tax reform](#)**

Andrew Taylor, The Associated Press

**10) [Trump Aides, Seeking Leverage, Investigate Mueller's Investigators](#)**

Michael S. Schmidt et al., The New York Times



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By [Eli Yokley](#)

## Week in Review

### The White House

- President Donald Trump [replaced](#) White House Chief of Staff Reince Priebus with Homeland Security Secretary John Kelly, who is expected to be sworn in on Monday.
- Marine Gen. Joe Dunford, the chairman of the Joint Chiefs, said "there will be no modifications" to the military's current [transgender policies](#) until Trump issues official guidance to the Defense Department. Trump's tweets declaring that transgender people would no longer be allowed to serve in the

military were [criticized by congressional Republicans](#) .

- Trump said he is disappointed in [Attorney General Jeff Sessions](#), calling him "[beleaguered](#)." Trump is frustrated with Sessions' recusal from the Justice Department's Russia probe, and the president has reportedly spoken privately with confidants about the possibility of using a [recess appointment to replace Sessions](#).
- Trump's son-in-law and senior adviser Jared Kushner was on Capitol Hill to speak with [House](#) and Senate investigators looking into Russian meddling in the 2016 election. In a public statement, Kushner said he "[did not collude](#)."
- White House communications director [Anthony Scaramucci](#) criticized Chief of Staff Reince Priebus and strategist Steve Bannon during a profanity-laced interview. He also threatened to fire any White House communications staffers involved in leaking information to journalists.

## **Congress**

- Senate Republicans failed to coalesce around one of three plans to [repeal the 2010 Affordable Care Act](#), despite years of campaign promises to do so. [Sen. John McCain](#) (R-Ariz.) cast the the deciding vote against against the so-called "skinny repeal" measure.
- The Senate passed a bill that would impose [new sanctions on Russia](#), Iran and North Korea. Russia's Foreign Ministry responded by ordering the United States to reduce the number of diplomatic staff it has in Russia by Sept. 1.
- The House passed a \$789 billion defense spending package that included funding for 70 miles of a wall along the southern U.S. border, which lawmakers have dubbed as a downpayment on Trump's proposed [border wall](#).
- In Wisconsin, Marine veteran Kevin Nicholson (R) announced his campaign for Senate [against Democratic Sen. Tammy Baldwin](#). In Indiana, Rep. Luke Messer (R) said he will seek his party's nomination [to challenge Sen. Joe Donnelly](#) (D).
- As he campaigns against Sen. Luther Strange (R-Ala.) for the Republican Party's Senate nomination on Aug. 15, [Rep. Mo Brooks](#) (R-Ala.) has taken

aim at Sen. Mitch McConnell (R-Ky.), saying he should step down as majority leader.

## What's Ahead

- The House is in recess until September.
- The Senate, which is expected to be in session through the first two weeks of August, will reconvene on Monday at 4 p.m. to consider executive nominations. McCain will not be present, with his office saying he will begin "targeted radiation and chemotherapy" for his recently diagnosed brain cancer.
- The White House said Trump [intends to sign](#) into law the Russia sanctions bill that was passed with overwhelming support in both chambers.
- Trump is [scheduled to be](#) in Huntington, W. Va., for a campaign rally Thursday.
- Rep. John Delaney (D-Md.) said he will [run for president in 2020](#).
- If GOP lawmakers want to do something on health care after last week's failure, [they have a couple options](#): a bipartisan push with support from Democrats, or smaller changes, such as addressing cost-sharing reduction payments to insurers.
- Congressional Republicans and administration officials said they're aiming to tackle [tax reform later this year](#). The border adjustment tax, opposed by conservatives, is off the table.

## Events Calendar (All Times Local)

## **MONDAY**

Brookings Institution event on next steps for NATO 10 a.m.

---

Center for American Progress event on the power of black women 12 p.m.

## **TUESDAY**

Senate Finance Committee hearing on affordable housing 10 a.m.

---

Pew Charitable Trusts webinar on flood threats to public schools 2 p.m.

## **WEDNESDAY**

Brookings Institution event on congressional procedural politics 10 a.m.

---

Senate Foreign Relations Committee hearing on the Colombia peace process 10 a.m.

## **THURSDAY**

Senate Energy & Natural Resources Committee hearing on wild land fire risk 10 a.m.

---

Senate Finance Committee hearing on nominations 10 a.m.

---

Federal Communications Commission monthly meeting 10:30 a.m.

---

Trump campaign rally in Huntington, W. Va. 7 p.m.

## **FRIDAY**

No events scheduled

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## **Morning Consult Washington Top Reads**

1) [Anthony Scaramucci Called Me to Unload About White House Leakers, Reince Priebus, and Steve Bannon](#)

Ryan Lizza, The New Yorker

**2) [Trump Has Averaged 50% or Higher Job Approval in 17 States](#)**

Jeffrey M. Jones, Gallup

**3) [Trump talks privately about the idea of a recess appointment to replace Sessions](#)**

Carol D. Leonnig et al., The Washington Post

**4) [Mo Brooks' Senate ad focuses on baseball shooting, upsets Steve Scalise's staff](#)**

Paul Gattis, Alabama.com

**5) [Sessions' New Civil Asset Forfeiture Policy Fares Poorly Among Voters](#)**

Cameron Easley, Morning Consult

**6) [Obamacare Repeal Fails Early in Senate Health-Care Debate](#)**

Laura Litvan et al., Bloomberg News

**7) [Many Republicans Doubt Clinton Won Popular Vote](#)**

Eli Yokley, Morning Consult

**8) ['I Did Not Collude,' Kushner Says After Meeting Senate Investigators](#)**

Matt Apuzzo and Maggie Haberman, The New York Times

**9) [Senate Rejects Slimmed-Down Obamacare Repeal as McCain Votes No](#)**

Robert Pear and Thomas Kaplan, The New York Times

**10) [House passes spending package with border wall money](#)**

Sarah Ferris, Politico



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By [Eli Yokley](#)

## Week in Review

### The White House

- President Donald Trump on Saturday [condemned](#) "hatred, bigotry and violence on many sides" in Charlottesville, Va., after a demonstration over a Confederate statue on Saturday turned violent and deadly.
- U.S. tensions with North Korea escalated last week, after a [Defense Intelligence Agency report surfaced](#) revealing North Korea has miniaturized warheads small enough to fit atop intercontinental ballistic missiles. Trump threatened "[fire and fury](#)" against North Korea if it endangered the

U.S., prompting its leader, Kim Jong Un, to [threaten the U.S. territory Guam](#).

- Trump's disapproval topped 55 percent in a [Morning Consult/POLITICO poll](#) released last week, the highest of his presidency. The same survey, conducted into last weekend, found [most Americans say](#) U.S.-North Korea relations have worsened under Trump.
- Trump [shrugged off](#) Russian President Vladimir Putin's decision to expel 755 American diplomats from Moscow over new U.S. sanctions. Rather than express outrage, he said he was "thankful" Putin "[let go of a large number of people](#)" so the U.S. can save money, though it is not clear the State Department is no longer employing the diplomats.
- It was revealed that [federal investigators raided](#) the Washington, D.C.-area home of Trump's former campaign chairman, Paul Manafort, the day after he met with Senate investigators in July. Federal investigators have [sought the cooperation of his son-in-law](#) as they investigate his own finances, as well as Russian meddling in the 2016 election.
- A draft report by scientists for 13 federal agencies found the average temperature in the U.S. has risen rapidly since 1980 and that Americans are feeling the effects of climate change right now, [language at odds](#) with Trump's rhetoric on the issue.

## **Congress**

- Senate Majority Leader Mitch McConnell (R-Ky.) took heat last week after he took on Trump's "[excessive expectations](#)" about how quickly legislation could be enacted. [Several Republican senators](#) came to his defense.
- [Some rank-and-file Democrats](#), as well as a handful of Republicans, have said Trump should go to Congress to request an authorization for the use of military force should he try to make good on his threats to North Korea.
- [Several Senate Democrats](#) say Trump's judicial nominees are not meeting with them, breaking a tradition of the upper chamber. [Also bucking tradition](#), Senate Judiciary Committee Chairman Chuck Grassley (R-Iowa) has said he would be willing to advance the nominees without the home-state senators' approval.

- A [Morning Consult/POLITICO poll](#) found 44 percent of voters approve of a plan, backed by Trump and sponsored by Sens. Tom Cotton (R-Ark.) and David Perdue (R-Ga.) to curb legal immigration.
- Danny Tarkanian, the son of famed University of Nevada Las Vegas basketball coach Jerry Tarkanian and a perennial candidate, [said he will challenge](#) Nevada Sen. Dean Heller for the Republican Senate nomination next year.

## What's Ahead

- Voters in Alabama will head to the polls Tuesday for a special election for the Republican nomination in Attorney General Jeff Sessions' old Senate seat. Sen. Luther Strange, who was appointed to the seat in February, is [polling second](#) to former Alabama Supreme Court Judge Roy Moore, but earned the endorsement of Trump, [which his campaign is touting](#). Rep. Mo Brooks (R) is also competing for the seat. If nobody breaches 50 percent of the vote, there will be a Sept. 26 run-off.
- Voters in Utah will go to the polls to select the Republican nominee to replace Rep. Jason Chaffetz (R), who left Congress in June. [There are three candidates](#) vying for the nomination in the safe Republican district.
- While Congress is home for recess, some are [scrambling to find a way](#) to raise the debt limit, despite political opposition among conservatives. The government is expected to reach its borrowing limit by the end of September.
- Sen. Michael Enzi (R-Wyo.), chair of the Senate Budget Committee, [has told fellow Republicans](#) he plans to mark up the fiscal year 2018 budget resolution in September. The move is key to the party's effort to tackle tax reform this fall.
- Members of the conservative House Freedom Caucus are planning to [use a procedural move](#) to try to force another vote on repealing Obamacare. The tactic would require signatures from a majority of lawmakers.

- The House and Senate are expected to fully convene again on Sept. 26. Trump will return to Washington tomorrow to call for a probe into [Chinese trade actions](#).

## Events Calendar (All Times Local)

### MONDAY

No events scheduled

### TUESDAY

Special primary elections in Alabama and Utah All day

---

House meets for a pro forma session 9:30 a.m.

---

Heritage Foundation event on reorganizing the federal government 11 a.m.

### WEDNESDAY

No events scheduled

### THURSDAY

No events scheduled

### FRIDAY

No events scheduled

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## **Morning Consult Washington Top Reads**

1) [Canadian diplomat in Cuba also suffered hearing loss](#)

Matthew Lee, The Associated Press

**2) [Scientists Fear Trump Will Dismiss Blunt Climate Report](#)**

Lisa Friedman, The New York Times

**3) [The Congressional Map Has A Record-Setting Bias Against Democrats](#)**

David Wasserman, FiveThirtyEight

**4) [Republicans Discuss a Mix of Temporary, Permanent Tax Changes](#)**

Anna Edgerton, Bloomberg News

**5) [Inside the Air Force One ride where Trump shook up his staff](#)**

Marisa Schultz, New York Post

**6) [Back home, Speaker Ryan can't escape questions about GOP](#)**

Scott Bauer, The Associated Press

**7) [Now Starring in the West Wing: Sarah Huckabee Sanders](#)**

Michael M. Grynbaum, The New York Times

**8) [New Chief of Staff Kelly Moves Quickly to Tame Trump's Tweets](#)**

Jennifer Jacobs et al., Bloomberg News

**9) [Finding a Road Forward](#)**

Haley Byrd, Independent Journal Review

**10) [Enzi Plans September Budget Markup as McConnell Urges Speed](#)**

Paul M. Krawzak, Roll Call



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By [Cameron Easley](#)

## Week in Review

### The White House

- President Donald Trump [damaged relationships](#) with influential members of the business community, the national security apparatus and the congressional GOP by defending white nationalists involved in the Charlottesville, Va., confrontation which left one woman dead. Republican activists [defended the president](#) and attacked lawmakers who spoke out against his remarks.
- Steve Bannon, Trump's chief strategist, [departed the White House](#) for good

Friday days after undermining the administration's position on North Korea and disclosing a long-running internal feud with national security and trade officials in an interview with The American Prospect.

- The [administration confirmed](#) it would make its August payments to Obamacare insurers, something Trump has repeatedly threatened to withhold in hopes of leveraging Democrats to the negotiating table on a health care overhaul.
- Trump responded to the terror attack in Barcelona, Spain, by [resurfacing a debunked story](#) about a general dipping bullets in pig blood before executing Muslims during the Phillipine-American War.
- Defense Secretary [James Mattis said](#) U.S. officials were moving closer to a decision on future plans for Afghanistan. He [also suggested](#) to reporters that the Pentagon may not follow the president's directive regarding transgender members of the military.
- [Trump waded](#) into Arizona Republican Sen. Jeff Flake's primary race, praising his opponent, Kelli Ward, and spooking some of his own advisers have been strategizing about how to best impact the race and endanger Flake, a vocal critic of the president.
- Trump's criticism of another senator, Majority Leader Mitch McConnell (R-Ky.) was [largely backed](#) by Republican voters, a new Morning Consult/POLITICO survey showed.
- A Trump campaign staffer sent at least a [half-dozen emails](#) attempting to set up meetings with Trump or Trump campaign officials and Russian officials, according to emails.
- Hope Hicks, a longtime aide to President Donald Trump, [was named](#) the White House's interim communications director. A Morning Consult/POLITICO survey showed she is the most unknown high-level staffer at 1600 Pennsylvania Ave.

## **Congress**

- Senior Republicans in Congress [are growing](#) increasingly concerned that Trump's constant controversies - particularly his equivocation over the tragic events in Charlottesville, Va. - will do real damage to the party's

efforts to enact its agenda.

- Former Alabama Supreme Court Chief Justice Roy Moore [will face](#) Sen. Luther Strange in a September runoff for the Republican nomination for Attorney General Jeff Sessions' old Senate seat. Moore led Strange 39 percent to 33 percent in Tuesday's primary.
- Provo Mayor John Curtis [secured](#) the Republican nomination in former Rep. Jason Chaffetz's old House seat. He beat two other Republicans for the nod in the safe Republican district.
- House Speaker Paul Ryan [reiterated](#) his goal of securing permanent cuts through the GOP's effort to overhaul the tax code on a party-line vote.
- House Minority Leader Nancy Pelosi [called for](#) the removal of Confederate statues from the Capitol, while Ryan said the decision should be left up to the states.
- House Democrats are also [pushing for a floor vote](#) on a resolution to censure Trump for his Charlottesville remarks.

## What's Ahead

- Trump [is scheduled](#) to attend a supporters' rally in Phoenix, Ariz., on Tuesday, though the city's mayor has asked the president to delay his visit in the wake of the Charlottesville fallout.
- The Senate Judiciary Committee is [expected to interview](#) the co-founder of the firm that commissioned a dossier of salacious allegations against President Donald Trump later this month.
- Congressional recess continues until after the Labor Day weekend, with the Senate and House both set to convene on Sept. 2.

## Events Calendar (All Times Local)

### **MONDAY**

No events scheduled

### **TUESDAY**

No events scheduled

### **WEDNESDAY**

No events scheduled

### **THURSDAY**

Heritage Foundation event: Protecting Public Employees'  
First Amendment Rights

12 p.m.

### **FRIDAY**

No events scheduled

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## **Morning Consult Washington Top Reads**

1) [Trump campaign emails show aide's repeated efforts to set up Russia meetings](#)

Tom Hamburger et al., The Washington Post

**2) [Bannon says US locked in 'economic war' with China, slams White House colleagues](#)**

Jeremy Diamond, CNN

**3) [White House Acts to Stem Fallout From Trump's First Charlottesville Remarks](#)**

Glenn Thrush and Rebecca R. Ruiz, The New York Times

**4) [GOP activists scold Republicans for criticizing Trump over Charlottesville](#)**  
Katie Glueck and Lesley Clark, McClatchy DC

**5) [McMaster won't say if he can work with Bannon](#)**

Madeline Conway, Politico

**6) [Trump Comments on Race Open Breach With C.E.O.s, Military and G.O.P.](#)**

Michael D. Shear et al., The New York Times

**7) [Moore, Strange Advance to Runoff in Alabama Senate Primary](#)**

Bridget Bowman, Roll Call

**8) [Republican Voters Largely Back Trump for Knocking McConnell](#)**

Cameron Easley, Morning Consult

**9) [China's Crackdown on North Korea Over U.N. Sanctions Starts to Pinch](#)**

Jane Perlez, The New York Times

**10) [There Are Still More Than 700 Confederate Monuments in the U.S.](#)**

Kathryn Casteel and Anna Maria Barry-Jester, FiveThirtyEight



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By [Eli Yokley](#)

## Week in Review

### The White House

- President Donald Trump made two trips to Texas as the state grappled with the aftermath of Hurricane Harvey. Vice President Mike Pence also visited the state. Early estimates put the cost of recovery at [\\$190 billion](#).
- The White House said Trump will nominate Pennsylvania Rep. Tom Marino (R) to be the [next drug czar](#) and Oklahoma Rep. Jim Bridenstine (R) to be the [next NASA administrator](#).

- Trump gave a speech in Springfield, Mo., [to call on Congress](#) to cut taxes and reform the overall tax code. Other than his call for a 15 percent corporate tax rate, he [did not include many specifics](#).
- The Trump administration [slashed by almost \\$116 million](#) the amount it will spend on advertising and grants aimed at getting people to sign up for health care plans under the Affordable Care Act. Democrats fear the administration is trying to undermine the law ahead of the Nov. 1 open enrollment period.
- Robert Mueller, the Justice Department's special counsel, [issued subpoenas](#) to a spokesman and a former lawyer for Paul Manafort, Trump's former campaign chairman.
- The United States [ordered the closure](#) of Russia's consulate in San Francisco and forced the Kremlin to scale back its diplomatic staff in New York and Washington. Moscow took similar actions against U.S. diplomats after Trump signed into law new sanctions against Russia.

## **Congress**

- House Freedom Caucus Chairman Mark Meadows (R-N.C.) said members of the conservative faction would be [willing to support a short-term plan](#) to fund the government past Sept. 30, even if it does not include funding for Trump's proposed border wall. Lawmakers are considering funding the government until December to allow more time to reach a long-term agreement.
- Sen. Kamala Harris (D-Calif.) said she would [co-sponsor single-payer health care legislation](#) backed by Sen. Bernie Sanders (I-Vt.), putting the potential 2020 prospect opposite California's other Democratic senator, Dianne Feinstein.
- Arizona Rep. Trent Franks (R) [said he would not enter the Republican primary](#) to challenge Sen. Jeff Flake. He was among the group of potential candidates, including former state Sen. Kelli Ward, who met with Trump about challenging Flake.
- The House Ethics Committee said it is [expanding its investigation](#) of what role Rep. Chris Collins (R-N.Y.) played in getting members of Congress to invest in an Australian pharmaceutical company.

- Rep. Lou Barletta (R-Pa.) said he would run for Senate in hopes of [challenging Democratic incumbent Sen. Bob Casey](#) next year. He is considered the most well-known candidate among those seeking the Republican nomination. Other GOP candidates include state Reps. Jim Christiana and Rick Saccone, as well as businessman Jeff Bartos.
- Hawaii Rep. Colleen Hanabusa (D) [said she will challenge](#) her home state's governor, David Ige, for the party's nomination for governor next year.

## What's Ahead

- Both chambers of Congress are scheduled to reconvene on Tuesday.
- House Speaker Paul Ryan (R-Wis.), Senate Majority Leader Mitch McConnell (R-Ky.), House Minority Leader Nancy Pelosi (D-Calif.) and Senate Minority Leader Chuck Schumer (D-N.Y.) [are scheduled to head to the White House](#) on Wednesday to meet with Trump about the September agenda, which includes government funding, hurricane relief and the debt limit.
- Members of both chambers are [expected to be briefed](#) by top Trump administration officials this week about the security situations in North Korea and Afghanistan. Closed sessions with Defense Secretary James Mattis, Secretary of State Rex Tillerson and others are scheduled for Wednesday.
- A judge in New Jersey [denied a request](#) by Sen. Robert Menendez (D-N.J.) to delay oral arguments in his corruption trial, which is set to begin on Wednesday. The trial is expected to last six to eight weeks.
- Members of the Senate Judiciary Committee have set a date to privately question Donald Trump Jr. about his June 2016 meeting with a Kremlin-connected lawyer. The date has not been made public but is expected in the ["next few weeks."](#)

## Events Calendar (All Times Local)

### MONDAY

Federal holiday -- no events scheduled

### TUESDAY

Heritage Foundation event on BRAC 10:30 a.m.

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William Julius Wilson and J.D. Vance speak at Brookings Institution event 3:30 a.m.

### WEDNESDAY

Atlantic Council discussion on modernizing NAFTA, North American energy sector 9 a.m.

---

EPA public hearing on mid-term evaluations for greenhouse gas emissions standards 9 a.m.

---

Senate Foreign Relations Committee hearing on U.S.- Turkey relations 10:30 a.m.

---

Senate Appropriations subcommittee markup of the FY2018 Labor, HHS, Education Appropriations Bill 11 a.m.

---

Senate Appropriations subcommittee markup of FY2018 State & Foreign Operations Appropriations Bill 2 p.m.

### THURSDAY

CAP event on part-time college students 10 a.m.

---

Senate Finance Committee hearing on Children's Health Insurance Program 10 a.m.

---

House Armed Services Committee hearing on problems with USS Fitzgerald, USS John S. McCain 2 p.m.

### FRIDAY

Govs. Hickenlooper, Kasich discuss health care proposal at AEI

9:15 a.m.

---

Brookings Institution event on foreign cyber interference in U.S. elections

10:30 a.m.

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## Morning Consult Washington Top Reads

1) [Trump Weighs Tying Debt Limit Increase to Harvey Aid](#)

Margaret Talev, Bloomberg

2) [Tillerson: Trump 'speaks for himself'](#)

Eli Watkins, CNN

3) [Federal Judge Temporarily Blocks Texas Law Cracking Down on Sanctuary Cities](#)

Alicia A. Caldwell, The Wall Street Journal

4) [GOP Voters Don't Want Shutdown - Unless It Funds Border Wall](#)

Eli Yokley, Morning Consult

5) [Trump on North Korea's missile launch: 'All options are on the table'](#)

Louis Nelson, Politico

6) [Harris to co-sponsor Sanders' single-payer bill](#)

Carla Marinucci, Politico

7) [Administration Cutting Ads and Grants Aimed at Boosting Affordable Care Act Sign-ups](#)

Stephanie Armour and Anna Wilde Mathews, The Wall Street Journal

8) [Congress to get briefings next week on North Korea, Afghanistan](#)

Jeremy Herb, CNN

9) [Tracking Harvey's Destructive Path Through Texas and Louisiana](#)

The New York Times

10) [Special counsel subpoenas Manafort's former attorney and spokesman](#)

Evan Perez, CNN





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**Date:** Sunday, October 01, 2017 9:02:44 AM

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By [Eli Yokley](#)

## Week in Review

### The White House

- President Donald Trump and congressional leaders rolled out the framework of their plan to [overhaul the tax code](#). They proposal calls for [slashing the corporate rate](#) from 35 percent to 20 percent and lowering the top individual tax rate from 39.6 percent to 35 percent. Trump called the plan a "[middle class miracle](#)."
- The White House said Secretary of Health and Human Services [Tom Price resigned](#), effective Friday night, after a controversy erupted over his use of

taxpayer-funded private flights for government business. Trump designated Deputy Assistant Secretary Don Wright as acting secretary. Cabinet officials, including [Interior Secretary Ryan Zinke](#), have also been criticized recently for opting to take more expensive means of travel.

- Trump [temporarily waived the Jones Act](#) to allow foreign-operated ships to transport cargo from U.S. ports to Puerto Rico. The waiver, granted on Thursday, was set to last 10 days.
- Trump's search for a [new Department of Homeland Security secretary](#) is "back to square one," with Rep. Michael McCaul (R-Texas) reportedly out of the running to replace John Kelly, who's now chief of staff at the White House. McCaul, the head of the House Homeland Security Committee, had publicly broken with Trump on his travel ban, in addition to pushing back on the president's criticism of the Russia investigations.
- The White House launched an [internal investigation](#) into the use of private email accounts by senior staffers while conducting official government business. The move came after a news report that [Jared Kushner](#), Trump's son-in-law, and other top aides were found to have used their personal email addresses to discuss White House matters.
- Trump issued a proclamation that [indefinitely banned](#) travel to the United States by most citizens from Chad, Iran, Libya, North Korea, Somalia, Syria and Yemen. The Supreme Court in turn [canceled oral arguments](#) scheduled for Oct. 10 on his executive order and asked litigants to file new briefs answering whether they think Trump's latest proclamation renders the legal question about the original order "moot."

## **Congress**

- Senate Republicans [scrapped efforts](#) to consider a health care bill authored by Sen. Lindsey Graham (R-S.C.) and Sen. Bill Cassidy (R-La.) ahead of a Sept. 30 procedural deadline. Graham said [they will return to it](#) after their efforts to overhaul the tax code.
- In a blow to Senate Majority Leader Mitch McConnell (R-Ky.) and the Republican establishment, former Alabama Supreme Court Chief Justice Roy Moore beat Sen. Luther Strange (R-Ala.) 54.6 percent to 45.4 percent in a [special primary runoff](#) for Attorney General Jeff Sessions' old Senate seat. On Dec. 12, Moore will face Democratic nominee Doug Jones, whose

[backers acknowledged](#) a tough road ahead.

- Congress sent legislation to Trump that would reauthorize the [Federal Aviation Administration](#) for six months and give tax relief to hurricane victims.
- The Senate unanimously confirmed former Utah Gov. [Jon Huntsman](#) to be U.S. ambassador to Russia.
- House Majority Whip [Steve Scalise](#) (R-La.) returned to Congress for the first time since he was injured by gunfire at a Congressional Baseball Game practice in June.
- House Republicans released a plan that would provide [\\$10 billion in funding](#) for Trump's proposed wall along the U.S.-Mexico border. The legislation, which is unlikely to pass in the Senate, would also add 10,000 border patrol agents and Customs and Border Protection officers.
- [Rep. Kyrsten Sinema](#) (D-Ariz.) said she would seek her party's nomination for Senate next year as Sen. Jeff Flake (R-Ariz.) seeks re-election. Lower-profile Democrats are already in the race, and Flake, one of the most vulnerable Republicans in the 2018 midterm elections, was already facing heat from his right from former state Sen. Kelli Ward (R).
- [Sen. Bob Corker](#) (R-Tenn.), chairman of the Senate Foreign Relations Committee, said he will not seek a third term next year. His exit paves the way for a wide open nominating contest: Rep. Marsha Blackburn (R) and retired football player Peyton Manning have been mentioned as possible candidates, and conservative activist Andy Ogles has already announced his candidacy.

## What's Ahead

- Both the House and Senate are in session this week.
- The Senate on Monday is expected to vote on the [renomination of Federal Communications Commission Chairman Ajit Pai](#) to continue as a member of

the FCC.

- The Senate Budget Committee [released its fiscal year 2018 budget resolution](#) ahead of hearings this week. The measure would allow for \$1.5 trillion in tax cuts over the next decade. The House is expected to vote on its own budget resolution this week. Congressional passage of a budget resolution would set the stage for Republicans to pass their tax overhaul with a simple majority in the Senate.
- Trump said he will visit [Puerto Rico](#) on Tuesday as the U.S. territory grapples with the damage from Hurricane Maria. The administration has been criticized for its handling of recovery efforts in the wake of the storm.
- Executives from Facebook Inc., Twitter Inc. and Google Inc. have been asked to testify before House and Senate committees in the coming week as part of their [investigations into Russian meddling](#) in the 2016 U.S. presidential election.
- Trump faces an Oct. 15 deadline to declare whether Iran is complying with the framework of its [nuclear agreement](#) with the United States and other countries. A recent poll found that 54 percent of registered voters said they support the international accord.

## Events Calendar (All Times Local)

### MONDAY

Rep. Gallagher speaks at Wilson Center event on America First 10 a.m.

### TUESDAY

Sen. Klobuchar, Rep. Meehan speak at Atlantic event on drug prices 8 a.m.

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Senate Banking Committee hearing on Wells Fargo 10 a.m.

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Senate Judiciary Committee hearing on Trump's DACA decision	10 a.m.
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Senate Finance Committee hearing on international tax reform	10 a.m.
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RSC members speak at Heritage Foundation event on taxes	2:30 p.m.
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McCain Institute event on Russian containment	6 p.m.
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Sen. Cotton speaks at CFR event on Iran nuclear deal	6 p.m.
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### **WEDNESDAY**

U.S. Chamber of Commerce Cybersecurity Summit	8 a.m.
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House Financial Services Committee hearing with SEC's Clayton	10 a.m.
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Senate Banking Committee hearing on Equifax breach	10 a.m.
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OMB's Mulvaney speaks at Washington Post event	10:30 a.m.
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Senate Budget Committee markup of fiscal year 2018 budget resolution	2:30 p.m.
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### **THURSDAY**

Sen. Cotton speaks at Washington Post event	9 a.m.
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House Financial Services Committee hearing on Equifax breach	9:15 a.m.
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Chairman of Council of Economic Advisers speaks at Tax Policy Center event	9:30 a.m.
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Senate Budget Committee markup of fiscal year 2018 budget resolution	10:30 a.m.
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Peterson Institute event on global economic prospects for 2017	12:15 p.m.
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BPC event on Turkish relations	2 p.m.
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### **FRIDAY**

No events scheduled

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## **This Is the Future of Brand Reputation Tracking**

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## Morning Consult Washington Top Reads

1) [The large parts of America left behind by today's economy](#)

Kim Hart, Axios

2) [Trump Maps Lobbying Trip for Tax Plan Likely to Whack N.Y., N.J.](#)

Sahil Kapur, Bloomberg

3) [Trump temporarily lifts Jones Act to bolster Puerto Rico relief](#)

Melanie Zanona, The Hill

4) [At Least 6 White House Advisers Used Private Email Accounts](#)

Matt Apuzzo and Maggie Haberman, The New York Times

5) [GOP Tax Plan to Allow for Top Individual Rate Above 35%](#)

Richard Rubin and Michael C. Bender, The Wall Street Journal

6) [This is what the White House wants in exchange for saving Dreamers from deportation](#)

Anita Kumar, McClatchy DC

7) [New Order Indefinitely Bars Almost All Travel From Seven Countries](#)

Michael D. Shear, The New York Times

8) [House Republicans propose \\$10 billion for Trump's border wall](#)

Rachael Bade, Politico

9) [Minorities and Americans without college degrees showed greatest gains in wealth since 2013, new data shows](#)

Heather Long and Tracy Jan, The Washington Post

10) [Roy Moore Wins Senate G.O.P. Runoff in Alabama](#)

Jonathan Martin and Alexander Burns, The New York Times



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By [Eli Yokley](#)

## Week in Review

### The White House

- The Trump administration took [two big swings](#) at the Affordable Care Act: President Donald Trump signed an executive order directing the federal government to allow the sale of cheaper health insurance plans that provide fewer benefits, and the White House said it will end subsidies to health insurance companies that help defer costs for-low income people.
- Trump [withdrew certification](#) of the Iran nuclear agreement, but stopped short of terminating the 2015 deal. Rather than immediately imposing new sanctions that could jeopardize the international accord, he said he wants

Congress to craft new "trigger points" for sanctions.

- Trump [named Kirstjen Nielsen](#) as his pick to lead the Department of Homeland Security, which hasn't had a full-time secretary since John Kelly left the agency in July to become White House chief of staff.
- Trump dismissed a news report that said he told senior national security advisers in July that he favored a massive increase in the [U.S. nuclear arsenal](#), calling the article "pure fiction." After raising the possibility of challenging the broadcast license of NBC News, which published the first report on the topic, Trump said it is "[frankly disgusting](#) the press is able to write whatever it wants to write."
- Trump listed [immigration policy principles](#) that he said "must be included as part of any legislation addressing" the Deferred Action for Childhood Arrivals program. The demands include funding for his proposed border wall with Mexico and cutting off federal grants to so-called sanctuary cities, but administration officials stopped short of threatening to veto DACA legislation that doesn't include the policy principles.
- The Supreme Court dismissed a case challenging the expired version of Trump's [travel ban](#), marking a legal victory for the administration, which had asked the court to drop the case after the temporary ban was replaced with an indefinite one affecting eight countries.
- Trump remains popular with a majority of voters in 16 states, but his approval is underwater in 25 and the District of Columbia, according to a [comprehensive survey of voters in all 50 states](#). Trump has failed to improve his standing, even in states he won handily as the Republican nominee during the 2016 presidential election, according to the poll conducted from Jan. 20 to Sept. 26.

## **Congress**

- [Sen. Susan Collins](#) (R) said she will not run for governor of Maine next year. Gov Paul LePage (R) is prohibited from seeking re-election due to term limits. Collins is next up for Senate re-election in 2020.
- Missouri Attorney General Josh Hawley said he will seek the Republican nomination to [challenge Sen. Claire McCaskill](#) (D) next year. The 37-year-old, first-time elected official has received praise from Breitbart, led by

former White House chief strategist Steve Bannon, and many of the state GOP's establishment leaders, alike.

- [Sen. Dianne Feinstein](#) (D-Calif.) said she will run for a fifth term in 2018. Billionaire Tom Steyer has not ruled out challenging Feinstein, and state Senate Democratic Leader [Kevin de León](#) is reportedly close to announcing his candidacy.
- Federal prosecutors in New Jersey rested their case against [Sen. Robert Menendez](#) (D-N.J.), who is accused of taking gifts from Florida eye doctor Salomon Melgen in exchange for doing favors for him. Testimony over the past month came from former federal officials and congressional staffers, as well as former Sen. Tom Harkin (D-Iowa).
- Republican lawmakers called for calm as Trump escalated a feud with [Sen. Bob Corker](#) (R-Tenn.) after he dubbed the White House an "adult day care center" and said Trump could be leading the nation "[on the path to World War III](#)." Senate Majority Leader Mitch McConnell (R-Ky.) issued a statement calling Corker a "[particularly important player](#)" on the budget, the passage of which is a key procedural hurdle for Republicans hoping to overhaul the U.S. tax code.
- The House voted 353 to 69 to pass a [\\$36.5 billion disaster aid package](#) that includes money for the Federal Emergency Management Agency, Puerto Rico and the National Flood Insurance Program, as well as funding to fight wildfires in the West.
- Rep. Carlos Curbelo (R-Fla.) introduced legislation with bipartisan support that would [ban bump stocks](#), devices that allow semi-automatic weapons to fire nearly as fast as automatic weapons. House Speaker Paul Ryan (R-Wis.) said a "[regulatory fix is the smartest, quickest fix](#)" to "tighten up compliance" with federal laws banning automatic weapons.

## What's Ahead

- The Senate is in session this week. Senators are scheduled to hold a

confirmation vote Monday for Calista Gingrich to be the U.S. ambassador to the Holy See.

- The House is in recess this week. The chamber is scheduled to reconvene on Oct. 23.
- Leaders of the House Intelligence Committee [said they will release](#) the Facebook ads purchased by Kremlin-linked groups as part of Russia's efforts to influence the 2016 U.S. presidential election. The public release is likely to come after Nov. 1.

## Events Calendar (All Times Local)

### MONDAY

U.S. Chamber of Commerce event on the U.S. workforce 8 a.m.

### TUESDAY

Bloomberg Government event on affordable housing 8 a.m.

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Senate Health, Education, Labor and Pensions Committee hearing on prescription drug costs 10 a.m.

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National Iranian American Council event on the future of the Iran nuclear deal 12 p.m.

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U.S. Chamber of Commerce TecNation event 12:30 p.m.

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Georgetown Law event on Trump-Russia investigation 3:30 p.m.

### WEDNESDAY

BPC event with former Energy Secretary Ernest Moniz 9 a.m.

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Sens. Hassan, Portman speak at Washington Post event on opioid epidemic 9 a.m.

---

Attorney General Sessions testifies before Senate Judiciary 10 a.m.

Committee

---

U.S. Chamber of Commerce event on health reform 1:30 p.m.

---

Sens. Cruz, Sanders debate GOP tax plan on CNN 9 p.m.

**THURSDAY**

CSIS event on U.S. energy policy 12:30 p.m.

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Heritage Foundation event on North Korea 3 p.m.

**FRIDAY**

Brookings Institution event on Trump's deregulatory efforts 10:30 a.m.

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According to Morning Consult Brand Intelligence data published in The New York Times, the NFL has become one of the most controversial organizations in the country.

### **Morning Consult Washington Top Reads**

- 1) [Trump Approval Dips in Every State, Though Deep Pockets of Support](#)

## Remain

Cameron Easley, Morning Consult

**2) ["I hate everyone in the White House!": Trump seethes as advisers fear the president is "unraveling"](#)**

Gabriel Sherman, Vanity Fair

**3) [Trump's popularity is slipping in rural America: poll](#)**

Chris Kahn and Tim Reid, Reuters

**4) [Inside Trump's Head: An Exclusive Interview With the President, And The Single Theory That Explains Everything](#)**

Randall Lane, Forbes

**5) [Menendez case gets potential 'death blow'](#)**

Matt Friedman, Politico

**6) [Trump May Do the Harm to Insurers That Congress Couldn't](#)**

Max Nisen, Bloomberg

**7) [House Intel leaders to release Facebook ads purchased by Kremlin-linked groups](#)**

Erin Kelly, USA Today

**8) [In Start to Unwinding the Health Law, Trump to Ease Insurance Rules](#)**

Louise Radnofsky et al., The Wall Street Journal

**9) [John Kelly lets loose](#)**

Annie Karni, Politico

**10) [Trump to End Subsidies to Health Insurers](#)**

Stephanie Armour, The Wall Street Journal



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By [Eli Yokley](#)

## Week in Review

### The White House

- U.S. District Court Judge Derrick Watson of Hawaii blocked the latest iteration of President Donald Trump's [travel ban](#) affecting citizens of several Muslim-majority countries, a day before it was set to fully take effect. A judge in Maryland issued [another ruling against the ban](#) a day later.
- Trump feuded with Rep. Frederica Wilson (D-Fla.) over the details of a phone conversation he had with the [widow of one of the four U.S. soldiers](#) killed during an ambush in Niger on Oct. 4. [White House Chief of Staff John Kelly](#), whose son was killed in battle in 2010, delivered a personal defense

of the president's phone call and called the criticisms of Trump unfair.

- Trump met with Senate Majority Leader Mitch McConnell (R-Ky.) in a show of party unity, describing their relationship as "very good." He said the two of them are "[fighting for the same thing](#)" - a major overhaul of the U.S. tax code.
- Former Presidents George W. Bush and Barack Obama [delivered implicit rebukes of Trump](#) during separate, unrelated appearances. Bush, who has refrained from criticizing his successors, bemoaned the "casual cruelty" of the current political discourse, while Obama's criticisms came while campaigning on behalf of Democratic gubernatorial candidates in New Jersey and Virginia.

## **Congress**

- The Senate voted 51-49 to adopt its fiscal year 2018 [budget resolution](#), positioning Republicans to pass forthcoming tax-reform legislation without Democratic support.
- Rep. Pat Tiberi (R-Ohio), who has been in Congress since 2001, [announced his resignation](#) and said he will step down by Jan. 31 to become president of the Ohio Business Roundtable. Tiberi currently serves as chairman of the House Ways and Means Subcommittee on Health.
- Rep. Tom Marino (R-Pa.) [withdrew from consideration](#) to lead the Office of National Drug Control Policy following a Washington Post/"60 Minutes" report that said he helped shepherd legislation through Congress that later hindered the Drug Enforcement Administration's ability to crack down on opioid distributors.
- Senate Health, Education, Labor and Pensions Committee Chairman Lamar Alexander (R-Tenn.) urged fellow Republicans to change course after failed efforts to repeal the 2010 Affordable Care Act. He called on GOP senators to support legislation he negotiated with Sen. Patty Murray (D-Wash.), the HELP Committee's ranking member, that would attempt to [stabilize the individual insurance market](#), adding that the measure has 11 Republican and 12 Democratic co-sponsors.
- Sen. John McCain (R-Ariz.) signed on to a Democratic bill that would establish [disclosure requirements for online political ads](#), including who

paid for them. The [legislation](#) was introduced by Sens. Mark Warner (Va.) and Amy Klobuchar (Minn.).

- Attorney General Jeff Sessions [cited executive privilege](#) during during testimony before the Senate Judiciary Committee, refusing to answer questions about conversations he had with Trump regarding the Federal Bureau of Investigation's Russia probe and Trump's decision to fire former FBI Director James Comey. Sessions told senators he has not been interviewed by special counsel Robert Mueller, but said he would "absolutely" meet with Mueller if asked to do so.
- As former White House chief strategist Steve Bannon antagonizes Washington's political establishment and threatens to back primary challenges against certain Republican lawmakers, a new [poll found](#) that 57 percent of Republican voters saying Trump is more in touch with them, while 27 percent said the same about congressional Republicans. Trump privately [offered his support](#) to three Republican senators who are in Bannon's crosshairs - Wyoming's John Barrasso, Nebraska's Deb Fischer and Mississippi's Roger Wicker - and could soon endorse them.

## What's Ahead

- Both the House and Senate are in session this week.
- Trump [is expected to visit Capitol Hill](#) on Tuesday to speak with Senate Republicans at their weekly policy lunch. Trump's first visit to the Capitol to address Senate Republicans comes as GOP lawmakers move forward with plans to overhaul the tax code.
- The House is [set to sign off](#) on the Senate-passed budget resolution as soon as this week, a key procedural step for Republicans to override the tax code without Democratic support.
- House Majority Leader Kevin McCarthy (R-Calif.) and House Foreign Affairs Committee Chairman Ed Royce (R-Calif.) said the chamber will vote this week on non-nuclear sanctions on [Iran's ballistic missile program](#) and

Hezbollah.

- Trump said he will declare the [opioid epidemic](#) a national emergency this week.
- A federal judge in California said he [plans to issue a ruling](#) this week in a case brought by 19 states requesting that the U.S. Department of Health and Human Services continue cost-sharing reduction payments to insurance companies. The case was filed after Trump said the payments would be ended.

## Events Calendar (All Times Local)

### MONDAY

Rep. Kevin Brady speaks at SIFMA annual meeting 5:10 p.m.

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White House press secretary, reporters speak at GWU event on Trump's first year 7 p.m.

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Sen. Booker speaks at Milken Institute's Future of Health Summit 7 p.m.

### TUESDAY

Milken Institute's Future of Health Summit 8:15 a.m.

---

Reps. Clark, Mullin speak at The Hill's event on opioids 8 a.m.

---

Virginia governor, Sen. Gardner speak at Bloomberg event on technology 8 a.m.

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House Energy and Commerce subcommittee hearing on the 2017 hurricane response 10 a.m.

---

Sen. Perdue speaks at Heritage Foundation event on tax reform 10:30 a.m.

### WEDNESDAY

HUD's Carson speaks at The Hill's event on housing 8:30 a.m.

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Kentucky governor and Sens. Cassidy, Murphy speak at Washington Post health care event 9 a.m.

---

House Energy and Commerce Committee hearing on the opioid crisis 10 a.m.

---

Sen. Schatz speaks at Bloomberg event on digital infrastructure 3:20 p.m.

### **THURSDAY**

House Judiciary subcommittee hearing on oversight of the U.S. refugee admissions program 9 a.m.

---

Senate HELP Committee hearing on free speech on college campuses 10 a.m.

### **FRIDAY**

No events scheduled

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According to Morning Consult Brand Intelligence data published in The New York Times, the NFL has become one of the most controversial organizations in the country.

### **Morning Consult Washington Top Reads**

- 1) [Polling Lends Weight to Worries Over GOP Civil War](#)

Cameron Easley, Morning Consult

**2) [Signaling Frustration, Senior House Republican Plans to Quit Early](#)**

Alexander Burns and Jonathan Martin, The New York Times

**3) [White House fears Senate will sink tax cuts](#)**

Burgess Everett and Josh Dawsey, Politico

**4) [Capitol Hell: Inside Rep. Tim Murphy's Toxic Congressional Office](#)**

Matt Fuller, HuffPost

**5) [Brady and Ryan Mulling Big Gamble on Key Tax Deduction](#)**

Lindsey McPherson, Roll Call

**6) [U.S. Senate Adopts Budget, Giving Momentum to Trump's Tax-Cut Plans](#)**

Erik Wasson et al., Bloomberg

**7) [Most Voters in Poll Back Trump's Health Care Order But Are Divided Over Impact](#)**

Jon Reid, Morning Consult

**8) [Without Saying 'Trump,' Bush and Obama Deliver Implicit Rebukes](#)**

Peter Baker, The New York Times

**9) [A growing share of Americans say it's not necessary to believe in God to be moral](#)**

Gregory A. Smith, Pew Research Center

**10) [Judge plans to rule next week in Obamacare subsidies fight](#)**

Josh Gerstein, Politico



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By [Eli Yokley](#)

## Week in Review

### The White House

- [Michael Flynn](#), President Donald Trump's former national security adviser, pleaded guilty to lying to the Federal Bureau of Investigation about conversations he had with the Russian ambassador to the United States in December 2016 during the presidential transition. Flynn said he was cooperating with the investigation led by special counsel Robert Mueller, who is probing Russian interference in the 2016 presidential election and possible ties to Trump's associates.
- The White House has reportedly devised a plan to force out Secretary of

State [Rex Tillerson](#) and replace him with Central Intelligence Agency Director Mike Pompeo. The plan would involve Sen. Tom Cotton (R-Ark.) replacing Pompeo as head of the CIA. [Trump denied](#) that Tillerson is on his way out.

- Trump [repeatedly pressured](#) Republican senators to end the Senate Intelligence Committee's investigation into Russian meddling in the 2016 presidential election, according to Committee Chairman Richard Burr (R-N.C.). While a spokesman for the White House said Trump did not act improperly, Sen. Dianne Feinstein (D-Calif.), the panel's former chairwoman, said the requests were "inappropriate" and a breach of the separation of powers.
- Trump threatened to impose new sanctions on [North Korea](#) following the country's latest test of an intercontinental missile that some experts say could reach the entire U.S. Eastern Seaboard. Tillerson said the Treasury Department will announce a "[long list](#)" of new sanctions against North Korea.
- Trump shared videos on Twitter from an [ultranationalist British party](#) account that purportedly show Muslims committing acts of violence. White House press secretary Sarah Huckabee Sanders defended the retweets, saying that Trump was talking about the need for national security and defense spending, while the office of British Prime Minister Theresa May issued a statement saying, "It is wrong for the president to have done this."
- A federal judge in Washington sided with Trump by refusing to block White House budget director Mick Mulvaney, appointed by the president to be acting director of the [Consumer Financial Protection Bureau](#), from taking charge of the agency. Leandra English, the CFPB's deputy director, had requested an emergency restraining order, arguing that she should be acting director since then-Director Richard Cordray appointed her as his successor before he resigned.

## **Congress**

- The Senate [passed its tax reform bill](#) on a 51-49 vote. Sen. Bob Corker (R-Tenn.), who raised concerns about the measure's long-term effect on the federal budget deficit, was the only Republican to vote against the legislation. No Democrats voted for it.

- Senate Minority Leader Chuck Schumer (D-N.Y.) and House Minority Leader Nancy Pelosi (D-Calif.) [pulled out of a planned meeting](#) with Trump and GOP leaders after Trump tweeted that he does not "see a deal" with the Democrats on government funding ahead of a Dec. 8 deadline.
- [Rep. Ruben Kihuen](#) (D-Nev.) was accused of harassing and making sexual advances toward his former campaign finance director during his 2016 campaign. Pelosi and Rep. Ben Ray Lujan (D-N.M.), chairman of the Democratic Congressional Campaign Committee, called on the freshman lawmaker [to resign](#).
- Pelosi and the highest-ranking African American in the House, Assistant Democratic Leader James Clyburn of South Carolina, were among party leaders who said [Rep. John Conyers](#) should resign amid allegations of sexual harassment. The Michigan Democrat has denied any wrongdoing and said, through his attorney, that he has no plans to resign or retire.
- [Sen. Al Franken](#) (D-Minn.) faced more pressure to resign following another allegation of sexual harassment against him and the pressure on Conyers. The Senate Ethics Committee confirmed that it has opened a "preliminary inquiry" into the allegations against Franken.
- The House [adopted a resolution](#) that would require lawmakers and their staff to undergo annual trainings that address workplace harassment and discrimination. The Senate adopted a similar resolution on Nov. 9.
- [Rep. Joe Barton](#) (R-Texas) said he will not seek re-election next year, an announcement that came three weeks after he said he would seek an 18th term in Congress. Barton's private life has come under scrutiny after sexually explicit images and lewd messages from extramarital relationships surfaced online.
- [Rep. Luis Gutiérrez](#) (D-Ill.) said he will not seek re-election next year, and he endorsed Cook County Commissioner Jesus "Chuy" Garcia for the Democratic nomination to succeed him. Gutiérrez, who's in his 13th term in the House, said he wants to spend time helping to rebuild hurricane-ravaged Puerto Rico.

## What's Ahead

- Both the House and Senate are in session this week.
- Government funding is scheduled to run out on Dec. 8. House Republicans are considering a plan that would extend funding [through Dec. 22](#) to allow more time for negotiations on a long-term spending measure.
- Trump is [set to travel](#) to Salt Lake City on Monday to announce that he will shrink the Bears Ears and Grand Staircase-Escalante national monuments.
- The White House said Trump is not planning to campaign for [Roy Moore](#), the Republican nominee for Senate in Alabama's Dec. 12 special election. But it is reportedly [considering other ways](#) to activate Trump's base to support Moore.

## Events Calendar (All Times Local)

### MONDAY

No events scheduled

### TUESDAY

Axios event on health care innovation 8 a.m.

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Washington Post event on HIV/AIDS 8:30 a.m.

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Senate Banking Committee confirmation hearing for Fed chairman nominee 10 a.m.

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Brookings Institution event on Public Religion Research Institute's 2017 American Values Survey 10 a.m.

### WEDNESDAY

California Attorney General Becerra speaks at National

Press Club	10 a.m.
Sen. Burr speaks at Council on Foreign Relations event	12:45 p.m.
Sen. Coons speaks at ITIF event on the economy	1 p.m.
House Foreign Affairs Committee hearing on Brexit negotiations	2 p.m.

## **THURSDAY**

ACCF event on Trump's economic policy agenda	9:30 a.m.
Carnegie Endowment for International Peace event on sanctions for nonproliferation	10 a.m.
Senate Armed Services Committee hearing on the Defense Department's acquisition reform efforts	10 a.m.
FBI director testifies before House Judiciary Committee	10 a.m.
CSIS event on OPEC's World Oil Outlook 2017	2 p.m.

## **FRIDAY**

Carnegie Endowment for International Peace event on China and the U.S.-Japan alliance	10:30 a.m.
Trump campaign rally in Pensacola, Fla.	7 p.m.

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## Which Brands Make the Best Impact on Your Community?

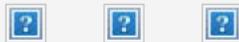
Over 300,000 Americans weigh in on the companies that are doing the most for their communities.

## Morning Consult Washington Top Reads

1) [Is Chief Justice Roberts A Secret Liberal?](#)

Oliver Roeder, FiveThirtyEight

- 2) [Corporate Tax Rate in Flux as Senate Votes to Open Debate](#)**  
Siobhan Hughes and Richard Rubin, The Wall Street Journal
- 3) [Judge in CFPB Leadership Lawsuit Says He Will Act Quickly](#)**  
Lalita Clozel, The Wall Street Journal
- 4) [Judge sides with Trump's pick to take over consumer agency](#)**  
Jessica Gresko and Ken Sweet, The Associated Press
- 5) [House panel votes to expand right to carry concealed guns in victory for NRA](#)**  
Mike DeBonis, The Washington Post
- 6) [Following Senate, House Mandates Sexual Harassment Training](#)**  
Katherine Tully-McManus, Roll Call
- 7) [Gutiérrez won't seek reelection](#)**  
Natasha Korecki, Politico
- 8) [Battle for Control of Consumer Agency Heads to Court](#)**  
Stacy Cowley, The New York Times
- 9) [Republicans rewriting tax bill hours before possible vote](#)**  
Seung Min Kim and Colin Wilhelm, Politico
- 10) [With uncanny twists and an allegedly rogue registrar, Virginia House left in limbo](#)**  
Laura Vozzella, The Washington Post



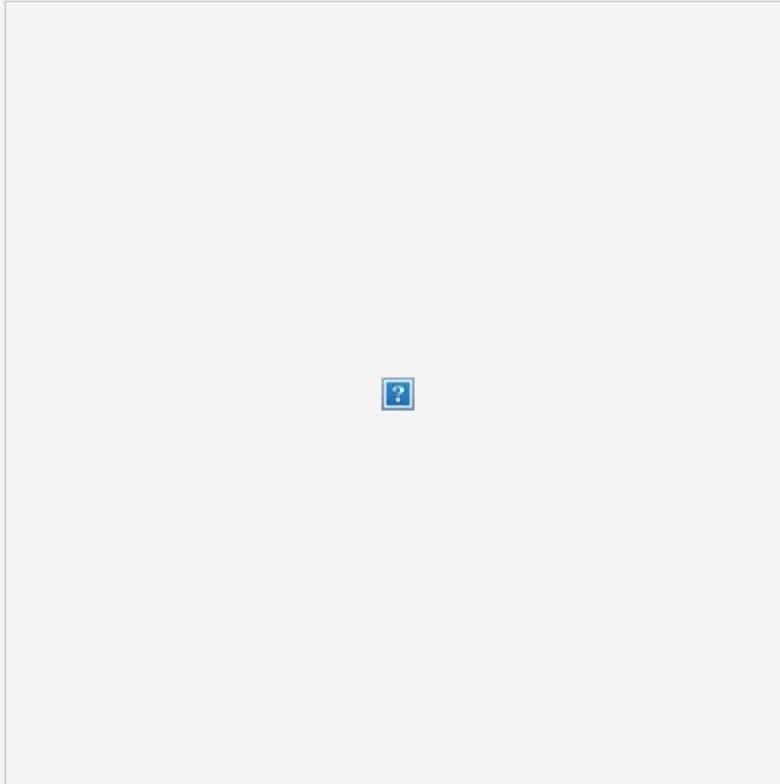
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**Date:** Sunday, December 17, 2017 9:01:47 AM

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By [Eli Yokley](#)

## Week in Review

### The White House

- President Donald Trump signed into law the [National Defense Authorization Act](#) for fiscal year 2018, authorizing \$700 billion for a military budget that includes spending on missile defense programs and pay raises for troops. But in order to tap into the full amount, lawmakers would need to agree to roll back a 2011 law that caps 2018 defense spending at \$549 billion.
- Democrats criticized Trump for tweeting that [Sen. Kirsten Gillibrand](#) (D-N.Y.) would come "begging" for campaign contributions at his office and

"would do anything for them." Gillibrand, who is among the Democratic senators who have called for Trump's resignation over allegations of sexual misconduct, called the tweet a "sexist smear."

- The Pentagon will begin accepting [transgender troops](#) Jan. 1, in compliance with a federal court order. Trump had previously ordered the Defense Department to reverse the Obama-era plan to accept transgender service members, prompting legal challenges against the Trump administration by advocates for transgender troops.
- Senior FBI officials who helped investigate Trump's campaign last year [exchanged text messages](#) before the election that describe the possibility of a presidential victory by Trump as "terrifying" and saying Democratic rival Hillary Clinton "just has to win," according to recently released documents. The White House said the FBI has "[extreme bias](#)" against the president.

## **Congress**

- The conference committee tasked with reconciling the differences between the House- and Senate-passed tax bills released a [compromise measure](#) that would lower the corporate tax rate to 21 percent, almost double the standard deduction, and scale back the deduction for state and local taxes. Sen. Bob Corker of Tennessee, the only GOP senator to vote against the Senate-passed tax overhaul bill, and [Sen. Marco Rubio](#) (R-Fla.), whose demands were met regarding an expanded child tax credit, both said they will vote in favor of the revised bill.
- Democrat [Doug Jones](#) pulled off an upset in Alabama's special election for a U.S. Senate seat, beating Republican nominee Roy Moore, 49.9 percent to 48.4 percent. It was the first time since 1992 that Alabama voters elected a Democrat to the Senate. Moore [has not conceded the race](#), despite urging from Trump to do so.
- Minnesota Gov. Mark Dayton (D) appointed Lt. Gov. Tina Smith (D) to [replace Sen. Al Franken](#), who is expected to resign in the coming weeks following allegations of sexual misconduct. Smith said she will run in November's special election, which will determine who holds the seat through 2020, and [Rep. Keith Ellison](#) (D-Minn.) has said he will not challenge her.
- House Speaker Paul Ryan (R-Wis.) reportedly informed some of his closest

confidants that this will be [his final term as speaker](#), and that he would like to serve through the 2018 midterm elections and then retire from Congress. Ryan responded "no" when asked by reporters if he was leaving soon.

- [Rep. Blake Farenthold](#) said he will retire from Congress after finishing his current term, amid new sexual harassment allegations against him. The Texas Republican had come under pressure from House GOP leadership to step down.
- The House Ethics Committee launched an investigation into allegations of sexual misconduct involving [Rep. Ruben Kihuen](#). While the first-term Nevada Democrat has denied the accusations against him, he also said he [would not seek re-election](#) next year.
- House Oversight and Government Reform Committee Chairman Trey Gowdy (R-S.C.) dismissed Democratic requests that the panel investigate [allegations of sexual misconduct against Trump](#).

## What's Ahead

- Congress is in session this week.
- The House [is poised to vote](#) on tax overhaul legislation Tuesday, followed by the Senate later in the week.
- House Republicans are pressing ahead with a plan to pass spending bills that would fund defense programs above the sequestration cap through Sept. 30 and extend funding for non-defense agencies until Jan. 19 with a continuing resolution before [government funding expires on Dec. 22](#). Senate Democrats have warned that they have enough votes to block such legislation.

## Events Calendar (All Times Local)

### MONDAY

Center for Strategic & International Studies event on western and Chinese infrastructure development abroad 9 a.m.

---

House Rules Committee hearing on the Systemic Risk Designation Improvement Act 5 p.m.

### TUESDAY

Incoming Virginia delegates Hurst, Roem speak at National Press Club 10 a.m.

---

Senate Banking Committee nomination hearing for Scott Garrett to lead Export-Import Bank 10 a.m.

---

Treasury official speaks at Council on Foreign Relations about combating human rights abuses and corruption 10 a.m.

### WEDNESDAY

Education Secretary DeVos testifies before House Committee on Education and the Workforce 2 p.m.

### THURSDAY

No events scheduled

### FRIDAY

No events scheduled



## 2017 Brands in Review

This year, Morning Consult conducted nearly 1 million survey interviews on nearly 1,000 brands. Get a never-before-seen look at how public perception changed for the world's biggest brands.

## Morning Consult Washington Top Reads

- 1) [Democrat Doug Jones Trumps Roy Moore in Alabama](#)  
Bridget Bowman, Roll Call

**2) [The Taxman Cometh: Senate Bill's Marginal Rates Could Top 100% for Some](#)**

Richard Rubin, The Wall Street Journal

**3) [House GOP Charts Spending Collision With Senate](#)**

Lindsey McPherson, Roll Call

**4) [Boston. Racism. Image. Reality: The Spotlight Team takes on our hardest question](#)**

The Spotlight Team, The Boston Globe

**5) [GOP negotiators move closer to reducing top tax rate for high-income households but face blowback](#)**

Erica Werner and Damian Paletta, The Washington Post

**6) [Tawdry Tales Depict a Texas Congressman's Frat House on the Hill](#)**

Sheryl Gay Stolberg, The New York Times

**7) [Schiff denies leaking 'non-public' information about Trump Jr.'s testimony](#)**

Kyle Cheney, Politico

**8) [Aid for disaster-stricken states could be punted into January](#)**

Sarah Ferris, Politico

**9) [Jones: In 'gracious' call, Trump invited me to the White House](#)**

Mallory Shelbourne, The Hill

**10) [Special Elections So Far Point To A Democratic Wave In 2018](#)**

Harry Enten, FiveThirtyEight



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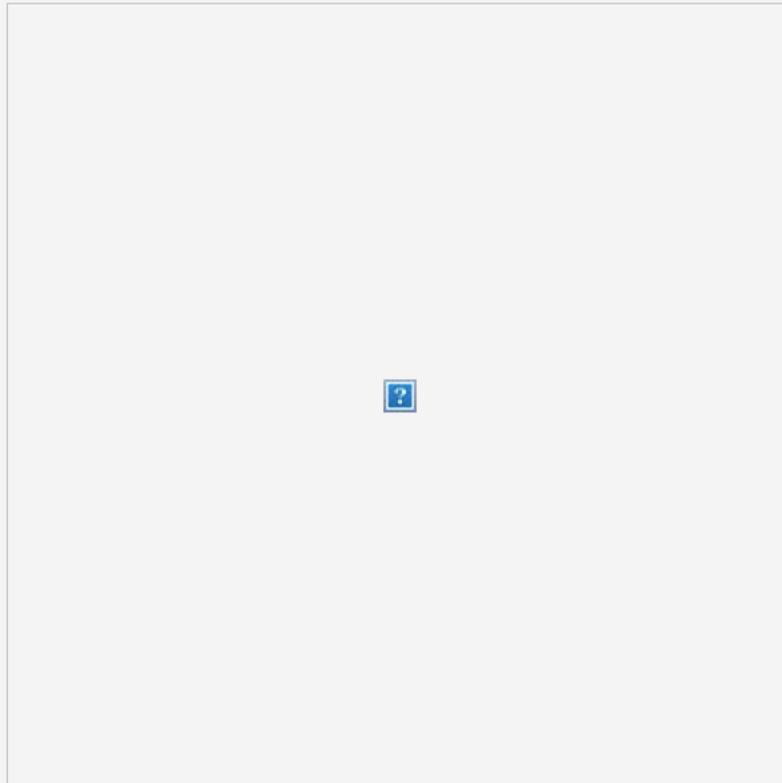
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By [Eli Yokley](#)

*Morning Consult Washington will be off Dec. 25 through Jan. 1. Publication of the morning briefs and afternoon updates will resume Jan. 2.*

## Week in Review

### The White House

- President Donald Trump [signed into law legislation](#) that will overhaul the tax code, marking the first major legislative accomplishment for Trump since taking office. The Senate passed the \$1.5 trillion tax bill on a party-line vote, and in the House the measure was opposed by 12 [Republicans](#) and all Democrats.
- Trump [signed](#) into law a stopgap spending measure that averted a shutdown

by funding the government through Jan. 19.

- The U.N. General Assembly voted 128 to 9, with 35 abstentions, for a resolution that [effectively denounced](#) Trump's decision to recognize Jerusalem as the capital of Israel and his plan to move the U.S. embassy there from Tel Aviv. Before the vote, Trump threatened to cut off U.S. financial assistance to countries that supported the resolution.
- The U.S. Court of Appeals for the 4th Circuit [denied an attempt](#) by the Trump administration to halt transgender people from joining the military.
- Trump [introduced](#) his first national security strategy document in a speech, calling "unrivaled power" the "most certain means of defense." He argued that American economic prosperity was critical to U.S. national security, and the strategy describes the administration's approach to a range of issues, including international terrorism, Russian aggression, Chinese influence and North Korea's nuclear program.
- A federal judge in New York [dismissed a lawsuit](#) that alleged Trump violates the Constitution when his businesses receive payments from foreign and state governments, saying the plaintiffs lacked standing to bring the suit. The ruling did not address whether government payments to Trump's businesses violate the Constitution's emoluments clauses.
- Justice Department prosecutors [are asking](#) Federal Bureau of Investigation agents for information about their now-dormant criminal investigation into the Uranium One deal, which critics have linked to Bill Clinton and Hillary Clinton. The internal questioning comes on the orders of Attorney General Jeff Sessions after an assistant attorney general told Congress that the Justice Department would examine whether a special counsel was warranted.
- Trump [issued](#) his first commuted sentence for a federal prisoner, a commutation that had bipartisan support. Trump freed Sholom Rubashkin, the former owner of a kosher meat-processing plant, who was sentenced in 2009 to 27 years in prison for financial crimes.

## **Congress**

- The House passed an [\\$81 billion disaster relief bill](#). The Senate did not take up the measure due to Democratic objections.

- The Senate Banking Committee rejected the nomination of [Scott Garrett](#), Trump's pick to lead the Export-Import Bank, in a 10-13 vote. It was the first time a congressional committee has voted down one of Trump's nominees.
- The nomination of [KT McFarland](#), former national security adviser Michael Flynn's ex-deputy, to be U.S. ambassador to Singapore is in jeopardy. Flynn's plea agreement with special counsel Robert Mueller appeared to contradict McFarland's congressional testimony, prompting some senators to question her interactions with Flynn regarding Russia.
- Matthew Petersen, the judicial nominee who was the subject of a viral video of him unable to answer basic law questions at his confirmation hearing, [withdrew his name](#) from consideration. Petersen was the third judicial nominee whose confirmation was derailed this year over criticisms about being unqualified.
- The House Democratic Caucus voted 118-72 in favor of [Rep. Jerrold Nadler](#) (N.Y.) to be the top Democrat on the [Judiciary Committee](#). Nadler, a constitutional-law expert, defeated Rep. Zoe Lofgren (D-Calif.), who also sought to fill the seat held by Rep. John Conyers (D-Mich.) until he resigned from Congress earlier this month amid allegations of sexual misconduct.
- The House Ethics Committee said it is expanding its investigation into [Rep. Blake Farenthold](#) (R-Texas), who has been accused of sexually harassing at least one former staffer, to include allegations that he lied to the panel and misused official resources for campaign activities. The committee also said it is appointing a subcommittee to probe allegations of sexual misconduct made by a former campaign aide and a Nevada-based lobbyist against Rep. Ruben Kihuen (D-Nev.), who has said he will not seek re-election next year.
- The House Office of Compliance disclosed three additional [sexual harassment settlements](#) totaling \$115,000 from fiscal years 2008 through 2012 as part of a broader disclosure of \$342,225.85 in public money used to settle claims against House member-led offices during those years. The Senate spent more than [\\$1.45 million over the past 20 years](#) settling harassment and discrimination cases, according to data released by the Senate Rules Committee.
- The Senate Intelligence Committee is looking into [Jill Stein](#), the former Green Party presidential nominee, as part of its investigation into Russian

interference in the 2016 U.S. presidential election. When asked what the panel was looking for with regard to Stein's campaign, Chairman Richard Burr (R-N.C.) said, "collusion with the Russians."

## What's Ahead

- Trump left the White House on Friday for his Mar-a-Lago resort in Florida for an 11-day holiday vacation.
- The Senate is scheduled to reconvene on Jan. 3. Senator-elect Doug Jones (D-Ala.) and Senate-appointee Tina Smith (D-Minn.), the state's lieutenant governor who was appointed to fill outgoing Democratic Sen. Al Franken's seat, are expected to be sworn in when lawmakers return.
- The House plans to [return Jan. 8](#), leaving them with eight legislative days before government funding is slated to expire.
- Congress will [return to big challenges](#) on issues such as the Deferred Action for Childhood Arrivals program, the Children's Health Insurance Program, defense spending, surveillance and the federal borrowing limit.
- Senate Majority Leader [Mitch McConnell](#) (R-Ky.) said he is unlikely to push for changes to programs such as Social Security and Medicare next year, citing a lack of Democratic support. Earlier this month House Speaker Paul Ryan (R-Wis.) indicated he wants to tackle entitlement reforms in [2018](#).
- The House Intelligence Committee [sent letters](#) asking Steve Bannon, Trump's former strategist, and Corey Lewandowski, his former campaign manager, to testify before the panel, which is investigating Russian meddling in the 2016 election. The committee wants them to appear voluntarily in early January.

## Events Calendar (All Times Local)

### **MONDAY**

Federal holiday -- no events scheduled

### **TUESDAY**

No events scheduled

### **WEDNESDAY**

No events scheduled

### **THURSDAY**

No events scheduled

### **FRIDAY**

No events scheduled

## 2017 Brands in Review

This year, Morning Consult conducted nearly 1 million survey interviews on nearly 1,000 brands. Get a never-before-seen look at how public perception changed for the world's biggest brands.

## Morning Consult Washington Top Reads

1) [FBI's McCabe Meets with House Panel as Grassley Calls for Firing Steven T. Dennis and Billy House, Bloomberg](#)

**2) [Shutdown threat fades as House moves toward funding vote](#)**

Rachael Bade and John Bresnahan, Politico

**3) [Congress Dives Into Shutdown Drama After GOP's Win on Taxes](#)**

Erik Wasson and Laura Litvan, Bloomberg

**4) [Trump issues first commuted prison sentence](#)**

Jonathan Easley, The Hill

**5) [GOP leaders in House, Senate endorse conflicting shutdown strategies](#)**

Rachael Bade et al., Politico

**6) [House unveils massive \\$81 billion disaster aid package](#)**

Sarah Ferris and John Bresnahan, Politico

**7) [GOP Gets a Key 'Yes' Vote for Its Tax Bill](#)**

Siobhan Hughes and Richard Rubin, The Wall Street Journal

**8) [Trump Plans Shift to U.S. Security Strategy](#)**

Michael R. Gordon, The Wall Street Journal

**9) [Collins Says News Coverage of Her Tax Vote 'Unbelievably Sexist'](#)**

Steven T. Dennis, Bloomberg

**10) [Lobbyist Has To Change The Way She Does Business In Era Of #MeToo](#)**

Scott Simon, NPR News



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**Date:** Monday, August 14, 2017 8:37:43 AM

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By [Eli Yokley](#)

## Top Stories

- White House officials are trying to stem the fallout from President Donald Trump's reluctance to condemn white supremacists for violence and a death in Charlottesville, Va., this weekend. Gov. Terry McAuliffe (D-Va.) said Trump's "words were not - not - what this nation needs." ([The New York Times](#))
- Attorney General Jeff Sessions defended Trump's remarks on Monday and said his Department of Justice would protect the right of people "to protest against racism and bigotry." ([NBC News](#))

- China said Monday it would cut off imports of North Korean goods such as coal and iron following an exchange that escalated last week between Trump and Kim Jong Un over North Korea. ([The Associated Press](#))
- National security adviser H.R. McMaster would not say whether he can work with Trump's top political strategist, Steve Bannon, amid reports that conflict is rising between the two. ([Politico](#))
- Three Republicans will face off tomorrow in a special primary election for former Utah GOP Rep. Jason Chaffetz's House seat. The race has tightened in the final days as outside groups poured money into the race, mostly aimed at front-runner John Curtis, the mayor of Provo. ([Roll Call](#))

## Chart Review

[Mitch McConnell's Favorables Down Among Republicans](#)  
Gallup

## Events Calendar (All Times Local)

### **MONDAY**

No events scheduled

### **TUESDAY**

Special primary elections in Alabama and Utah

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House meets for a pro forma session

9:30 a.m.

---

Heritage Foundation event on reorganizing the federal government

11 a.m.

**WEDNESDAY**

No events scheduled

**THURSDAY**

No events scheduled

**FRIDAY**

No events scheduled

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## **This Is the Future of Brand Reputation Tracking**

See how Morning Consult Brand Intelligence is changing the way media, marketing and communications executives are managing brand reputation.

### **General**

**[China to Cut off North Korean Imports Under UN Sanctions](#)**

**Joe McDonald, The Associated Press**

China announced Monday it will cut off imports of North Korean coal, iron ore and other goods in three weeks under U.N. sanctions imposed over the North's nuclear and missile programs. China, the isolated North's main trading partner, has been reluctant to push leader Kim Jong Un's regime too hard for fear it might collapse.

### **'Look at the campaign he ran': Charlottesville mayor is becoming one of Trump's strongest critics**

**Kristine Phillips, The Washington Post**

A white nationalist site calls him "anti-white." An article it published in May outlines some highlights of Michael Signer's term as the mayor of Charlottesville: his endorsement of a \$10,000 donation to pay for legal costs to help immigrants and refugees, and his decision to declare his city a "capital of the resistance" just days after President Trump was sworn into office.

### **Health Insurers Get More Time to Calculate Increases for 2018**

**Robert Pear, The New York Times**

The Trump administration is giving health insurance companies more time to calculate price increases for 2018 because of uncertainty caused by the president's threat to cut off crucial subsidies paid to insurers on behalf of millions of low-income people. Federal health officials said the deadline for insurers to file their rate requests would be extended by nearly three weeks, to Sept. 5.

### **Julian Assange, A Man Without A Country**

**Raffi Khatchadourian, The New Yorker**

The Ecuadorian Embassy in London is situated at the end of a wide brick lane, next to the Harrods department store, in Knightsbridge. Sometimes plainclothes police officers, or vans with tinted windows, can be found outside the building.

### **How a Conservative TV Giant Is Ridding Itself of Regulation**

**Cecilia Kang et al., The New York Times**

The day before President Trump's inauguration, the top executive of the Sinclair Broadcast Group, the nation's largest owner of television stations, invited an important guest to the headquarters of the company's Washington-area ABC affiliate. The trip was, in the parlance of the business world, a deal

closer.

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## Presidential

### [White House Acts to Stem Fallout From Trump's First Charlottesville Remarks](#)

**Glenn Thrush and Rebecca R. Ruiz, The New York Times**

White House officials, under siege over President Trump's reluctance to condemn white supremacists for the weekend's bloody rallies in Charlottesville, Va., tried to clarify his comments on Sunday, as critics in both parties intensified demands that he adopt a stronger, more unifying message. A statement on Sunday - issued more than 36 hours after the protests began - condemned "white supremacists" for the violence that led to one death.

### [Sessions Says Dept. of Justice Will Defend Protesters Against 'Racism and Bigotry'](#)

**Kalhan Rosenblatt, NBC News**

Attorney General Jeff Sessions became the latest official in the Trump administration to defend the president's comments following the car-ramming attack in Charlottesville, while promising the Department of Justice would take "vigorous action" to defend the rights of Americans to protest bigotry. "Well [Trump] made a very strong statement that directly contradicted the ideology of hatred, violence, bigotry, racism, white supremacy - those things must be condemned in this country," Sessions told TODAY on Monday.

### [McMaster won't say if he can work with Bannon](#)

**Madeline Conway, Politico**

National security adviser H.R. McMaster repeatedly dodged on Sunday when asked whether he can work with White House strategist Steve Bannon. McMaster and Bannon, who used to run the right-wing nationalist website Breitbart News, are reportedly in conflict with each other as they work in the Trump administration.

### [Trump Will Get His Tax Cuts, Vast Majority of Economists Say](#)

**Rich Miller and Catarina Saraiva, Bloomberg**

The pros who make their living forecasting the economy overwhelmingly

expect President Donald Trump and his fellow Republicans to push through tax cuts in time for next year's congressional elections. They just don't think that the reductions will do all that much to help the economy in 2018.

### [Trump Chips Away at Postcrisis Wall Street Rules](#)

**Ryan Tracy and Dave Michaels, The Wall Street Journal**

Efforts toward financial deregulation are beginning to take concrete shape on rules governing trading desks, bank boardrooms, corporations' financial disclosures and more. Nearly seven months into the Trump administration, regulators are setting the stage for a wave of eased rules.

### [Trump campaign ad says his 'enemies' are trying to undermine his progress](#)

**John Wagner, The Washington Post**

A new television ad unveiled Sunday by President Trump's reelection campaign committee accuses "the president's enemies" of trying to undermine his success in office. The 30-second spot, produced six months into Trump's term, targets Democrats and the news media, and touts what the campaign says are successes that the president has managed to achieve, including a low unemployment rate and record stock-market closes.

### [Trump's faith advisers condemn white supremacists](#)

**Marilia Brocchetto and Dan Merica, CNN**

As thousands of white nationalist and "alt-right" protesters descended on Charlottesville, Virginia, for the "Unite the Right" rally Saturday and clashed with counterprotesters, voices from both sides of the aisle were raised to condemn the gathering. Included in those voices were two members of President Trump's evangelical advisory board - a group of pastors and faith leaders who advise Trump - and also a Latino evangelical minister who delivered a prayer at the presidential inauguration in January.

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## **Senate**

### [Trump's feuding base faces showdown in Alabama Senate race](#)

**Robert Costa, The Washington Post**

President Trump's endorsement of Sen. Luther Strange (R-Ala.) was supposed

to settle things. An anti-establishment president would repair his frayed relations with Republican leaders by backing their favored candidate in Alabama's special election for a U.S. Senate seat.

### [Can Jeff Flake survive the role of chief Republican antagonist to Trump?](#)

**Ed O'Keefe, The Washington Post**

Over two months, Sen. Jeff Flake has dodged bullets on a baseball field, buried his elderly father and watched one of his political mentors, Sen. John McCain, battle terminal brain cancer. And that was all before he published a book that doubles down on his criticisms of President Trump, which in less than two weeks since its release has once again put him at odds with members of his own party.

### [Republicans use Spanish-language radio to attack Bill Nelson on Venezuela and Cuba](#)

**Alex T. Daugherty, The Miami Herald**

In their first radio ad against Sen. Bill Nelson, the National Republican Senatorial Committee is attacking the Democrat up for reelection over his perceived softness towards Venezuela and Cuba. The ad, titled "Accomplice," is the latest evidence that the ongoing crisis in Venezuela will become a political issue in South Florida, where Venezuelan voters are concentrated in parts of Miami-Dade and Broward Counties.

### [Powerful Venezuelan lawmaker may have issued death order against Rubio](#)

**Patricia Mazzei, The Miami Herald**

One of Venezuela's most powerful leaders may have put out an order to kill Florida Sen. Marco Rubio, a fervent critic of the South American country's government, according to intelligence obtained by the U.S. last month. Though federal authorities couldn't be sure at the time if the uncorroborated threat was real, they took it seriously enough that Rubio has been guarded by a security detail for several weeks in both Washington and Miami.

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## House

### [Tight Race for Chaffetz's Utah Seat Due to Outside Spending](#)

## **Bridget Bowman, Roll Call**

The Republican primary to fill former Utah Rep. Jason Chaffetz's seat has tightened in the final days before the Tuesday election, thanks to buckets of outside money being poured into the race. The primary is "certainly not a race [where] I would want to bet the farm on who was going to win," veteran Utah GOP consultant Dave Hansen said.

## **'Right to Try' Bill Could Face Slower Action in House**

### **Andrew Siddons, Roll Call**

A Senate-passed bill intended to help dying patients access experimental drugs will likely face lengthier deliberations in the House. While the Senate fast-tracked the bill on Aug. 3, the House will likely subject it to a hearing and markup before bringing it up to a vote, according to congressional aides and a lobbyist.

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## **States**

## **McAuliffe Defends Police Response to Violence in Charlottesville**

### **Sheryl Gay Stolberg, The New York Times**

Gov. Terry McAuliffe of Virginia on Sunday strongly defended the police response to the violent demonstrations here on Saturday, saying that law enforcement authorities had done "great work" in "a very delicate situation. "Mr. McAuliffe, in an impromptu sidewalk interview before addressing two church congregations on Sunday morning, said the police estimated that 80 percent of those at the white nationalists' rally and counterprotests - including members of self-styled militias in camouflage gear - were armed, "yet not a shot was fired."

## **Secessionists push for South to break away from US again**

### **Jay Reeves, The Associated Press**

As 21st century activists seek to topple monuments to the 19th century Confederate rebellion, some white Southerners are again advocating for what the Confederates tried and failed to do: secede from the Union. It's not an easy argument to win, and it's not clear how much support the idea has: The leading Southern nationalist group, the Alabama-based League of the South, has been

making the same claim for more than two decades and still has an address in the U.S.A., not the C.S.A.

### [Lexington mayor says Confederate statues at courthouse will be moved](#)

**Beth Musgrave, Lexington Herald Leader**

Mayor Jim Gray said Saturday he is taking steps to remove two controversial Confederate-era statues from the lawn of the former Fayette County Courthouse on Main Street. Gray's announcement came the same day as multiple people were killed and injured in Virginia after a vehicle drove into counter-protesters who had clashed with white nationalists around a Confederate-era statue in Charlottesville.

### [Illinois Senate Overrides Governor's Veto of Chicago School Aid](#)

**Elizabeth Campbell, Bloomberg**

The Illinois Senate overrode Governor Bruce Rauner's partial veto that would have cut millions of dollars for Chicago's cash-strapped school district, bringing the state closer to ending an impasse that's prevented aid from flowing to elementary and high schools. Rauner, a Republican, had issued an amendatory veto of a bill that overhauled Illinois school funding practices, deriding the measure as a "pension bailout" for Chicago.

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## **Advocacy**

### [Uber spent \\$1.2M on lobbying efforts in New York in first half of 2017](#)

**Glenn Blain, The New York Daily News**

Ride-sharing company Uber put its lobbying efforts into high gear during the first half of 2017, spending more than \$1.2 million to influence lawmakers, records show. Uber's spending easily ranked it among Albany's most active lobbyists during the period and came as the state Legislature considered - and ultimately passed - a measure that cleared the way for ride-sharing companies to operate in upstate New York and on Long Island.

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## **Opinions, Editorials and Perspectives**

## [President Trump flunks a moral test](#)

**Lexington, The Economist**

Deep down, it is always about him. What the world thinks of him. The applause that is his due.

## [What Trump Got Wrong on Charlottesville](#)

**Erick-Woods Erickson, The New York Times**

As a conservative, I see both the social justice warrior alt-left and the white supremacist alt-right as two sides of the same coin. Both would punish others for wrongthink. Both see the other side not as opponents, but as evil that can justifiably be silenced.

## [Trump badly missed the mark on Charlottesville](#)

**The Editorial Board, The New York Post**

"We condemn in the strongest possible terms this egregious display of hatred, bigotry and violence on many sides. On many sides." Such was President Trump's statement Saturday on the violence in Charlottesville, Va. Really: That was it.

## [The Poison of Identity Politics](#)

**The Editorial Board, The Wall Street Journal**

As ever in this age of Donald Trump, politicians and journalists are reducing the violence in Charlottesville, Virginia, on Saturday to a debate over Mr. Trump's words and intentions. That's a mistake no matter what you think of the President, because the larger poison driving events like those in Virginia is identity politics and it won't go away when Mr. Trump inevitably does.

## [We're Holding Pyongyang to Account](#)

**Jim Mattis and Rex Tillerson, The Wall Street Journal**

In the past few months, multiple illegal North Korean ballistic-missile and ICBM tests-coupled with the most recent bellicose language from Pyongyang about striking the U.S., Guam, our allies and our interests in the Asia-Pacific region-have escalated tensions between North Korea and America to levels not experienced since the Korean War. In response, the Trump administration, with the support of the international community, is applying diplomatic and economic pressure on North Korea to achieve the complete, verifiable and

irreversible denuclearization of the Korean Peninsula and a dismantling of the regime's ballistic-missile programs.

### [The Fed's job is about to become much harder](#)

**Lawrence H. Summers, The Washington Post**

With Janet Yellen's term ending in February, President Trump will have to nominate, and the Senate confirm, a new Fed chair in coming months. There will be much discussion of the merits and implications of various candidates for the job.

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## Research Reports and Polling

### [McCain Favorability Up to 58% After Healthcare Vote](#)

**Jeffrey M. Jones, Gallup**

Arizona Sen. John McCain's favorable rating is 58% after he cast the vote that sank GOP attempts to repeal the Affordable Care Act. That is five points higher than McCain's previous reading from August 2015, with a surge in Democratic favorability more than making up for a decline among McCain's fellow Republicans.



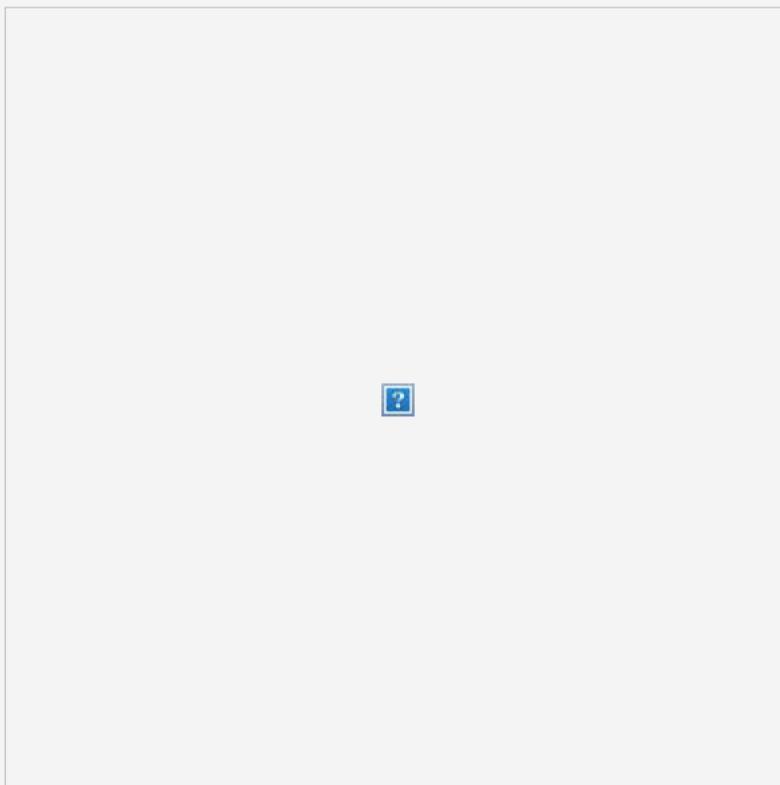
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**Subject:** Morning Consult Washington: White House Says Moore Should Have Conceded Alabama Senate Race by Now  
**Date:** Friday, December 15, 2017 8:51:05 AM

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By [Eli Yokley](#)

## Top Stories

- White House press secretary Sarah Huckabee Sanders said Roy Moore's concession speech "should have already taken place," following Tuesday's special election in Alabama, where the Republican nominee lost to Democrat Doug Jones by 20,715 votes. Moore has yet to concede the Senate race, and Alabama Secretary of State John Merrill - who has said the election will be certified Dec. 28 - has dismissed conspiracy theories of voter fraud promoted by pro-Moore websites. ([The Washington Post](#))
- Vice President Mike Pence delayed a planned trip to Jerusalem in order to be available for next week's expected tax bill vote on Capitol Hill, where Senate Republicans may need him to break a deadlock. Sen. Marco Rubio

(R-Fla.) has threatened to oppose the legislation if it does not expand a child tax credit, and Sen. Susan Collins (R-Maine), a swing vote, has not taken a position on the final measure that's set to be introduced today. ([Politico](#))

- The Federal Communications Commission voted along party lines to repeal the Obama-era net neutrality rules. The regulatory rollback - opposed by companies such as Google Inc., Twitter Inc. and Facebook Inc. - allows internet service providers to slow or block websites and apps or charge more for faster speeds. ([The Associated Press](#))
- Robert Mueller, the special counsel investigating Russian interference in the 2016 election, requested the emails of any employee of the data firm Cambridge Analytica who worked on President Donald Trump's 2016 campaign. The firm's chief executive, Alexander Nix, was interviewed via videoconference by the House Intelligence Committee. ([The Wall Street Journal](#))

## Chart Review

[How Partisanship Impacted the 115th Congress Quorum](#)

## Events Calendar (All Times Local)

### FRIDAY

Wilson Center event on alternate forms of Brexit and implications for the U.K., EU, U.S.

9 a.m.



## **2017 Brands in Review**

This year, Morning Consult conducted nearly 1 million survey interviews on nearly 1,000 brands. Get a never-before-seen look at how public perception changed for the world's biggest brands.

## **General**

**[FCC votes along party lines to end 'net neutrality'](#)**

**Barbara Ortutay and Tali Arbel, The Associated Press**

The Federal Communications Commission repealed the Obama-era "net neutrality" rules Thursday, giving internet service providers like Verizon, Comcast and AT&T a free hand to slow or block websites and apps as they see fit or charge more for faster speeds. In a straight party-line vote of 3-2, the Republican-controlled FCC junked the long-time principle that said all web traffic must be treated equally.

### [Haley: Missile debris 'proof' of Iran's UN violations](#)

**Zachary Cohen et al., CNN**

Standing in front of a display of recovered missile debris, US Ambassador to the UN Nikki Haley presented what she called "concrete evidence" of Iran's weapons proliferation on Thursday at a military base in Washington and called on the international community to join "a united front in resisting this global threat." The short-range ballistic missile serving as her backdrop was made in Iran, then sent to Houthi rebels in Yemen who fired it at a civilian international airport in Saudi Arabia, according to Haley.

### [Trump allies say Tillerson has 'not learned his lesson' and cannot continue in job for long](#)

**Josh Dawsey and Anne Gearan, The Washington Post**

Secretary of State Rex Tillerson seemed focused this week on rebooting his image as a beleaguered Cabinet member on the outs with his boss and his own employees - holding a rare town hall with employees, promising foreign trips into 2018 and saying he is "learning" to enjoy his job. But then he went off script by offering another invitation for diplomatic talks with nuclear-armed North Korea, putting him at odds once again with President Trump and senior White House officials, who are increasingly exasperated with the secretary of state and say he cannot remain in his job for the long term.

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## **Presidential**

### [White House urges Roy Moore to concede, as supporters look for evidence of 'voter fraud'](#)

**David Weigel, The Washington Post**

Two days after losing Alabama's special Senate election, Republican nominee Roy Moore has yet to concede the race to Democrat Doug Jones - even after

White House press secretary Sarah Huckabee Sanders said that he should. "I think the president's position is pretty clear in his outreach to Doug Jones directly," Sanders said at Thursday's briefing with reporters.

### **Tax reform gets in the way of Pence's Jerusalem victory lap**

**Matthew Nussbaum and Seung Min Kim, Politico**

Vice President Mike Pence began planning a Christmastime trip to Jerusalem weeks before President Donald Trump decided to upend decades of U.S. policy by formally recognizing the city as Israel's capital. The visit, which Pence announced at a ceremony for the 70th anniversary of the United Nations vote establishing Israel as a sovereign state, was designed not just as a move to reaffirm ties with a key ally but as a victory lap for Pence, who was instrumental in lobbying Trump to stick with his campaign promise on Jerusalem.

### **Mueller Sought Emails of Trump Campaign Data Firm**

**Rebecca Ballhaus, The Wall Street Journal**

Special Counsel Robert Mueller has requested that Cambridge Analytica, a data firm that worked for President Donald Trump's campaign, turn over documents as part of its investigation into Russian interference in the 2016 U.S. election, according to people familiar with the matter. Mr. Mueller asked the firm in the fall to turn over the emails of any Cambridge Analytica employees who worked on the Trump campaign, in a sign that the special counsel is probing the Trump campaign's data operation.

### **Doubting the intelligence, Trump pursues Putin and leaves a Russian threat unchecked**

**Greg Miller et al., The Washington Post**

In the final days before Donald Trump was sworn in as president, members of his inner circle pleaded with him to acknowledge publicly what U.S. intelligence agencies had already concluded - that Russia's interference in the 2016 election was real. Holding impromptu interventions in Trump's 26th-floor corner office at Trump Tower, advisers - including Trump's son-in-law, Jared Kushner, and designated chief of staff, Reince Priebus - prodded the president-elect to accept the findings that the nation's spy chiefs had personally presented to him on Jan. 6.

## **[DHS Plans to End Work Eligibility for Spouses of H-1B Holders](#)**

**Laura Meckler, The Wall Street Journal**

The spouses of highly skilled foreign workers would no longer be able to work legally in the U.S. under a regulatory change proposed by the Trump administration on Thursday. The plan, laid out in a notice that it intends to propose a rule in 2018, would undo a program by the Obama administration that benefits foreign couples where one person is working in the U.S. on an H-1B visa.

## **[White House aims to sway opinion on immigration overhaul](#)**

**Zeke Miller and Jill Colvin, The Associated Press**

The White House is embarking on a major campaign to turn public opinion against the nation's largely family-based immigration system ahead of an all-out push next year to move toward a more merit-based structure. The administration was laying the groundwork for such a drive even before an Islamic State-inspired extremist who was born in Bangladesh tried to blow himself up in Midtown Manhattan on Monday.

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## **Senate**

### **[Senators Go Their Own Way on Stopgap Funding](#)**

**Jennifer Shutt, Roll Call**

Senators are preparing to completely rework the temporary spending bill needed to keep much of government open past Dec. 22. The legislation will be stripped of the House-passed Defense appropriations bill and a partisan measure reauthorizing the Children's Health Insurance Program, which many expected.

### **[Grassley demands answers on FBI officials' texts about Trump](#)**

**Kyle Cheney, Politico**

Senate Judiciary Committee Chairman Chuck Grassley demanded answers Thursday about when top Department of Justice officials became aware of anti-Donald Trump text messages sent in 2015 and 2016 by top FBI officials, including one senior agent involved in the investigation of any Trump campaign connections to Russia. "The limited release of 375 text messages between Mr. Peter Strzok and Ms. Lisa Page indicate a highly politicized FBI

environment during both the Clinton and Russia investigations," Grassley wrote in a letter to deputy Attorney General Rod Rosenstein, who appointed special counsel Robert Mueller to lead a criminal probe of Russian interference in the 2016 presidential election.

### [Senate Republicans try to shield Mueller from criticism of his Russia probe](#)

**Karoun Demirjian, The Washington Post**

Senate Republicans are scrambling to shield special counsel Robert S. Mueller III from mounting GOP fury about new evidence that members of his team were biased against President Trump, as factions of the party charge that his entire investigation is tainted. The stakes are high: If the GOP moves to hold Mueller accountable for his former subordinates' actions, it could enable Trump to order his ouster and cripple the inquiry he has run examining Russian interference in the 2016 presidential election and whether the president's campaign coordinated with the Kremlin to tilt its outcome in his favor.

### [Republicans join push to lift secrecy around misconduct in Congress](#)

**Susan Cornwell and Caren Bohan, Reuters**

Prominent Republican senators on Thursday embraced a push to overhaul rules for addressing sexual harassment in the U.S. Congress, signing on to a bill that would protect victims and require lawmakers to pay for their own settlements. The legislation builds on demands to lift the veil of secrecy around sexual harassment and misconduct on Capitol Hill, and has gained steam in recent months as a wave of women have come forward with accusations against prominent American men in politics, media and entertainment.

### [Lindsey Graham: There's a 30 Percent Chance Trump Attacks North Korea](#)

**Uri Friedman, The Atlantic**

It's become a grim ritual in Washington foreign-policy circles to assess the chances that the United States and North Korea stumble into war. But on Wednesday Lindsey Graham did something different: He estimated the odds that the Trump administration deliberately strikes North Korea first, to stop it from acquiring the capability to target the U.S. mainland with a long-range,

nuclear-tipped missile.

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## House

### [Some Democrats renew calls for Kihuen to resign after second woman accuses him of harassment](#)

**Humberto Sanchez et al., The Nevada Independent**

Nevada Democratic Rep. Dina Titus had strong words for her fellow congressman Ruben Kihuen the day after another woman's sexual harassment allegations against him came to light, asking "What part of no don't you understand?" Titus has yet to call directly for Kihuen's resignation - House Democratic Leader Nancy Pelosi on Thursday reiterated her call for Kihuen to step down.

### [Keith Ellison Will Not Challenge Smith for Franken's Seat in 2018](#)

**Griffin Connolly, Roll Call**

Rep. Keith Ellison will not run in Minnesota's special election for Senate to replace Sen. Al Franken in 2018, the six-term Democratic lawmaker signaled Wednesday. Minnesota Lt. Gov. Tina Smith has been pegged to replace Franken through January 2019. Smith, a Democrat, said she plans to run in the November 2018 special election.

### [House intel heading to NY for two key interviews, prompting grumbling from Democrats](#)

**Manu Raju and Jeremy Herb, CNN**

The House Intelligence Committee plans to hold two off-site interviews next week with high-profile witnesses who have ties to President Donald Trump, prompting grumbling among Democrats who contend that the GOP is rushing to wrap up the Russia probe, with more left to investigate. The witnesses - one is a Russian-American businessman, Felix Sater, and the other Trump's longtime personal assistant, Rhona Graff - will be interviewed by Republican and Democratic staff next week in New York, two sources said.

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## States

## **Republican delegate prevails after recount in key Va. House race with 100-vote margin**

**Antonio Olivo, The Washington Post**

Virginia state Del. Timothy D. Hugo (R-Fairfax) prevailed in the first of four scheduled election recounts that will determine which party holds power in the House of Delegates, leaving Democrats to stake their hopes on the remaining races, whose outcomes will be determined next week. After Democrat Donte Tanner gained a net of seven votes, Hugo's lead dropped to 99 votes at the end of a two-day recount inside Fairfax County's Circuit Court that, despite the high stakes, went smoothly and with little partisan friction.

## **New York state AG to sue over net neutrality reversal**

**David Shepardson, Reuters**

New York Attorney General Eric Schneiderman and at least two other state law enforcement chiefs said on Thursday he would lead a multi-state legal challenge to the U.S. Federal Communications Commission vote to reverse landmark 2015 net neutrality rules. Schneiderman, a Democrat, said in a statement that states "will sue to stop the FCC's illegal rollback of net neutrality."

## **Republican governors meet with Pence over NAFTA concerns**

**Lesley Wroughton, Reuters**

Republican governors from four U.S. states on Thursday met with Vice President Mike Pence to voice deep concerns over proposed changes to NAFTA that could affect jobs and manufacturing in their states, officials who attended the meeting said. The meeting at the White House included Governors Kim Reynolds of Iowa, Rick Snyder of Michigan, Bill Haslam of Tennessee and Asa Hutchinson of Arkansas, as well as President Donald Trump's Commerce Secretary Wilbur Ross and U.S. Trade Representative Robert Lighthizer.

## **California regulators sign off on the state's ambitious 2030 climate change plan**

**Liam Dillon, Los Angeles Times**

California climate regulators on Thursday approved a detailed plan for the state to meet its 2030 carbon reduction goals. The effort, known formally as the "scoping plan," details the state's strategies for reducing greenhouse gas emissions 40% below 1990 levels over the next 13 years as a way to fight

climate change.

### [Nebraska Democratic chairwoman says party will field candidate in 2018 governor's race - even if she has to put her name on ballot](#)

**Roseann Moring, Omaha World-Herald**

Nebraska Democrats will field a seasoned political figure in the state gubernatorial race in 2018, party Chairwoman Jane Kleeb said Thursday - even if she has to put her own name on the ballot. Her decision comes after party leaders considered not recruiting a Democrat in an effort to help State Sen. Bob Krist, an independent, in his bid to unseat Republican Gov. Pete Ricketts.

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## **Advocacy**

### [With Billions at Stake in Tax Debate, Lobbyists Played Hardball](#)

**Kenneth P. Vogel and Jim Tankersley, The New York Times**

As the largest tax rewrite in decades powered through Congress, lobbyists found themselves sprinting to keep up and find ways to persuade, influence or cajole the small group of lawmakers empowered to tweak language in the final version of the joint Senate and House bill. The lobbyists and their allies opened their wallets wide to fund advertisements, phone banks and field campaigns.

### [Fearing 2018 Democratic Wave, Right-Wing Lobbyists Are Mobilizing Against A \\$15 Minimum Wage Push](#)

**Lee Fang and Nick Surgey, The Intercept**

Even before Democrat Doug Jones's unlikely win in the race for an Alabama Senate seat, Republicans were worried: There could be a wave of Democratic victories ahead, a backlash against President Donald Trump, in next year's elections. The wave could carry with it a raft of pushes for progressive policies.

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## **Opinions, Editorials and Perspectives**

### [Congress must act on the 'dreamers'](#)

**Tim Cook and Charles Koch, The Washington Post**

The holidays are upon us, and families across the United States are coming together to celebrate. Yet for about 690,000 of our neighbors, colleagues and

friends, this holiday season is marked by uncertainty and fear.

### [Trump's Lies vs. Obama's](#)

**David Leonhardt et al., The New York Times**

After we published a list of President Trump's lies this summer, we heard a common response from his supporters. They said, in effect: Yes, but if you made a similar list for previous presidents, it would be just as bad.

### [The Internet Is Free Again](#)

**The Editorial Board, The Wall Street Journal**

Disney's deal announced Thursday to buy some premium 21st Century Fox properties for \$52.4 billion underscores how technology is remaking the media landscape. This discomfits some, but the Federal Communications Commission is right to let markets steer competition and innovation.

### [Is Trump Driving the Stock Market Rally?](#)

**Raymond Fisman and Eric Zitzewitz, The New York Times**

"Highest stock market ever!" President Trump boasted last week. By his own reckoning, Wall Street's rally since his election is proof of the economic potency of his presidency.

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## **Research Reports and Polling**

### [Government Gets Lower Ratings for Handling Health Care, Environment, Disaster Response](#)

**Pew Research Center**

Since 2015, opinions about the federal government's handling of several major issues have become less positive and much more partisan. Yet majorities continue to say the government should have a "major role" on such issues as defending against terrorism and helping lift people from poverty.

### [Party Hoppers: Understanding Voters Who Switched Partisan Affiliation](#)

**Robert Griffin, Democracy Fund Voter Study Group**

Partisan affiliation is one of the most stable features of the modern American

electorate. While individuals' feelings toward politicians or their attitudes about policy can change quickly, partisanship is a deep-seated identity resistant to change.



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**Date:** Friday, October 06, 2017 5:45:01 AM

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By Anthony Adragna | 10/06/2017 05:42 AM EDT

*With help from Eric Wolff and Darius Dixon*

*[Morning Energy](#) will not publish on Monday, Oct. 9. Our next [Morning Energy](#) newsletter will publish on Tuesday, Oct. 10. Please continue to follow Pro Energy issues [here](#).*

**CHANGING THE MATH ON CLIMATE CHANGE:** In a move that will set the tone for the Trump administration's legal and political battles over climate regulation, EPA plans to consider fundamentally altering the benefits it associates with the Clean Power Plan in an upcoming proposal to rescind the Obama-era emissions reduction rule, Pro's Emily Holden [reports](#), citing multiple sources familiar with recent drafts. Taken together, the changes will eliminate tens of billions of dollars in the Clean Power Plan's benefits that could be used to bolster EPA Administrator Scott Pruitt's legal argument for pulling back the regulation.

**Among the changes, President Donald Trump's EPA** will dramatically alter its use of the social cost of carbon by no longer considering any social or economic benefits the rule creates outside the United States and counting far fewer of the health benefits that might have come from reducing air pollutants. Obama's regulators accounted for the fact that levels of sulfur dioxide, nitrogen dioxide and particulate matter would decline along with the greenhouse gases, but the Trump proposal won't count any of those additional reductions if pollutant levels were already at levels deemed safe by the agency in other regulations.

**Proponents of the Obama regulation** argue Pruitt's EPA is relying on fuzzy math and ignoring the fact utilities are transitioning to cleaner energy sources faster than anticipated. Janet McCabe, who led EPA's air office under Obama, said Trump's team seems to be ignoring the fact that many states are already on track to hit the rule's targets ahead of schedule. "Every other story is about how costs are coming down, about how emissions are reducing, about how power companies are making choices to close their coal plants or run them less because they're so expensive," she said. And David Doniger, climate director for the Natural Resources Defense Council, said "the courts are going to look very, very hard at this kind of cooking of the books."

**EPA spokeswoman Liz Bowman's response:** "While it appears you are writing a piece based on rumors about CPP, the facts are that the Obama administration's estimates and analysis of costs and benefits was, in multiple areas, highly uncertain and/or controversial."

**TGIF ONE AND ALL!** I'm your host Anthony Adragna, and Craig Meyers was first up to identify Reps. [Debbie Dingell](#) and [Doris Matsui](#) as the two current lawmakers who replaced their spouses in their congressional seats. For today: Who is the first participant in the U.S. Senate Youth Program to be elected to the body? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#), and [@POLITICOPro](#).

**GET YOUR POPCORN READY!** Energy Secretary Rick Perry should expect a bevy of

tough questions in his [first appearance](#) before the House Energy and Commerce Subcommittee on Energy next Thursday. Chief among them will be his effort to quickly push through new FERC rules benefitting coal and nuclear plants that has united the oil, gas, wind and solar industries — along with consumer groups — against him. Look for Democrats to push Perry on his use of non-commercial aircraft as secretary, in light of reports he chartered a private plane one day before HHS Secretary Tom Price resigned. More information on the Oct. 12 hearing [here](#).

**He may not enjoy a home field advantage:** Fellow Texans are usually quite chummy with their former governor but the FERC grid proposal might have them peppering Perry with non-softballs. Rep. [Pete Olson](#) said Perry had grabbed "the tiger by the tail" and predicted it would be a "big" area of discussion from both parties. "I'm concerned because it appears to be picking winners and losers," he told reporters. "Every time we do that, it hurts the consumer."

**But first:** Perry is scheduled to speak this morning at a [Veterans in Energy](#) forum in Arlington, Va. this morning.

**DOE, PHMSA PICKS CONFIRMED:** Before heading out on a 10-day recess, the Senate confirmed by voice vote Howard "Skip" Elliott to run the Pipeline and Hazardous Materials Safety Administration and Bruce Walker to lead DOE's electricity delivery and energy reliability office. Lawmakers also cleared Timothy Gallaudet's nomination as No. 2 at NOAA by voice vote and passed [a resolution](#) declaring Thursday "Energy Efficiency Day."

**Not in the cards:** Confirmation of FERC chairman nominee Kevin McIntyre and Democratic commissioner pick Rich Glick. Senate Energy and Natural Resources Chairman [Lisa Murkowski](#) asked unanimous consent to approve the selections, but an unidentified senator objected. Murkowski, who has been pushing to get FERC to full complement this week, said on the floor she was "disappointed" after the objection.

**HELP THAT MESS IN TEXAS:** Gov. Greg Abbott, Sens. [John Cornyn](#) and [Ted Cruz](#) and all but three of Texas' House members [requested](#) \$18.7 billion in disaster funding be included in the next Appropriations package as the state continues its recovery from Hurricane Harvey. "We all recognize that the funding already appropriated is a small fraction of the federal resources needed to help rebuild Texas," they wrote.

**Not so fast?** House Majority Leader [Kevin McCarthy](#) indicated Thursday his chamber would take up the White House's \$29 billion [disaster aid request](#) next week but Republican Study Chairman [Mark Walker](#) said his influential bloc might oppose the package without corresponding spending cuts, Pro's Budget & Appropriations Brief's Sarah Ferris [reports](#).

**Seems unnecessary:** The Trump administration removed information about the status of drinking water and electricity access on Puerto Rico from FEMA's site, The Washington Post [reports](#). Government [figures](#) show 9.2 percent of the island now has electricity and 54.2 percent of people have potable drinking water. Meanwhile, Flint Mayor Karen Weaver released [a letter](#) of support Thursday to San Juan Mayor Carmen Yulin Cruz sent earlier in the week.

**Over in Florida,** lawmakers are looking at potential ways to alleviate fuel shortages in the aftermath of hurricanes, but POLITICO Florida's Bruce Ritchie [reports](#) solutions may be elusive. That isn't stopping Democratic Sen. [Bill Nelson](#), who filed [legislation](#) Thursday requiring DOE to create a gas supply reserve that would hold at least 1 million barrels of oil in

two separate locations, Bruce and Sergio Bustos [report](#).

**Veep alert!** Vice President Mike Pence is visiting the U.S. Virgin Islands and Puerto Rico today for an update on Hurricane Maria recovery efforts.

**BETTER LATE THAN NEVER?** As POLITICO [reported was likely](#) way back in March, the White House formally selected Faegre Baker Daniels attorney Andrew Wheeler to serve as No. 2 at EPA, Pro's Alex Guillén [reports](#). Wheeler, a former staffer to Sen. [Jim Inhofe](#) and the EPW Committee, was formerly a registered lobbyist for coal producer Murray Energy but deregistered in an Aug. 11 [filing](#). Hopefully, he'll keep participating in ME's trivia!

**REPORT: ENERGY-RELATED CO2 EMISSIONS DOWN:** Energy-related emissions of carbon dioxide fell 1.7 percent in 2016 — that's 89 million metric tons, according to an Energy Information Administration [report](#) out Thursday. Emissions have declined in six of the past 10 years and energy-related ones are down 14 percent from 2005 levels. Transportation-related carbon emissions rose in 2016, though emissions from the industrial, commercial and sectors were all down. Natural gas emissions surpassed those from coal in 2016, though the report notes "natural gas produces more energy for the same amount of emissions as coal."

**\*\* A message from Chevron:** We're piloting a program that uses drones to keep an eye on Chevron wells, tanks, and pipelines—all to keep DOERS and what they're doin' safer. Watch the video: <http://politi.co/2xO60oe> \*\*

**LAWSUIT THREATENED OVER MISSED OZONE DEADLINE:** A group of 14 state attorneys general [threatened to sue EPA](#) for missing an Oct. 1 deadline to decide which parts of the U.S. do or do not meet the 2015 ozone standard. They join a coalition of environmental groups, which [vowed to sue](#) Pruitt earlier this week.

**TAX OVERHAUL: BIOFUELS PRODUCERS LIKE THE PASSTHROUGH TAX BREAKS:** Like everyone, ethanol producers await the details of Republican tax overhaul plans, but they see at least one feature they like: the tax cut on passthrough businesses. The principles in the "Big Six" tax overhaul call for a reduction in the tax rate from 36.9 percent to 25 percent on taxes paid by businesses run by sole proprietors, partnerships, and "S Corps", commonly called "passthrough" businesses. "That's how our plants are mostly organized, we see this as potential positive for our members," said John Fuhrer, senior director for government affairs for Growth Energy, an ethanol producers group.

**FERC EYES NEW ENFORCEMENT CHIEF:** Two sources with knowledge of the plans [tell](#) Pro's Darius Dixon and Esther Whieldon that Skadden attorney John Shepherd Jr. is expected to become FERC's next enforcement chief. According to Shepherd's [bio](#), his practice focuses on market design, market power and market manipulation issues in the energy and natural gas markets. The timing of the announcement is not certain.

**GRIFFITH STEPPING INTO MURPHY'S E&C SLOT:** With embattled Rep. [Tim Murphy](#) opting Thursday to [resign from Congress](#) later this month, an Energy and Commerce aide tells ME Virginia Rep. [Morgan Griffith](#) is expected to become chairman of the panel's Oversight and Investigations Subcommittee.

**ASSUME E15 BILL DEAD (FOR NOW):** Both Senate EPW Chairman [John Barrasso](#) and bill sponsor [Deb Fischer](#) now say a measure [S. 517 \(115\)](#) that would allow year-round sales of higher blends of ethanol won't even get a committee vote this year, Pro's Eric Wolff [reports](#).

Even with five committee members as co-sponsors, there wasn't sufficient support among panel members and a flurry of amendments threatened to go after bedrock environmental laws. "I think what happened [was] it looked like we were really going to do this. So we loaded the box up with every Clean Air Act amendment we could think of," a refining industry source who opposed the bill told Eric.

**MAIL CALL! GOP URGES DOI LEAK PROBE!** House Natural Resources Chairman [Rob Bishop](#) and Oversight Subcommittee Chairman [Bruce Westerman](#) sent [a letter](#) Thursday requesting a briefing and copies of written policies concerning unauthorized leaks at Interior. They point to four leaks over the past several months with documents not yet finalized. "Improper disclosure of internal agency information, however, both classified and nonclassified, is an unacceptable practice," they wrote. "It is vital that those responsible for unauthorized releases are held accountable."

**TWO THUMBS UP!** Sen. [Bill Cassidy](#), Barrasso and Murkowski wrote [a letter](#) Thursday to Perry to voice support for a proposed rule that would speed approvals of small-scale liquefied natural gas exports. DOE formally [proposed the regulation](#) on Sept. 1 and the comment period ends Oct. 16.

**ANOTHER PRUITT PROBE PURSUED:** Three senior House Energy and Commerce Democrats — [Frank Pallone](#), [Paul Tonko](#) and [Diana DeGette](#) — asked EPA's inspector general in a Thursday [letter](#) to investigate Pruitt's installation of a \$25,000 "privacy cube" in his office. "[Americans] have a right to know if Administrator Pruitt is wasting taxpayer money on duplicative and unnecessary purchases for his office," they wrote.

**HEARING ON FEDERAL STAFFING SOUGHT:** All House Oversight Democrats asked for a hearing to be scheduled on Trump administration efforts to downsize the federal workforce. Read it [here](#).

**KELLOGG VP SEEKING UPTON'S SEAT:** Democrat George Franklin, a vice president at Kellogg announced Thursday he'll seek Energy and Commerce Energy Subcommittee Chairman [Fred Upton](#)'s congressional seat, WWMT [reports](#). It remains unclear, of course, whether the incumbent Upton will seek reelection to the House, run for Senate or retire.

**RECORDS SOUGHT FOR PERRY'S TRUMP HOTEL SPEECH:** Citizens for Responsibility and Ethics in Washington filed a FOIA request seeking all records and requests for reimbursement stemming from Perry's speech to the National Mining Association at the Trump Hotel earlier this week. Copy [here](#).

**MUSK'S BIG IDEA:** Elon Musk is open to helping rebuild Puerto Rico's electric grid. "The Tesla team has done this for many smaller islands around the world, but there is no scalability limit, so it can be done for Puerto Rico too. Such a decision would be in the hands of the PR govt, PUC, any commercial stakeholders and, most importantly, the people of PR," he [tweeted](#) Thursday. Gov. Ricardo Rossello [responded](#) on Twitter "let's talk" and said Puerto Rico could be Musk's "flagship project"

**ANTI-PIPELINE AD LAUNCHED IN VIRGINIA:** The Southern Environmental Law Center launched a \$200,000, three-week television [ad campaign](#) in Virginia opposing the Atlantic Coast Pipeline being pushed by Dominion Energy.

**HUNDREDS SEEK WILDFIRE FIX:** More than 200 groups [asked](#) congressional leadership

to enact "a comprehensive solution to the wildfire suppression funding issue that addresses the borrowing issue and the erosion of budgets due to increasing wildfire suppression costs." They voiced support for bipartisan House [H.R. 2862 \(115\)](#) and Senate [S. 1842 \(115\)](#) bills.

## QUICK HITS

- Jerry Brown's California Dream: The Rolling Stone Interview. [Rolling Stone](#).
- US oil exports will keep booming after hitting record 2 million barrels a day, analysts say. [CNBC](#).
- U.S. Gulf oil producers curtail output ahead of Tropical Storm Nate. [Reuters](#).
- Interior Department rejects 25 endangered species petitions, including several linked to climate change. [Washington Post](#).
- EPA's Scott Pruitt prefers meeting with Republicans, just not on Mondays. [CNN](#).
- Worker dies at Kentucky coal-fired power plant. [AP](#).

## HAPPENING TODAY

9:00 a.m. — 2017 Veterans In Energy [Forum](#), NRECA, 4301 Wilson Blvd. Arlington, VA 22203

11:00 a.m. — Sen. Angus King holds a Senate Energy Committee field hearing in Searsmont, Maine on how combined heat and power and microgrid technology approaches can reduce industrial energy costs, watch [here](#)

## THAT'S ALL FOR ME!

**\*\* A message from Chevron:** This is a story about energy, safety, and some truly high-flyin' doin'. We're piloting a program that uses drones, HD imaging, and thermal mapping to help keep a close eye on Chevron wells, tanks, and pipelines—all to keep DOERS and what they're doin' safer. Watch the video: <http://politi.co/2xO60oe> \*\*

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/10/changing-the-math-on-the-clean-power-plan-024942>

## Stories from POLITICO Pro

**EPA's climate rule withdrawal will include big changes to cost calculations** [Back](#)

By Emily Holden | 10/05/2017 08:47 PM EDT

The Trump administration will consider fundamentally limiting the way the federal government counts benefits from curbing climate change and air pollution in an upcoming proposal to rescind former President Barack Obama's signature climate regulation, according to multiple sources familiar with recent drafts.

In nixing the Clean Power Plan, EPA will suggest changing the benefits it counts, which

would bolster its arguments that the rule's economic burdens would outweigh its gains from cleaner air, reduced illnesses and greater energy efficiency.

President Donald Trump has long vowed to erase Obama's restrictions on coal plants, and then announced he was pulling out of the Paris climate accord, so it's no surprise he plans to eliminate the rule. But the fine print will have big implications for the inevitable yearslong legal fights to come. It could anger environmental advocates while satisfying some industries and conservative states.

"It may seem like inside baseball, but this is going to set the tone," said John Larsen, a director at the analysis firm Rhodium Group. "We haven't seen the details of any sort of regulatory plan from this administration yet on climate."

EPA could release its withdrawal proposal in the coming days, while leaving the door open to eventually replace the rule with one that would pose minimal costs but provide few climate benefits, as POLITICO [reported](#) last month.

Among other changes, Trump's EPA will drastically alter how it uses the social cost of carbon, a metric for assigning a monetary value to curbing emissions. The agency will decline to consider any social or economic benefits the rule creates outside the United States — unlike the Obama administration, which included worldwide impacts in its calculations.

And it will count far fewer of the health benefits that might have come from reducing air pollutants that cause premature deaths, heart attacks and asthma hospitalizations.

Taken together, the sources say, the recalculations eliminate tens of billions of dollars of the rule's benefits, which Obama's EPA had contended would outweigh the costs of enforcing a faster shift away from coal-fired power. The new numbers could be meant to aid EPA Administrator Scott Pruitt's legal case for scrapping the rule.

The rule's supporters are already accusing Trump and Pruitt of promoting fake math. They say the administration is ignoring the reality that power companies are making the transition to green energy even faster than Obama anticipated.

"Like so many things, they seem to be completely ignoring what's happening in the real world," Janet McCabe, who led EPA's air office under Obama, said of Trump's team. "Every other story is about how costs are coming down, about how emissions are reducing, about how power companies are making choices to close their coal plants or run them less because they're so expensive."

David Doniger, climate director for the Natural Resources Defense Council, said that "the courts are going to look very, very hard at this kind of cooking of the books."

"There are two kinds of ways to get the law wrong, to play fast and loose with science and facts or with the economics, and you can lose for either or both reasons," he said.

But EPA spokeswoman Liz Bowman said that if anyone's numbers were questionable, it was Obama's.

"While it appears you are writing a piece based on rumors about CPP, the facts are that the Obama administration's estimates and analysis of costs and benefits was, in multiple areas, highly uncertain and/or controversial," she said in an email Thursday night.

The businesses and states that opposed Obama's regulation say it's about time EPA reconsidered the costs. For example, it's reasonable to count only the rule's U.S. benefits since Americans would be paying the costs, said Jeff Holmstead, an industry lawyer who was EPA's air administrator under former President George W. Bush.

The math surrounding the rule has long been a political lightning rod.

The Obama-era EPA said the rule would be a net gain for society because shifting to cleaner energy sources would slow climate change and reduce pollution-related illnesses, among other benefits. In contrast, studies financed by conservative groups estimated that the regulation would cost the economy hundreds of billions of dollars during the same time frame.

The rule sought to cut the U.S. power industry's carbon pollution 32 percent by 2030, compared with 2005 levels — and as of two years ago, the country was more than halfway there. The regulation was the centerpiece of Obama's pledge that the U.S. would fulfill its part of the 2015 Paris climate agreement.

Trump has since announced he's pulling the United States out of Paris, unless he can "negotiate" a more favorable deal, and he's ordered EPA to undo a host of Obama-era regulations, chief among them the Clean Power Plan.

He has also directed his agencies to recalculate Obama's math on the social and economic impacts of climate change.

In a March [executive order](#), Trump disbanded an interagency team that had been working on revising the social cost of carbon.

He also told his agencies to revert to White House [guidance](#) from 2003, which directed regulators performing cost-benefit analyses to "focus on benefits and costs that accrue to citizens and residents of the United States." Any look at international implications should go into a separate report, the George W. Bush-era guidance said.

That "America First" approach to regulation is a big departure from Obama's methods, which considered the worldwide effects of reducing U.S. carbon pollution, but it will help Trump's EPA justify repealing the rule.

In the Clean Power Plan, the Obama administration had estimated that each metric ton of carbon dioxide imposes about \$40 of costs on society. That means the plan would yield about \$30 billion in global climate benefits by 2030 — but only \$2 billion to \$7 billion in domestic gains, less than the rule's estimated cost, according to the think tank [Brookings](#).

Experts who support the international strategy say going back is misguided. Michael Greenstone, the chief economist for Obama's Council of Economic Advisers in 2009 and 2010, [told lawmakers in March](#) that using a social cost of carbon that incorporates only U.S. benefits is "essentially asking the rest of the world to ramp up their emissions."

Noah Kaufman, an economist for World Resources Institute's climate program, said that "because climate change is a global problem, it requires a global solution."

"If countries try to solve it only for themselves, not taking into account how U.S. emissions affect the global community, and the global community doesn't consider how it affects us ...

you're just never going to solve the problem," Kaufman said.

EPA will also refuse to count many of the health benefits that the Obama administration estimated would arise as side effects of reducing carbon emissions, the sources said. Specifically, Obama's regulators accounted for the fact that levels of sulfur dioxide, nitrogen dioxide and particulate matter — pollutants already regulated by other EPA rules — would decline along with the greenhouse gases.

In contrast, Trump's EPA won't count those ancillary reductions if the pollutants were already below levels that the agency has deemed safe in other standards.

Environmental advocates say that logic is wrong, because further curbing those pollutants means people will be even healthier. But Holmstead said that while it's legitimate for EPA to look at the other pollutant reductions the rule might achieve, the agency shouldn't count them to offset costs.

The changes to the cost-benefit analysis will come in a regulatory impact analysis that aims to highlight a wide range of cost estimates for the rule. The analysis will accompany EPA's proposed rule for rescinding the Clean Power Plan and its advanced notice of proposed rulemaking on options to replace the regulation.

Obama's critics estimate the rule would force consumers to pay \$200 billion more by 2030 and saddle electricity customers with double-digit price hikes in many states, according to a [study](#) contracted by the conservative American Energy Alliance's Institute for Energy Research.

The Obama-era EPA and many academic institutions and think tanks have argued that the rule would cost far less, between \$5 billion and \$8 billion in 2030 by the agency's previous calculations. Plus, they have said, the social benefits of reducing carbon levels, slowing climate change and ratcheting down illness-causing air pollution would far offset the costs, achieving \$26 billion to \$45 billion in net benefits by 2030.

Advocates say costs are already proving to be even lower than expected as power companies move away from coal on their own.

The Institute for Policy Integrity at New York University School of Law this week released a [paper](#) compiling multiple studies that have found that Clean Power Plan compliance costs have fallen dramatically since the rule came out in 2015. That included an analysis from the American Petroleum Institute that estimated lower costs than EPA's original expectations.

"The takeaway from this should be, if we're going to do anything with the Clean Power Plan right now, given these trends we should be strengthening the goals," said Jack Lienke, an author of that paper and regulatory policy director for the institute. "Emissions can be reduced much more cheaply. That's a reason to set more aggressive targets, not to weaken targets or repeal them altogether."

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**White House seeks nearly \$30B in disaster aid package** [Back](#)

By Sarah Ferris | 10/04/2017 06:13 PM EDT

The White House this afternoon formally requested nearly \$30 billion in emergency funding for its ongoing recovery efforts in hurricane-battered regions like Puerto Rico, Florida and Texas.

In a letter to congressional leaders, the Trump administration asked for \$12.8 billion for FEMA's disaster relief fund, \$16 billion for the National Flood Insurance Program and \$576.5 million for the forest service's firefighting fund.

"We need the help of Congress to stabilize the affected communities and replenish dwindling and depleted funds," Office of Management and Budget chief Mick Mulvaney wrote. He said the money should be classified as "emergency spending," meaning it would not require spending offsets.

House and Senate appropriators immediately released statements in support of the White House's request and pledged to act quickly. House Appropriations Chairman [Rodney Frelinghuysen](#) (R-N.J.) said he would "put legislation forward as soon as possible."

Rep. [Nita Lowey](#), his Democratic counterpart on the panel, said she supported Trump's request for FEMA, but added it needed to go further.

"Congress should add to this request by appropriating funding for flexible Community Development Block Grants; rebuilding coastlines, roads, transit systems, airports, ports, and other infrastructure; small business loans; and repairs to military installations and other federal facilities damaged in the storms," said Lowey, of New York.

The White House's request had previously been [reported](#) by POLITICO.

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**RSC chief stakes opposition to hurricane relief without offsets** [Back](#)

By Sarah Ferris | 10/04/2017 10:50 PM EDT

The Republican Study Committee's chairman is threatening to oppose the next round of hurricane relief funding if Congress doesn't cut spending to cover the costs.

"We're going to come out strong for those to be offset," Rep. [Mark Walker](#) (R-N.C.) told POLITICO late Wednesday. "Just because Republicans are in charge doesn't mean deficits and debts no longer matter."

Walker said he has for weeks told fellow lawmakers, including those in leadership, to demand offsets. Now he is going public with his position as Congress considers the White House's new \$29 billion [disaster aid request](#).

Lawmakers are expected to vote mid-month on the fresh aid plan, which includes \$13 billion

in Federal Emergency Management Agency funding that would not count toward Congress' annual spending limits.

GOP leaders have signaled there are likely to be more requests to come, and the price tag for hurricane recovery could total hundreds of billions of dollars.

So far, Congress has [allocated](#) \$15 billion in emergency funding since the three devastating storms began ravaging the U.S. and its territories with Hurricane Harvey's initial blow in late August.

Walker's demands are likely to incite a years-old fiscal fight within the GOP over whether emergency spending should add to the nation's deficit.

Prominent conservatives, including Vice President Mike Pence and House Speaker [Paul Ryan](#) (R-Wis.), have for years argued that disaster relief should be offset.

"Congress must ensure that a catastrophe of nature does not become a catastrophe of debt," then-congressman Pence said in a 2005 floor speech that has resurfaced in recent weeks.

In 2011, a [similar demand](#) by House conservatives brought the government to the brink of shutdown.

Walker proposes Congress consider reshuffling money from accounts like the Energy Department's loan program for manufacturing fuel-efficient cars.

This year, a majority of House Republicans already agreed to bend the pay-as-you-go requirement for the \$15 billion hurricane relief package ([H.R. 601 \(115\)](#)) enacted last month. Ninety Republicans, including Walker, opposed the legislation, which also funded the government through Dec. 8 and temporarily suspended the debt ceiling.

On future packages, Walker said he believes "the bulk" of the House's Republicans will join in opposition if there are no offsets.

The first emergency package was different, he argues, because it was an immediate response when "there were people's lives in the balance" and it "wasn't an overwhelming amount."

Walker stressed that he isn't planning to hold a disaster package "hostage" but wants to remind fellow Republicans that they, too, have campaigned against runaway spending.

"We just want to say, 'Hey, we're waving a flag out here,'" Walker said. "If we don't have the money, then is it not due diligence to go find out where money is being spent frivolously?"

*To view online [click here](#).*

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**Sources: Trump expected to tap Wheeler as EPA deputy [Back](#)**

By Andrew Restuccia, Alex Guillén and Anthony Adragna | 03/16/2017 08:00 PM EDT

President Donald Trump is expected to tap Andrew Wheeler, a coal lobbyist and former aide to Sen. Jim Inhofe, to be deputy administrator of the Environmental Protection Agency, sources familiar with the hiring process told POLITICO.

Sources cautioned that the decision has not yet been finalized, but they said Wheeler is expected to get the job. It's unclear when Trump will make the announcement, but one source said it could be weeks before Wheeler is officially tapped.

Wheeler worked as an EPA staffer earlier in his career. He later joined Inhofe's Senate office and then spent more than a decade as a Republican staffer on the Senate Environment and Public Works Committee, where he worked on several major pieces of legislation, including the 2005 and 2007 energy bills.

He has worked at the law firm Faegre Baker Daniels since 2009. He now co-leads the firm's energy and natural resources practice.

Wheeler is a registered lobbyist for Murray Energy, the nation's largest privately owned coal company, which regularly filed lawsuits against the Obama administration over its environmental regulations.

As a lobbyist, Wheeler may need to obtain a waiver to serve at the EPA.

Trump signed an [executive order](#) in January that bars registered lobbyists from participating in "any particular matter" on which they lobbied in the past two years. Those lobbying restrictions last for two years from the time the person joins the administration.

But the executive order says the administration can grant "any person a waiver of any restrictions" in its ethics and lobbyist requirements. Unlike an order signed by former President Barack Obama in 2009, Trump's executive order [doesn't require](#) public disclosure of the waivers.

Aside from Murray, Wheeler also lobbies on unspecified energy and energy efficiency issues for Underwriters Laboratories, an Illinois-based lab company, and on agricultural issues for cheese maker Sargento. His former clients include Xcel Energy and Bear Head LNG, as well as a cooking oil-recycling company, an auto auctioner and a medical isotope coalition.

Wheeler won't be the only energy lobbyist to join the Trump administration. Mike Catanzaro, a lobbyist at the firm CGCN Group whose clients included several fossil fuel companies, [took a job](#) at the White House last month as an energy and environmental adviser at the National Economic Council. Catanzaro is a former EPW staffer to Inhofe.

Meanwhile, EPA Administrator Scott Pruitt, a fellow Oklahoman, has also brought former Inhofe aide Ryan Jackson on as chief of staff. Byron Brown, a former Inhofe aide, is EPA's deputy chief of staff and Mandy Gunasekara, a former EPW counsel, is now a senior policy adviser to Pruitt.

More aides with ties to Inhofe are expected to join the EPA in the coming weeks. Susan Bodine and Brittany Bolen, two EPA staffers, are widely expected to be offered jobs at EPA.

Wheeler, a White House spokeswoman and an EPA spokesman did not immediately respond to a request for comment.

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## **White House announces Wheeler pick for EPA deputy [Back](#)**

By Alex Guillén | 10/05/2017 03:52 PM EDT

The White House today nominated Andrew Wheeler to be deputy EPA administrator.

POLITICO [reported](#) in March that Wheeler was the leading contender for the job, which will help run day-to-day operations at EPA while the agency works to undo many Obama-era regulations.

Wheeler previously worked for Sen. [Jim Inhofe](#) and the Senate Environment and Public Works Committee. Since 2009, he has been an attorney at the law firm Faegre Baker Daniels, where he was a registered lobbyist for coal producer Murray Energy. Wheeler de-registered himself as a Murray lobbyist in an Aug. 11 [filing](#).

Wheeler will be at least the seventh political staffer with ties to Inhofe to land at EPA. Others include chief of staff Ryan Jackson, deputy chief of staff Byron Brown, adviser Mandy Gunasekara and Susan Bodine, the enforcement nominee who started working as an enforcement adviser to Administrator Scott Pruitt last month ahead of her Senate confirmation.

**WHAT'S NEXT:** The Senate Environment and Public Works Committee will likely schedule a confirmation hearing for Wheeler in the coming weeks.

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## **Sources: FERC enforcement critic in line to become enforcement chief [Back](#)**

By Darius Dixon and Esther Whieldon | 10/05/2017 04:29 PM EDT

Skadden attorney John Shepherd Jr. is expected to be named FERC's next head of enforcement, according to two sources with knowledge of the plans.

Shepherd co-authored a [paper](#) for the Energy Law Journal in 2010 calling for new due process rules within the FERC enforcement office, which polices energy markets for manipulation, and has made headlines for levying multi-million dollar fines against firms like JPMorgan Chase and Barclays. Shepherd co-authored the paper with William Scherman, a former FERC general counsel who has been critical of the agency's enforcement work.

According to his [biography](#) on the Skadden, Arps, Slate, Meagher & Flom website, Shepherd's practice focuses on market design, market power and market manipulation issues in the energy and natural gas markets. His biography also highlights his success securing the "dismissal of a

non-public investigation against a Midwest natural gas company for alleged capacity 'flipping' violations."

The sources said the timing of the appointment was not certain.

Reached by phone today, Shepherd said he had not been contacted about the position.

Last month, fellow Skadden attorney James Danly became FERC's general counsel.

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### **Tim Murphy resigns from Congress [Back](#)**

By Rachael Bade and Jake Sherman | 10/05/2017 04:06 PM EDT

Rep. Tim Murphy (R-Pa.), the embattled anti-abortion lawmaker who allegedly encouraged his lover to terminate a pregnancy, on Thursday announced his plan to resign from office later this month — just a day after announcing his plan to retire following the 2018 election.

The Pennsylvania Republican's about-face came after House GOP leaders and senior Republicans upped the pressure on Murphy to step down. Republican sources familiar with Murphy's thinking said the married father of one child initially believed he could weather a [story](#) in the Pittsburgh Post Gazette, revealing he had sent a series of text messages to his girlfriend — a psychologist half his age — encouraging her to have an abortion. Murphy has been a strongly anti-abortion lawmaker during his 15 years in Congress.

"This afternoon, I received a letter of resignation from Congressman Tim Murphy, effective October 21," Speaker Paul Ryan said in a statement. "It was Dr. Murphy's decision to move on to the next chapter of his life, and I support it."

But many senior Republicans did not believe Murphy could — or should — survive until the end of his term. Several top Republicans said Ryan, who met with Murphy Wednesday evening to discuss his future, also wanted him to step down.

GOP insiders also were worried that additional damaging stories could surface involving Murphy and his office. The Post-Gazette revealed that his staff was in turmoil for years, with the congressman yelling at aides and throwing folders.

"As I said last night, the circumstances surrounding this situation are extremely disappointing to me," National Republican Congressional Committee Chairman Steve Stivers said in a statement.

But Stivers predicted that Republicans would easily hold Murphy's district, despite the scandal that destroyed the GOP lawmaker's career.

"The NRCC is undefeated in special elections this year and I'm supremely confident that will continue," the Ohio lawmaker said. "In the meantime, we look forward to seeing how national Democrats can spin yet another special election loss into a so-called moral victory."

The sudden furor surrounding Murphy brought a wave of detractors eager to tell of their mistreatment at his hands during his time in Congress.

Five former Murphy employees contacted POLITICO to share stories of inappropriate behavior by both Murphy and his chief of staff Susan Mosychuk. Those included tales of staff being berated as "worthless" and "stupid." Others told of being forced by Mosychuk to take the stairs instead of the elevators as punishments for underperforming.

Republicans believed the matter could become an ethics issue that would trigger an investigation and distract from GOP messaging. With Murphy set to resign in two weeks, any ethics probe would end as soon as he left office.

Throughout Wednesday, Murphy held a series of private meetings with other GOP lawmakers as he sought to save his career. Pennsylvania GOP Reps. Charlie Dent and Bill Shuster huddled with Murphy in his office on Wednesday afternoon, but would not discuss what was said following the private session.

By Thursday morning, Murphy began to understand those complications and had drafted a resignation letter.

Murphy's departure from Congress is expected to set off a scramble to replace him in what is a safe GOP seat. Democrats signaled that they have very low expectations of making a competitive run there.

"Pennsylvania's 18<sup>th</sup> Congressional District is a reliable Republican stronghold, but the grass-roots energy behind Democrats has proven powerful this year, and we will be closely tracking this district and special election," said Meredith Kelly, communications director for the Democratic Congressional Campaign Committee.

In Pennsylvania special elections, the state central committees for both parties select primary nominees, rather than through a primary vote.

Pennsylvania Gov. Tom Wolf, a Democrat, will set the special general election date, which some political operatives believe will occur on the same day as the regular primary date next May.

"I'd assume the governor would put it on primary election day of next year," said Mark Harris, a Republican consultant in the state. "If that's the case, there would be two ballots — a special election ballot and a primary ballot. In theory, a candidate could win the special election and another candidate could win the primary."

Two Republican candidates announced their bids on Thursday — state Sen. Guy Reschenthaler, a former judge and Iraq War veteran, and state Sen. Kim Ward. Local operatives also named state Rep. Rick Saccone, who's currently running for the U.S. Senate, as another potential candidate.

Three Democrats were already vying to take on Murphy before he resigned, including Pam Iovino, a veteran who picked up an endorsement from VoteVets on Wednesday. But Democratic operatives said they expect more candidates to jump in, naming Matt Smith, president of the Greater Pittsburgh Chamber of Commerce, state Rep. Dan Miller and Westmoreland County Commissioner Ted Kopas.

*John Bresnahan and Elena Schneider contributed to this report.*

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## **Bill to expand E15 ethanol dead for the year [Back](#)**

By Eric Wolff | 10/05/2017 03:36 PM EDT

A bill to allow year-round sales of higher blends of ethanol won't get a vote in the Senate Environment and Public Works Committee this year after it attracted amendments that targeted major environmental laws, Republican senators told POLITICO.

Both EPW Chairman [John Barrasso](#) (R-Wyo.) and Sen. [Deb Fischer](#) (R-Neb.), author of [S. 517 \(115\)](#), said it lacked the votes to get out of committee despite having five members as co-sponsors. A majority of the remaining Republicans opposed the measure, and Fischer failed to win the backing of at least six Democrats to get it through the committee. Fischer had previously decided against bringing the bill to markup in July.

Republicans like Sen. [Jim Inhofe](#) (R-Okla.), who opposed the bill, saw it as a chance to weaken the Clean Air Act, and industry sources said Democrats had a string of their own plans to try to address concerns about higher food prices and increased air pollution. The combined weight of the amendments under discussion ultimately sunk the bill.

"The original sponsor said the votes aren't there; I don't expect to see it this year," Barrasso said. Fischer agreed that the bill would not come up for a vote this year.

Ethanol producers have long argued that allowing year-round sale of gasoline with 15 percent ethanol would help increase the number of credits that refiners must use to comply with the Renewable Fuel Standard — and ultimately drive down prices. But the oil industry sees the RFS as "broken," and major producers have no interest in small tweaks, especially one that would cut into the sale of their product.

Fischer won committee time in May for her bill, which would waive a Clean Air Act provision that prevents summer sales of E15 in some states after a last-minute scramble for votes on a resolution to kill an Obama-era rule limiting methane leaks by gas producers. Barrasso agreed to give her bill a hearing and a markup vote in exchange for votes from Fischer, Sen. [Chuck Grassley](#) (R-Iowa) and other corn-state Republicans. The methane resolution ultimately failed.

Ethanol producers had hoped to sway Democrats by touting the fuel's lower greenhouse gas profile than gasoline, and the hope that allowing E15 to be sold all year would create higher demand for advanced biofuels with even lower emissions, a top concern for longtime RFS supporter Sen. [Ed Markey](#) (D-Mass.).

The committee also has five senators among its members thought to be considering running for the Democratic nomination for president in 2020: Sens. [Bernie Sanders](#) (I-Vt.), [Cory Booker](#) (N.J.), [Kirsten Gillibrand](#) (N.Y.), [Kamala Harris](#) (Calif.) and [Jeff Merkley](#) (Ore.). Ethanol remains a key issue in Iowa, and a "yes" vote could have been a boost to a primary

bid.

But industry sources say that Democrats, along with the Sierra Club, which opposed the bill, had concerns about the potential for higher food prices and air pollution. A biofuels and a refining industry source said Democrats wanted an amendment to cap ethanol volumes if food prices ran too high, and some Democrats worried that the air waiver, which has to do with fuel evaporation provisions, would create air pollution problems.

Though Fischer had sought a rifle shot that would address only the Clean Air Act waiver, the legislation ultimately "ricochets all over the place," said a refining industry source who opposed the bill.

"I think what happened [was] it looked like we were really going to do this. So we loaded the box up with every Clean Air Act amendment we could think of," he said.

Inhofe had his sights on the Clean Air Act, and he had planned a host of amendments, including killing the Clean Power Plan and the Waters of the United States rule, and sunseting the conventional biofuel requirement that is typically filled by ethanol. The amendments would be hard for Republicans to oppose but would have been virtually impossible for Democrats to support, if any got attached to the bill.

"We think it is very unfortunate that this bill has been caught up by unrelated issues," John Fuher, senior director for government affairs for Growth Energy, an ethanol group, said in a statement. "We continue to believe that this legislation is necessary, as it would lift an outdated, unnecessary restriction on retailers who want to offer their customers the choice of a cleaner, more affordable fuel option year-round."

Oil groups who opposed the legislation were more upbeat.

"We are pleased that E15 waiver is not moving," said Frank Macchiarola, downstream director for the American Petroleum Institute. "We think it reflects a broad bipartisan consensus that, first, E15 is not ready for the market place, and second, the RFS needs to be addressed holistically with significant reforms based on free market fundamentals that protect the American consumer."

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By Anthony Adragna | 10/25/2017 05:41 AM EDT

*With help from Emily Holden, Esther Whieldon and Alex Guillén*

**QUESTIONS MOUNT OVER WHITEFISH CONTRACT:** Lawmakers from both parties expressed concern Tuesday over the \$300 million contract offered to the little-known company Whitefish Energy from Interior Secretary Ryan Zinke's hometown for electric grid recovery work in Puerto Rico and vowed to pursue additional information about it. "I obviously want to find out more about it because this is quite a substantial contract and one that is really important for the people of Puerto Rico right now," Senate Energy Chairman [Lisa Murkowski](#) told reporters. She wasn't sure if her committee would tackle the matter, but she plans to hold a hearing on the broader Puerto Rican recovery "within the next week or so."

**Bishop has concerns:** House Natural Resources Chairman [Rob Bishop](#) told reporters he wants more information on how many bids there were, the criteria for selection and who made the final call on Whitefish. "We have questions about it, but we need more information," he said. "I'm not reading anything into it because I'd probably be wrong, but there are questions."

**Democrats, too:** Top Natural Resources Democrat [Raul Grijalva](#) and Senate Energy ranking member [Maria Cantwell](#) both called for further probes into the contract. "Today I am calling on the Government Accountability Office to investigate the circumstances surrounding the multi-million dollar contract awarded to Whitefish Energy— a brand new company with two employees," Cantwell said in a statement. The Puerto Rican government [tweeted](#) Tuesday it would audit the contract. Wasting no time, American Oversight filed [a FOIA](#) seeking any information from Interior about Zinke's connection to the deal (the agency has denied he had any role in it).

**Vote of full confidence:** Even amid the controversy over the Whitefish contract, POLITICO's report of Zinke's [close connections](#) to so-called scam PACs and the secretary's travel habits, Bishop said he isn't worried about Zinke's performance. "I see nothing right now that would say he is not doing a credible performance at his job," he said. "I think he's justified in how he's traveled. We asked the questions in comparison to what happened in the past. I think he'll weather that fairly well."

**Headed to Puerto Rico:** Bishop said he'll visit Puerto Rico and the U.S. Virgin Islands later this week to view recovery efforts first hand. "I want to make sure that we are structurally there to make sure that what assistance is given can get to the people directly on the immediate humanitarian needs," he said. "That's what I'd like to see." The Utah Republican said he'll hold hearings when he returns, hopefully in coordination with the Senate so officials can make just one trip to Washington.

**Oh and in case anyone was wondering:** Bishop wholeheartedly endorsed using the emerging tax reform process to explore opening up ANWR to potential drilling. "Hell yes. Give me a rational person that doesn't want to drill in ANWR," he said.

**And ICYMI**, your ME host and Pro's Nick Juliano [looked at](#) Zinke's separate briefings to House Natural Resources Democrats and Republicans, which Democrats described as "weird."

**WELCOME TO WEDNESDAY!** I'm your host Anthony Adragna, and NEI's Robert Powers was first to pick Delaware as the state with the fewest counties (it has three). ME acknowledges the question could have been worded more precisely as neither Alaska nor Louisiana has counties. That said, for today: With Delaware Rep. [Lisa Blunt Rochester](#) assuming office this year, just two states have never elected a woman to Congress. Which ones? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**BIG DAY FOR TRUMP NOMINEES:** One week and a mega-RFS fight later, Senate EPW [gavels in](#) today at 10 a.m. to consider a big group of Trump nominees. Most controversial are two EPA selections: Michael Dourson's bid to run the chemicals office and William Wehrum's selection to run the air office. Also on tap are David Ross's selection to run the water office, Matthew Leopold's selection to be general counsel and Paul Trombino's bid to run the Federal Highway Administration. Lawmakers will also consider Jeffery Baran's renomination to the NRC, which Chairman [John Barrasso](#) seemed decidedly cool toward during a confirmation hearing last month. After the votes, the committee will [consider](#) a discussion draft of wildfire management legislation.

**Word of caution:** These selections may have to wait a while for floor votes after clearing committee. There's a significant backlog and Democrats have already hinted they'll make some of the most controversial selections — think Dourson and Wehrum — jump through procedural hurdles before confirmation. Remember the committee Democrats [demanded information](#) on Dourson's advisory role at EPA on Tuesday.

**MURKOWSKI'S MAJOR WINNING STREAK:** Less than three months after they reportedly threatened her policy priorities over her refusal to back Obamacare repeal, the Trump administration is seemingly giving Murkowski everything she could want, Pro's Esther Whieldon [reports](#). Interior is moving ahead with efforts to help reverse the long decline in Alaska's energy production, mulling new drilling permits off the Alaskan coast, taking the first steps toward opening ANWR to oil exploration and edging toward building a road through the federally protected Izembek wilderness, among other longtime Murkowski priorities now within reach. "She holds the purse strings and occupies key positions on committees for the Interior department, so it's a smart move to keep her happy," said Kate Kelly, a former senior adviser to former Interior secretary Sally Jewell.

**Murkowski said the administration isn't trying to sway her:** "I think in fairness the administration is working on issues that are important and they care about. And these are matters that we've been talking about with them since they came into office, so this is about priorities that they have laid down, and we agree."

**NO MORE CARROT, TIME FOR STICK:** House Oversight ranking member [Elijah Cummings](#) asked Chairman [Trey Gowdy](#) in a Tuesday [letter](#) to subpoena Michigan Gov. Rick Snyder for documents related to the Flint water crisis, in particular when he learned about cases involving Legionnaire's disease. "Governor Snyder has been obstructing our investigation for months, and it is now clear that the only way he will turn over the documents we asked for is if he is compelled to do so," Cummings wrote. If Gowdy doesn't want to issue the subpoena himself, Cummings asked the committee to vote on one at its next meeting.

**WHAT'S HAPPENING ON THE HOUSE FLOOR?** Lawmakers today take up legislation [H.R. 469 \(115\)](#) that would limit the ability of the government to enter into so-called "sue and settle" agreements by requiring settlements to be posted online and opened to additional intervenors. The U.S. Chamber issued a "key vote" [letter](#) ahead of the vote. It comes after the chamber cleared legislation [H.R. 732 \(115\)](#) on Tuesday that would restrict the government's ability to enter into settlement agreements that fund third-party activities by a vote of 238 to 183.

**DISASTER AID CLEARED:** The Senate sent a second installment of disaster relief funding to Trump's desk Tuesday, signing off on \$36.5 billion to respond to wildfires and hurricanes, including \$16 billion to pay off some of the national flood insurance program's debt so that it can make good on claims. It follows \$15.3 billion that Congress approved in September. The money comes with no changes to the troubled flood insurance program and with no new restrictions on how communities rebuild as they face rising risks from extreme weather exacerbated by climate change. Trump administration disaster response officials have said they don't want to finance risky projects and will consider new flood standards, according to the [Washington Post](#), although they've yet to unveil them.

**CAN WE TALK?** Members of the Sustainable Energy and Environment Coalition sent [a letter](#) to House Ways and Means Chairman [Kevin Brady](#) requesting a meeting to discuss potential sustainable energy and environmental policies for inclusion in the emerging tax reform package.

**BERNHARDT TO SPEAK AT HEARTLAND-SPONSORED CONFERENCE:** The number two official at Interior, David Bernhardt, plans to deliver the keynote closing address at the Heartland Institute's [American First Energy Conference](#) in Houston next month, the organization announced Tuesday.

**CUOMO'S ENERGY CZAR BASHES PERRY'S PITCH:** Richard Kauffman, New York Gov. Andrew Cuomo's top energy adviser, warned that Energy Secretary Rick Perry's push to bolster coal and nuclear power plants might force the state to keep its two remaining coal plants open and hamper its ability to hit its ambitious climate goals, POLITICO New York's Marie J. French [reports](#).

**FUNNY COINCIDENCE!** Boy, Iowa Gov. Kim Reynolds sure has gleaned a ton of face time with the Trump administration lately. She [met with Pruitt](#) on Tuesday, one week after the administrator sent [a letter](#) outlining a number of victories for the Midwest on the Renewable Fuel standard. Pruitt then [tweeted](#) a picture from a roundtable session with the National Association of Home Builders clearly showing his still-unconfirmed enforcement chief Susan Bodine pictured right to his left.

**\*\* A message from Chevron:** When an endangered butterfly was found near a Chevron refinery, we protected the habitat and still plant the only thing they eat—buckwheat. Watch the video: <http://politi.co/2gyQXsp> \*\*

**CARBON TAX MEETS BUDGET:** Connecticut Democrat Rep. [John Larson](#) plans to introduce a carbon tax amendment when the Ways and Means Committee begins debating tax reform, he told [E&E News](#). Larson acknowledged the measure will likely go nowhere in the Republican-controlled Congress, but argued it could help pay for an expensive infrastructure package President Donald Trump wants to pass. Larson's office expects a markup on the

Republican tax plan the week after lawmakers finalize a federal budget.

**COMMERCE MARINE MONUMENT REPORT DUE TODAY:** Today is Commerce Secretary Wilbur Ross's deadline to send the White House his recommendations on 11 national marine monuments and sanctuaries created or expanded by presidents George W. Bush and Barack Obama. But don't expect to see the report anytime soon as Commerce is expected to take a page from Zinke's playbook and send the document over without releasing it. Trump directed Ross to analyze the costs of maintaining the massive monuments and sanctuaries located in the Great Lakes and far offshore of California, New England states, Hawaii and Pacific remote islands — and to estimate any lost energy development opportunities. Zinke's leaked report to the White House earlier this year recommended opening up three of the monuments to commercial fishing.

**GREENS ASK COURT TO RESTORE HIGHER CAFE PENALTIES:** [Five states](#) and [several environmental groups](#) separately asked a federal court in New York on Tuesday to restore higher civil penalties for CAFE violators, with the green groups calling the National Highway Traffic Safety Administration's delay of the higher penalties "without statutory authority and in blatant disregard of the Administrative Procedure Act." Both coalitions asked the 2<sup>nd</sup> Circuit Court of Appeals for fast action so as not to "reward" NHTSA for an illegal action. "Automakers are deciding, now, whether to comply with fuel-economy standards based on the applicable penalty: delaying the long-overdue penalty increase will thus lead to less efficient vehicles and greater emissions of harmful air pollutants," they wrote. "Meanwhile, the only countervailing purpose for the delay is to make it easier for automakers to evade the standards." The rule boosted the fines, which had not been indexed to inflation, from \$5.50 per tenth of a mile per gallon to \$14 starting with model year 2019 vehicles.

**MORE SAGE GROUSE MEETINGS ANNOUNCED:** BLM announced more regional public meetings on the changes it could make to its plans for protecting greater sage grouse habitat in Western states. The BLM [Montana/Dakotas office](#) will hold a meeting on Nov. 8 and BLM's [Wyoming office](#) will host sessions on Nov. 6 and 8. The agency has already announced meetings in Colorado, California and Oregon. The agency created the plans in 2015 under an agreement with states in lieu of listing the bird as either endangered or threatened under the Endangered Species Act but re-opened them at Zinke's bidding.

**REPORT: GETTING HOTTER IN HERE:** Nearly 210 million Americans live in counties where they face health threats from extreme summer heat events, according to an NRDC [analysis](#). Huge cities, including New York, Philadelphia, Chicago and Boston, may experience six times as many dangerously hot summer days by 2100 as they did between 1975 and 2000 on average.

**HELPED WANTED?** It appears the director position at the White House Office of Science and Technology Policy is still vacant, according to the response [Morning Tech](#) recently received to a FOIA request. "OSTP ... was unable to locate any records responsive to this request," the office noted when asked if there was a status update about whether the director's role had been filled (h/t Morning Tech).

**TAKE A GLANCE!** The Environmental Council of the States unveiled a [new website](#) Tuesday enabling users to look at individual state environmental protection efforts. There are 15 states currently participating in the site with more expected to follow.

**QUICK HITS**

— The 'sweet spots' fueling the US shale oil boom 'will not last forever,' Saudi Aramco CEO says. [CNBC](#).

— Developers Plan Wind Farms Off Jersey as Christie Era Ends. [Bloomberg](#).

— U.S. considers higher entry fees at 17 popular national parks. [Chicago Tribune](#).

— Coal-export terminal backer sues state over permit denial. [AP](#).

— Robert Redford: Scott Pruitt Is 'Hell-Bent' On Dismantling EPA Rules. [Time](#).

## HAPPENING TODAY

8:30 a.m. — "Briefing Ahead of COP23 - What's at Stake in Bonn?" RSVP:  
[roadtobonn@cop23.com.fj](mailto:roadtobonn@cop23.com.fj)

10:00 a.m. — "[Empowering State Based Management Solutions for Greater Sage Grouse Recovery](#)," House Natural Resources Committee, Longworth 1324

10:00 a.m. — Senate Environment and Public Works Committee holds a [business meeting](#) and hearing on "The [Wildfire Prevention and Mitigation Act of 2017](#)," Dirksen 406

2:00 p.m. — House Natural Resources subcommittee [hearing](#) on American Indian lands bill, House Natural Resources Indian, Insular, and Alaska Native Affairs Subcommittee, Longworth 1324

## THAT'S ALL FOR ME!

**\*\* A message from Chevron:** This is a story about DOERS, butterflies, and buckwheat. In '75, the endangered El Segundo Blue butterfly was found near a Chevron refinery. We protected the habitat and planted the only thing they eat—buckwheat. We're still planting and keeping an eye on our littlest neighbor. Watch the video: <http://politi.co/2gyQXsp> \*\*

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/10/concerns-mount-over-mysterious-whitefish-energy-contract-025211>

## Stories from POLITICO Pro

### Zinke funneled millions to questionable PACs [Back](#)

By Ben Lefebvre and Nick Juliano | 10/24/2017 05:04 AM EDT

Interior Secretary Ryan Zinke has directed millions of dollars in political contributions since 2014 to a network of Washington operatives that prominent conservatives have accused of profiting by misleading donors.

Beneficiaries of Zinke's largesse include groups linked to Washington-area political operative Scott B. Mackenzie, organizer of a Virgin Islands GOP political action committee that hosted the secretary at a [St. Croix fundraiser](#) in March. Before that, when Zinke was a Republican congressman from Montana, his political operation steered significant portions of its spending

to a handful of Washington, D.C.-area consulting firms that also have had ties to Mackenzie and his associates.

Zinke has continued this relationship even as other Republicans have recoiled from dealing with Mackenzie, whose critics say he operates "[scam PACs](#)" that raise small-dollar donations from conservative voters but then spend the bulk of the money on consultants and overhead. The critics include former Virginia Attorney General Ken Cuccinelli, who filed a [suit](#) accusing Mackenzie and other defendants of running a "national fundraising scam" after they gave his 2013 campaign for governor less than a half percent of the money they had raised in his name.

Similarly, Zinke's own leadership PAC also relied heavily on small donors while spending heavily on consultants, in a departure from how most members of Congress operate those kinds of groups.

The details about Zinke's fundraising and spending practices have not been previously reported, nor has his years-long relationship with Mackenzie's Virgin Islands Republican Party, a group that some Republicans in the Caribbean island chain have accused of misrepresenting itself to donors. POLITICO's analysis of Federal Election Commission filings, plus interviews with campaign finance lawyers and people familiar with the Virgin Islands group's fundraising, offer a deeper picture of the political activism of the retired Navy SEAL who serves in President Donald Trump's Cabinet.

None of the records indicate that Zinke violated the law or received any direct compensation from his association with Mackenzie, the Virgin Islands PAC or its consultants. But one campaign finance expert said the information shows that Zinke was not behaving like a typical politician.

"To say the least, this is highly unusual," said Karl Sandstrom, a former Democratic FEC commissioner who now works at the law firm Perkins Coie.

An Interior Department spokeswoman declined to comment on the assistance Zinke has offered to the Virgin Islands group or his use of political consultants. Mackenzie declined to be interviewed, and officials from the Virgin Islands organization — also known as VIGOP — did not respond to requests for comment.

Zinke is separately facing investigations by Interior's internal watchdog and the independent Office of Special Counsel over his habit of [mixing politics and official business](#).

Legal limits on Zinke's partisan activities have tightened now that he's Interior secretary, and he has cut ties with his PACs since being sworn in. Still, he has kept up appearances at fundraisers and other political events — averaging more than one per month — a pace that is unusual for a Cabinet member. Those include his appearance at the March fundraiser in the Virgin Islands, which occurred during a taxpayer-funded trip less than a month after he became secretary.

Complaints among Republicans about "scam PACS" have been on the rise for years, focusing on groups that target conservative voters as a source for donations. Those complaints have repeatedly focused on Mackenzie, the founder of a number of GOP-leaning PACs that have used slogans such as "Stop Hillary Clinton" to raise money from conservatives — then appeared to do little actual politicking.

Such groups make use of what past FEC leaders have described as a loophole in campaign finance law. The commission declined to take action against one of Mackenzie's Virginia-based PACs, the Conservative StrikeForce, after former Rep. Allen West (R-Fla.) [complained](#) in 2012 that it had been "fraudulent" in raising money from his supporters while falsely implying it would aid his reelection campaign. While the PAC's actions were "[troubling](#)," the commission's attorneys wrote, they didn't violate any laws or rules that the FEC has the power to enforce.

Cuccinelli made similar criticisms in his 2014 lawsuit, which accused Mackenzie, Conservative StrikeForce and other defendants of using the bulk of the money they had raised in his name to "enrich themselves." The case was eventually [settled](#), with Conservative StrikeForce agreeing to pay Cuccinelli's campaign \$85,000 and turn over its donor lists.

Conservative commentator Erick Erickson [warned](#) campaigns as far back as 2010 that he might not endorse any Republican candidate who used one Mackenzie-linked consulting firm, then known as Base Connect and now called ForthRight Strategy. Montana Democrats accused Zinke of facilitating a "[political Ponzi scheme](#)" with his connections to Mackenzie-linked firms during his 2014 congressional campaign, though the charges apparently gained little traction.

More recently, Rep. Will Hurd (R-Texas) — who was angered last year when the Virgin Islands GOP used his photo without his permission on fundraising solicitations — said in a statement to POLITICO that the Virgin Islands group and ForthRight "are preying on seniors in a disgusting attempt to enrich themselves."

Adav Noti, a former FEC associate general counsel who now works for the nonprofit watchdog Campaign Legal Center, said in an interview that he had dealt with the Virgin Islands group and Mackenzie as an FEC official, and that in his opinion, "They are a scam PAC."

"Scott Mackenzie has a number of scam PACs," Noti said. "He was probably the first, or one of the first, with the idea of bilking people out of money through PACs. People are being defrauded, and that needs to stop."

The FEC is scheduled to decide Thursday whether to fine Mackenzie for [less-serious discrepancies](#) in campaign filings by two other PACs of which he's the treasurer, Freedom's Defense Fund and the Conservative Majority Fund.

None of the criticism has seemed to deter Zinke, who used part of a government-paid trip to the Virgin Islands in March to attend a VIGOP fundraiser, where — as POLITICO [reported](#) in early October — an invitation listed tickets costing as much as \$5,000 a couple, and Zinke's schedule indicated that high-dollar donors had a chance to take photos with him. It was at least the third VIGOP event Zinke had attended there since 2015.

VIGOP, which the FEC classifies as a "non-party" PAC, directed more than a third of its spending during the 2016 election cycle to a handful of Washington-area consulting firms, including ForthRight and at least three other companies that share its address on 15th Street Northwest, according to campaign filings and other documents. Those firms also received more than \$3.2 million during the same period from Zinke's congressional campaign, leadership PAC and a super PAC he founded before running for Congress, federal campaign records show.

Between the 2014 and 2016 elections, Base Connect had renamed itself ForthRight Strategy after a former executive [pleaded guilty](#) to child pornography charges. A number of the firm's clients left, but Zinke's campaign and his newly formed leadership PAC not only stayed with the firm but also spent substantially more on it in the next election.

Zinke also publicly endorsed ForthRight's performance in his 2014 congressional race, offering a testimonial that was displayed on the firm's website until this month, when the watchdog group Campaign for Accountability filed an ethics complaint.

"Your results and personal commitment to Team Zinke were bar none!" the company quoted Zinke as saying on its website. "I greatly value the professional as well as the personal relationship we have developed over many years."

This praise came even though Zinke's campaign appears to have received less than it spent from its relationship with the firm.

ForthRight [says](#) it raised \$1.9 million for Zinke's 2014 race by sending out 1.6 million pieces of mail, attracting nearly 44,000 new donors whose average contribution was \$44. About \$550,000 of that haul went to Zinke's campaign for "voter mail, radio ads, TV ads, get-out-the-vote activities and lawn signs," according to the firm's website. But that was less than the \$608,000 that Zinke's campaign spent on postage and direct mail from Century Data Mailing Service, a firm located at the same 15th Street address as ForthRight, according to FEC records.

In the run-up to last year's election, Zinke's campaign and his leadership PAC, known as SEAL PAC, spent about \$3 million combined on ForthRight Strategy, Direct Support Services and Legacy Lists — all of which operate out of the same office and list ForthRight CEO Kimberly Bellissimo among their executives. (Bellissimo did not respond to POLITICO's requests for comment.)

Special Operations for America, a super PAC that Zinke founded in 2012 before running for office, also paid firms at that address a total of about \$1.8 million during the 2014 and 2016 campaign cycles.

Mackenzie is not listed on ForthRight's website or business filings but was long associated with the firm under its previous names, Base Connect and BMW Direct, both of which [listed him](#) as a staff member [as far back as 2007](#).

Besides sharing an affinity for the same consultants as Mackenzie's VIGOP, Zinke's SEAL PAC has also followed a similar fundraising model: It raised two-thirds of its money from small donors in 2016, then steered only 4 percent of its spending to other campaigns, with almost all the rest going to operating expenses and overhead.

Typically, members of Congress use their leadership PACs to cover expenses that cannot be funded from their campaign accounts and to contribute to fellow politicians, using donations of up to \$5,000 from lobbyists and other PACs. But SEAL PAC relied on donations of less than \$200 for about two-thirds of the \$3 million it collected during the 2016 cycle, according to a review of the donations. The group then spent more than \$2.6 million on overhead and gave just \$118,000 to other congressional campaign committees.

Relying heavily on small-dollar donations is one hallmark of the "scam PAC" play, said Brett

Kappel, a partner at the law firm Akerman LLP who specializes in campaign finance, lobbying and government ethics.

"Unfortunately, they generally target the most vulnerable segment of the population with the least disposable income — retired people living on fixed incomes," said Kappel, who declined to discuss specific cases. "Frequently, these are elderly conservative voters who are upset with the direction of the country."

Lorraine Hutchinson, of Butler, Pennsylvania, told POLITICO that these elderly voters included her mother, who she noticed was repeatedly contributing to SEAL PAC and other organizations, though she didn't have the disposable income to spare. Hutchinson said Zinke's PAC was one of the slowest to cease soliciting money when she asked them to stop. At one point, Hutchinson resorted to posting a plea on SEAL PAC's Facebook page.

"It took a great deal of time and effort but I managed to get most of them to stop. The Seal PAC was one of the most persistent," Hutchinson told POLITICO in a Facebook message last week. "I am convinced that these groups knowingly take advantage of the vulnerable elderly and this is a widespread problem without any easy solutions."

Erickson told POLITICO in 2015 that groups that raise political donations without doing much actual politicking are "completely a drain" on the conservative movement, saying they threatened to sap the donors' enthusiasm while achieving no concrete results.

But Bellissimo, the ForthRight CEO, [defended](#) direct-mail fundraising in a 2014 post for The Daily Caller.

Donors who send checks in response to mail solicitations "are some of the most patriotic, conservative, generous, and sophisticated people on the planet. ... They are also 'movement' people," Bellissimo wrote. "They are willing to sacrifice their dollars on a principled conservative even when they know that candidate is an underdog."

Mackenzie has similarly [defended](#) his high operating costs, telling the FEC in response to West's complaint that "fundraising is expensive and getting more so every year."

Bellissimo's firm has played a crucial role in partnering with Mackenzie's Virgin Islands PAC: Several months before Mackenzie filed the VIGOP's initial paperwork with the FEC in December 2013, Virgin Islands Republican Party Chairman John Canegata signed a contract with Base Connect Vice President Timothy Webster making the firm the exclusive fundraiser for the PAC, according to a copy of the confidential document reviewed by POLITICO.

Some Republicans in the Virgin Islands objected to the use of their name in fundraising mailers urging voters to "Stop Hillary Clinton," and Canegata's involvement with Mackenzie has exacerbated divisions within the local party's governing body.

The anti-Clinton pieces, "at best, solicit donations under false pretenses," four members of the Virgin Islands Republican Territorial Committee wrote in a February 2015 internal report, a copy of which was obtained by POLITICO. The members reported that "not a single penny of the funds received through these solicitations have been used for any purpose identifiable to any effort to oppose the election of Hillary Clinton as president."

Bellissimo introduced Zinke to VIGOP in 2015, his first year in Congress, a source familiar

with VIGOP's operations told POLITICO. Zinke, his wife, Lola, and Bellissimo flew to St. Thomas to attend a VIGOP event in November of that year. Photos of the VIGOP members posted on Facebook show Zinke and Bellissimo mingling at the Caribbean venue alongside Canegata and Saul Anuzis, a Michigan-based GOP operative who helped raise money for VIGOP. Neither Anuzis nor Canegata responded to requests for comment.

In February 2016, Bellissimo posted a photo of Zinke speaking at the Hay-Adams hotel across from the White House and bragged that she had "the privilege of playing staffer for Congressman Zinke this afternoon." When a friend commented on the Facebook post, saying the then-House freshman should run for president, she replied: "Maybe someday.... Will you help me campaign for him?"

Zinke returned for another VIGOP event at the Ritz-Carlton in St. Thomas less than two weeks after the 2016 election, according to social media posts. Then came his appearance at the VIGOP fundraiser this past March — this time as a member of Trump's Cabinet.

To view online [click here](#).

[Back](#)

### **Zinke separately briefs Democrats, Republicans on national security matter [Back](#)**

By Anthony Adragna and Nick Juliano | 10/24/2017 03:25 PM EDT

Interior Secretary Ryan Zinke delivered a pair of secret briefings Tuesday to members of the House Natural Resources Committee, a session Democrats said was confusing and unusual.

Zinke met separately with Republicans and Democrats from the committee in a secure room in the basement of the Capitol typically reserved to discuss classified information. The topic of discussion was a "national security matter," and lawmakers declined to say much more than that.

"Suffice to say that they related to international resource issues," Rep. [Jim Costa](#) (D-Calif.) told POLITICO after the briefing.

"This was a confusing meeting — certainly interesting and important issues — but I can't tell you a damn thing [about it] because it was all wrapped around the veneer of confidentiality," Rep. [Jared Huffman](#) (D-Calif.) said. "It's a check-the-box exercise to say, 'I met with the Democrats.'"

Lawmakers offered few details as they emerged from Zinke's separate sessions with Democrats and Republicans on the House Natural Resources Committee. Ranking Member [Raul Grijalva](#) (D-Ariz.) said it was the first Natural Resources meeting in a SCIF, or sensitive compartmented information facility, during his 14-year tenure in Congress.

Democrats who attended the session said Zinke's presentation and subsequent questions left little time for a host of other issues they hoped to raise with him, such as his review of national monument designations and ethical questions surrounding Zinke's associations with alleged "[scam PACs](#)," non-commercial travel and reorganization plans for the agency.

"He gave a brief statement about his travel and that was it," Costa said, declining to offer additional details.

Rep. [Niki Tsongas](#) (D-Mass.) said Zinke "tried to explain where the costs are coming from," but did not go into any detailed explanation about his participation in political fundraisers while on official trips or say whether Interior had been reimbursed for any of those costs. Tsongas would not elaborate further.

Zinke declined to answer questions from POLITICO as he entered the meeting about his political activity or travel. "It must be a slow news day," he quipped.

Natural Resources Chairman [Rob Bishop](#) (R-Utah) said the use of the SCIF was necessary for "parts of" what Zinke had to say, but he did not anticipate that lawmakers would have to receive additional classified briefings from the secretary. Bishop declined to describe the subject of the meeting.

Grijalva said Zinke's presentation concerned "something that could have been done in another setting" and said "it did keep us from talking about some very substantive stuff."

He add that whether Zinke intended to or not, "the substance of what we came here to talk about — and the majority of members that were there came to talk about — never got talked about."

The briefing comes as new ethics questions swirl about Zinke's activities.

POLITICO reported Tuesday the former Montana congressman has directed millions of dollars to questionable groups that raise small-dollar donations from conservative voters but then spend the bulk of the money on consultants and overhead. And a little-known energy company, Whitefish Energy, that is based in Zinke's hometown recently [won a \\$300 million contract](#) to help restore Puerto Rico's power grid despite being just two years old.

Those latest controversies come on the heels of the agency's inspector general [looking into](#) Zinke's use of taxpayer-funded charter planes and [concerns about his participation](#) in fundraising or other political events while on official travel. But Democrats said there wasn't enough time to dive into those topics.

"We didn't talk about much that was not directly related" to the national security topic, Rep. [Donald McEachin](#) (D-Va.) said.

Some Democrats said the secure setting was unnecessary.

"We were playing national security games in a [secure room] with the secretary of Interior at a time when we should be asking hard questions about why climate scientists are being reassigned to desk jobs, about why our public lands are being given away," Huffman said afterward. "The swamp is getting worse and worse in this administration. We should have been talking about it, and we were playing war games."

To view online [click here](#).

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## Democrats want details on Dourson's advisory post at EPA [Back](#)

By Alex Guillén | 10/24/2017 02:58 PM EDT

Senate Environment and Public Works Committee Democrats want EPA nominee Michael Dourson to explain his role as an adviser to EPA Administrator Scott Pruitt while he awaits confirmation to become head of the Office of Chemical Safety and Pollution Prevention.

The agency [confirmed](#) last week that Dourson is serving as a special adviser on chemicals ahead of his official confirmation.

"Your appointment creates the appearance, and perhaps the effect, of circumventing the Senate's constitutional advice and consent responsibility for the position to which you have been nominated," the 10 lawmakers, led by [Sheldon Whitehouse](#) (D-R.I.), wrote in a [letter to Dourson](#). "Your improper involvement in EPA decisions could provide grounds for subjects of EPA regulations and oversight to challenge the legal validity of those decisions in court."

They asked Dourson to describe his duties, his relationship with the career official serving as acting head of the OCSPP and whether any of that official's duties have been delegated to Dourson.

The letter also asked several questions on certain chemical and legal issues Dourson declined to answer ahead of his confirmation. "We expect that you have familiarized yourself with these issues and can be more forthright in answering the questions we previously asked," it said.

Whitehouse last month sent a [similar letter](#) to Susan Bodine, who started as a special adviser to Pruitt on enforcement ahead of her confirmation to run the Office of Enforcement and Compliance Assurance. A spokesman did not say whether his office had received a response.

**WHAT'S NEXT:** Dourson's nomination will receive a committee vote alongside other nominees on Wednesday. It is unclear when he will receive a floor vote.

To view online [click here](#).

[Back](#)

## Murkowski draws energy policy wins despite health care stance [Back](#)

By Esther Whieldon | 10/24/2017 05:00 PM EDT

It's been three months since the Trump administration first threatened reprisals against Alaska if Sen. [Lisa Murkowski](#) didn't get in line on repealing Obamacare.

Instead, it's giving her seemingly everything she could want.

The Interior Department is considering issuing new permits to drill off the Alaskan coast, taking the first steps toward opening the long off-limits Arctic National Wildlife Refuge to oil exploration, and edging toward building a road through the federally protected Izembek

wilderness, a project long championed by Murkowski.

That's all despite the late July phone call from Interior Secretary Ryan Zinke to the chairwoman of the Senate Energy and Natural Resources Committee to warn her that her opposition to the measure killing Obamacare could endanger federal projects in the state — a threat that quickly leaked to the media. And though she never backed the repeal, the administration has remained solidly behind her priorities.

"The Trump team appears to be learning that the tasty carrot is a better way of moving a senator than a poorly wielded stick," said Paul Bledsoe, who worked as a Clinton White House energy aide and is now a lecturer at American University.

Zinke's Interior Department is moving ahead with efforts to help reverse the long decline in Alaska's energy production, a priority for Murkowski, since the oil industry still provides about one-third of the state's jobs.

And President Donald Trump and Zinke have continued to put Alaskans into prominent administration posts, including nominating Tara Sweeney as assistant secretary of Indian Affairs. Sweeney, who was an executive for a corporation of indigenous groups that own millions of acres of oil-rich land, is the wife of Murkowski's former state director, Kevin Sweeney.

Zinke's late July calls to Murkowski and Sen. [Dan Sullivan](#) (R-Alaska) allegedly threatening to pull support from their energy and land priorities prompted lawmakers to seek a GAO [probe](#), although a separate inquiry by Interior's inspector general [ended](#) in August after the two Alaska senators declined to discuss the incident with investigators.

For her part, Murkowski responded to Zinke by delaying her panel's consideration of several Interior and DOE nominees — though she [advanced](#) those nominations a few days later after sitting down with Zinke for a [beer](#).

Interior spokeswoman Heather Swift in an emailed statement did not deny that the administration is trying to win Murkowski's support, and she noted Zinke "works with a number of Senators on both sides of the aisle to advance shared priorities" on such things as restoration of the Everglades in Florida and expanding access to the Sabinoso Wilderness in New Mexico.

The support for many of Murkowski's priorities after the dustup doesn't appear to be a coincidence, according to Kate Kelly, a former senior adviser to former Interior secretary Sally Jewell.

"These decisions don't happen in a vacuum," said Kelly, who is now at the Center for American Progress. In addition to heading the committee that oversees much of the Interior's activities, Murkowski also chairs the subcommittee that controls its appropriations.

"She holds the purse strings and occupies key positions on committees for the Interior department, so it's a smart move to keep her happy," Kelly said.

Murkowski maintained that the administration is not trying to sway her.

"Absolutely not," she told POLITICO in a brief interview. "I think in fairness the administration is working on issues that are important and they care about. And these are

matters that we've been talking about with them since they came into office, so this is about priorities that they have laid down, and we agree."

Bledsoe agreed that Murkowski and the Trump administrations share many of the same priorities in boosting energy development on public lands and removing Obama administration restrictions. But he said he saw Interior's actions as an acknowledgment that "they need her every bit as much as she needs them. As the near-misses on their big legislative items have accumulated, the White House is recognizing that they're not immune from old-fashioned politics."

After years of stonewalling by the Obama administration, Murkowski appears to be close to winning Interior's permission for a 12-mile road through the Izembek National Wildlife Refuge to link the isolated city of King Cove to an all-weather airport. Documents obtained through a public records request by Defenders of Wildlife show the U.S. Fish and Wildlife Service is pursuing a land exchange for the road. The records, first [reported](#) by The Washington Post, include emails among staff that say the push for the exchange is coming from Zinke's office.

On the oil front, the Bureau of Ocean Energy Management is expecting to release a draft five-year offshore oil and gas leasing plan by the end of the year to allow drilling in parts of Alaska's Chukchi and Beaufort seas, which former President Barack Obama had closed off last year.

And Zinke is quietly working on an environmental review that would allow oil companies to perform seismic testing in the Arctic National Wildlife Refuge, according to an Aug. 11 [memorandum](#) from the FWS Alaska region acting Director James Kurth. The House is slated to vote Thursday to formally back the Senate's budget resolution passed last week that included [language](#) that would give Murkowski a path forward for opening ANWR up to drilling.

In August, BLM issued a [call for nominations](#) for new oil and gas leases in Alaska's National Petroleum Reserve, an area near ANWR that has long been home to oil production. BLM also published an [order](#) in the Federal Register on Tuesday lifting a ban on mining on 700 acres near Fairbanks that the National Oceanic and Atmospheric Administration had set aside as a buffer around an array of weather satellite receivers. The land sits next to an open-pit gold mine owned by Kinross, which has conducted exploratory drilling in the area.

The Interior actions may not be designed to win Murkowski support for any specific Trump policies, said Pat Pourchot, who served as Interior's special assistant for Alaskan affairs under former secretary Jewell, but fostering a good relationship may pay dividends down the road.

"It doesn't matter if it's an exact quid pro quo or not, but it can't hurt to try to have good relationship with people in other branches of government or other branches of congress that might help you on your priorities," Pourchot said.

*To view online [click here](#).*

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## **POLITICO New York: Energy czar says federal proposal to subsidize coal, nukes threatens state's climate goals** [Back](#)

By Marie J. French | 10/24/2017 05:29 PM EDT

ALBANY — Gov. Andrew Cuomo's top energy official said Tuesday that the federal government's proposed rule to subsidize coal and nuclear power plants could force New York to keep its last two coal plants open and threatens the state's climate goals.

Richard Kauffman called the proposed federal rule that would guarantee returns for generators that keep a 90-day fuel supply on hand a "shot across the bow" for New York's ambitious renewable energy and climate goals. The proposed rule being considered by the Federal Energy Regulatory Commission would upend competitive electricity markets and has drawn criticism from a range of industry actors. It's backed by the Trump administration and has drawn support from coal states and the nuclear industry.

"I find it ironic that this administration talks about states' rights until it's something they don't want, in which case there's federal pre-emption," Kauffman said during a talk at the Rockefeller Institute in Albany. "This is an example where states should be permitted to do what we want to do. ... We will absolutely not cede a single bit of our prerogative but ... I'm concerned there are a number of potential routes the federal government could take to get in the way of our policy."

The stated rationale of the federal government's proposal is concern about grid reliability and resilience in the face of declining fuel diversity. Kauffman said after his discussion that he's sympathetic to the spirit behind the proposal because of the lack of value placed on fuel diversity.

"We can be heading to a single source [with natural gas]. ... Natural gas prices in the past have been historically volatile, we don't have a price on carbon in wholesale markets, there's not a wholesale market value for resiliency services," Kauffman said. "We certainly understand the need for a whole variety of market reforms at FERC."

New York has addressed the effect of historically low natural gas prices on nuclear plants, crafting a subsidy based on the environmental benefits of the state's upstate nuclear power plants after they threatened to close. State policymakers and the New York Independent System Operator are also evaluating the possibility of placing a price on carbon in the electric sector in a way that supports the state's policy goals.

Kauffman said it would ultimately be preferable to have a federal price on carbon rather than for states to go it alone.

*This story first appeared on [POLITICO New York](#) on Oct. 24, 2017.*

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**Date:** Friday, November 17, 2017 6:03:17 AM

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By Anthony Adragna | 11/17/2017 05:50 AM EDT

*With help from Sara Stefanini*

**DOURSON'S IN DEEP TROUBLE:** It's not looking good for President Donald Trump's nominee to run EPA chemicals office with at least five more Republicans not ready to back Michael Dourson on Thursday, Pro's Nick Juliano and your ME host [report](#). Republican Sens. [Jeff Flake](#), [Bob Corker](#), [John McCain](#) and [Pat Toomey](#) were all publicly noncommittal about Dourson's nomination with Sen. [Susan Collins](#) going further to say she was "[leaning against](#)" supporting the former industry-funded toxicologist. Remember just one more defection sinks Dourson after Republican North Carolina Sens. [Thom Tillis](#) and [Richard Burr](#) said they wouldn't vote to confirm him.

**Toomey's concerns:** "Sen. Toomey remains concerned about the PFOA issue in Bucks County and Montgomery County and remains dedicated to addressing it," a spokesman for the Pennsylvania Republican said, naming two Philadelphia-area counties where [toxic firefighting chemicals](#) leached into the ground from [two closed naval bases](#).

**Leadership doesn't seem too optimistic** about Dourson at this point. "We'll have to see whether it's a viable nomination, and with two against him obviously that doesn't leave us a lot of room," Senate Majority Whip [John Cornyn](#) told us. "We haven't made a decisions on that yet, but we'll be revisiting it."

**But it may not matter:** Dourson is currently at the agency as a senior adviser to Administrator Scott Pruitt and none of the Republicans we spoke to seemed anxious to kick him out, even if he lacked support to be confirmed. "I'll leave that up to the EPA to decide," Tillis said. Even Sen. [Joe Manchin](#), who opposes confirmation despite supporting several other Trump nominees, said he was not asking Dourson to leave his current post. But other Democrats, who have criticized the arrangement from the start, want Dourson out of the agency ASAP: "He is a lightning rod that we don't need and I would hope that we don't have to deal with him at EPA," Sen. [Ben Cardin](#) told ME.

**Why his selection matters:** Dourson, whose prior clients include Dow Chemical, Koch Industries and Chevron, has frequently recommended standards many factors less protective than public health and EPA research suggested. And in the early 2000s, Dourson helped West Virginia set drinking water guidance limits for PFOA at 150 parts per billion. That was 150 times less protective than manufacturer DuPont's own internal standard of 1 part per billion and more than 2,000 times less protective than EPA's [recommendation](#) of 70 parts per trillion.

**KEYSTONE SPRINGS A LEAK:** Days before Nebraska regulators decide whether to approve its expansion through their state, the original Keystone pipeline spilled 210,000 gallons of heavy Canadian oil in South Dakota Thursday, Pro's Ben Lefebvre [reports](#). Pipeline operator TransCanada [said](#) it shut down the line around 7 a.m. after discovery of the leak in Marshall County and alerted the Pipeline and Hazardous Material Safety Administration. The leak was on original section of the Keystone pipeline system, opened in 2010, that runs from

Alberta east through Canada and then down through South Dakota until Steele City, Neb. The Nebraska Public Service Commission will decide Monday whether to approve the route of Keystone XL — an expansion of the original system that takes a shorter path from Alberta to Steele City.

**Environmentalists seized on the incident:** "These pipelines are bound to spill, and they put communities, precious drinking water, and our climate at risk," Greenpeace's Rachel Rye Butler said in a statement. "The Nebraska Public Service Commission needs to take a close look at this spill." And 350.org Executive Director May Boeve said: "This is exactly the kind of disaster we can expect more of if Keystone XL is approved."

**WE MADE IT TO FRIDAY EVERYBODY!** I'm your host Anthony Adragna, and Andeavor's Stephen Brown first to identify former Rep. Joe Kolter as the other congressman caught up in the post office scandal. For today: Just two Supreme Court justices have ever graced American currency (both out of circulation). Who were they? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](https://twitter.com/AnthonyAdragna), [@Morning\\_Energy](https://twitter.com/Morning_Energy), and [@POLITICOPro](https://twitter.com/POLITICOPro).

**ICYMI:** Interior's inspector general said Interior Secretary Ryan Zinke hasn't properly documented his travel as secretary, leaving it unable to determine whether he violated government rules or improperly mixed partisan political activity with official business, Pro's Eric Wolff [reports](#). Deputy Secretary David Bernhardt said the Obama administration's "organizational and operational mess" was to blame for the lack on documentation.

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**\*\* A message from Chevron:** When an endangered butterfly was found near a Chevron refinery, we protected the habitat and still plant the only thing they eat—buckwheat. Watch the video: <http://politi.co/2yQ8q7z> \*\*

**BONN TRAVAIL:** Today's the last day of the climate summit in Bonn, Germany, and most of the high-level activities seem to have already wrapped. Look for final high-level speeches this morning and the closing session in the afternoon. Fingers crossed, everything will be wrapped and settled around midday U.S. time.

**One awkward thing:** Germany's continued dependence on coal has been a sore spot for this year's summit host. And with difficult coalition talks underway to form a government, Barbara Hendricks, the German environment minister, was caught in a difficult spot when asked about the new [anti-coal alliance](#). "We were asked, whether we want to participate. I have asked for understanding, that we cannot decide this ahead of the next government. The initiative, however, will keep us up to speed about what's happening," she said in an emailed statement.

**WHERE IN THE WORLD IS SCOTT PRUITT?** Today the EPA administrator delivers remarks at the Federalist Society's 2017 National Lawyers Convention at 11:15 a.m. Link to the schedule [here](#).

**Attractions yet to come:** Nearly a year after his confirmation, Pruitt makes his first return visit to Senate EPW on Jan. 31, 2018, your ME hosts [reports](#). Ranking member [Tom Carper](#) said the visit is "long overdue" but adds he's "glad that a date has finally been set." He'll [also](#)

[testify](#) before the House Energy and Commerce Environment Subcommittee on Dec. 7.

**On Thursday**, he met with Washington state Rep. [Cathy McMorris Rodgers](#) at agency headquarters. Picture [here](#).

**WHAT THEY'RE SAYING:** Here's what various energy groups are saying about House [passage](#) of its tax package [H.R. 1 \(115\)](#) Thursday afternoon.

— **Edison Electric Institute President Tom Kuhn** is decidedly on board: "The single most important action we can do to grow our economy and to create jobs is to pass comprehensive tax reform this year, and this is a giant step forward in getting comprehensive tax reform across the finish line."

— **Malcolm Woolf, Senior Vice President of Policy for Advanced Energy Economy**, has mixed feelings about the bill: "While we are encouraged that the House is reducing the corporate tax rate and finally providing equal treatment for technologies like fuel cells, combined heat and power, geothermal, and advanced nuclear, today's vote also completely undermines market certainty for the wind, solar and electric vehicle businesses."

— **API's Jack Gerard** likes what he sees: "By including pro-growth proposals like lowering the corporate tax rate and strong cost-recovery provisions, this legislation will help unleash economic growth and allow our industry to continue providing safe, reliable energy for Americans."

— **The National Enhanced Oil Recovery Initiative**, a coalition of coal, oil, labor and environmental groups, hopes a tax extenders package expected to be considered in the Senate Finance Committee has space for extending a CCS credit: "Carbon capture legislation has unprecedented bipartisan, bicameral support and deserves congressional action."

**The Senate Finance Committee** cleared its own version of the tax overhaul late Thursday 14 to 12, Pro Tax's Brian Faler [reports](#).

**CONFIRMED:** Before the Thanksgiving jet fumes got them, the Senate confirmed Brenda Burman to run the Bureau of Reclamation by voice vote, your ME host [reports](#). "FINALLY! Excited to finally have Brenda Burman confirmed to lead @usbr," Zinke [tweeted](#) in response.

**NUDGING PEOPLE ON APPROPRIATIONS:** The Senate Appropriations Committee plans to unveil its chairman's mark for the Interior and Environment fiscal 2018 spending bill next week, along with three other outstanding packages, Pro Budget & Appropriations Brief's Sarah Ferris [reports](#). They won't be marked up but will allow staff level work on funding to trudge along, as Appropriations Chairman [Thad Cochran](#) ruled out any short-term spending bill that extends past New Year's Eve.

**Speaking of which**, three sources [tell](#) POLITICO's John Bresnahan, Seung Min Kim and Sarah Ferris the White House will ask today for \$44 billion to help storm-ravaged communities in Texas, Puerto Rico and Florida.

**NEW WRINKLE TO TEST!** The North American Electric Reliability Corp.'s recent two-day test of energy companies and government agencies' response to simulated cyber and physical attacks featured for the first time "fake news" on social media to gauge how participants react, Pro's Esther Whieldon [reports](#). "I think that term has become part of our

lexicon now and so there's an awareness as to is what we're seeing completely accurate or is it designed to fool us?" Marcus Sachs, senior vice president and chief security officer at NERC, said. "Is it potentially a threat actor making something up and trying to psychologically push people in a wrong direction?" More than 6,000 people from the power, oil and gas sectors as well various federal agencies participated in this year's event.

**ABOUT THAT PUERTO RICAN OUTAGE:** Whitefish Energy said a Wednesday power outage in Puerto Rico had nothing to do with the company's efforts on the island. A since-updated [Mashable article](#) linked to in Thursday's ME suggested the outage might have been related to its repair work. "The outage in PREPA Rico on Wednesday, just like the one last week, has absolutely nothing to do with the work performed by Whitefish Energy on the 50100 transmission line," a spokesman said in a statement. "That line was turned over to PREPA several weeks ago and our crews are no longer in the area as they are working elsewhere on the island." The island's utility blamed the outage on a "technical failure."

**MOVING FORWARD:** Virginia took the next step toward joining Regional Greenhouse Gas Initiative on Thursday as the commonwealth's Air Pollution Control Board released a [plan](#) for public comment that proposes to cap carbon dioxide emissions from power generation in Virginia at 33 million tons or 34 million tons in 2020, with 3 percent annual reduction through 2030, Pro's Darius Dixon [reports](#). Public comments are expected to last at least 60 days once the plan formally appears in the Virginia Register.

**HAMMING IT UP:** Billionaire Continental Resources chief and Trump supporter Harold Hamm told an Energy Information Administration webinar Thursday its forecasts had overstated oil production this year by 200,000 barrels a day, Pro's Ben Lefebvre [reports](#). Hamm said the estimates were hurting his business. "We believe the EIA must be responsive to changing dynamics and do it on a timely basis," Hamm said. "Shareholders are demanding return on investment. Hopefully we will give the EIA data a more realistic stamp."

**SIERRA CLUB HITS BACK ON GRID PUSH:** Responding to FERC Chairman Neil Chatterjee's [comments](#) about an "interim" grid proposal, the Sierra Club launched targeted ads on Facebook, YouTube, Twitter, and Google Display in 11 states opposing Energy Secretary Rick Perry's grid resiliency push. Watch [here](#).

**MAIL CALL! ROUND OF APPLAUSE TO YOU:** House Natural Resources Chairman [Rob Bishop](#), as well as the committee's subcommittee chiefs, sent [a letter](#) to Trump voicing support for reorganizing Interior. "Any thoughtful DOI reorganization should give serious consideration to relocating select agencies away from Washington," they wrote. "Simply put, federal employees should know and live around the people, lands, and economies they regulate."

**CHANGE COURSE ON RFS CUTS:** Eighteen House Democrats, led by [Donald Milford Payne](#) and [Ruben Gallego](#), sent [a letter](#) to Pruitt urging him to preserve existing biofuels volume requirement mandates. They fear the proposed 2018 volumes "will curtail investment in innovation and have an adverse impact on our country. It will particularly affect communities of color and urban areas that already face air pollution issues and higher costs of living, especially in regard to gasoline prices."

**DON'T DO IT:** Colorado Sen. [Michael Bennet](#) sent a letter to Zinke opposing a proposal to raise National Park Service fees. Read it [here](#).

**MORE TIME PLEASE:** More than two dozen House Democrats asked Zinke for a 45 day extension of the public comment period on Interior's plan to modify or rewrite sage grouse conservation plans. Link [here](#).

**GROUPS WANT GRID PUSH RECORDS:** The Environmental Working Group and American Oversight filed a public records request Thursday seeking communications, emails and calendar entries for meetings between senior DOE officials and corporations including Peabody Energy and Murray Energy. It also requests any records related to lobbying groups such as the Edison Electric Institute, the Nuclear Energy Institute, and the American and National Coal Councils. Link [here](#).

**LIGHTER CLICK:** Queen Elizabeth II visited a wind turbine blade factory on Thursday and the pics are about as awesome as you'd expect. Link [here](#).

## QUICK HITS

— Fossil Fuels' Fishy New Friends. [Bloomberg Businessweek](#).

— Pope Francis denounces climate change deniers. [AP](#).

— Northern Pass gets federal permit to bring energy across the Canadian border. [Concord Monitor](#).

— As U.S. Debates Ending Electric Car Tax Credit, China Aims to Expand Sales. [New York Times](#).

— Rising U.S. Oil Stocks Weigh on Prices. [Wall Street Journal](#).

— Texas wind energy projects worth about \$11 billion in limbo after U.S. House tax vote. [Dallas Morning News](#).

## HAPPENING TODAY

8:00 a.m. — U.S. Gas Infrastructure Exports Initiative Launch Event, U.S. Chamber of Commerce, Hall of Flags, 1615 H Street NW

11:15 a.m. — EPA Administrator Scott Pruitt addresses The Federalist Society's National Lawyer Convention, 1127 Connecticut Avenue, NW

## THAT'S ALL FOR ME!

**\*\* A message from Chevron:** This is a story about DOERS, butterflies, and buckwheat. In '75, the endangered El Segundo Blue butterfly was found near a Chevron refinery. We protected the habitat and planted the only thing they eat—buckwheat. We're still planting and keeping an eye on our littlest neighbor. Watch the video: <http://politi.co/2yQ8q7z> \*\*

*To view online:*

<https://www.politicopro.com/newsletters/morning-energy/2017/11/dourson-nomination-imperiled-as-more-republicans-undecided-026442>

**Stories from POLITICO Pro**

## **Dourson at risk of rejection as more Republicans lean no [Back](#)**

By Nick Juliano and Anthony Adragna | 11/16/2017 05:55 PM EDT

President Donald Trump's nominee to a key chemical safety job at the EPA is at risk of rejection after Republican senators balked amid accusations that he is too eager to cover for companies peddling dangerous products.

North Carolina's two GOP senators have said they will vote against confirming Michael Dourson as an EPA assistant administrator, citing a record that included work on a chemical linked to cancer deaths near a Marine Corps base in their home state. And Maine Republican [Susan Collins](#) said Thursday that she is leaning no as well — a vote that would be enough to sink his nomination.

Democrats are optimistic about turning four additional Republicans who they believe should be in play based on contamination issues back home.

Republican leaders have not decided what to do about Dourson's nomination, Senate Majority Whip [John Cornyn](#) (R-Texas) said Thursday.

"We'll have to see whether it's a viable nomination, and with two against him obviously that doesn't leave us a lot of room," Cornyn told POLITICO. "We haven't made a decisions on that yet, but we'll be revisiting it."

Critics say Dourson, a former industry-funded toxicologist, regularly downplayed the risks of chemicals such as PFOA and trichloroethylene that are contaminating soil and water in communities across the country. Dourson has already begun working at EPA as a senior adviser to Administrator Scott Pruitt, an arrangement Democrats have condemned as improper.

"There are all these local contamination issues across the country that have been bubbling up recently or have been out there for years, and because Dourson is this hired gun ... he's almost by nature of his job been working on these really controversial chemicals," said Jack Pratt, chemicals campaign director for the Environmental Defense Fund, which opposes Dourson's nomination.

Republican North Carolina Sens. [Thom Tillis](#) and [Richard Burr](#) said Wednesday that they could not support Dourson because of his past work as a toxicologist who was frequently hired by industry to rebut public health concerns about chemicals. Collins said Thursday that she is "leaning against" confirming him.

A legislative aide said Democrats are eyeing Republican Sens. [Jeff Flake](#) of Arizona, [Lisa Murkowski](#) of Alaska, [Bob Corker](#) of Tennessee and [Pat Toomey](#) of Pennsylvania, although Flake, Toomey and Corker told POLITICO they're still undecided.

"Sen. Toomey remains concerned about the PFOA issue in Bucks County and Montgomery County and remains dedicated to addressing it," a spokesman for the Pennsylvania Republican said, naming two Philadelphia-area counties where [toxic firefighting chemicals](#) leached into the ground from [two closed naval bases](#). Toomey is reviewing the nomination "with these concerns in mind," but the spokesman did not say how he plans to vote.

However, even if the nomination is pulled or rejected, Dourson will still be able to influence

EPA's implementation of a major chemical safety law because he has already started working at the agency. Democrats have criticized that arrangement, though EPA says previous administrations allowed people to begin working there before being confirmed.

EPA's chemical safety office, which Dourson has been nominated to lead, has a heavy workload after Congress in 2016 passed a bipartisan law updating the Toxic Substances Control Act for the first time in nearly 40 years. The office has been charged with evaluating the safety of chemicals already in use and determining how to test new chemicals before they are allowed into the marketplace.

The near-universal support TSCA reform won in Congress last year may help explain the wariness among lawmakers about giving chemical industry allies too much of a foothold in EPA.

"They wanted to give the public some assurance that the products on their shelf are safe, and when you put the chemical industry in charge that's not going to happen," said Madeleine Foote, a legislative representative with the League of Conservation Voters.

Tillis and Burr stopped short of calling for Dourson to step down from his existing position at the agency. "I'll leave that up to the EPA to decide," Tillis told POLITICO.

Sen. [Joe Manchin](#) (D-W.Va.), who has supported several Trump nominees, said he would vote against Dourson but not object to him continuing to work at EPA.

Before joining EPA last month, Dourson was a professor at the University of Cincinnati College of Medicine's Risk Science Center, and he founded the nonprofit Toxicology Excellence for Risk Assessment, which was often conducted industry-funded research. He also previously worked at EPA from 1980 to 1995. Past clients of Dourson and his research group have included Dow Chemical, Koch Industries and Chevron, according to [the Associated Press](#).

Critics say Dourson's research routinely concluded that chemicals were safer in far higher concentrations than those recommended by agencies like EPA, putting communities at greater risk of finding toxic substances like perchlorate, TCE or PFOA in their air or drinking water.

Pratt said Dourson's work followed a pattern.

"Over and over again these chemical companies would hire him, he'd look at the research, and say the standard that EPA or whatever regulatory body has is too strict — it should be looser," Pratt said.

Dourson told the Environment and Public Works Committee at his confirmation hearing last month that he did not have a thumb on the scale.

"I can give you as many or more examples of situations where the science that we brought forward as a team actually lowered the safe dose or risk position for various sponsors," Dourson told Sen. [Tom Carper](#) (D-Del.) at the hearing. "If confirmed, I will rely on the guidance of EPA ethics officials."

Tillis and Burr said they could not support Dourson based on his record and North Carolina's history of chemical pollution problems, such drinking water at Camp Lejeune that was contaminated for decades by chemicals including trichloroethylene. TCE is one of the first 10

chemicals EPA must evaluate under the new safety law, but Dourson has previously endorsed health standards that are 1.5 to 15 times less protective than those backed by other researchers, [according to EDF](#).

Retired Marine Corps Master Sgt. Jerry Ensminger, whose daughter died of leukemia linked to the contaminated water at Camp Lejeune, met with Tills and aides to Burr to urge their opposition, according to the [Wilmington Star News](#).

Among his other industry-funded work, Dourson [appeared](#) before an EPA scientific advisory panel session concerning the pesticide chlorpyrifos on behalf of CropLife America. He led a 2008 [paper](#) on acrylamide, which can form during high-temperature cooking of some starchy foods, that received funding from major food companies like Burger King, Frito-Lay and McDonald's. And he [studied](#) 1-bromopropane, a solvent linked to some neurological and reproductive disorders, in 2004 with funding from Albemarle Corp. and Ameribrom Inc.

In all cases, he recommended standards many factors less protective than public health and EPA research suggested.

He also has done work for industry-friendly state governments. In the early 2000s, Dourson helped West Virginia set drinking water guidance limits for PFOA, also known as perfluorooctanoic acid or C8, at 150 parts per billion. That was 150 times less protective than manufacturer DuPont's own internal standard of 1 part per billion and more than 2,000 times less protective than EPA's [recommendation](#) of 70 parts per trillion.

During his confirmation hearing, Dourson argued that the research had evolved significantly since his recommendation to West Virginia, saying that "the science has progressed, significantly advanced since the time of 2004 and the new science indicates a lower level." And he defended the integrity of his work overall.

"Throughout my career — with EPA, TERA and now with the University of Cincinnati — I have been objective in my work and applied sound science to come to my conclusions," Dourson said.

*To view online [click here](#).*

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**Collins 'leaning against' Dourson for EPA chemicals role [Back](#)**

By Anthony Adragna | 11/16/2017 12:35 PM EDT

Sen. [Susan Collins](#) told reporters today she's "leaning against" backing Michael Dourson's nomination to run EPA's chemicals office, which would leave him without adequate support for confirmation in the closely divided chamber.

"I have a lot of concerns about Mr. Dourson, but I've not yet made a final decision," she said.

North Carolina Republican Sens. [Richard Burr](#) and [Thom Tillis](#) both came out in opposition on Wednesday to Dourson, who is currently working as an adviser at the agency. Both declined to say if he should leave that role today.

Sen. [John McCain](#) (R-Ariz.) also said today he had not decided whether to support the nomination.

To view online [click here](#).

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## **Keystone pipeline spills 210,000 gallons of oil in South Dakota [Back](#)**

By Ben Lefebvre | 11/16/2017 05:02 PM EDT

The Keystone pipeline spilled 210,000 gallons of heavy Canadian oil in South Dakota, pipeline operator TransCanada said in a [statement](#) today.

TransCanada shut down the pipeline around 7 a.m. ET after discovering the leak in Marshall County, the company said. Crews isolated the spill and called in emergency responders, the company said. TransCanada also alerted the Pipeline and Hazardous Material Safety Administration of the spill.

The spill comes less than a week before a local regulatory commission in Nebraska is scheduled to rule whether to approve the route through the state where TransCanada wants to build Keystone XL, an expansion of the original Keystone line.

TransCanada said it has received enough interest from shippers to green-light Keystone XL project if it gets the go-ahead from the Nebraska Public Service Commission.

To view online [click here](#).

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## **Watchdog slams Zinke for failing to document travel [Back](#)**

By Eric Wolff | 11/16/2017 04:16 PM EDT

Interior Secretary Ryan Zinke failed to properly document his travel, the agency's watchdog said Thursday, preventing it from determining whether he had violated government rules.

Zinke has come under scrutiny for mixing taxpayer-funded travel with political activities, as well as taking military or private planes rather than flying commercial, and the investigation by Interior's Office of Inspector General seeks to clarify whether all procedures were correctly followed.

"Our investigation is delayed by absent or incomplete documentation for several pertinent trips and a review process that failed to include proper documentation and accountability," Deputy Inspector General Mary Kendall said in a letter obtained by POLITICO and first reported by The Washington Post.

Zinke's travels have drawn scrutiny after Interior revealed he had taken non-commercial

flights at taxpayer expense, POLITICO and other news outlets have reported. POLITICO has also reported that the former congressman from Montana [has mixed](#) taxpayer-paid trips with political work, such as when he participated in a fundraiser on behalf of the Virgin Islands GOP.

The IG criticized Zinke for failing to complete documentation for his travel in the fiscal year that ended on Sept. 30, and said that the process established by Interior's Ethics Office and Office of the Solicitor "does not include sufficient documentation of the legal and ethical analysis conducted to distinguish between personal, political, and official travel, or consistent cost analysis to justify use of non-commercial travel."

The IG asked for documentation of all of Zinke's travel, as well as for the documentation of travel by his wife, Lola Zinke, with documentation for how and when the travel was paid.

Deputy Secretary David Bernhardt, the agency's second-ranking official, blamed the lack on documentation on the Obama administration for leaving behind "an organizational and operational mess."

In his response letter, Bernhardt emphasized that Interior employees would continue to cooperate with the IG, and said he would provide documentation as requested.

But he also went on to note that former Interior Secretary Sally Jewell hadn't completed her documentation for 12 trips taken last year and in January of this year, and he said some trips may have never been entered in the system.

"When I arrived at the Department in August 2017 it was clear to me that the Secretary and I had inherited an organizational and operational mess," he wrote. "From my perspective, regarding IOS travel procedures, it appears that the exact same procedures and processes utilized by the previous Administration remain in place and continue to be dysfunctional."

Zinke joins a cast of Trump administration officials, including Treasury Secretary Steven Mnuchin and now-departed Health and Human Services Secretary Tom Price, who are accused of misuse of taxpayer funds for travel.

*Esther Whieldon contributed to this report.*

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**New anti-coal push in Bonn pits nations against U.S.** [Back](#)

By Emily Holden | 11/16/2017 03:08 PM EDT

BONN, Germany — Canada and the U.K. on Thursday launched an anti-coal alliance at the global climate summit here, a direct challenge to the Trump administration's bid to promote new high-efficiency coal-fired power plants.

Canadian Environment Minister Catherine McKenna and Claire Perry, the U.K. minister for climate change, formally launched the 27-member group whose declaration said it will seek to

close down existing coal plants and "impose a moratorium on any new traditional coal power stations without operational carbon capture and storage."

"Coal is literally choking our cities, with close to a million people dying every year from coal pollution," McKenna said.

Almost 40 percent of global electricity comes from coal, and while McKenna acknowledged that phasing it out would not be easy, she said it was crucial to achieve climate goals and protect public health.

Other members include France and Italy, which both aim to phase out coal in the next decade, and Finland, Mexico and New Zealand. Two U.S. states — Washington and Oregon — will also join. Both have already announced plans to shutter their coal plants. While the group's members consume only a small fraction of the global coal supply, they aim to form a powerful political partnership.

McKenna said despite the U.S. effort to support coal, the economic case for the fuel was fading.

"There are cheaper, more sustainable sources of power, in particular clean power, renewables," she said. "The economics dictate it, but we need to be supporting countries that want to make the move. We've said that there are developing countries [where] there might be a price differential. We want to be helping to support them. This is the huge opportunity."

Officials from the White House have used the annual climate change conference to tout "cleaner" fossil fuels, including at a [controversial event](#) on Monday that drew protesters. But the head of the American negotiating team delivered a speech to the assembled nations that carefully steered clear of coal.

Judy Garber, an acting assistant secretary at the State Department, at the COP23 high-level session said the U.S. still intends to withdraw from the 2015 Paris deal and is open to rejoining later under "more favorable" terms. The U.S. team has said it was not planning to discuss those terms at the Bonn meeting.

Garber noted "dramatic decreases in the cost of low-emissions technologies and fuels, including natural gas, solar, wind, energy storage and energy efficiency," but also referenced work with China and India capturing carbon emissions from coal.

"We know that each country will need to determine the appropriate energy mix based on its particular circumstances, taking into account the need for energy security, promotion of economic growth and environmental protection," she said. "In that context, we want to support the cleanest, most efficient power generation, regardless of source."

Not all developed countries are on board with the new anti-coal pitch, including Germany, where Chancellor Angela Merkel is still struggling to form a new government.

"We were asked whether we want to participate. I have asked for understanding, that we cannot decide this ahead of the next government," said Barbara Hendricks, the German environment minister. "The initiative, however, will keep us up to speed about what's happening."

*Kalina Oroschakoff contributed to this report.*

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### **Pruitt to testify before EPW in late January 2018** [Back](#)

By Anthony Adragna | 11/16/2017 03:55 PM EDT

EPA Administrator Scott Pruitt will appear before the Senate Environment and Public Works Committee on Jan. 31, 2018, making his first return to the panel nearly a year after his confirmation, the panel announced today.

"It is important that EPA Administrator Pruitt testifies before the committee," Chairman [John Barrasso](#) said in a statement. "It will give senators the chance to hear about the important work being done at the agency."

Committee Democrats have already expressed outrage Pruitt hasn't returned since his confirmation in February so waiting more than two additional months likely won't mollify that the anger.

"Mr. Pruitt's appearance before our committee, which oversees the agency he leads, is long overdue," Ranking member [Tom Carper](#) said in a statement. "While I think it is unacceptable that members of this committee will have to wait over a year to hear directly from Administrator Pruitt, I am glad that a date has finally been set, and I look forward to his testimony on January 31st."

**WHAT'S NEXT:** Pruitt will testify on [Jan. 31](#).

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### **Pruitt to testify before House panel Dec. 7** [Back](#)

By Alex Guillén | 11/16/2017 12:00 PM EDT

EPA Administrator Scott Pruitt will [testify](#) before the House Energy and Commerce Environment Subcommittee on Dec. 7.

"We're looking forward to receiving a much-needed update from Mr. Pruitt on his priorities for the agency, including his stated policy of getting EPA 'back to the basics' and its impact on the agency's activity going forward," E&C Chairman [Greg Walden](#) and Subcommittee Chairman [John Shimkus](#) said in a joint statement. "Following EPA's controversial and expansive interpretation of its authorities during the past administration, it is past time for EPA to refocus on pursuing its important public health and environmental missions as Congress originally intended."

The appearance will be Pruitt's first before the Energy and Commerce Committee. Democrats on the Senate Environment and Public Works Committee are also seeking to have Pruitt testify soon, noting he has not appeared before that committee since his confirmation hearing on Jan. 18.

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### **Senate Finance Committee approves GOP tax reform plan** [Back](#)

By Brian Faler | 11/16/2017 10:37 PM EDT

The Senate's tax-writing committee this evening approved Republicans' sweeping plan to overhaul the tax code.

The Finance Committee voted along party lines, 14-12, to forward the proposal on to the full Senate. Approval came after four days of sometimes testy consideration, during which Republicans substantially revised the measure while voting down dozens of Democratic amendments.

Senate leaders aim to take up the [bill](#) — which would cut both business and individual taxes while killing Obamacare's individual mandate requiring health insurance — after Thanksgiving.

The Finance panel's vote came hours after the House approved its own competing tax plan. Lawmakers aim to get compromise legislation to President Donald Trump's desk by the end of the year.

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### **Senate confirms Burman to lead Bureau of Reclamation** [Back](#)

By Anthony Adragna | 11/16/2017 06:11 PM EDT

The Senate cleared Brenda Burman's nomination to run the Bureau of Reclamation by voice vote on Thursday.

"FINALLY! Excited to finally have Brenda Burman confirmed to lead @usbr," Secretary Ryan Zinke [tweeted](#) in response.

Burman's nomination to lead the nation's wholesale water and hydroelectric power provider got caught up in the battle over Zinke's national monument designation review.

Senate Minority Whip [Dick Durbin](#) placed a hold on her nomination until he landed a meeting with Zinke to discuss the review and [lifted it](#) after that meeting took place earlier this week.

**WHAT'S NEXT:** Burman will assume her position running the Bureau of Reclamation.

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## **Senate appropriators to release details on four spending bills** [Back](#)

By Sarah Ferris | 11/16/2017 03:46 PM EDT

The Senate Appropriations Committee plans to unveil its remaining four spending bills next week as it ratchets up pressure on congressional leaders to strike a budget deal.

The committee will release a so-called chairman's mark for each of the fiscal 2018 bills — Defense, Financial Services, Homeland Security and Interior and Environment — early next week. The bills will not be marked up in full committee, according to a GOP aide.

The Senate will not be in session, but the bills will be released to allow staff-level work during the holidays, the aide said. After the Thanksgiving break, Congress will have just days left until government funding expires.

Appropriations Chairman [Thad Cochran](#) announced the plans in a rare statement directed at congressional leadership this afternoon, warning about the fast-approaching Dec. 8 deadline.

"We need a new budget deal to finish our work. Congress and the administration must reach agreement on acceptable top-line funding levels," Cochran wrote. "I urge all parties to those negotiations to redouble their efforts to reach agreement."

In a break with some House conservatives, Cochran (R-Miss.), ruled out any short-term spending bill that extends past New Year's Eve.

Cochran, who also chairs the Defense subcommittee, urged House and Senate leaders to reach an accord that would lift the budget cap for the Pentagon. Without a deal, Cochran said he would be "hard-pressed" to write a bill that "fully meets our national security needs or reflects the priorities of the Senate."

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## **White House seeks at least \$44B in third disaster request** [Back](#)

By John Bresnahan, Seung Min Kim and Sarah Ferris | 11/16/2017 06:57 PM EDT

The White House will ask Congress on Friday to approve at least \$44 billion to help storm-ravaged communities in Texas, Puerto Rico, the U.S. Virgin Islands and Florida, according to three sources privy to the request.

It would mark the third aid installment in three months. Congress has already approved \$52 billion in response to the spate of hurricanes that killed 260 people and caused hundreds of billions of dollars in damage.

The latest request falls short of what local officials had sought for their recovery, though the White House is expected to send additional aid proposals in the coming months. Texas had asked for \$61 billion for reconstruction, and Puerto Rico has sought \$96 billion.

Both the House and Senate are expected to take up the request next month, possibly as part of a year-end spending deal. The request comes as lawmakers leave town for a weeklong Thanksgiving break.

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### **Grid attack simulation exercise includes 'fake news' scenario [Back](#)**

By Esther Whieldon | 11/16/2017 05:10 PM EDT

A two-day exercise to test energy companies and government agencies' response to simulated cyber and physical attacks on the electric grid has added a new wrinkle: using "fake news" on social media to gauge how participants react.

The North American Electric Reliability Corp. holds its so-called GridEx simulations every two years, and this year's event drew about 6,000 people from the power, oil and gas sectors as well as from FERC, NERC, DOD, DHS, DOE and other national agencies.

This year's exercise included simulations similar to the malware attacks made on Ukrainian energy and transport companies earlier this year. And it also included a social media component in which GridEx administrators put out news stories, and allowed utilities to post their own accounts on social media.

"We had some reaction from members questioning whether what they're seeing is accurate, and using the words 'Is this fake news?'," said Marcus Sachs, senior vice president and chief security officer at NERC. "I think that term has become part of our lexicon now and so there's an awareness as to is what we're seeing completely accurate or is it designed to fool us? Is it potentially a threat actor making something up and trying to psychologically push people in a wrong direction?"

The 2015 exercise led companies and agencies to improve their response to natural disasters and create a cyber mutual assistance program, said Kevin Wailes, co-chairman of the electricity subsector coordinating council and CEO of the Lincoln Electric System.

**WHAT'S NEXT:** NERC expects to publish a report on lessons learned from GridEx IV in March.

To view online [click here](#).

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## **Virginia advances proposal to join RGGI [Back](#)**

By Darius Dixon | 11/16/2017 04:57 PM EDT

Virginia's Air Pollution Control Board today decided to officially move ahead with a proposal for the state to join the Regional Greenhouse Gas Initiative.

The [plan](#), which will now go out for public comment before it's finalized, proposes to cap carbon dioxide emissions from power generation in Virginia at 33 million tons or 34 million tons in 2020, with 3 percent annual reduction through 2030.

Outgoing Virginia Gov. Terry McAuliffe [announced](#) the decision to join the multi-state program earlier this week at the climate summit in Bonn, Germany. In a statement today backing the board's decision, McAuliffe made a dig at President Donald Trump.

"Virginia is uniquely vulnerable to the threat of climate change and many of our residents are already experiencing its impacts. ... I am proud that Virginia is joining states around the nation that are filling the void of leadership that President Trump has left on transforming the energy sector and protecting our environment," he said.

New Jersey, which exited the pact under Republican Gov. Chris Christie, is also set to rejoin RGGI.

**WHAT'S NEXT:** The Air Pollution Control Board is expected to take public comments for at least 60 days once it's announced in the Virginia Register.

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## **Hamm tells EIA its high oil forecasts are hurting his business [Back](#)**

By Ben Lefebvre | 11/16/2017 04:57 PM EDT

Continental Resources chief and Trump supporter Harold Hamm told an Energy Information Administration webinar on Thursday that the agency was overestimating U.S. crude output and hurting his business.

The presentation by Hamm, who is largely credited with sparking the oil rush in North Dakota, is the latest sign of the policy influence that energy executives have in the Trump administration. Like coal magnate Bob Murray and refinery owner Carl Icahn, billionaire Hamm has regularly had Trump's ear.

"When it comes to public policy and politics and being at that table, it appears they now have a seat they didn't necessarily have before," said Jon Haubert, an energy consultant and founder and managing partner of HB Legacy Media.

During his approximately 15-minute presentation, Hamm said he had given input to the EIA

since 2012 in his role as head of the Domestic Energy Producers Alliance, a trade group he co-founded and represents 29 companies. He said that the EIA forecasts had overstated oil production this year by 200,000 barrels a day, a discrepancy he complained was hurting this business with investors. Continental's share price is down about 10 percent from a year ago, but had fallen as much as 40 percent during the summer.

"We believe the EIA must be responsive to changing dynamics and do it on a timely basis," Hamm said. "Shareholders are demanding return on investment. Hopefully we will give the EIA data a more realistic stamp."

EIA has estimated the U.S. oil production will average 9.2 million barrels a day in 2017. Hamm's Continental Resources and other oil companies have suffered from low oil prices, which have been under pressure from high crude inventories and the growth in U.S. production in recent years. A lower estimate from EIA could help lift oil prices and boost oil company profits.

Hamm [met with Energy Secretary Rick Perry in September](#) to argue that the EIA was overestimating U.S. oil output for the next few years. The former wildcatter also appeared onstage with Trump [at an event](#) in Mandan, N.D. earlier that month.

Matt Lee-Ashley, senior fellow at the liberal Center for American Progress, said he believed backing from Trump helped Hamm get a spot in the EIA meeting.

"Harold Hamm has been very clear that he has a financial interest in the EIA's forecasts and he has put political pressure on the EIA to change their forecasts," he said. "This not only hurts the EIA's all-important reputation of being independent, but it raises questions about whether the Trump administration is letting Hamm influence the government's crude oil forecasts for his personal financial benefit."

An EIA spokesman did not reply to questions as to how Hamm came to join the panel. A spokeswoman for Continental Energy and the DEPA declined to answer specific questions, only saying "DEPA has been providing insight to the EIA for years."

Market analysts were less worried that Hamm's participation in the webinar would mar the EIA's reputation for independence.

"Dialogue with industry players should not, in and of itself, create concerns about the reliability of the EIA's data and forecasts," said Pavel Molchanov, a Raymond James energy analyst.

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**FERC chief urges critics to 'move past' DOE's proposal [Back](#)**

By Darius Dixon | 11/16/2017 01:30 PM EDT

FERC Chairman Neil Chatterjee said Thursday that the agency was developing its own approach to support grid resilience rather than working from the proposal submitted by Energy

Secretary Rick Perry.

Chatterjee told reporters after FERC's monthly meeting that the issue of supporting baseload coal-fired and nuclear power plants had caused a "hyperbolic reaction" because many people did not understand the agency's process.

"I think part of the problem is that people are still debating the [notice of proposed rulemaking] as it was submitted to us [by the Energy Department]," he said. "What I'm trying to say is we've moved past that and we're moving toward a constructive solution that still answers the questions that Secretary Perry asked in the NOPR in a way that does not distort markets and is legally defensible."

Chatterjee said his effort to implement an "interim" proposal to prop up economically struggling generators in power markets is still being ironed out, but it may direct grid operators to identify what plants are needed for "resilience."

"Once it's fully fleshed out and I feel that it's a defensible product, I want to be able to present that to my colleagues so they can review it," he said, noting that he would ensure that his fellow commissioners would have sufficient time to review it.

In an interview with [Utility Dive](#) on Wednesday, Chatterjee said he was considering an order to require regional grid operators to provide "interim compensation" for power plants that contribute to grid resilience and are at risk of closing before FERC can finish a formal rulemaking, or that those grid operators "show cause that [they] not be required to do so."

Chatterjee said Thursday that "on-site, secure, firm fuel that does not depend on just-in-time delivery," as among the characteristics of power plants that contribute to grid resilience.

The interim FERC chief said that he didn't see any threat to the renewable industry or to natural gas from his plan.

"I genuinely believe that this will not have a negative impact on gas. I believe deeply in natural gas and its value. ... I don't want to do anything to hurt the gas industry," he said.

Chatterjee said that he's pushing an interim proposal to preserve certain power plants because "in the short term, I just want to make sure that the patient doesn't die while we do the longer-term analysis."

However, he didn't envision that his plan — which doesn't appear to have broad support among the FERC leadership yet — would have a mechanism to compensate consumers for paying plants that ultimately turn out not to have been necessary in any long term review.

"As we look through this, we will try and make this as minimally disruptive — we'll try to keep the costs down — to consumers as possible," Chatterjee said, adding that "consumers have paid for things that have a lot less value to the grid than long term resilience and security."

He added: "Thinking about the consequences if we got this wrong, it's a pretty reasonable ask."

Kevin McIntyre, President Donald Trump's pick to lead FERC, is expected to be sworn in in the next few days.

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**Date:** Thursday, September 07, 2017 5:53:09 AM

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By Anthony Adragna | 09/07/2017 05:45 AM EDT

*With help from Eric Wolff, Ben Lefebvre and Darius Dixon*

**TEED UP, READY TO GO:** House Rules Committee lawmakers readied 80 EPA and Interior amendments for floor consideration as the chamber moves through its mammoth, 1,300-page spending package [H.R. 3354 \(115\)](#) starting today. Here are six worth watching as debate moves along:

1. An [amendment](#) from senior Natural Resources Committee Democrats restoring funding to EPA's environmental justice program by taking funds from the Interior secretary's office,
2. An [effort](#) by New York Republican Rep. [John Katko](#) to restore \$250 million in Clean Water State Revolving Funds, an infrastructure program that usually enjoys broad bipartisan support,
3. A [push](#) by Rep. [Gary Palmer](#) to eliminate funding for the Diesel Emissions Reduction Act, which helps convert diesel engines to more efficient ones. Several dozen groups sent [a letter](#) to House members opposing the move.
4. A bipartisan [amendment](#) from Republican [Frank LoBiondo](#) and Democrat [Don Beyer](#) to block offshore drilling in a host of Atlantic sites,
5. An [amendment](#) from Rep. [Scott Perry](#) blocking EPA from issuing any regulations under Section 115 of the Clean Air Act, feared by some conservatives as a hidden weapon to mandate carbon regulations,
6. A Republican [amendment](#) that would bar federal agencies from using funds to cover legal fees associated with Clean Air Act, Clean Water Act and Endangered Species Act settlements.

Other Democratic amendments expected to fail would block President Donald Trump's administration from [delaying ozone standards](#), being able to [unilaterally withdraw](#) the Waters of the U.S. rule and preparing a new [five-year offshore oil and gas leasing](#) plan.

A **full list** of amendments is available [here](#).

**NOT MUCH ENERGY CHATTER IN MANDAN:** Trump's tax talk at Andeavor's refinery in Mandan, N.D., yielded little fresh energy news on Wednesday. Addressing a crowd at the plant that had expanded in 2012 to take in more Bakken crude, Trump warned of a tax code that caused businesses to be "regulated out of existence." Continental Resources CEO and Trump pal Harold Hamm made a brief cameo in sunglasses to say: "You find oil in North Dakota! And the Bakken!"

**Trump freestyled on energy regulations and pipelines:** "The Dakota Access Pipeline is finally open for business. Now, what other politician, if elected President, would have done that one? They would have stayed so far away. And I did it immediately, and I didn't even do

it in that case for jobs. It was the right thing to do. And that is flowing now beautifully." ME would note that any of the other 2016 GOP presidential candidates would have approved the pipeline if elected.

**Memorable:** Trump, who [tried a softer touch](#) to get centrist Sen. [Heidi Heitkamp](#) on board with tax reform that he used on Missouri Sen. [Claire McCaskill](#), may have inadvertently written the Democrat's first reelection ad by calling her on stage and proclaiming her a "[good woman](#)." Heitkamp [tweeted](#) an (awkward) selfie with refinery workers, while potential challenger Rep. [Kevin Cramer](#) posted [a selfie](#) with Trump.

**WELCOME TO THURSDAY!** I'm your host Anthony Adragna, and NEI's Robert Powers was first up to identify Alaska as our least densely populated state. For today: In what state was the first ATM in the U.S. installed (back in 1969)? Send your tips, energy gossip and comments to [adragna@politico.com](mailto:adragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#), and [@POLITICOPro](#).

**\*\* A message from Chevron:** Advanced technology is helping us find safer ways to deliver energy. We're piloting a program that uses drones to monitor tanks and pipelines. Watch the video: <http://politi.co/2grzhhE> \*\*

**U.S. TERRITORY BRACES FOR IRMA:** There are already reports of massive damage from the massive Category 5 Hurricane Irma across the Caribbean, but Puerto Rico's electric company warned Wednesday the storm with 185 miles an hour winds could leave the island without power for four to six months, the Miami Herald [reports](#). Meanwhile, EPA Administrator Scott Pruitt approved an [emergency fuel waiver](#) for Florida and the agency said it was securing 22 current or former Superfund sites in the 100 southernmost miles of the state.

**In an all-staff email,** Pruitt thanked employees for their response efforts to Hurricane Harvey in Texas and said the agency had already begun preparations for Irma's landfall. "While Harvey caused extreme flooding, our biggest health and environmental concerns in Puerto Rico and the U.S. Virgin Islands are potential oil spills and the potential impacts of power disruptions on drinking and waste water systems," he wrote. The agency is working with regions 2 and 4 to secure Superfund sites and drinking and waste water systems to prevent spills. And the Miami Herald [looks at](#) what two Florida nuclear plants are doing to get ready.

**NEW ENERGY BUYERS GROUP FORMS:** A collection of corporate giants — Microsoft, Walmart, Amazon, Salesforce, Lockheed Martin and Aligned Energy, among them — is today launching the [Advanced Energy Buyers Group](#). The new entity, coordinated by Advanced Energy Economy, will push to expand the market for purchasing renewable and other advanced energy sources as large companies seek to hit their sustainability targets. "We've made good progress, but more work needs to be done to advance policies that make it easier and cheaper for more companies, schools, hospitals and families to buy clean energy," Rob Bernard, chief environmental strategist at Microsoft, said in a statement.

**ENERGY INDUSTRY HITS BACK AT EXXON STUDY:** Energy in Depth argues in a [Wednesday post](#) that a [Harvard study](#) asserting that Exxon Mobil misled the public on climate change left out many of the company's public advertorials on the subject, an oversight that would have "severely weakened" the study's conclusions. They say some of the pieces included in the research came mainly from Mobil before it merged with Exxon, meaning the study "largely compared the climate research of one company with the advertorials of a

different company." Neither author responded to requests for comment.

**WILDFIRE FUNDING MAY HITCH A RIDE:** Lawmakers are poised pass [an initial injection](#) of relief funding for Hurricane Harvey, but senior Republicans want a second bill to also address the dozens of wildfires throughout the West. "There will be more disaster relief coming up obviously and I would suspect that wildfire will be part of that," Rep. [Mike Simpson](#), a senior appropriator, told reporters. "There are other things than just hurricanes and right now they're burning in the west." House Natural Resources Chairman [Rob Bishop](#) said he could go along with that approach, but still hoped to pursue broader reforms to how the federal government responds to wildfires.

**RUMOR QUASHED:** Any idea that Interior Secretary Ryan Zinke might mount a 2018 challenge to Democratic Sen. [Jon Tester](#) seemed to die Wednesday when his wife, Lola, [signed on](#) as campaign chair for Tester challenger Troy Downing. "I first met Troy on a fishing trip and his kindness, intelligence, youthful enthusiasm, business experience and amazing military history made me think that one day he must serve his state and country again," she said. "And right now is the perfect time."

**NOMINEE TRAIN KEEPS ON ROLLING:** The Senate will take a big step for FERC today when the Energy and Natural Resources Committee runs Trump's latest picks for the agency through the ringer — but don't expect all too much pulse-pounding excitement. Kevin McIntyre, Trump's FERC chairman-in-waiting, is likely to get peppered by Democrats about his long list of energy industry clients during his long stretch with Jones Day, and commitments to maintain FERC's independence. On the other hand, Rich Glick, general counsel for ENR Democrats, is generally well-liked on both sides of the aisle. But the reason FERC nominees, and members of other federal commissions, from different parties tend to move together is so everyone has something to gain and good reason to hold their fire. By all accounts, McIntyre and his record are boring — which will work in his favor. But much like earlier FERC nomination hearings, expect questions about the growth of renewables, the survival of coal and the threats of climate change.

**Two Interior noms up too:** Joseph Balash, Sen. [Dan Sullivan](#)'s chief-of-staff and a deputy commissioner of the Alaska Department of Natural Resources, gets his hearing on his bid to become Interior's assistant secretary for land and mineral management. And Ryan Nelson, general counsel for Idaho-based Melaleuca, an online "wellness shopping club" since 2009, gets his day in the hot seat as he vies to become Interior's solicitor. Take a look at his newly-obtained [ethics](#) and [financial](#) documents.

**If you go:** The [hearing](#) is slated to begin at 10:30 a.m. in Dirksen 366.

**SVINICKI SAYS SUMMER SHUTDOWN HIT 35 AT NRC:** Plans to scuttle the Summer nuclear project may cause about 35 NRC employees to find other jobs at the agency, NRC Chairwoman Kristine Svinicki said Wednesday. "Summer was in the neighborhood of 35 agency-wide positions impacted," she said at an agency all-hands meeting, amid a years' long effort to resize the NRC's staffing and mission as the nuclear industry declines. But, Svinicki said, in spite of the heartache for those employees, it doesn't represent a major shift for an agency with more than 3,200 employees. "The project has been canceled so efforts are ongoing to look at positions where those same skill sets of those individuals might align," she said.

**Svinicki: DOE didn't ask us to help on grid study:** An NRC staff meeting is its own kind of

jargonfest, and one staffer took issue with nuclear-related language in DOE's recent grid study that seemed to confuse regulators. Among its recommendations, the study urged the NRC to revisit "nuclear safety rules under a risk-based approach," without giving the term much context. "I'm not certain if they recognized the distinction between risk-informed and risk-based," Svinicki said. The NRC leans more heavily on "risk-informed" regulation, which factors in safety elements that aren't purely calculations of issues that could lead to accidents. The NRC reached out to DOE to help with the report, Svinicki said, but "to my knowledge, they appreciated that but did not take us up on it. I think it's fair to say that the language DOE used was developed by them without really any kind of reaction from NRC or any of our experts."

**DOE ELECTRICITY GROUP SHRUNK:** Energy Secretary Rick Perry has decided to reduce the size of the Energy Department's Electricity Advisory Committee from 32 to 24 people, Pro's Darius Dixon [reports](#). But he's decided to install six new members even as he reduces the board's overall size. The electricity advisory committee will [meet](#) next Wednesday and Thursday in Arlington, Va.

**MURKOWSKI LOOKING AT GRANTS ISSUE:** Sen. [Lisa Murkowski](#), who oversees the Appropriations subcommittee in charge of EPA funding, told reporters she's looking into [reports](#) the agency halted all grants to Alaska for several weeks in the aftermath of her vote against the GOP healthcare bill. "I want to know, is this really so? Cause, if so, that's kind of upsetting," she said. An agency spokeswoman pushed back on the reports, [telling TPM](#) "a state was never was singled out in the grant review process; grants were never withheld."

**STEEL GROUP BACKS SUNIVA SOLAR TRADE PETITION:** The Steel Manufacturers Association, representing 30 North American producers, is backing [a bid](#) from Suniva and SolarWorld Americas to have the ITC impose steep tariffs on imported solar cells and modules. "The steel industry fought back in 2001 and was awarded temporary relief that gave the industry the chance to recover," Philip Bell, president of the group, wrote in [a letter](#). "The American solar industry deserves a similar chance."

**NEW MEXICANS PUSH ZINKE ON LAND LEASING:** Sens. [Tom Udall](#) and [Martin Heinrich](#), as well as Rep. [Ben Ray Lujan](#), asked Zinke to uphold a previous commitment to defer all leases on land near Chaco Culture National Historical Park as the federal government mulls how to manage the area. "We further appreciate your recent public support for the BLM and BIA's cooperative approach, and respectfully request that you maintain the status quo and defer leasing" until the process is completed, they wrote in [a letter](#).

**SCALING ON UP:** The World Resources Institute, in [a report](#) out today, urges cities to accelerate the shift to cleaner cooking, work to scale up distributed renewable energy sources and prioritize expanding energy efficiency of buildings and appliances as they push to expand energy access amid rapid growth.

**AN ELECTRON STORED IS AN ELECTRON EARNED:** Utility customers installed a record number of behind-the-meter batteries and other power storage systems in the second quarter of 2017, GTM Research and the U.S. Energy Storage Association say in [a report](#) out this morning. Behind-the-meter systems are typically smaller than big utility-scale systems, and are usually installed by residential or commercial customers. The numbers are still tiny, as only 32 megawatt hours of capacity were installed, led by California, Hawaii and New York, all of which have incentive programs.

**CONTOURING THE EVER-ELUSIVE CARBON TAX:** The R St. Institute is out with [a new paper](#) this morning looking at how to structure a border-adjusted carbon tax "to deal with imports from and exports to other nations that do not have an equivalent carbon price."

**MOVER, SHAKER:** Elbert Lin has left his post as solicitor general for West Virginia to go to Hunton & Williams. Lin made his name when he helped persuade the U.S. Supreme Court to put a stay on the Clean Power Plan. Lin will be joined at Hunton by Virginia Solicitor General Stuart Raphael.

**Dave Hoppe**, Speaker [Paul Ryan](#)'s chief of staff until January, has joined 38 North Solutions as a senior principal. The group advises groups primarily in the energy and tech sectors. "His vast experience in public policy and political strategy complements our team's expertise in clean energy and technology innovation," Katherine Hamilton, the firm's chair, said in a statement.

**BROMIGOS?** After "[horsing around](#)" during an earlier visit to New Mexico, Heinrich [tweeted](#) a picture of him getting back at Zinke with a headlock Wednesday.

## QUICK HITS

— Federal Utility: Coal Ash Removal Would Take 24 Years. [AP](#).

— Oil Companies Leaking Benzene Lobbied Against Pollution Rules. [International Business Times](#).

— Hurricanes Irma, Harvey restart debate on climate change and warmer oceans. [Miami Herald](#).

— Putin Rejects Cutting Off Oil to North Korea. [New York Times](#).

— Large chunk of U.S. chemical production struggling to come back online after Harvey. [Houston Chronicle](#).

— Harvey Swept Hazardous Mercury Ashore. The Mystery: Its Source. [New York Times](#).

## HAPPENING TODAY

9:00 a.m. — "[NAFTA and North American Energy: What Comes Next?](#)" Atlantic Council, 1030 15th ST NW, 12th Floor

10:00 a.m. — Senate Energy and Natural Resources Committee [hearing](#) on three nominations, Dirksen 366

## THAT'S ALL FOR ME!

**\*\* A message from Chevron:** Advanced technology is helping us find better and safer ways to deliver energy to America. We're piloting a program that uses drones, HD imaging, and thermal mapping capabilities to monitor Chevron wells, tanks, and miles of pipeline. Watch the video: <http://politi.co/2grzhHE> \*\*

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/09/little-new-energy-talk-from->

[trump-in-north-dakota-024474](#)

## Stories from POLITICO Pro

### Trump tries softer touch to woo Heitkamp on tax reform [Back](#)

By Matthew Nussbaum and Elana Schor | 09/06/2017 05:21 PM EDT

President Donald Trump has already tried negotiation-by-threat in his push for tax reform - but on Wednesday he took a softer touch to woo North Dakota Democratic Sen. Heidi Heitkamp to his side.

Trump invited Heitkamp to join him on Air Force One before a joint appearance in her home base of Mandan to tout his signature legislative goal.

The president is leaning on Democratic senators from states he won in 2016 to support his effort for tax reform in hopes of avoiding the narrow defeat suffered by his health care reform proposal in August.

He used a trip last week to Missouri to take a direct shot at its politically vulnerable Democratic Sen. Claire McCaskill, telling his audience at a factory that "you have to vote her out of office" if she doesn't support tax reform.

He did make remarks Wednesday targeting Democrats broadly. "If Democrats don't want to bring back your jobs, cut your taxes, raise your pay and help America win, voters should deliver a clear message," Trump said. "Do your job to deliver for America or find a new job. Do something else. Just do something else."

But he welcomed Heitkamp warmly, declaring her a "good woman."

"Everyone's saying what is she doing up here?" Trump said, gesturing to Heitkamp as she walked on stage. "I'll tell you what. We'll have your support. I hope we have your support."

Later, he added: "You listening, Heidi? She's listening. She heard that. We're not going to put her on the spot. I'm not doing it."

Trump carried North Dakota by 36 points in November. But while Heitkamp has voiced a willingness to support tax reform in the past, it's unclear just how much incentive there will be to cross party lines and hand a win to a president whose approval ratings are mired below 40 percent.

Congressional Republicans plan to pass a tax bill using the filibuster-proof maneuver known as budget reconciliation, signaling to senior Democrats that the GOP will likely pursue cuts for corporate and wealthy taxpayers that are deeply unpopular with their liberal base. Given that initially partisan tone of the tax debate, Democrats are preparing for few if any defections on a bill that may not come to a vote until next year.

Heitkamp, however, is one of the three Democratic senators who declined to sign onto a letter last month committing most of the caucus to opposing any tax bill that cuts bills for wealthy earners. That makes her a ripe target for Trump, who briefly considered appointing the former state tax commissioner to his Cabinet earlier this year.

Heitkamp's looming reelection battle is another potent motivator as Trump courts her vote. One of her potential challengers next year, Rep. Kevin Cramer (R-N.D.), also joined Trump on Air Force One for the Wednesday flight, as did North Dakota Republican Sen. John Hoeven.

The business community in North Dakota shares some of Trump's optimism that Heitkamp can be wooed on taxes.

"The one thing I know about Sen. Heitkamp is on that on many business issues she is fairly business friendly," said Andy Peterson, president and CEO of the Greater North Dakota Chamber of Commerce, who will be attending Wednesday's event. "On things like energy and taxes and things like that, she generally gets it and understands what it takes to make a business operate. ... She has been very friendly with our office on a lot of issues."

"She's not afraid to vote her conscience on something and then stand up and be accountable for why she voted that way," he added.

But Oregon Sen. Ron Wyden, the top Democrat on the tax-writing Senate Finance Committee, said he is "not concerned about" the caucus sticking together to support the stipulations that most of them committed to last month.

Wyden predicted "exceptional unity" around those conditions, including no tax cuts for the top 1 percent of earners and no bill that adds to the deficit, adding that he has talked taxes with Heitkamp "a number of times in recent weeks - she is arguably one of most knowledgeable people about taxes I've met in public life."

The handful of Democratic senators who didn't sign onto the taxes letter, including Heitkamp, "said they agreed with the overwhelming part of this," Wyden added.

A coalition of liberal groups known as Not One Penny, after their opposition to tax breaks for the wealthy, on Wednesday rolled out a five-figure ad buy targeting Heitkamp and Hoeven on the issue.

Sens. Joe Donnelly (D-Ind.) and Joe Manchin (D-W.Va.), who appeared with Vice President Mike Pence in his home state last week, joined Heitkamp in declining to sign the Senate Democratic statement on taxes.

Other red-state Democratic senators facing voters in 2018 appear less inclined to entertain a potential tax-cut plan that adds to the deficit as relief from Hurricane Harvey and other natural disasters takes a separate toll on the Treasury.

"I've got my own guidelines around tax reform: Simplify it, make sure it doesn't add to the debt. Give a break to working families and small businesses," Sen. Jon Tester (D-Mont.) said in an interview.

"But the truth is that we're dealing with a situation right now, with Houston and fires in Montana -- we've got 40 active fires now - \$3 million a day, maybe more than that's going out the window. So we've just got to make sure we're fiscally responsible here moving forward."

*To view online [click here](#).*

[Back](#)

## House passes \$7.9 billion aid bill for Hurricane Harvey [Back](#)

By Sarah Ferris | 09/06/2017 12:35 PM EDT

The House overwhelmingly approved a \$7.85 billion measure this afternoon for response to Hurricane Harvey, with the goal of landing the legislation on President Donald Trump's desk by week's end.

The aid bill now heads to the Senate, where GOP leaders plan to link it to a separate effort to raise the debt ceiling. But an [offer this morning](#) from Democratic leaders has complicated that calculus.

Trump is [aiming to quash](#) growing GOP opposition to the strategy to raise the debt ceiling as part of a Hurricane Harvey relief package, according to multiple House and White House officials. And the House is expected to ultimately approve the deal.

"It's 100 percent the Senate is going to put the debt ceiling on Harvey. It'll come back here, and I think it'll get bipartisan support," Rep. Chris Collins (R-N.Y.) said this morning.

Congress aims to deliver the first installment of aid by Friday, when FEMA is expected to [run out](#) of emergency dollars.

House Speaker Paul Ryan told GOP lawmakers in a closed-door meeting this morning that they must agree to a funding deal this week, even if it means staying in town through Saturday.

In contrast to the lump sums allocated for past disasters like Hurricane Sandy in 2012, Congress is expected to send multiple aid packages in the coming months to help with Hurricane Harvey recovery — an effort Texas Gov. Greg Abbott has [estimated](#) at between \$150 and \$180 billion.

The disaster relief package was passed on a 419-3 vote, with Reps. Andy Biggs (R-Ariz.), Justin Amash (R-Mich.) and Tom Massie (R-Ky.) voting against it.

*To view online [click here](#).*

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## DOE shrinks electricity advisory board [Back](#)

By Darius Dixon | 09/06/2017 05:34 PM EDT

Energy Secretary Rick Perry is installing new members to the Energy Department's Electricity Advisory Committee even as he whittles down the size of the board.

The [2016-17 roster](#) for the board, which reports to the assistant secretary for electricity deliverability and energy reliability, had numbered 32 people, but including the new members,

it will now total 24, since 14 members didn't have their terms renewed.

DOE says that three members had asked the agency not to renew their terms because of other commitments or because they had left the country.

Perry installed six new members: Mike Heyeck, a former AEP executive and founder of Grid Group; Paul Hudson, ex-chairman of the Texas Public Utilities Commission; Mladen Kezunovic, an engineering professor at Texas A&M; Bryan Olnick, an executive with Florida Power & Light; David Wade, CEO of the Electric Power Board of Chattanooga; and Tom Weaver, an official with AEP.

EAC members serve two-year terms, but about half of the positions are staggered so that some measure of continuity is maintained.

The board, which typically meets three times a year, is purely advisory and works on a range of power-related issues. The panel's charter [states](#) that there be "approximately 30" members.

Those not returning are: Ake Almgren, Merwin Brown, Paula Carmody, Paul Centolella, Carlos Coe, Phyllis Currie, Mark Lauby, Janice Lin, Anne Pramaggiore, Paul Roberti, Sue Tierney, Rebecca Wagner, Audrey Zibelman, and Carl Zichella.

**WHAT'S NEXT:** The electricity advisory committee will [meet](#) next Wednesday and Thursday in Arlington, Va.

To view online [click here](#).

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**States, foreign governments press ITC to reject solar petition** [Back](#)

By Luis Sanchez | 08/15/2017 05:48 PM EDT

Several industry leaders, state government officials and representatives of foreign governments pressed the U.S. International Trade Commission at a hearing Tuesday to reject a petition from two domestic solar manufacturers asking for steep tariffs on imported solar cells and modules.

U.S. solar manufacturer Suniva and SolarWorld Americas have asked the commission to declare that solar cell and module imports from predominantly Asian nations have caused "significant injury" to their domestic business.

"U.S. module manufacturers suffered net losses exceeding a billion dollars over a five-year period," Matthew J. McConkey, a spokesperson for Suniva, said at Tuesday's hearing. "As U.S. demand for solar products increased from 2005 to 2016, foreign suppliers, including those from China, Korea, Canada and Malaysia, began capturing an even larger share of the U.S. market."

If the ITC agrees with the two companies that a "deluge" of solar imports had distorted the U.S. market, it could have huge impact on the renewable energy source that has grown rapidly over the past decade as costs for the panels that turn sunlight into electricity have plunged.

Chinese companies dominate the global production of solar cells and modules, and they have built extensive supply chains and manufacturing operations across Asia. President Donald Trump had often criticized China for its trade practices, and on Monday he issued an [executive memorandum](#) calling for U.S. trade officials to "consider all available options" to get China to stop coercing U.S. companies to hand over valuable technology.

Suniva, which is based in Georgia and is majority-owned by China's Shunfeng International, filed its section 201 petition with the ITC in April, just eight days after it filed for Chapter 11 bankruptcy protection. SolarWorld later joined the petition.

The commission has until Sept. 22 to make an injury determination and would submit its report on a proposed remedy to the president by Nov. 13. Trump then has until Jan. 12, 2018, to make a decision on a remedy and present his plan to Congress.

Suniva and SolarWorld are seeking an initial tariff of 40 cents per watt of capacity on all imported solar cells and a 78 cents per watt minimum price for modules, roughly twice the current domestic price for solar modules. Suniva alleges that wages for industry workers dropped by 27 percent and 1,200 U.S. manufacturing jobs were lost between 2012 and 2016 because of imports.

The two companies, the two largest surviving domestic manufacturers of solar cells and modules, are seeking the protections to keep cheaper solar modules from being sold on the U.S. market and further hurting the U.S. industry.

However, opponents of the petition said that manufacturing the equipment is only a small part of the U.S. solar industry. Out of the 260,000 people working in the U.S. solar industry, only about 38,000 people work in manufacturing.

The Solar Energy Industries Association argues that tariffs and price floors would damage the whole solar industry, eliminating 88,000 jobs.

"One out of every 50 new jobs created last year in the U.S. was a solar job. Solar is an American success story whose future remains bright," said Matthew Nicely, a spokesperson for SEIA. "Its continued success could be destroyed by the misguided actions of the two petitioners and their small group of supporters whose workers represent less than one percent of all those that work for this dynamic American industry."

Government officials from several U.S. states also expressed their opposition to the petition at Tuesday's hearing, citing potential job and investment losses.

"If this petition is granted, it may save a few hundred cell or module manufacturing jobs, but there are many thousands of good manufacturing installation jobs that will be lost," Jason Saine, a North Carolina state representative said. "A remedy will do more harm than good here with the only benefit going to a small number of companies that frankly don't deserve it."

Al Christopher, director of the Virginia Department of Mines, Minerals and Energy, said that solar projects were not just helping the economy in his state; they also act as "a vital marketing tool in attracting the growing number of companies seeking renewable energy options when deciding where to make investments."

Several representatives of foreign governments also argued the tariffs weren't justified and

they urged the commission to exclude their nations from possible tariffs.

"The value of imports from Korea was quite low for most of the period investigated," Korean Minister Counsellor for Trade, Industry and Energy Chang K. Kim said. When the shipments from his country increased in 2016, the imports went to the "utility segment of the market and were part of the share the domestic industry could not supply."

Sibylle Zitko, a representative for the European Commission, went a step further, contending "inefficiencies" and "bad investments" were more to blame for Suniva and SolarWorld's woes rather than imports.

"The criteria for the inquisition for safeguard measures are clearly not met in this case and thus the investigation should be terminated," Zitko said.

McConkey said the argument that Suniva and SolarWorld brought their financial problems on themselves was both false and offensive, and the petitioners only needed to show at Tuesday's hearing that they had suffered because of the imports. "We'll get to remedy later this fall," he said,

To view online [click here](#).

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By Anthony Adragna | 10/27/2017 05:47 AM EDT

*With help from Alex Guillén and Eric Wolff*

**MY HEART DRILL GO ON?** Interior Secretary Ryan Zinke has made opening up more areas for oil and gas drilling a key part of delivering on President Donald Trump's pledge to unleash "energy dominance" but there may not actually be that many takers, Pro's Ben Lefebvre [reports](#). Interior plans to offer 10 million onshore acres in the National Petroleum Reserve in northern Alaska in December and 77 million offshore acres across the entire Gulf of Mexico in March, but the combination of low oil prices and ample private land available for fracking may keep some away. "It's almost like having a fire sale of all the acreage," said Ken Medlock, director of the Baker Institute's Center for Energy Studies at Rice University in Houston. "Wouldn't surprise me at all if there's a lot of acreage that doesn't sell."

**Short-term cash infusion:** The federal government is likely to make money from the bids themselves, but many companies are likely to sit on the acreage and wait for oil prices to rise before they start drilling. Both the Gulf and Alaska have high production costs given the remoteness of both locations, making new projects in those locations a tough sell to companies. The most likely outcome of the Gulf lease sale is that a modest number of companies may buy acreage next to drilling rigs already in operation. "They're still showing up [to the lease sales], just not buying a lot," Justin Devery, a principal energy researcher at IHS Markit, told Ben.

**That irks advocates:** When companies leave lands idling the public gets hit twice since the lands cannot be used and they aren't generating income for taxpayers, according to Nada Culver, senior counsel and director at The Wilderness Society's BLM Action Center. "We will lose the ability to use those lands, and at the same time we're not necessarily going to see a return."

**Relatedly,** the Senate Energy and Natural Resources will hold a Nov. 2 [hearing](#) on the potential for oil and gas exploration in ANWR as the committee seeks to meet reconciliation instructions from the budget to raise \$1 billion in revenue over the next decade.

**AND FOR YOUR RADAR TODAY:** Trump huddles with Zinke in the Oval Office today 11:30 a.m. No topic specified, though ME bets Zinke's recommendations on national monument designations will pop up.

**TGIF EVERYONE!** I'm your host Anthony Adragna, and QEP Resources' Shane Schulz was first to identify Hawaii, Idaho, New Hampshire, Rhode Island and Maine as the five states with two House seats. For today: Which four states have the most congressional seats? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**LET THOSE WHITEFISH LETTERS FLY:** Lawmakers penned three separate letters Thursday seeking information related to the \$300 million contract awarded to the tiny

Whitefish Energy based in Zinke's hometown, Pro's Ben and your ME host [report](#).

—A bipartisan group of House Energy and Commerce lawmakers wants a briefing from Whitefish Energy. "In light of the questions that have been raised about your company's involvement in recovery efforts ... it is important to develop a clear understanding of the facts," they wrote in a [Thursday letter](#) to Whitefish Energy CEO Andrew Techmanski.

—House Natural Resources Chairman [Rob Bishop](#) and Oversight Subcommittee Chairman [Bruce Westerman](#) asked the Puerto Rico Electric Power Authority for all documents related to its decision to ink the Whitefish contract. They also asked more broadly for information on how PREPA enters into third-party contracts and what procedures it must follow if it departs from the normal process. [Link](#).

—Senate Energy ranking member [Maria Cantwell](#) and [Ron Wyden](#) asked GAO to investigate the contract in a [separate letter](#).

**Bipartisan resiliency push for rebuilding:** A powerful bloc of senators, including the top Republican and Democrat on the Senate Energy and Natural Resources Committee and the Finance Committee chairman, are pressing the Senate leadership for weather-resilient distributed energy to rebuild the power grids of Puerto Rico and the Virgin Islands, Pro's Emily Holden [reports](#). "Decentralized energy resources operating in microgrids are more likely to remain functioning during and after storms," says the [letter](#), spearheaded by Sen. [Al Franken](#) and signed by Sens. [Lisa Murkowski](#), [Orrin Hatch](#), [Rob Portman](#) and Cantwell.

**Remember that Superfund drinking water story?** Sens. [Tammy Duckworth](#) and [Elizabeth Warren](#) led five of their Democratic colleagues in questioning whether residents on the smaller Puerto Rican island of Vieques had adequate communication infrastructure to heed EPA warnings not to drink water from Superfund sites. "We are unable to guarantee residents there will heed EPA's guidance and avoid the potential adverse health effects associated with drinking contaminated water unless there is sufficient Federal Government presence on the island to provide access to clean drinking water," they wrote in [a letter](#). "We urge you to make monitoring and securing the Vieques site a priority for the duration of recovery."

**Another CODEL leaves:** A bipartisan group of lawmakers, helmed by House Majority Leader [Kevin McCarthy](#) and Minority Whip [Steny Hoyer](#), are visiting the U.S. Virgin Islands, Puerto Rico and the Florida Keys today and Saturday to examine ongoing recovery efforts from the string of recent hurricanes. Also traveling: Bishop, [Jeff Denham](#), [Norma Torres](#) and [Anthony Brown](#). Their visit comes as the Rhodium Group released [a report](#) Thursday concluding Hurricane Maria caused the "largest blackout in American history." Trump signed into law Thursday legislation [H.R. 2266 \(115\)](#) that provides \$36.5 billion to help FEMA with recovery efforts, relieve about half of the National Flood Insurance Program's debt and to keep Puerto Rico's government operational.

**Hearing scheduled:** The Energy and Commerce Energy Subcommittee announced it would hold [a hearing](#) next Thursday to examine the state and federal responses to the storms, as well as ongoing recovery efforts.

**Cornyn: Don't force disaster offsets:** Count Senate Majority Whip [John Cornyn](#) as opposed to OMB Director Mick Mulvaney's [plan to seek offsets](#) for the next batch of disaster relief. "I'm as concerned about the deficits and debt as anybody, but this is emergency spending and we need to get help to the people who need the help," he told reporters.

**INHOFE: GRASSLEY'S RFS POSTURING 'QUESTIONABLE':** Sen. [Jim Inhofe](#) isn't a fan of fellow Republicans [Chuck Grassley](#) and [Joni Ernst](#) holding up EPA nominees last week to extract concessions on the Renewable Fuel Standard. "I think it's questionable in terms of being appropriate," he told ME. "I think [Grassley] used a lot of pressure there that was very effective, I'll say, but that I didn't agree with."

**And Ernst bashes new hold:** After a delay in the confirmation vote on EPA air nominee Bill Wehrum (who passed out of committee on Wednesday), Sens. [Ted Cruz](#) and [Mike Lee](#) retaliated by slapping a hold on Bill Northey's selection to become undersecretary for Farming Development and Conservation at USDA. But that move drew swift condemnation from Ernst. "That has nothing to do with Bill Northey, they need to get that right," Ernst told ME, referring to the USDA hold. "I don't see the connection. Bill Northey, he'll be in charge of conservation programs, it will have nothing to do with the RFS. So why are they blocking him because of the RFS? Just because Big Oil doesn't like it."

**So is this officially a fight?** Senior Republicans downplayed the likelihood their conference would continue to hold up Trump nominees over biofuels. "This happens every day, just happens to be the topic du jour, but we'll work it out," Cornyn told reporters. And EPW Chairman [John Barrasso](#) suggested the move might have just been the senators doing what's in the best interest of their states: "Every senator gets to speak for themselves and do whatever they need to do," he told ME.

**\*\* A message from Chevron:** When an endangered butterfly was found near a Chevron refinery, we protected the habitat and still plant the only thing they eat—buckwheat. Watch the video: <http://politi.co/2gyQXsp> \*\*

**DUCKWORTH: JUST WAIT!** She's been urging her GOP colleagues to let EPA's final biofuels volumes come out on Nov. 30 before considering Wehrum's nomination on the Senate floor, because Duckworth questions the legality of [the reassurances](#) Pruitt sent to corn-state senators last week. "I don't know that it doesn't open the administration to lawsuits from the very same oil interests Mr. Wehrum used to represent," she told ME. "I've been pressuring them to not accept just the word of Mr. Pruitt ... It's simple — just wait, let the rulemaking be done. Just wait!"

**MAIL CALL! GOTTA SHOW YOUR WORK!** A group of 19 members of the Senate Democratic caucus [requested](#) all the documents related to EPA's cost-benefit analysis that they argue relied on "mathematical sleights of hand to over-state the costs of industry compliance" but formed an important part of the proposed repeal of the Clean Power Plan. "Denying the science and fabricating the math may satisfy the agency's paperwork requirements, but doing so will not satisfy the requirements of the law," the letter, led by EPW ranking member [Tom Carper](#), said.

**Senators: This won't be popular:** Eleven Democratic senators are wagging their fingers at Zinke's decision to dramatically increase entrance fees to many of the country's most popular national parks, such as Grand Canyon, Yellowstone and Yosemite. "We believe that it is especially problematic for your Department to propose fee increases at the same time that the Trump Administration is recommending slashing National Park Service funding levels and holding virtual fire-sales on our public resources at below market value," the [letter](#), led by Cantwell, said. The timing of the increase is especially curious as Zinke proudly boasted of record numbers of visitors just a few months ago.

**Wildfire funding must come next:** A bipartisan group of eight senators asked Trump in [a letter](#) to prioritize federal funding for wildfires in the next round of disaster relief funding. "We urge you to make it a priority that all Americans who need emergency assistance get what they need, whether affected by a hurricane, wildfire, or other disaster," the letter, led by Sen. [Kamala Harris](#), wrote.

**LAWSUIT ROUNDUP! 'SUE AND SETTLE' ORDER GETS FIRST TEST:** The state of North Dakota says EPA Administrator Scott Pruitt's recent "sue and settle" [directive](#) bolsters its own argument to nullify a court order requiring the agency to review oil and gas wastewater rules. Environmental groups complained that EPA had not updated its oil and gas wastewater disposal rules since 1988, despite major changes related to the fracking boom and a statutory requirement that EPA reconsider the rules every three years. In December, they struck a deal that requires EPA to decide whether or not to update those rules by March 2019.

North Dakota says Pruitt's order backs up their request that the D.C. Circuit overturn the consent decree. Pruitt's "sue and settle" order "aligns with North Dakota's argument that the settlement in this case imposed obligations on U.S. EPA that go beyond" the law's requirements, the state wrote in a short [letter](#) to the court on Thursday. Environmental groups have pointed out that, in the event EPA does decide to take action, the agency will go through the normal notice-and-comment rulemaking process. Oral arguments are slated for Nov. 7.

**Not waiting any longer:** Environmental Defense Fund sued EPA Thursday over a series of unfiled FOIA requests concerning Pruitt's ethics conflicts, schedule and plans for agency science, Pro's Emily Holden [reports](#). The agency has faced a flood of public records requests during the Trump era with the Office of Public Affairs warning some may take more than a year — well over statutory limits — to fulfill.

**Not a pleasant diversion?** A handful of green groups filed a lawsuit in federal district court challenging federal approval of a project that would divert water from the Colorado River to customers in the Front Range area of Colorado, Pro's Esther Whieldon [reports](#). The Windy Gap Firing Project would divert tens of thousands of acre feet of water from the Colorado River each year to help fill a new reservoir on the Front Range area of Colorado.

**ANALYSES OF PERRY GRID PROPOSAL RELEASED:** Implementing Energy Secretary Rick Perry's grid resiliency proposal could cost consumers up to \$10.6 billion per year, according to [new research](#) from the Energy Innovation and the Climate Policy Initiative. Ninety percent of the benefits to the nuclear sector would go to just five companies — Exelon, Entergy, PSEG, NextEra and FirstEnergy — while 80 percent of the benefits to the coal industry would also go to just five companies — NRG, Dynegy, FirstEnergy, American Electric Power and Talen Energy. Former FERC Commissioner Colette Honorable co-authored initial perspectives on the grid proposal comments for Reed Smith [here](#).

**THEY'RE GOING TO MIAMI:** A large group of Transportation Committee members — Chairman [Bill Shuster](#), [Garret Graves](#), [Grace Napolitano](#), [Brian J. Mast](#), [Daniel Webster](#), [Frederica Wilson](#), [Lois Frankel](#), [Mario Diaz-Balart](#), [Carlos Curbelo](#) and [Eddie Bernice Johnson](#) — gather this morning at 9:30 a.m. at Port Miami to discuss concepts for the next Water Resources Development Act. Webcast [here](#).

**STANDING STRONG:** There may be a new political dynamic in Germany, but all the parties involved in talks to form a government agreed Thursday to uphold previously set climate goals for 2020, 2030 and 2050, POLITICO Europe's Emily Schultheis and Cynthia

Kroet [report](#). The parties — the center-right CDU/CSU alliance, the liberal Free Democratic Party (FDP) and the Greens — did not, however, discuss all the specific means by which these goals would be reached.

**MOVER, SHAKER:** Mary Martin is the new chief counsel for both the House Energy and Commerce Energy and Environment subcommittees. She's previously been deputy chief counsel for both subpanels and before that was policy counsel and committee executive to the environment, technology & regulatory affairs division at the U.S. Chamber of Commerce.

## QUICK HITS

- EPA: Michigan Should Boost Water Safety in Flint, Statewide. [AP](#).
- Trump pledges to speed up Lake Okeechobee dike repairs. [Palm Beach Post](#).
- Four Quitters Walk Into a Bar... [Huffington Post](#).
- Latest U.S. State to Offer Nukes a Lifeline Is Connecticut. [Bloomberg](#).
- Trump's devotion to coal mining puts Utah dinosaur discoveries in danger, scientists say. [Los Angeles Times](#).
- Trump pick for top environmental post once wrote Texas would be 'better off' as an independent republic. [CNN](#).
- Top Venezuela oil executive Chacin arrested in graft probe -sources. [Reuters](#).

## HAPPENING TODAY

9:30 a.m. — World Resources Institute hosts press call on what to expect from COP23 held in Bonn, Germany, RSVP: [rgerholdt@wri.org](mailto:rgerholdt@wri.org)

11:30 a.m. — The Puerto Rico Institute for Competitiveness and Sustainable Economy will hold a discussion on "Puerto Rico: How Best to Get and Keep the Lights Back on." 2043 Rayburn

## THAT'S ALL FOR ME!

**\*\* A message from Chevron:** This is a story about DOERS, butterflies, and buckwheat. In '75, the endangered El Segundo Blue butterfly was found near a Chevron refinery. We protected the habitat and planted the only thing they eat—buckwheat. We're still planting and keeping an eye on our littlest neighbor. Watch the video: <http://politi.co/2gyQXsp> \*\*

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/10/energy-dominance-meets-market-realities-025254>

## Stories from POLITICO Pro

**Interior's 'fire sale' for oil leases may come up short** [Back](#)

By Ben Lefebvre | 10/27/2017 05:01 AM EDT

The Interior Department's latest attempt to jump-start President Donald Trump's pledge to unleash American "energy dominance" might run into cold market reality.

Interior plans to offer up for lease every available tract in the Gulf of Mexico as well as every open acre in Alaska's National Petroleum Reserve-Alaska in a bid to spur more oil and gas development. But with oil still hovering at \$50 a barrel, and private land available in West Texas and North Dakota for fracking, Interior's plan to flood the market may find relatively few takers, experts said.

"It's almost like having a fire sale of all the acreage," said Ken Medlock, director of the Baker Institute's Center for Energy Studies at Rice University. "Wouldn't surprise me at all if there's a lot of acreage that doesn't sell."

Interior Secretary Ryan Zinke has said making the federal land available would prime the pump for more oil and gas production. The department plans to offer 10 million onshore acres in the NPR in northern Alaska in December and 77 million offshore acres across the entire Gulf of Mexico in March. And Interior will start offering leases for the entire Gulf of Mexico twice a year, a change from the previous practice of annual lease sales offering only specific portions of the Gulf at any given time.

"In today's low-price energy environment, providing the offshore industry access to the maximum amount of opportunities possible is part of our strategy to spur local and regional economic dynamism and job creation and a pillar of President Trump's plan to make the United States energy dominant," Zinke said in the offshore lease announcement.

While the lease sales are likely to generate some money for the federal government, analysts said the agency might be limited to a short-term cash infusion from the bids themselves, rather than generating much in royalties on production, since many companies would likely sit on the acreage and wait for oil prices to rise before drilling.

"Bidding on those leases generates revenue in [the first year] for the U.S. taxpayer, which has a benefit all its own," said Kevin Book, managing director for research at ClearView Energy Partners LLC. "As a result, offering as much as possible for lease may have the effect of maximizing bid bonuses, particularly if the leases come with favorable terms."

Interior's lease sales likely won't spur much oil and gas development in the Gulf or Alaska, however. The remoteness of both areas means production costs are high, making new projects in those locations a tough sell to companies that are grappling with low oil prices and are focused on increasing production in the lower 48 states.

U.S. oil production averaged 8.8 million barrels a day last year, up from 5.6 million barrels in 2011, according to Energy Information Administration data. Nearly 1 million barrels per day of U.S. crude are being exported this year.

Deep-water offshore projects cost billions of dollars and can take a decade to develop, and many companies have slashed spending in those areas, according to a recent [report](#) from market consulting agency IHS Markit.

The most likely outcome of the Gulf lease sale will be a modest number of companies picking up acreage adjacent to drilling rigs they already have operating, analysts said. That means that the March offshore lease sale may see a repeat of the result from the big offshore sale Interior

held in August, said Justin Devery, a principal energy researcher at IHS Markit.

Interior had touted that last offshore lease sale as the biggest ever held by the department, with leases for 76 million acres up for sale. But the revenues for the government still fell relatively short, with Interior [garnering](#) \$121 million from bids on 508,096 acres.

"The last [sale] was big and wide and there were only about 100 bids, so it wasn't an overwhelming response, that's for sure," Devery said. "The guys out there, they're adding inventories, adding to plays they already have, but there's no wildcatting going on. They're still showing up [to the lease sales], just not buying a lot."

In Alaska, there may be even less interest. BLM [offered](#) 1.5 million acres in the NPR-A in December 2016, and oil companies bid on only 613,528 acres.

ConocoPhillips, which [announced](#) in January a promising discovery in the area, accounted for nearly half of the 92 overall bids in that sale, with only three other, smaller companies participating. ConocoPhillips declined to say whether it was interested in properties in the upcoming NPR-A lease sale.

Oil companies already hold leases for just over 1 million acres of federal lands in Alaska, according to [government data](#). Of that, only 16,822 acres are in production.

The remainder of those are acres the public cannot use and are not generating income for taxpayers, noted Nada Culver, senior counsel and director of the Wilderness Society's BLM Action Center.

"We will lose the ability to use those lands, and at the same time we're not necessarily going to see a return," Culver said. "So the American taxpayer is getting ripped off twice — you can't use these lands, and you're not getting a return on them letting these companies lock them up."

*To view online [click here](#).*

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## **Committees seek info on Whitefish Energy contract for Puerto Rico [Back](#)**

By Ben Lefebvre and Anthony Adragna | 10/26/2017 04:02 PM EDT

Several lawmakers today stepped up their efforts to get more information about how a small Montana company was selected to help rebuild Puerto Rico's electric grid.

The House Energy and Commerce Committee is asking for a briefing from Whitefish Energy. Republicans on the House Natural Resources Committee are seeking answers from the Puerto Rico Electric Power Authority, the utility that selected the Whitefish, Mt.,-based firm. And the ranking Democrats from the Senate Energy and Natural Resources and Finance committees requested an investigation from the Government Accountability Office.

"In light of the questions that have been raised about your company's involvement in recovery efforts ... it is important to develop a clear understanding of the facts," a bipartisan group of Energy and Commerce Committee leaders wrote today in a [letter](#) to Whitefish Energy CEO

Andrew Techmanski.

Separately, House Natural Resources Chairman [Rob Bishop](#) and Oversight Subcommittee Chairman [Bruce Westerman](#) sent a [letter](#) to PREPA seeking all documents related to its decision to ink the Whitefish contract and for an explanation of how it enters into third-party contracts.

Senate Energy ranking member [Maria Cantwell](#) and Sen. [Ron Wyden](#), the top Finance Democrat, asked GAO to investigate the contract in their own [letter](#).

Whitefish Energy's contract with the Puerto Rico Electric Power Authority has raised questions about whether the small, young company is equipped to do the work. The company is based in the hometown of Interior Secretary Ryan Zinke, but officials with the company and department have said that had nothing to do with it winning the contract.

To view online [click here](#).

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**Murkowski, Cantwell press for distributed power in Puerto Rico, Virgin Islands** [Back](#)

By Emily Holden | 10/26/2017 05:42 PM EDT

The top Republican and Democrat on the Senate Energy and Natural Resources Committee are calling on the Senate leadership to press for weather-resilient distributed energy to rebuild the power grids in hurricane-ravaged Puerto Rico and the U.S. Virgin Islands.

Committee chairman [Lisa Murkowski](#) and ranking member [Maria Cantwell](#), today signed on to a [letter](#) spearheaded by Sen. [Al Franken](#) (D-Minn.). Sen. [Orrin Hatch](#) (R-Utah) and [Rob Portman](#) (R-Ohio) joined them.

The senators said Hurricanes Irma and Maria exposed the vulnerability of the power grids on the islands, and some communities face months without electricity. Congress has already approved about \$52 billion in aid for recent hurricanes and is expected to sign off on more spending.

"Decentralized energy resources operating in microgrids are more likely to remain functioning during and after storms," the letter said, noting that the declining costs of solar, wind, energy efficiency and battery storage in many instances makes them more affordable than existing power sources. The islands rely mostly on power plants fueled by oil, natural gas and coal.

In a speech over the weekend at the Alaska Federation of Natives convention, Murkowski broke with the party line to emphasize that "climate change is real" and she backed adding more alternative energy across the state, where rural communities often rely on diesel generators.

"Our world is changing," she said, according to [Alaska Public Media](#). "And we all know that climate change is at the heart of this change."

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## **White House seeks offsets for third disaster package** [Back](#)

By Sarah Ferris | 10/25/2017 11:52 AM EDT

The White House plans to ask Congress for "tens of billions" of dollars in additional disaster relief funding next month and urge lawmakers to at least partially offset that spending.

OMB Director Mick Mulvaney told Senate Majority Leader [Mitch McConnell](#) in a [letter](#) Tuesday that the Trump administration will formally request the money "in mid-November," marking the third emergency aid package in three months.

Mulvaney also delivered his strongest plea yet for GOP leaders to offset the funding, rather than considering it "emergency" dollars that don't count toward Congress' spending limits, as first reported in [POLITICO Playbook](#).

"As we move toward the longer-term issue of rebuilding the impacted areas of our Nation, we believe it would be appropriate that the Congress consider reducing spending elsewhere," Mulvaney wrote in the letter.

The comments — consistent with Mulvaney's stance when he served in Congress — will likely complicate passage of the next cash infusion for FEMA.

Congress has now approved more than \$52 billion in emergency disaster aid this year, [clearing](#) the latest \$36.5 billion package ([H.R. 2266 \(115\)](#)) Tuesday.

The budget director said he will craft the next spending request with direct help from affected lawmakers — an apparent attempt to appease Texas and Florida members who say they were ignored in the White House's last request.

Those frustrations have become an issue for the administration. Sen. [John Cornyn](#) has said he plans to block the confirmation of Mulvaney's deputy director, Russ Vought, until the Texas Republican is assured that his home state will receive adequate aid in the next package.

*To view online [click here](#).*

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## **Pruitt issues EPA directive to curb 'sue and settle'** [Back](#)

By Alex Guillén | 10/16/2017 12:34 PM EDT

EPA Administrator Scott Pruitt today signed a [directive](#) and accompanying [memo](#) meant to curtail what he has criticized as EPA's "sue and settle" practice.

The new directive calls for more agency outreach to industry groups and will require EPA to post various documents related to such lawsuits online.

Pruitt and other Republicans have long been critical of EPA for settling suits with environmental groups over missed statutory deadlines. Green groups and Democrats note the consent decrees generally only lock in a timeline for the agency to act, not the underlying regulatory details.

To view online [click here](#).

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### **EDF sues EPA over delays in releasing public records [Back](#)**

By Emily Holden | 10/26/2017 04:41 PM EDT

The Environmental Defense Fund said today it is suing EPA for failing to release public records about Administrator Scott Pruitt's potential ethics conflicts, schedule or plans for agency science that the group has sought under the Freedom of Information Act.

According to the [lawsuit](#) filed with the D.C. Circuit of the U.S. Court of Appeals, one of EDF's requests dates back to January, and the others are from March and June. A statutory deadline gives EPA 20 days to make a determination on whether to release information unless there are certain "unusual circumstances." EDF says EPA has not demonstrated those circumstances or sought an extension.

The agency has said it is receiving high volumes of public records requests. The Office of Public Affairs, for example, recently said it received 154 requests in fiscal 2017, compared to 14 in fiscal 2016. OPA has said some requests will take more than a year to fulfill.

An EPA spokesperson said the agency does not comment on pending litigation.

EDF is seeking information about an ethics agreement Pruitt signed while his nomination was pending, including why he determined he could work on a rule to withdraw the Clean Power Plan even though he brought lawsuits against it as attorney general of Oklahoma.

The group is seeking Pruitt's daily schedules, too. EDF argues that releases so far have included many redactions and that a recently published public calendar is brief and vague.

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### **Green groups sue over federal approval of Colorado River diversion project [Back](#)**

By Esther Whieldon | 10/26/2017 04:28 PM EDT

A handful of environmental groups today filed a lawsuit challenging the federal government's approval of a project that would divert water from the Colorado River to customers in the Front Range area of Colorado.

The [lawsuit](#) filed with the U.S. District Court for the District of Colorado challenges the Bureau of Reclamation's decision in 2014 and the Army Corps of Engineers' action in May approving the Windy Gap Firing Project. That project, proposed by the Northern Colorado Water Conservancy District, would divert tens of thousands of acre feet of water from the Colorado River each year to help fill a new reservoir on the Front Range area of Colorado.

The decision comes as lower basin states are working on a plan to voluntarily reduce their usage beyond mandatory levels to address problems caused by the river's shrinking supplies.

The green groups contend the agencies failed to consider alternatives to the project and ignored flaws and gaps in the data and in Reclamation's review.

"This case boils down to inadequate analysis and poor decisionmaking resulting in significant water diversions from the already depleted Colorado River," said the lawsuit filed by the Save the Colorado, Save the Poudre: Poudre Waterkeeper, WildEarth Guardians, Living Rivers and Waterkeeper Alliance.

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**Date:** Tuesday, October 03, 2017 5:45:00 AM

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By Anthony Adragna | 10/03/2017 05:41 AM EDT

*With help from Eric Wolff, Lauren Gardner and Alex Guillén*

**FERC AIMS FOR QUICK WORK:** FERC [is asking](#) for initial comments on DOE's proposed rule that would benefit nuclear and coal-fired power plants to be submitted in just three weeks — a timeline that suggests the independent commission is eager to move quickly on the Trump administration's [proposal](#) that is already generating push-back from a diverse group of major industry players. In a notice out late Monday, FERC set an Oct. 23 comment deadline and said reply comments would be due by Nov. 7.

**Energy super-group says slow down:** Representatives of oil, natural gas, wind, solar and other sectors urged FERC in a Monday [letter](#) to pump the brakes on Energy Secretary Rick Perry's request for a quick turnaround on the new rules, Pro's Darius Dixon [reports](#). "This is one of the most significant proposed rules in decades related to the energy industry and, if finalized, would unquestionably have significant ramifications for wholesale markets under the Commission's jurisdiction," wrote the 11 groups, including the American Petroleum Institute, Solar Energy Industries Association and Electric Power Supply Association. They called Secretary Rick Perry's proposed timeline "unreasonable on its face."

**Murkowski seems lukewarm:** Senate Energy Chairman [Lisa Murkowski](#) also seemed lukewarm to Perry's push, saying in a statement she respects "Secretary Perry for taking an action that he believes is necessary" and "will be following the proceedings closely" at FERC.

**DOE's proposal should be a hot topic on the Hill today.** The House Science Committee takes a look at grid resilience at a [hearing](#) at 10 a.m. in Rayburn 2318. Then this afternoon a House Energy and Commerce subcommittee will [hear](#) a wide variety perspectives on reliability in a changing electric sector, including representatives of the coal and nuclear industries as well as several of the groups who signed that letter, at 2 p.m. in Rayburn 2123.

**TRUMP HEADS TO PUERTO RICO TODAY:** President Donald Trump heads to the devastated island of Puerto Rico today even as information released Monday by the federal government hints at the lengthy recovery road ahead. Puerto Rican Gov. Ricardo Rosselló said at a news conference that just one in 10 of the island's nearly 3.5 million people are likely to have power within two weeks, and only a quarter of the island should have the lights on by next month. It's a similarly dire situation for drinking water: 47 percent of residents have potable drinking water right now, though Rosselló said that number should climb to around 60 percent by the end of the week.

**The president summed up his view of the situation Monday.** "It's been amazing what's been done in a very short period of time on Puerto Rico. There's never been a piece of land that we've known that was so devastated," Trump said in Oval Office remarks. "The bridges are down, the telecommunications was nonexistent, and it's in very, very bad shape. The electrical grid, as you know, was totally destroyed. But we've gotten tremendous amounts of food and water, and lots of other things — supplies — generally speaking, on the island." The

White House said San Juan Mayor Carmen Yulín Cruz, who drew Trump's wrath over the weekend, has been invited to events with him today.

**Disaster relief request coming:** Meanwhile, the Trump administration is expected to by the end of this week request between \$10 billion to \$15 billion to respond to the disaster, Playbook [reports](#).

**The Center for American Progress** today is out with a [policy roadmap](#) for lawmakers as they consider the next round of assistance for Puerto Rico and other areas impacted by hurricanes. They urge Congress to enact policies to improve resiliency, update flood risk information and prioritize underserved communities, among other ideas, rather than just throwing money at the problem.

**PERMANENT JONES ACT REPRIVE?** Senate Majority Leader [Mitch McConnell](#) on Monday fast-tracked potential consideration of legislation [S. 1894 \(115\)](#) that would permanently exempt Puerto Rico from the Jones Act, which bans foreign-flagged ships from traveling between U.S. ports. After sustained pressure, Trump [granted](#) a 10-day Jones Act waiver for Puerto Rico last week.

**WELCOME TO TUESDAY!** I'm your host Anthony Adragna, and the American Chemistry Council's Jon Corley was first to ID former Rep. Cynthia McKinney as the 2008 Green Party nominee. For today: What "Love Boat" actor went on to serve four terms in Congress for Iowa? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**ITC TO GET AN EARFUL ON REMEDY FOR THAT SOLAR BURN:** The U.S. International Trade Commission will hear arguments this morning about how to best level the playing field for U.S. solar manufacturers, and it looks like it's going to be [quite a show](#), with hours' worth of speakers lined up. The commission [found last week](#) that U.S. solar manufacturing had been harmed by cheap solar imports, over the objections of the rest of the solar industry.

**In this corner, for the installers:** The Solar Energy Industries Association, along with solar producer SunPower, told the ITC in its [brief](#) that a tariff will result in the loss of 62,800 jobs in 2018 and 80,000 jobs in later years. Sen. [Martin Heinrich](#) will bat for the no-tariffs team, along with a laundry list of SEIA witnesses. They will also be backed by representatives from the embassies of China, Korea, Brazil, and Mexico.

**And in this corner, for the petitioners:** In their public briefs, Suniva and SolarWorld Americas [offered](#) the commission two choices: A tariff plus a price floor for solar cells, or a tariff plus a quota. Sen. [Ron Wyden](#) and Rep. [Suzanne Bonamici](#), both of Oregon, will speak in support of their home-state SolarWorld, which wants tariffs and a price floor. "I urge the Commission to recommend a remedy robust enough to repair the serious injury already experienced by the U.S. solar manufacturing sector and to ensure its long-term growth and competitiveness," Wyden will say according to an excerpt of his statement obtained by ME. "In practical terms, that means identifying a remedy that helps to revive a domestic manufacturing sector central to our leadership in energy innovation yet long under siege."

**And First Solar shall be first:** SEIA also locates a winner if tariffs are imposed, Arizona-based thin film manufacturer First Solar, which does much of its manufacturing in Malaysia. "Thin-film solar directly competes with CSPV solar in the marketplace. Consequently, global

trade restrictions on [crystalline silicon photovoltaic] would raise rivals' costs and drive customers toward First Solar's products, strengthening First Solar's already strong hand."

**MORE CONCERNS RAISED OVER RFS POTENTIAL CHANGES:** Nearly all major biofuel trades and the corn growers are out with [a letter](#) this morning to Trump urging him to abandon "drastic, unprecedented changes" to change the Renewable Fuel Standard that they said would benefit a select few petroleum refiners. "The proposed changes are inconsistent with the law and threaten the growth and prosperity of the U.S. biofuels industry," wrote signatories of the letter, including National Corn Growers Association, Renewable Fuels Association and Growth Energy. "EPA's changes are also inconsistent with Administrator Pruitt's assurances to uphold the law and your long-standing support of ethanol and the RFS." EPA [released a notice](#) last week suggesting it might reduce the already set 2018 biomass-based biodiesel requirement and shrink the mandate in 2019.

**Grassley confirms Trump conversation:** Iowa Sen. [Chuck Grassley](#) told reporters he discussed his concern over potential changes to the RFS during a Friday phone conversation with Trump. "They're trying to respond to big oil and not take into consideration the needs of alternative energy, biofuels," he said. "Cutting back on the mandate isn't a way you're going to encourage capital and capital is what we need now to get pumps to pump E15 instead of E10."

**Seems relevant:** The White House previously [granted](#) EPA deputy general counsel Erik Baptist, a senior counsel to the American Petroleum Institute for more than six years, an ethics waiver to work on RFS issues given his "expertise in this program and its policy and implementation." Copy of that waiver [here](#).

**NO OZONE DESIGNATIONS AS DEADLINE PASSES:** EPA appears to have missed the Oct. 1 deadline to say which parts of the U.S. meet the 2015 ozone standard and which don't, a key step toward implementing the regulation. The agency is remaining mum; a spokesperson told ME Monday that there is "no further information" on when the designations will be released. The matter has been controversial for months, ever since Administrator Scott Pruitt said he would delay the designations by a year — a delay he later reversed following lawsuits from Democratic attorneys general and environmental groups. (The 2015 standard itself is also under review, with no specific timeline attached.) It may be a while before green groups can take Pruitt to court. The Clean Air Act requires them to provide EPA with 60 days' notice before filing a lawsuit over a missed deadline, meaning any suit couldn't be filed until December at the earliest.

**Also adding uncertainty** to the process is a [pending proposed rule](#) at OMB that appears to set new thresholds for how EPA classifies ozone areas. That rule arrived at OMB on Sept. 21. EPA had previously proposed classification details last November that the agency characterized as only minor changes to the implementation rules for the 2008 ozone standard. An EPA spokesperson declined to comment on a rule under review at OMB.

**\*\* A message from Chevron:** When an endangered butterfly was found near a Chevron refinery, we protected the habitat and still plant the only thing they eat—buckwheat. Watch the video: <http://politi.co/2fvfOTm> \*\*

**WHAT ABOUT LOLA?** Two House Democrats want Interior's inspector general to expand its newly announced investigation into Secretary Ryan Zinke's non-commercial travel to also include his wife, Lola, in light of her involvement with a GOP Senate campaign in Montana, Pro's Esther Whieldon [reports](#). "Because the secretary's spouse is leading a Senate campaign in

Montana, tax-payer funded travel for Mrs. Zinke, especially to or from Montana, deserves heightened scrutiny," [Raul Grijalva](#) and [Donald McEachin](#) wrote in [a letter](#) Monday.

**HEARING ROUNDUP! SEEMS LIKE A PATTERN HERE:** The Senate Energy and Natural Resources Committee [axed a vote](#) slated for this morning on the nominations of Steven Winberg to be assistant Energy secretary for fossil energy and Bruce Walker to be assistant Energy secretary for electricity, delivery and energy reliability. No reason was given.

**RALLY AGAINST DOURSON:** Ahead of Wednesday's hearing on four EPA nominations, Sens. [Tom Udall](#) and [Richard Blumenthal](#) are holding a press conference with advocates today at 2:30 p.m. to protest Michael Dourson's nomination to run the agency's chemicals office. Udall, you'll remember, was a key architect of the revamped national chemicals law last year.

**LIFELINE FOR NAVAJO GENERATING?** Peabody Energy said Monday it had found "a number of highly qualified potential investors" interested in taking an ownership stake in the Navajo Generating Station that would allow it to continue operating beyond 2019. It did not provide further details. The plant's current owners said back in February they planned to close the facility after 2019, several decades before expected. But Zinke [said in late June](#) that "one of Interior's top priorities" has been finding a way to keep it operating.

**MAINE ATTRACTION:** Democrat Lucas St. Clair, who led a successful push to create the Katahdin Woods and Waters National Monument, announced Monday he'll challenge incumbent Rep. [Bruce Poliquin](#), the Bangor Daily News [reports](#). St. Clair is the 39-year-old son of Burt's Bees entrepreneur Roxanne Quimby and resigned his post as president of the Friends of Katahdin Woods and Waters to run for office.

**NOT IN SLO'S BACKYARD:** Energy company Phillips 66 will drop its lawsuit challenging a California county's denial of a proposal that would have let the refiner bring millions of gallons of oil per week by train to its facility in Santa Maria, environmentalists who opposed it said Monday. The county's decision to reject the project came after the Surface Transportation Board last year [declined](#) to prevent another California city from denying Valero Energy's bid to expand crude-by-rail operations. The San Luis Obispo Tribune [reports](#) that the parties reached a settlement, which must be approved by a court.

**PAUSE BUTTON HIT:** Amid the worst mass shooting in modern U.S. history, a broad sportsmen's package with controversial gun silencer provisions is no longer expected to get a House vote in the near future, POLITICO's John Bresnahan and Heather Caygle [report](#). Democrats said the Las Vegas massacre was just one more reason to shelve the bill. "There's a lot we need to do in the wake of this mass shooting. We don't need to make it easier to get hold of items that could make mass casualty events even more deadly," Grijalva said in a statement.

**TAKE A GLANCE! STUDY: U.S. PAYS BIG FOSSIL FUEL SUBSIDIES:** Oil Change International is out with [a report](#) today finding the U.S. provides more than \$20 billion toward oil, gas and coal production annually. Those include \$14.7 billion in annual federal subsidies and \$5.8 billion in yearly state-level incentives.

**REPORT: GETTING EASIER TO HIT CLEAN POWER PLAN GOALS:** The Institute for Policy Integrity at NYU's School of Law is out with [a report](#) today arguing the emissions reduction targets of the Obama administration's Clean Power Plan are more achievable due to changes in the electric sector. If the agency were to redo its regulatory impact analysis with

recent developments, the report argues compliance costs would be even lower than originally thought.

**MOVER, SHAKER:** Peter Tomasi has joined Foley & Lardner LLP's environmental practice as of counsel in its Milwaukee office. He was previously a partner at Quarles & Brady LLP.

## QUICK HITS

- In the heart of China's coal country, a city bans most coal: Xinhua. [Reuters](#).
- Residents: Tests find toxic chemicals after Texas plant fire. [AP](#).
- Trump closes WH event to highlight deregulation. [Washington Post](#).
- Can Hollywood Movies About Climate Change Make a Difference? [New York Times](#).
- Gina McCarthy holds out hope on climate policy. [High Country News](#).
- EPA nominee has ties to WV chemical controversies. [Charleston Gazette-Mail](#).

## HAPPENING TODAY

9:00 a.m. — "[Carbon Capture: A Business Opportunity in the Global Low-Carbon Economy](#)," Global CCS Institute, National Press Club, 529 14th Street Northwest

10:00 a.m. — "[Resiliency: The Electric Grid's Only Hope](#)," House Science, Space and Technology Committee, Rayburn 2318

10:00 a.m. — Legislative [hearing](#) on H.R. 3400, House Natural Resources Committee, Longworth 1334

10:15 a.m. — Senate Energy and Natural Resources Committee holds [hearing](#) to consider various nominations, Dirksen 366

10:30 a.m. — "[Full Committee Hearing to Examine Energy Storage Technologies](#)," Senate Energy and Natural Resources Committee, Dirksen 366

11:30 a.m. — Manchin, Capito, McKinley and Welch introduce the American Miners Pension Act, S-120

2:00 p.m. — "[Part II: Powering America: Defining Reliability in a Transforming Electricity Industry](#)," House Energy and Commerce Energy Subcommittee, Rayburn 2123

2:30 p.m. — Senate Energy and Natural Resources Subcommittee [hearing](#) on various bills, 366 Dirksen

## THAT'S ALL FOR ME!

**\*\* A message from Chevron:** This is a story about DOERS, butterflies, and buckwheat. In '75, the endangered El Segundo Blue butterfly was found near a Chevron refinery. We protected the habitat and planted the only thing they eat—buckwheat. We're still planting and keeping an eye on our littlest neighbor. Watch the video: <http://politi.co/2fVfOTm> \*\*

To view online:

<https://www.politicopro.com/tipsheets/morning-energy/2017/10/heavyweights-weigh-in-on-solar-tariffs-today-024877>

## Stories from POLITICO Pro

### DOE's Perry pushes FERC to support coal power plants [Back](#)

By Darius Dixon | 09/29/2017 02:48 PM EDT

The Trump administration on Friday called on FERC to create new rules to protect coal-fired and nuclear power plants that are being squeezed by cheaper natural gas and renewable sources, saying they were "indispensable for economic and national security."

Energy Secretary Rick Perry, who [told miners](#) in Pennsylvania on Thursday that "it's time for coal in this country to be revived," pressed electricity regulators to alter power markets and protect the resilience of the power grid with payments to generators that keep fuel supplies on site, a clear reference to the coal-fired and nuclear power plants.

The proposal, which DOE said gave FERC 60 days to create a final or interim rule, comes just a month after Perry's agency issued a report saying FERC should "expedite" its work with grid operators to ensure the stability of the nation's power network.

"In terms of process, this is a pretty bold move," said Tony Clark, a Republican former FERC commissioner. DOE often conducts studies on issues it believes need attention, he said, but "actually forwarding to the commission something specific for action is a pretty bold way of moving the issue right up the batting order at FERC."

The new proposal, directed at FERC under a rarely used Section 403 authority of the Department of Energy Organization Act, stops short of specifically seeking market incentives for coal. But it calls for full-cost recovery for power generating units that provide essential power and "ancillary" services — and have a 90-day fuel supply on site in case of natural or man-made disruptions. That would exclude most natural gas power plants, which do not typically keep large fuel inventories on hand and instead receive supplies via pipeline.

Perry's request represents a departure from the two decades of U.S. policy that has trended toward more market-based tools, which has helped natural gas to nearly double its power market share. Renewable energy sources like wind and solar, though still modest when compared to fossil fuels or nuclear power, have also grown quickly as federal incentives helped drive down their costs.

But the growth of renewables and natural gas — combined with tighter pollution controls and weak new demand for electricity — has forced hundreds of old coal-fired power plants into retirement. Nuclear power plants in some parts of the country are also under financial pressure, hurt by negative wholesale power market prices that sometimes require the plant owners to pay to deliver their power supplies.

"If this gets the debate started, then my hat's off," said former FERC Chairman Pat Wood, a friend of Perry and a strong advocate for market-based power systems. "But it's a pretty arresting [thing] to wake up and read. That would never have played in Texas. ... If there is a service to be valued, then a market can value that."

In the [grid study](#) ordered by Perry and released in August, DOE experts pointed to low power prices and cheap natural gas as the single [biggest reason](#) for coal ceding its position as the nation's biggest source of electricity. And that report also called for "reforms" to power markets that would help bolster the electricity network's resilience by easing the financial pressures on many power providers.

In its Friday proposal, DOE cited a spike in demand during the 2014 "polar vortex" that hit much of the U.S., which prompted utilities to run many coal plants that were slated for retirement. Without those plants, as many as 65 million people in the PJM market would have seen their power resources threatened, DOE said.

But the new regulatory pitch from the agency also fueled the growing feud between the gas and coal industries.

Paul Bailey, president and CEO American Coalition for Clean Coal Electricity, commended Perry for "initiating a rulemaking by FERC that will finally value the on-site fuel security provided by the coal fleet."

But the American Petroleum Institute, which also represents natural gas producers, said DOE drew the wrong conclusions from the 2014 event, and that forcing new mandates on the power market wasn't the solution.

"[A]s we review the proposal we are concerned the agency has mischaracterized the lessons learned from past weather-related events and appears to suggest that additional regulation is the answer where markets have already proven the ability to greatly benefit consumers and give our electric system the flexibility needed to meet constantly, and often rapidly, changing electricity demands," said API Executive Vice President and Chief Strategy Officer Marty Durbin in a statement.

FERC, which has struggled to integrate states' energy policies that aim to boost renewables or support aging nuclear power plants, has long maintained a fuel-neutral stance in the regional markets that it oversees. If it were to follow Perry's directive to create incentives for grid resilience to plants that maintain their own fuel inventories on site, it would be an implicit move at the national level to alter the electricity markets to support the fuels that both Perry and Trump have touted.

Montana regulator Travis Kavulla [suggested](#) on Twitter that rather than deal with the pressing issues facing the grid, "Instead, this reform is sort of the [@ENERGY](#) equivalent of the Oprah "you get a car, and you get a car. And you? A car!" approach."

However, FERC, whose members are appointed by the president and operate as an independent body, isn't obligated to implement the specific policy pushed by Perry. The commission will so be back to operating with a full five members in the coming weeks, with a Republican majority.

"FERC's going to follow its own procedures," said Marc Spitzer, a Republican former FERC commissioner. "It would be a mistake for people to assume that this is going to be some partisan Republican rubber stamp given the way FERC works."

FERC can spend months or years digging into complex issues that underpin the power markets, and its commissioners tend to seek common ground with each other to ensure that its

rules are clear and ensure long-lasting regulations that give utilities stability to plan their operations.

"Is someone really going to invest [billions of dollars] when it's a 3-2 vote that partisans and the parties can flip next year? Is that a good forum for investment as opposed to a 5-0 order?" Spitzer said.

FERC declined to say when the agency last received a rulemaking from DOE using Section 403.

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## **Gas, oil, renewables, utility groups ask FERC to lengthen debate on DOE pricing rule**

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By Darius Dixon | 10/02/2017 05:43 PM EDT

Nearly a dozen energy-related trade associations are [pleading with FERC](#) today to pump the breaks on an Energy Department request for rules that would benefit nuclear and coal-fired power plants, calling the Trump administration's proposed timeline "unreasonable on its face."

DOE last week asked FERC to quickly implement a [proposal](#) mandating payments to power plants for their on-site fuel stocks. Today, representatives of oil, natural gas, wind, solar and other sectors were unified in their opposition to that time frame.

"This is one of the most significant proposed rules in decades related to the energy industry and, if finalized, would unquestionably have significant ramifications for wholesale markets under the Commission's jurisdiction," wrote the 11 groups, including the American Petroleum Institute, Solar Energy Industries Association and Electric Power Supply Association. DOE's time frame is "wholly unreasonable and insufficient to allow for an informed consideration of the significant issues proposed therein."

DOE directed FERC to take "final action" on the proposal within 60 days of its publication in the Federal Register, and make it take effect within 30 days after that. Alternately, DOE said regulators should institute it as an interim final rule with the potential for later changes.

The groups, which have asked for FERC to convene a technical conference and offer a 90-day comment period, said the commission "is justified in setting its own schedule for seeking comments on the NOPR, should it choose to notice it or a similar proposed rule for comment at all."

**WHAT'S NEXT:** The timeline on DOE's proposed rule will start once it's published in the Federal Register, but it is unclear when that might be.

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## **White House: Trump to allow foreign ships to supply Puerto Rico** [Back](#)

By Colin Wilhelm | 09/28/2017 08:59 AM EDT

President Donald Trump will grant a 10-day waiver to the Jones Act to allow non-U.S.-flagged ships to transport supplies to Puerto Rico in a bid to speed the commonwealth's recovery from Hurricane Maria's devastation.

White House press secretary Sarah Huckabee Sanders announced the waiver Thursday morning via Twitter and said "it will go into effect immediately."

Puerto Rico had petitioned the Department of Homeland Security for a waiver as it struggles with shortages of water and fuel. The administration denied that request two days ago, and the president told reporters Wednesday that, "we have a lot of shippers and a lot of people and a lot of people who work in the shipping industry that don't want the Jones Act lifted."

Puerto Rico Gov. Ricardo Rosselló had continued to press the U.S. government for a waiver, including on morning cable news television on Thursday. Senate Republicans John McCain of Arizona and Marco Rubio of Florida also called for the relief, as did most congressional Democrats.

Later Thursday morning House Democrats pushed Trump for more.

"The waiving of the Jones Act was a good idea, but we want to stretch it out to be longer than ... 10 days," Rep. Jose Serrano (D-N.Y.) said. "Much longer than that."

McCain and Sen. Mike Lee (R-Utah) introduced legislation today to permanently exempt Puerto Rico from the Jones Act.

Lawmakers argued that more help was needed from the military as well, needling Trump over reports from Puerto Rico that there's not enough support from the federal government to distribute supplies sitting in the capital of San Juan.

The military response continues to gradually ramp up after the repeated calls from Congress and the commonwealth government.

The deputy commander for the regional Department of Defense command coordinating relief efforts, Brig. Gen. Rich Kim, is scheduled to arrive in Puerto Rico on Thursday. The USS Comfort, a naval hospital ship, will depart Norfolk, Va., on Friday for Puerto Rico.

But that didn't satisfy lawmakers calling for more.

In a [letter](#) sent Thursday afternoon, Rubio pushed for Trump to use his constitutional authority as commander in chief to increase the military's involvement in coordinating disaster relief efforts.

"There is no clear command, control, and communication between local officials on the ground and federal agencies, and many roads and bridges remained unpassable, making it even more difficult for repair crews to restore power and communications to areas of the island outside of San Juan," Rubio wrote. That has resulted in "lifesaving supplies sitting in

containers rather than being distributed upon arrival," he wrote.

"This unique situation requires a well-coordinated response led by the Department of Defense (DOD), which is the only entity capable of executing a recovery effort of this scale and complexity," he said. "I urge you, as commander-in-chief, to make DOD the lead agency in the ground phase of recovery efforts."

"We have the resources," said Congressional Hispanic Caucus Chair Michelle Lujan Grisham (D-N.M.), referring to the U.S.

The number of Americans affected by Hurricane Maria in the Caribbean is equivalent to "the combined populations of the states of Wyoming, Vermont and Alaska," she added. "I have no doubt that the responses to those states in this situation would be far different than the situation we're having today."

Several states have offered to help deploy their own personnel to help Puerto Rico, and the Congressional Hispanic Caucus chair said House Democrats were looking for ways to expedite that.

In an interview with CBS, Rene Plasencia, a Republican in the Florida state house who accompanied emergency responders to Puerto Rico, said those responders could not get transportation from officials on the ground to provide help.

"We've been trying to get [rescue] planes in [from Florida] since last Friday," Plasencia said.

Democrats also criticized Trump's remarks earlier this week that delivering emergency supplies to Puerto Rico is difficult because it's an island.

"Well, you built a golf course there so you certainly knew where it was," Rep. Luis Gutierrez (D-Ill.) said. He was referring to a Trump brand golf course that went bankrupt a few years after the president began his involvement with the project, leaving the commonwealth government on the hook for millions in debt.

"Mr. President, talk to your national security team," Serrano said. "They certainly had plans for 50 years to invade an island in the Caribbean," he said, referring to Cuba. "So they know how to get troops and the military into an island."

Talk has already begun in Congress around an aid package. Some on the left want a suspension of the law that Congress passed last year to allow the commonwealth to restructure its \$70 billion in bond debt that also instituted an unpopular federal oversight board. But Republicans, who have promised ample disaster relief funding when a request comes from the Trump administration, would likely reject that.

Rep. Nydia Velazquez (D-N.Y.) estimated that \$50-\$70 billion would be needed to rebuild Puerto Rico, and Gutierrez pushed for the federal government to pick up the total bill for the cash-strapped island, likening it to a sick patient in the hospital.

"It's bankrupt," Gutierrez said. "There is no money in Puerto Rico to make copayments."

"This is Katrina 2017," he said.

*Seung Min Kim contributed to this report.*

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## **White House praises solar manufacturers in statement on trade decision [Back](#)**

By Eric Wolff | 09/22/2017 01:15 PM EDT

The White House praised the role of U.S. solar manufacturing in providing "energy security and economic prosperity" in its response to a federal trade panel's [finding today](#) that will give President Donald Trump the final word on setting tariffs and quotas on solar imports.

In a unanimous vote, the U.S. International Trade Commission said domestic panel and cell makers had been harmed by cheap imports, agreeing with the petition filed by Suniva and SolarWorld USA.

"The President will examine the facts and make a determination that reflects the best interests of the United States," said Natalie Strom, a White House spokeswoman. "The U.S. solar manufacturing sector contributes to our energy security and economic prosperity."

Solar manufacturing made up 13 percent of the 260,000 jobs in the solar industry was the slowest growing segment between 2010 and 2016, according to the 2016 National Solar Job Census from the nonprofit Solar Foundation.

**WHAT'S NEXT:** The commission will send recommendations for tariffs to the president by Nov. 13.

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## **Suniva, SolarWorld modify remedy proposal in trade case [Back](#)**

By Eric Wolff | 09/28/2017 07:20 PM EDT

Suniva and SolarWorld USA are pressing a U.S. trade panel to recommend that President Donald Trump institute either a floor price for imported solar equipment or tariffs plus a quota that caps the amount of solar panels and cells that can enter the country.

The two solar panel manufacturers filed a joint brief to the U.S. International Trade Commission, and each recommended different remedies, though they said that either option could be selected.

Suniva recommends a price floor for all solar modules that starts at 74 cents per watt and declines over the four years of the tariff, as well as tariffs for both modules and the solar cells. SolarWorld said it was seeking a a quota of 220 MW on imported cells and 5,700 MW on imported modules.

"Both co-petitioners agree that an effective remedy must include either the co-petitioners' requested tariff plus Suniva's requested module floor price or the co-petitioners' requested tariff plus SolarWorld's requested quota," the companies said in a joint statement.

Briefs were due on Wednesday to the ITC, and the companies publicly released their proposals to today, excluding proprietary company information.

The ITC voted unanimously last week that low-cost imports had harmed the domestic solar manufacturing industry. Under the "safeguard" provisions of the Trade Act, Trump will have the final say in what tariffs to impose.

**WHAT'S NEXT:** The commission will have a hearing on remedies on Oct. 3.

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**Biofuel producers unite against potential EPA biodiesel cuts** [Back](#)

By Eric Wolff | 09/27/2017 06:57 PM EDT

Biofuels producers and their farm-state backers in Congress are keeping the pressure on EPA, accusing the agency of betraying President Donald Trump's promises to back the Renewable Fuel Standard after the agency signaled it would cut its biodiesel volume mandates.

EPA's Tuesday [notice](#) seeking input on whether to reduce the already set 2018 biomass-based biodiesel requirement and shrink the mandate in 2019 is drawing opposition from both biodiesel and ethanol producers, who say EPA's move marks its second attempt to undermine the program this year.

The new EPA notice has already driven down prices for biofuel credits, which are used by refiners to meet the obligations under the RFS. That's a boon to refiners like CVR Energy, the company owned by former Trump adviser Carl Icahn who had joined with other fuel processors like Valero Energy earlier this year in an unsuccessful effort to shift the compliance burden of the RFS away from their companies.

Trump has repeatedly offered public support for ethanol producers and the RFS, and just last month, he told Sen. [Chuck Grassley](#) (R-Iowa) to [assure Iowans](#) he had their backs on the RFS — a position Trump staked out early in his presidential campaign and which helped him carry Iowa and other Midwestern states.

On Wednesday, Sen. [Joni Ernst](#) (R-Iowa) blasted the new EPA move, saying in [a letter](#) to Trump that the biodiesel cut would be "bad for American farmers, American manufacturing and American rural communities," adding that she hoped "that your EPA has not forgotten about the pledges that were made to my constituents and to farmers across the country."

That letter came a day after Grassley said the proposal "seems like a bait-and-switch from the EPA's prior proposal and from assurances from President Trump himself and Cabinet secretaries in my office. ... This all gives me a strong suspicion that Big Oil and oil refineries are prevailing, despite assurances to the contrary."

And biodiesel makers are drawing strong support from the ethanol industry, who see the EPA's move as a step toward undercutting the RFS.

"This would undermine renewable fuel production in the U.S. and cause severe harm to our friends in the biodiesel industry," Robert Walther, vice president of federal advocacy for ethanol producer POET, told POLITICO. "That harm would radiate throughout the entire biofuel value chain from starch biofuel plants, to cellulosic facilities now scaling up, to the corn and soybean farmers who voted overwhelmingly for Trump."

In its Tuesday notice, EPA relied on letters from Valero, the American Petroleum Institute, and the American Fuel and Petrochemical Manufacturers to argue the agency expects biodiesel prices to climb because of the expiration of a tax credit last year — as well as the [new tariffs](#) the administration is putting on biodiesel imports from Argentina and Indonesia.

As a result, the agency asked for comment on revising down the amount of biodiesel to be used in 2018 by 15 percent, and on setting 2019 biodiesel requirements possibly as low as the 1 billion gallon floor laid out in the law, less than half the original 2018 level of 2.1 billion gallons.

Biodiesel credits are linked to the ethanol credits — called Renewable Identification Numbers — since U.S. ethanol producers typically fall short of supplying the volumes required under the RFS program. Oil refiners then must buy biodiesel RINs to meet requirements, according to research by University of Illinois economist Scott Irwin.

While corn ethanol credit prices are cheaper than biodiesel RINs, the two tend to move in tandem, so the effect of EPA's notice on RIN prices for ethanol, advanced biofuel and biodiesel was immediate: a 20 percent decline in prices for credits of biodiesel and ethanol after EPA's notice, according to the fuel price tracking service OPIS.

The proposal to cut the biomass-based fuel shocked the biodiesel makers such as Gene Gebolys, CEO of World Energy, who said the industry "froze" as soon as the notice came out.

"The more baffling part is Trump has been consistently supportive of the RFS, over and over and over and over again, he has been supportive of the RFS," he said. "This has been a frontal assault on the RFS. You have to ask yourself, is EPA taking direction from the White House or the oil industry?"

EPA also did not respond to a request for comment. Nor did API or Valero, both of whom EPA cited in its notice, although the AFPM trade association was pleased by the action.

"EPA is on the right track in adjusting renewable fuel requirements," AFPM CEO Chet Thompson said in a statement. "This proposal more appropriately advances Congress's stated purpose of bolstering America's energy independence. American drivers shouldn't have to shoulder more costs to help foreign biofuel producers."

But ethanol producers think EPA may be putting key states in play if it follows through and makes cuts to biodiesel.

"If I am a Democrat thinking of taking Trump on in Iowa and Wisconsin in 2020, I am licking my chops," Walther from POET said.

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## **Grijalva asks Interior IG to include Zinke's wife in travel probe** [Back](#)

By Esther Whieldon | 10/02/2017 04:10 PM EDT

Two House Democrats are calling on the Interior Department's inspector general to investigate how often Interior Secretary Ryan Zinke's wife joined him on taxpayer-funded charter or military flights in light of her involvement in a Republican Senate campaign.

Lolita Zinke is chairing the campaign of Troy Downing, a businessman who is vying to unseat Sen. [Jon Tester](#) next year.

"Because the secretary's spouse is leading a senate campaign in Montana, tax-payer funded travel for Mrs. Zinke, especially to or from Montana, deserves heightened scrutiny," wrote [Raúl M. Grijalva](#) and [Donald McEachin](#) in a [letter](#) today to Deputy Inspector General Mary Kendall, the top watchdog within Interior. Grijalva is the top Democrat on the House Natural Resources Committee, and McEachin is ranking member of its oversight subcommittee.

POLITICO reported earlier today that the IG's office has opened an investigation into Zinke's travels.

The inspector general's office has not decided on the scope of its investigation but it is "focused on the secretary's travel at this point," said Nancy DiPaolo, IG spokeswoman. The investigation, which was launched Friday, "is at its earliest phases," she said. "We'll likely be looking into travel, modes of travel, costs and schedules, etc."

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## **STB clears way for California city to block oil train facility** [Back](#)

By Lauren Gardner | 09/21/2016 06:41 PM EDT

The Surface Transportation Board declined this week to block a California city from rejecting a plan to build a facility that would enable more oil trains to pass through the area, but only because the project's owner was an energy company, not a railroad.

Oil refiner Valero Energy had petitioned the STB to step in and prevent Benicia, Calif., from denying the company permits to build the facility in the city, which is also home to one of the company's refineries.

Environmentalists cheered the Tuesday rejection as a victory in their effort to encourage local governments — which fear catastrophes like the oil train explosion in Lac Megantic, Quebec, that killed 47 people in 2013 — to reject projects that could bring vast quantities of crude oil

through their communities.

The regulator is likely to find itself at the center of future high-profile cases like this since trains remain one of the most viable methods of transporting oil, much like the Federal Energy Regulatory Commission has become a hotbed of controversy as green groups have sought to block permits for pipelines that ship fossil fuels.

But STB made it clear that its members rebuffed Valero in this instance only because it was not a rail carrier, nor was it handling transportation services for one, and therefore does not fall under the board's jurisdiction.

STB's decision that interstate commerce law doesn't allow it to preempt the Benicia government from denying the permits to Valero came hours ahead of a unanimous city council vote scuttling the project.

It's not yet clear whether Valero will take its fight to court. A company spokeswoman said executives are "considering our options moving forward."

"After nearly four years of review and analysis by independent experts and the city, we are disappointed that the city council members have chosen to reject the crude by rail project," Valero spokeswoman Lillian Riojas said.

STB's decision included guidance that even if Benicia had approved the permits, the bayside city near San Francisco wouldn't have carte blanche to impose conditions on Valero, since they could "unreasonably" bleed into operations by Union Pacific, the freight railroad the refiner planned to have service the offloading facility.

"As an initial matter, any attempt to regulate UP's rail operations on its lines would be categorically preempted," STB wrote. "Otherwise, state and local regulation is permissible where it does not unreasonably interfere with rail transportation."

If circumstances changed and the railroad were to build or own the offloading facility project, "then it would clearly be preempted by the federal law," Karen Torrent, federal legislative director at the Environmental Law and Policy Center, said of Benicia's permit denial.

The Association of American Railroads declined to comment on Tuesday's decision, but it had voiced its support for Valero's petition in July, expressing concern that a "patchwork" of rules among states and localities could stymie freight operations.

"This case now presents the Board with the situation where state and local permitting requirements are being applied to rail-served customer facilities with the purpose of controlling — and often preventing — rail transportation," AAR attorney Timothy J. Strafford wrote.

Jackie Prange, a Natural Resources Defense Council staff attorney, said the ruling has broader implications because local governments in California and the Pacific Northwest grappling with similar projects have monitored the Benicia case.

The San Luis Obispo County Planning Commission is scheduled to hold its final hearing Thursday on a proposal by refiner Phillips 66 to bring millions of gallons of crude per week into its Santa Maria refinery by train. The company asked the county last month to delay the hearing, anticipating that STB would not have issued its decision in the Benicia case by now,

according to a local [report](#).

Staff at the county commission have recommended that officials reject the project.

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By Anthony Adragna | 09/08/2017 05:48 AM EDT

*With help from Eric Wolff, Alex Guillén, Esther Whieldon and Eric Geller*

**GLIMPSES INTO DECEMBER DEBATE:** House lawmakers churned through about 70 of the 80 amendments related to EPA and Interior during a debate on a spending package [H.R. 3354 \(115\)](#) Thursday evening. Final votes on the overall measure will now occur next week, but the results so far offer some glimpse into what may happen during the forthcoming December government funding debate, so here are some highlights:

1. There's love for addressing park maintenance (a priority for Interior Secretary Ryan Zinke)! In a voice vote, lawmakers backed [an amendment](#) adding \$9.7 million to address the backlog.
2. An effort to [restore funding](#) to EPA's environmental justice program by cutting from the Interior secretary's budget fell short by a vote of 190 to 218.
3. Rep. [John Katko](#)'s [amendment](#) to restore \$250 million in Clean Water State Revolving Funds, an infrastructure program that typically enjoys broad bipartisan support, passed by voice vote.
4. Republican [Frank LoBiondo](#) and Democrat [Don Beyer](#)'s bipartisan push to block offshore drilling in a host of Atlantic sites came up short on a voice vote.
5. An [amendment](#) giving EPA \$6 million to implement a long-term monitoring program for water quality of the waters affected by the Gold King Mine spill passed the House 220 to 191.
6. Rep. [Scott Perry](#)'s amendment to block EPA from issuing any regulations under Section 115 of the Clean Air Act, an obscure section of the statute some fear could be used to force carbon rules, passed by voice vote.

**Rather extraordinary:** Rep. [Don Young](#) had to apologize after calling Democratic Rep. [Pramila Jayapal](#) a "young lady" who "doesn't know a damn thing what she's talking about" concerning his amendment blocking regulations on sport hunting and trapping in national preserves in Alaska. He apologized later, though his amendment passed 215 to 196. Video [here](#).

**Reminder:** This bill won't become law in anything approaching its current form and likely won't resemble the Senate's version, so take its contents with a grain of salt. That said, a bunch of amendments will get votes next week.

**TGIF EVERYONE!** I'm your host Anthony Adragna, and New York was home to the first ATM in the U.S. way back in 1969. For today: How many states have had a lawmaker serve as president pro tempore of the Senate? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#), and [@POLITICOPro](#).

**CONGRATS!** ME's warmest wishes go out to our own Annie Snider and her husband, Joel, as they welcomed Henry Terhune Kirkland into the world in the wee hours of Tuesday morning. "He is passing all his tests with flying colors and we are quite certain he is the most incredible little guy ever!" Annie writes.

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**GOTTA GET RIGHT BACK TO WHERE WE WEHRUM:** Pros [learned](#) it was coming in July, but Bill Wehrum, a George W. Bush-era EPA official who has represented a variety of energy industry interests at law firm Hunton & Williams, received President Donald Trump's formal nod Thursday to run EPA's powerful air office, Pro's Alex Guillén [reports](#). He's been critical of EPA's authority to regulate greenhouse gases, even after the Supreme Court's 2007 ruling saying the agency did have such authority. Democrats blocked his nomination from proceeding in the Senate during the Bush administration, though the threshold has since been lowered to just a majority level to clear the chamber.

**FLORIDA PREPS FOR IRMA:** EPA Administrator Scott Pruitt, seeking to ensure there's enough fuel for Florida as Hurricane Irma bears down on it, on Thursday extended a fuel waiver for summer reformulated fuel requirements for 38 states through Sept. 30, Pro's Ben Lefebvre and Bruce Ritchie [report](#). "It was important to send a message I think to the citizens of Florida but also those producing gasoline they would have certainty to the end of September with respect to these issues," Pruitt said in an interview. "And we'll do it beyond that obviously if necessary. We have the authority to do that." That comes as Florida Gov. Rick Scott told reporters the state was working to mitigate any potential fuel shortages. "While we are making progress, you will see lines and outages, unfortunately," he added. "I know this is frustrating. We are laser-focused on how we get as much fuel as possible to our ports while they remain open."

**Getting Superfund sites ready:** Perhaps learning a lesson from Hurricane Harvey, EPA said Thursday evening it's assessing 80 Superfund sites from Miami to North Carolina for potential vulnerabilities to the impending storm. The agency also said it has 43 Region 2 personnel and 34 from Region 4 responding to the storm.

**Pruitt: 'Not now':** Pruitt also told [CNN](#) Thursday now is not the time to discuss whether climate change has exacerbated these hurricanes. "To have any kind of focus on the cause and effect of the storm; versus helping people, or actually facing the effect of the storm, is misplaced," he said. Instead, the focus should be on ensuring access to clean water and protecting Superfund sites, among other issues, he said. His comments echo those made by Energy Secretary Rick Perry [last week](#).

**Cornyn won't go there either:** Texas' [John Cornyn](#), the Senate's No. 2 Republican, told ME he wasn't sure if climate change exacerbated the storm that slammed his state last week. "Beats the heck out of me," he said. "I've never read anything on [that] point." Asked if it people should be debating the link right now, he said: "It's a free country."

**\*\* A message from Chevron:** When an endangered butterfly was found near a Chevron refinery, we protected the habitat and still plant the only thing they eat—buckwheat. Watch the video: <http://politi.co/2xaoDCa> \*\*

**IF I WAS A RICH MAN, YEAH I'D HAVE ALL THE ARPA-E:** Microsoft co-founder

Bill Gates lauded DOE's ARPA-E program and urged strong congressional support for what he called the potential "key" to major energy breakthroughs. "Private companies depend on public research," he wrote on his [personal blog](#). "ARPA-E is bringing private investors to the table, and it is delivering results." Gates' strong endorsement comes as a bipartisan group of House lawmakers, including top Science ranking member [Eddie Bernice Johnson](#), introduced legislation [H.R. 3681 \(115\)](#) authorizing reasonable growth in funding for ARPA-E through 2022.

**A WARNING ON GRID HACKS:** Senior cybersecurity officials warned Thursday that hackers are growing more audacious in exploiting dangerous links between critical infrastructure systems and the business networks of their operators. "We have control systems that are connected to business systems," said John Felker, the director of the Department of Homeland Security's cyber watch center, during a panel at the Intelligence and National Security Summit. "The biggest thing we see is that vulnerability of that connection." Some sectors, he said, "have done a good job of segregating that, but others have not." His comments came one day after Symantec said that suspected Russian hackers [may have begun](#) a new phase of power company hacking. Scott Smith, head of the FBI's Cyber Division, said, "This is an area that there's no easy solutions to."

**STEPPING UP FOR HARVEY RELIEF:** Texas oil and gas companies have contributed \$27.3 million toward Hurricane Harvey relief efforts, according to the Texas Oil and Gas Association. Contributions include: \$1 million from Anadarko; \$1 million from Chevron; \$5 million from ConocoPhillips; up to \$10.3 million from Exxon Mobil; \$1 million from Koch; \$1 million from Shell and \$1 million from Valero. The funding will go to various charities and other relief organizations.

**HOEVEN PRAISES TRUMP'S REFINERY SPEECH:** Count Sen. [John Hoeven](#) among the fans of Trump's Wednesday speech at a North Dakota refinery. "I thought it was a good message and it's helpful for what we're trying to do," Hoeven told ME, adding he wasn't disappointed by the lack of energy-specific chatter. But the North Dakota Republican didn't take ME's bait on how he felt about Trump calling his Democratic colleague [Heidi Heitkamp](#) a "good woman" during the speech.

**SENATE SAVES SOME CLIMATE FUNDING:** The Senate Appropriations Committee added \$10 million for the Intergovernmental Panel on Climate Change and U.N. Framework Convention on Climate Change after Republican Sens. [Lamar Alexander](#) and [Susan Collins](#) bucked their party to support an amendment to the panel's State and Foreign Operations bill Thursday. But the committee did not restore any funds to the Green Climate Fund, which aims to help developing countries adapt to the effects of climate change.

**CLEAN POWER PLAN REPEAL EXPECTED THIS FALL:** Pruitt expects to sign a proposed repeal of the Obama administration's Clean Power Plan "in the fall of 2017," Pro's Alex Guillén [reports](#), citing a new [court filing](#). The agency offered no additional details on its repeal effort, which has been under review by OMB since June 8.

**WYOMING TRESPASS LAW VIOLATED FIRST AMENDMENT, COURT RULES:** Collecting environmental information on public lands is a protected form of First Amendment speech, the 10th Circuit Court of Appeals [ruled](#) Thursday. A three-judge panel struck down a Wyoming law setting strong punishments for anyone who crossed private lands in order to get to public lands to collect information, which includes taking water or soil samples, making observational notes or snapping photos. "Although trespassing does not enjoy First

Amendment protection, the statutes at issue target the 'creation' of speech by imposing heightened penalties on those who collect resource data," the court ruled. Trespassers on private land can still be prosecuted under the state's weaker general trespassing law, but a special law targeting trespassers who gather environmental information is unconstitutional, the court noted.

**STICKING AROUND:** Legal challenges to the delay of an Obama-era BLM methane rule will stay in California rather than moving to Wyoming, as Interior requested, Pro's Alex Guillén [reports](#). Litigation over the original underlying regulation, known as the venting and flaring rule, are still playing out in Wyoming but Magistrate Judge Elizabeth Laporte of the U.S. District Court for Northern California [said](#) the two issues are rather different and likely would not be combined anyway.

**Speaking of methane,** eight Senate Democrats led by [Sheldon Whitehouse](#) sent [a letter](#) to Pruitt asking for information on his reported plans to enforce EPA's separate methane emissions standards for new oil and gas wells on a "case by case" basis.

**INDUSTRY PONDERING BREAKING 15B GALLON ETHANOL BARRIER:** Pruitt has set off an ethanol industry debate about lifting the volume requirement beyond the 15 billion gallon conventional biofuel limit established under the Renewable Fuel Standard. "We're all just starting to talk about it as a broad industry," Growth Energy's Emily Skor tell ME. "You've got the head of the EPA saying well you could consider a reset beyond 15 billion gallons." Pruitt told Radio Iowa last month that he would consider going beyond the limit set by Congress if biofuel volumes are reset in two years' time. Skor said it was the second time the administrator made a such a remark. "The first time you don't know, did he mean to say that?" she said. "The second time well, he did mean to say that."

**It's all about demand:** EPA told ME in a statement, "Administrator Pruitt believes that RFS volume obligations should be reflective of actual demand. As Administrator Pruitt told Radio Iowa, if demand exceeds current statutory limits, then the reset volumes will be reflective of that fact. However, much work remains to be done before we can come to this type of conclusion."

**ETHANOL WANTS FEDS TO RESPOND TO BRAZIL ETHANOL DUTIES :** Growth Energy, the Renewable Fuels Association and the U.S. Grains Council are collaborating on letters to U.S. Trade Representative Robert Lighthizer and Agriculture Secretary Sonny Perdue asking them to respond to ethanol quotas imposed by Brazil last month. The groups have not released the letters to the media, but Skor told ME, "What we're saying to the government is, here's the impact and we need your help." Brazil set a 20 percent tariff on ethanol imported beyond 600 billion liters (158 million gallons), and the groups would like to see the tariff removed or the quota raised. The U.S. exported 277 million gallons of ethanol to Brazil in 2016, a sharp rise from the previous year, according to EIA. Skor said they make no specific ask of the administration, saying, "We don't want to be prescriptive right now with the U.S. government."

**REPORT ROUNDUP! CLEAN ENERGY BOOMING OUT WEST:** The Clean Energy Trust and Environmental Entrepreneurs released [an analysis](#) Thursday finding nearly 600,000 people are employed in clean energy jobs throughout the Midwest, up five percent since 2015 alone. That's more than double the number of computer programmers in the region, according to the groups.

## **FIXING INFRASTRUCTURE YIELDS BIG ENVIRONMENTAL BENEFITS:**

Investing in significant infrastructure improvements over the next decade could fuel huge environmental benefits, according a report from the BlueGreen Alliance. Among them: 4.4 billion gallons of saved fuel; reducing leaked drinking water by 6 billion gallons and reducing overall carbon dioxide emissions by 12 percent. More [here](#).

**INTERIOR RELEASES RECREATION SURVEY:** The Interior Department released a [preliminary report](#) Thursday that shows 40 percent of the U.S. population ages 16 and older partook in at least one wildlife recreation activity last year. While there were more wildlife watchers and anglers than in the last survey the Census Bureau conducted for the agency in 2011, hunting was down by 16 percent. The data from these reports is often used by agencies and companies to gauge business opportunities and for wildlife management decisions. Interior's Fish and Wildlife Service expects to issue the full data in early 2018.

**DAINES PUSHES WILDFIRE REFORMS:** Montana Republican Sen. [Steve Daines](#) urged new U.S. Forest Service Chief Tony Tooke to pursue immediate wildfire policy reforms as his state deals with ongoing devastating fires. "Fire season always reminds us that either we manage our forests, or our forests manage us," he wrote in a [Thursday letter](#). "We need to focus our time and energy on pursuing reforms that better equip the U.S. Forest Service with the tools and resources needed to accomplish its goals."

**GOT YOUR BACK!** Kansas Sen. [Pat Roberts](#) ran interference to save Senate Energy Chairman [Lisa Murkowski](#) from a pack of energy reporters. Asked by the self-proclaimed newest Dodge City Globe reporter what she'd done for Kansas, the affable Alaskan replied: "I grew a sunflower this summer."

## **QUICK HITS**

— Texas Chemical Plant Sued For Millions, First Responders Charge Gross Negligence. [International Business Times](#).

— Climate Change Speeds Beach Erosion With Huge Storms. [Bloomberg](#).

— As Hurricane Irma approaches, BP evacuates Gulf platform and drilling rig. [Houston Chronicle](#).

— Florida cites complaints over Chevron gas prices as shortages mount. [Reuters](#).

— Shailene Woodley says she was strip searched after Dakota pipeline arrest. [ABC News](#).

— Former Wagoner County sheriff receives deferred sentence on reduced charge related to cash seizure during 2014 traffic stop. [Tulsa World](#).

— Record-setting smoke haunts Seeley Lake. [Missoulian](#).

## **HAPPENING TODAY**

\*crickets\*

## **THAT'S ALL FOR ME!**

**\*\* A message from Chevron:** This is a story about DOERS, butterflies, and buckwheat. In

'75, the endangered El Segundo Blue butterfly was found near a Chevron refinery. We protected the habitat and planted the only thing they eat—buckwheat. We're still planting and keeping an eye on our littlest neighbor. Watch the video: <http://politi.co/2xaoDCa> \*\*

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/09/house-muddles-through-epa-interior-amendments-024495>

## Stories from POLITICO Pro

### Trump expected to pick Bush EPA official turned industry lawyer for agency's air office [Back](#)

By Alex Guillén | 07/24/2017 10:03 AM EDT

President Donald Trump is expected to nominate Bill Wehrum, a former George W. Bush-era EPA official, to run the agency's powerful air office, according to two sources outside the administration familiar with the plans.

While Wehrum would bring critical knowledge of EPA's workings and environmental law, he also represents several high-profile industry groups in lawsuits challenging numerous Obama-era EPA regulations, meaning he may face recusal and conflict issues similar to EPA Administrator Scott Pruitt.

Wehrum served as acting assistant administrator for the Office of Air and Radiation from 2005 to 2007. Bush pulled Wehrum's formal nomination to that post after Democrats blocked him as too industry-friendly, though the new simple majority threshold on nominees likely will prevent that from happening again. Wehrum spent 2001-2005 as counsel to Jeff Holmstead, Bush's first air administrator. Holmstead [emerged](#) last month as a possible Trump pick to be EPA deputy administrator, though coal lobbyist Andrew Wheeler remains the frontrunner for that job.

In a 2013 [interview](#) with Law360, Wehrum said that despite the Supreme Court's 2007 ruling that said EPA has the authority to regulate greenhouse gases, he believes "Congress never intended the EPA to address an issue such as climate change under the Clean Air Act."

He also called for lengthening the review cycle for National Ambient Air Quality Standards beyond five years — House Republicans recently passed a bill that would stretch that to ten years — and said the Obama administration tried to shift power away from the states and toward EPA, comments since echoed by Pruitt.

And in a 2015 Wall Street Journal [editorial](#), Wehrum said the EPA-caused Gold King mine spill highlighted how the agency "often criminalizes actions that are nothing more than accidents, many far less damaging to the environment than the Animas River disaster." That spill fouled Colorado's Animas River and downstream areas for several weeks before water quality [returned to normal](#) and the river was reopened to recreational activities.

Wehrum pointed to the 2014 chemical spill that fouled drinking water for hundreds of thousands of West Virginia residents, which led to an EPA investigation and the company's bankruptcy, as an example of "unjust" treatment.

For the last decade Wehrum has been a partner at the high-powered D.C. law firm Hunton &

Williams, where he currently represents high-profile clients, including two leading oil and gas industry lobbying groups, in a number of ongoing lawsuits against EPA.

Wehrum represents the American Petroleum Institute in a challenge to EPA's methane rule for new oil and gas wells, as well as the separate legal battle over EPA Administrator Scott Pruitt's decision to stay that rule while under review, where API has defended Pruitt's stay.

He also represents either API or American Fuel & Petrochemical Manufacturers, a refinery sector group, in lawsuits over a 2015 rule limiting pollution from oil refineries; a "[regional consistency](#)" rule that governs how court rulings apply to nationwide EPA regulations; and permitting rules for Indian lands.

He represents the Utility Air Regulatory Group, a coalition that challenges EPA air regulations, in a legal challenge over an Obama-era rule meant to decrease explosions at chemical plants and other facilities. Pruitt has put that rule on hold while it is under review.

Wehrum helped the Gas Processors Association challenge two greenhouse gas reporting rules. He took an EPA boiler regulation to court on behalf of a coalition of industry groups, including the American Chemistry Council, the National Association of Manufacturers and the American Forest & Paper Association. He is challenging an EPA emissions rule for brick manufacturers on behalf of an industry group. And he represented construction interests in various lawsuits against the Labor Department, including an ongoing challenge to the Occupational Safety and Health Administration's 2016 silica exposure rule.

Wehrum did not immediately reply to a request for comment on Monday. EPA and White House spokespeople did not immediately respond to a request for comment.

To view online [click here](#).

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**Trump picks Bush-era EPA official for air chief** [Back](#)

By Alex Guillén | 09/07/2017 07:16 PM EDT

President Donald Trump has nominated Bill Wehrum, a George W. Bush-era EPA official who since has represented a variety of energy industry interests, to run EPA's powerful air office.

POLITICO [reported](#) in July that Wehrum was expected to receive the nod.

As head of EPA's Office of Air and Radiation, Wehrum will play a key role in undoing many of the Obama-era regulations most opposed by Republicans, including the Clean Power Plan, the 2015 ozone standard and forthcoming vehicle emissions rules. Wehrum has been critical of EPA's authority to regulate greenhouse gases, even after the Supreme Court's 2007 ruling saying EPA did have such authority.

He served as a counsel to Jeff Holmstead, Bush's first-term air chief, before replacing Holmstead in an acting capacity from 2005 to 2007. Bush nominated Wehrum to the job permanently, but Democrats blocked his nomination from proceeding in the Senate.

Wehrum spent the past decade as a partner at the Washington, D.C., law firm Hunton & Williams. His clients have included the American Petroleum Industry, American Fuel & Petrochemical Manufacturers, the Utility Air Regulatory Group, the American Chemistry Council, the National Association of Manufacturers and the American Forest & Paper Association.

**WHAT'S NEXT:** The Senate Environment and Public Works Committee will review Wehrum's nomination in what is certain to be a contentious process.

To view online [click here](#).

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## **EPA extends fuel waivers to help Florida prep for Irma** [Back](#)

By Ben Lefebvre and Bruce Ritchie | 09/07/2017 07:09 PM EDT

Florida is racing to stock up on gasoline before Hurricane Irma slams into its ports this weekend.

EPA on Thursday extended a fuel [waiver](#) for summer reformulated fuel requirements for 38 states through Sept. 30 to ensure gasoline is available in Florida in advance of Hurricane Irma. The move extends by 15 days a waiver EPA issued Aug. 31 in response to Hurricane Harvey, which badly damaged pipelines and refineries when it struck Texas.

EPA Administrator Scott Pruitt told POLITICO he was responding to requests from Florida Gov. Rick Scott and the oil industry because of shortages in Florida.

"It was important to send a message I think to the citizens of Florida but also those producing gasoline they would have certainty to the end of September with respect to these issues," Pruitt said in an interview Thursday. "And we'll do it beyond that obviously if necessary. We have the authority to do that."

A day earlier, EPA approved the Florida Department of Environmental Protection's request for a fuel dye [waiver](#). That allows off-road diesel fuel to be used in on-road vehicles.

Florida Petroleum Council Executive Director David Mica applauded both moves.

"I think that [Administrator] Pruitt was deliberative and expeditious in historic fashion," Mica said. "They really jumped on it doing all they can to assist out there on several waiver requests."

Irma is currently [expected](#) to hit southeastern Florida early Sunday.

The storm will be a one-two punch for the region, coming mere weeks after Hurricane Harvey slammed into Texas and forced many of the refineries dotting the Gulf Coast to shut down. At one point last week, Harvey had forced 4 million barrels a day of Gulf Coast refining capacity offline.

"We know fuel is very important," Scott said earlier Thursday as he addressed Florida

residents on the dangers of the storm. "We are devoting every state resource to address this.

"While we are making progress, you will see lines and outages, unfortunately," he added. "I know this is frustrating. We are laser-focused on how we get as much fuel as possible to our ports while they remain open."

Refinery outages and damaged pipelines in Harvey's wake forced fuel sellers to dip into inventories to meet demand. Between Aug. 25, the day Harvey made landfall in Texas, and Sept. 1, gasoline inventories on the East Coast fell 3.5 percent to 60.5 million barrels, according to the latest EIA [data](#).

State-by-state figures are only available up to June, at which point Florida had about 34 million gallons of gasoline stored. At the time, wholesale gasoline consumption averaged 15.5 million gallons per day, according to EIA.

Emergency contractors for Florida secured 1.5 million gallons of fuel for immediate delivery and identified additional supply for the future, Scott's office said in a press release.

Florida is also searching for other fuel barges that can be diverted to Florida ports. Scott told the state's emergency response team to provide a military escort for a ship delivering fuel from a refinery in Mississippi to the Port of Tampa, the governor's office said. The governor said he also asked state police to escort gasoline trucks through traffic so they could quickly shuttle between fuel terminals and gas stations.

A gallon of regular gasoline now costs an average of \$2.72 in Florida, 5 cents higher than the national average and 30 cents above where it was a week ago, according to [AAA](#).

"Supplies are tight. Everyone is looking for fuel," said Ned Bowman, executive director for the Florida Petroleum Marketers and Convenience Stores Association, which represents gas stations in the Sunshine State. "Everyone is putting five gallons into their tanks, so that's stretching things."

But now that the Texas refineries are coming back up, Irma is threatening the more than two-dozen ports that receive the fuel they deliver across the Gulf. Florida's main fuel barge receiving centers are in Miami, Fort Lauderdale, Tampa and Jacksonville, [according](#) to EIA. The former two sites are on the southeastern tip of the peninsula, smack dab where Irma is forecast to make landfall.

"When you have back-to-back storms, it exacerbates logistics for distribution," said Mica, of the Florida Petroleum Council. "As [refineries] come up, that will help supply, but as the storm approaches, it does not allow vessel traffic, it does not allow fuel in."

*To view online [click here](#).*

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**EPA projects fall proposal to repeal Clean Power Plan [Back](#)**

By Alex Guillén | 09/07/2017 02:59 PM EDT

EPA Administrator Scott Pruitt expects to sign the proposal to repeal the Clean Power Plan "in the fall of 2017," the agency said in a [court filing](#) today.

The filing offered no other details on the Trump administration's plan to repeal the rule, which has been under review at the White House Office of Management and Budget since June 8.

EPA added that the CPP repeal's classification as a "long term action" in the July update to the Unified Agenda was inadvertent. Environmental groups had seized on that classification, which indicates rules will not progress within the following 12 months, to [argue](#) that the D.C. Circuit Court of Appeals should issue its ruling on the Clean Power Plan rather than keep the lawsuit suspended indefinitely.

EPA said it will correct the classification error in the next edition of the Unified Agenda.

**WHAT'S NEXT:** The repeal proposal will most likely be released within the next few months.

*To view online [click here](#).*

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**Judge keeps methane waste rule delay lawsuit in California federal court** [Back](#)

By Alex Guillén | 09/07/2017 04:35 PM EDT

A federal judge said today that legal challenges to the Interior Department's delay of an Obama-era methane waste rule will remain in a California court rather than be moved to Wyoming.

Interior had asked for the lawsuits to be transferred to a federal court in Wyoming where cases over the original regulation, also known as the venting and flaring rule, are still playing out.

But Magistrate Judge Elizabeth Laporte of the U.S. District Court for Northern California [said](#) she's keeping the case on her docket because, legally speaking, the two matters are rather distinct. Interior's delay relied on Section 705 of the Administrative Procedure Act, but the underlying rule does not, meaning the two cases likely would not be combined anyway, she concluded.

In addition, the lead challenger in the suit over the delay is the state of California, adding weight to the arguments to keep it in a California court.

Laporte noted she is "already familiar with the legal issues in this lawsuit" because it is very similar to the challenge to Interior's delay of its royalty valuation rule — which Laporte last week said violated Section 705 of the APA by not seeking public input first.

However, she stopped short of issuing a ruling in the methane case today.

*To view online [click here](#).*

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By Anthony Adragna | 09/05/2017 05:49 AM EDT

**THAT'S FALL FOLKS:** Congress returns from its August recess today, but don't count on much energy work getting done this year given a jam-packed to-do list on other policy priorities, your ME host [reports](#). September's daunting agenda includes lifting the debt ceiling, funding the government (or, more likely, kicking the can until December) and funding Hurricane Harvey relief efforts. Here's a breakdown of how the busy few months on the Hill will affect energy issues:

— **Tax reform:** Energy companies are closely watching the push for comprehensive tax reform that would slash the corporate tax rate significantly — but don't expect it to be accomplished this year. There seems to be little chance that congressional leaders will move a carbon capture and sequestration tax credit or extend tax incentives for several renewable energy technologies unless the broader tax overhaul falters.

— **Appropriations:** Speaker Paul Ryan said over recess that a short-term spending bill into December would "[probably be necessary](#)" but the familiar fights over policy riders is likely to be less intense this year now that Republicans control federal agencies. Democratic votes will almost certainly be necessary to pass spending legislation, giving the party more leverage to determine what riders make it in.

— **Energy bill:** Sens. [Lisa Murkowski](#) and [Maria Cantwell](#) are likely to keep pushing for a floor vote on their energy bill [S. 1460 \(115\)](#), but multiple observers say they've seen no inclination from Majority Leader [Mitch McConnell](#) to move the package this year. And that measure has no chance of passing the House in its current form. "There absolutely needs to be a bicameral discussion. It's not there yet," Christopher Guith, senior vice president for policy at the U.S. Chamber of Commerce, said.

— **Broader statutory overhauls:** Look for additional hearings on this fall on overhauling statutes like the Renewable Fuel Standard and Antiquities Act, but any substantive push to move legislation will wait until next year, at the earliest.

— **Nominations:** The Senate cleared many pending nominations off its plate before August, but there's a new crop to consider (more on that below). A key question for how many of those nominations will be approved before the end of year will depend on whether Democrats continue to erect procedural hurdles that force Republicans to burn large amounts of floor time for each nominee.

**What about Europe?** Among the key questions across the pond this fall are whether whether the U.K. sticks to its plan to pull out of the European Atomic Energy Community when it leaves the European Union in March 2019. And, of course, climate negotiators will return to the table in November to try to hammer out rules on transparency and accounting aspects of the Paris agreement when they meet in Bonn to ensure nations — except the U.S., which is pulling out of the agreement — meet their emissions reduction pledges, POLITICO Europe's Sara Stefanini [reports](#).

**WELCOME TO TUESDAY!** I'm your host Anthony Adragna, and I hope everyone had a restful Labor Day! Way back when, Craig Meyers identified Alabama's John M. Patterson as the oldest living former governor. For today: What is the most recently-created country on Earth? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](https://twitter.com/AnthonyAdragna), [@Morning\\_Energy](https://twitter.com/Morning_Energy), and [@POLITICOPro](https://twitter.com/POLITICOPro).

**\*\* A message from Chevron:** We're piloting a program that uses drones to keep an eye on Chevron wells, tanks, and pipelines—all to keep DOERS and what they're doin' safer. Watch the video: <http://politi.co/2grzhHE> \*\*

**SUPERFUND MESS IN TEXAS:** EPA confirmed Saturday that aerial assessments found 13 of the 41 Superfund sites around Houston were flooded during Hurricane Harvey and suffered potential damage in the storm. "The EPA is going to get on top of that," Texas Gov. Greg Abbott said on "[Fox News Sunday](#)." "We are working with the EPA to make sure that we contain any of these chemicals harming anybody in the greater Houston area or any other place." That followed an Associated Press [report](#) documenting that seven of the sites in and around Houston had flooded and no EPA personnel had yet assessed them. The agency said Monday that 11 of the 13 flooded sites had not yet been inspected by officials, though the two that had did not require emergency cleanup actions. EPA did not respond to requests for comment on whether additional sites had been inspected, though a press release indicated officials visited three of the 11 outstanding flooded sites. AP video of the sites is [here](#) and EPA's page with updates on its hurricane response is [here](#).

**The agency hit back aggressively** to the original AP story in an extraordinarily unusual and personal attack on one of the reporters who authored it. "Yesterday, the Associated Press' Michael Biesecker wrote an incredibly misleading story about toxic land sites that are under water," the [statement](#) began. EPA, without identifying any factual errors in the story, went on to say that "state agencies worked with responsible parties to secure Superfund sites before the hurricane hit." The agency [declined to identify](#) who authored the almost entirely unsigned statement when asked by POLITICO's Matthew Nussbaum.

**Refineries begin coming back online:** Many of the energy sector's largest refineries were making progress at restarting operations after shutting down last week. Exxon Mobil said in [a Sunday update](#) it was "making progress" at booting up its Baytown refinery, the second-largest U.S. fuel-making plant, with a refining capacity above 560,000 barrels a day. Colonial Pipeline Co. [plans to restart](#) its gasoline fuel lines in Texas today after restarting its main distillate line that was closed due to Harvey. The Energy Department said Monday eight Gulf Coast refineries — accounting for 11.4 percent of total U.S. capacity — remained closed, while eight others had begun the process of restarting. Meanwhile, the Bureau of Safety and Environmental Enforcement said nearly 7 percent of oil production and 8 percent of natural gas production remained shut-in in the Gulf of Mexico.

**Tapped again:** The Energy Department has so far authorized the sale of 5.3 million barrels of crude from the nation's Strategic Petroleum Reserve as of Monday, according to [a release](#). Refineries receiving the emergency crude include: Phillips 66 Lake Charles (400,000 barrels sweet crude, 600,000 barrels sour crude); Marathon Petroleum Company (3 million barrels sweet crude); Valero Marketing and Supply Company (1 million barrels sweet crude) and Placid Refining Company LLC (300,000 barrels sweet crude). The shipments came from the West Hackberry and Bayou Choctaw sites.

**Perry scoffs at climate link:** Energy Secretary Rick Perry told [CBS News](#) on Friday that conversations about the storm's link to climate change were "secondary" to restoring services and saving lives of those affected. "This is not the time to be having this conversation," the former Texas governor said. "Everyone wants to run to the climate change debate, but that is very secondary at this particular time."

**Immediate danger at Arkema passes:** Authorities lifted an evacuation order for the immediate area surrounding a chemical plant at risk of exploding last week after executing a controlled burn of the remaining combustible containers stored on site. "The Crosby Fire Department and unified command has determined it is safe for residents to return to their homes," Arkema said early Monday. But questions about what happened at the Arkema site will continue, and Sen. [Tom Carper](#), top Democrat on the Environment and Public Works Committee, [asked](#) EPA Administrator Scott Pruitt on Friday for information on the last time inspectors visited the site and whether he continued to support a two-year delay of a chemical safety rule he [put on hold](#) earlier this year.

**MORE RETRIBUTION FOR MURKOWSKI'S HEALTHCARE VOTE?** Pros learned several weeks ago that Pruitt had taken the unusual step of [having a political appointee vet](#) all new grant solicitations, but The Washington Post [reports](#) the agency placed a two-week long hold on all grants to Alaska — the same day Murkowski voted against the GOP healthcare bill. Agency staffers were told without explanation to stop all grants to EPA Region 10, in a move that was later narrowed to just Alaska.

**NEXT WAVE OF NOMINEES ARRIVES:** ICYMI, Trump announced nearly four dozen nominations late Friday night, Pro's Alex Guillén [reports](#). A look at those of interest to ME readers:

— **EPA's top water chief:** David Ross, currently an assistant Wisconsin attorney general, has been a top state lawyer for both Wyoming and Wisconsin. He had stints at D.C. law firms from 2002 to 2014, mostly Crowell & Moring, and helped on challenges to EPA's Waters of the U.S. rule.

— **EPA general counsel:** Matt Leopold, who currently works at the Tallahassee law firm of Carlton Fields but previously worked in DOJ's environmental division. He's been involved with the civil trial team for the Deepwater Horizon disaster and advised clients on EPA's then-proposed Clean Power Plan.

— **DOE's fossil fuels chief:** Steven Winberg, who previously led research and development for CONSOL Energy. He's also been a member of DOE's National Coal Council and chaired the FutureGen Industrial Alliance. Back in 2013, he told [a Pennsylvania paper](#) he didn't think the Obama administration was putting enough money into coal and gas technologies.

— **DOE's assistant secretary for electricity, delivery and energy reliability:** Bruce Walker, who previously did stints at National Grid and Consolidated Edison, founded Modern Energy Insights, a company that assesses utilities' electric infrastructure risks.

— **NOAA's number two:** Timothy Gallaudet, a 32-year Navy veteran, was commander of the Navy's Meteorology and Oceanography Command and also served as deputy director of a Navy task force on climate change.

— **Mine safety chief:** David Zatezalo, a former coal company executive with Rhino

Resources, would run the Mine Safety and Health Administration. The Charleston Gazette-Mail [reports](#) his company "repeatedly clashed with federal regulators" in the aftermath of April 2010 explosion at Massey Energy's Upper Big Branch Mine that killed 29 miners.

— **NASA chief:** Oklahoma Republican Rep. [Jim Bridenstine](#) previously blamed the Obama administration for "[gross misallocation](#)" of funding on climate change research. Both Florida senators, Democrat [Bill Nelson](#) and Republican [Marco Rubio](#), swiftly voiced [opposition to his nomination](#).

**STAFFING UP:** James Danly, an associate with Skadden, Arps, Slate, Meagher & Flom LLP since 2014, is expected to be named FERC's new general counsel as soon as today, Pro's Eric Wolff and Darius Dixon [report](#), citing two industry sources. He graduated from Vanderbilt Law School in 2013 and clerked at the 6th Circuit for a year, according to his [biography](#).

**STICK AROUND FOR THE SHOW:** Smart money is expecting that Congress will ultimately pass a short-term CR extending government funding into December, but the House still intends to move a spending package [H.R. 3354 \(115\)](#) that includes EPA and Interior funding this week. The House Rules Committee [meets today](#) at 4 p.m. to consider which of the 174 amendments filed to the Interior title will get floor time. Amendments on everything from [a push](#) to restore funding to the Green Climate Fund, [a ban](#) on using government funds to enforce an Obama-era methane rule and [a prohibition](#) on Interior and EPA from using unmanned planes remain in play.

**TAKE A GLANCE!** The Smart Electric Power Alliance is out today with its first-ever energy storage [market snapshot](#). It finds there are 622 megawatts and 661 megawatt hours of installed energy storage across 2,399 systems nationally. Utilities added 207 megawatts and 257 megawatt hours in 2016 with the states of California, Indiana and Ohio leading the way.

**MORE GERMAN MONEY IN AIR POLLUTION FIGHT:** Chancellor Angela Merkel said Monday her government will double a fund meant to help cities cut air pollution to 1 billion euros, POLITICO Europe's Kalina Oroschakoff [reports](#). It's part of an effort to fight air pollution in German cities without resorting to bans of diesel-powered cars that would draw the ire of the nation's powerful auto industry.

**MOVERS, SHAKERS:** Rob Thormeyer has joined the Utilities Technology Council as its first director of communications and advocacy; he was previously strategic advisor to former FERC commissioner Colette Honorable.

**Steven Petersen**, a 28-year Hill veteran in various capacities, is the new staff director for the House Natural Resources Subcommittee on Federal Lands; he'll replace Erica Rhoad, who is departing for opportunities in the private sector.

## QUICK HITS

— China's Oil Lifeline to North Korea Targeted After Nuclear Blast. [Bloomberg](#).

— U.S. gasoline prices slip as oil industry bounces back from Harvey. [Reuters](#).

— Interior Secretary Zinke Connects With Local Communities in Protected Lands. [Wall Street Journal](#).

— Pipeline builders want to create butterfly, bee habitats. [Fayetteville Observer](#).

— Former Bush EPA Chief: Harvey Response Understaffed. [Newsmax](#).

— Once-confidential oilfield data worth millions is about to hit the streets. [Alaska Dispatch News](#).

## **HAPPENING THIS WEEK**

### **TUESDAY**

12:00 p.m. — Press call on clean cars ahead of EPA hearing featuring Maine Attorney General Janet Mills, Contact: [smichaels@ucsusa.org](mailto:smichaels@ucsusa.org)

4:00 p.m. — House Rules Committee [meets](#) to consider Make America Secure and Prosperous Appropriations Act, 2018, H.R. 3354, H-313

### **WEDNESDAY**

9:00 a.m. — "[Fostering Public-Private Innovations in the U.S. Water Market](#)," A. O. Smith Corporation and The Water Council, CVC 201-00

10:00 a.m. — "[Powering America: Reevaluating PURPA's \(Public Utility Regulatory Policies Act\) Objectives and its Effects on Today's Consumers](#)," House Energy and Commerce Energy Subcommittee, Rayburn 2123

10:00 a.m. — House Natural Resources Energy and Mineral Resources Subcommittee holds [a hearing](#) on various bills, 1334 Longworth

10:00 a.m. — "[Examining the Scientific and Operational Integrity of EPA's IRIS \(Integrated Risk Information System\) Program](#)," House Science Environment and Oversight subcommittees, Rayburn 2318

10:15 a.m. — "[EPA Oversight: Unimplemented Inspector General and GAO Recommendations](#)," House Energy and Commerce Oversight and Investigations Subcommittee, Rayburn 2322

11:00 a.m. — "[Expediting Economic Growth: How Streamlining Federal Permitting Can Cut Red Tape for Small Businesses](#)," House Small Business Committee, Rayburn 2360

### **THURSDAY**

9:00 a.m. — "[NAFTA and North American Energy: What Comes Next?](#)" Atlantic Council, 1030 15th ST NW, 12th Floor

10:00 a.m. — Senate Energy and Natural Resources Committee [hearing](#) on three nominations, Dirksen 366

### **FRIDAY**

\*crickets\*

**THAT'S ALL FOR ME!**

**\*\* A message from Chevron:** This is a story about energy, safety, and some truly high-flyin' doin'. We're piloting a program that uses drones, HD imaging, and thermal mapping to help keep a close eye on Chevron wells, tanks, and pipelines—all to keep DOERS and what they're doin' safer. Watch the video: <http://politi.co/2grzhbE> \*\*

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/09/little-on-energy-horizon-this-fall-in-congress-024428>

## Stories from POLITICO Pro

### Crowded schedule in Congress to put energy issues on hold [Back](#)

By Anthony Adragna | 09/05/2017 05:02 AM EDT

The overcrowded congressional calendar is squelching the chances that any substantial energy legislation will move ahead this fall, with lawmakers consumed with tax reform, lifting the debt ceiling and passing aid packages to rebuild the battered Gulf Coast.

Instead, congressional aides and observers expect that the once-routine work of approving agency nominees and funding federal agencies may be the biggest accomplishments for the energy world.

"It's not just an energy thing, but there's really not time for anything outside of those must-dos," said Christopher Guith, senior vice president for policy at the U.S. Chamber of Commerce.

Longer-term initiatives like revamping the Renewable Fuel Standard or the Antiquities Act may generate some hearings in the coming weeks, but any substantive push to move legislation will slip into next year at the earliest. And efforts to advance an energy bill will also have to wait until next year since the House has not engaged on the subject, even as Sen. [Lisa Murkowski](#), chairwoman of the Energy and Natural Resources Committee, has pushed her chamber's leadership to fast-track the legislation for a floor vote.

Both fossil fuel and renewable energy interests are closely watching the simmering fight over tax reform, although many observers doubt that congressional leadership will succeed in getting any major legislation passed this year.

"Energy provisions in tax legislation will preoccupy lobbyists, but any attempt at tax bill passage will wait until next year," said Paul Bledsoe, a former Senate Finance Committee staffer now with the Progressive Policy Institute.

Energy companies support [slashing the corporate tax rate](#), which President Donald Trump has floated dropping to 15 percent, below the 20 percent rate proposed by House Republicans. Trump is planning to pitch the tax cuts on Wednesday with a speech in North Dakota, home of the Bakken Shale.

And odds are slim that efforts to keep a carbon capture and sequestration tax credit or extend tax incentives for several renewable energy technologies will have enough momentum to move on their own — unless congressional leaders abandon the effort for a comprehensive tax package.

The House has teed up a broad spending package, [H.R. 3354 \(115\)](#), including EPA and Interior funding, for floor consideration when it returns, and it's already passed its Energy title. But the Senate remains sharply divided, and most observers expect a short-term spending package will be needed to fund the government into December, when the real spending showdown will happen.

And while policy riders have riled the appropriations process over the last several years, those fights may subside now that Republicans control federal agencies, giving them a freer hand to implement their policy preferences. Republicans may back off any controversial riders to avoid provoking Democratic lawmakers, whose votes will be needed to pass any spending legislation.

"Things seem to be so chaotic that it's going to take a lot of bipartisan support to get anything done," said Athan Manuel, director of the Lands Protection Program at the Sierra Club. "That gives Democrats a lot of leverage."

The Senate Environment and Public Works Committee will push for the full chamber to take up the bipartisan nuclear energy ([S. 512 \(115\)](#)) and conservation ([S. 1514 \(115\)](#)) bills. And a committee aide said Chairman [John Barrasso](#) will "continue working to limit government overreach" and "examine new and innovative technologies to protect America's air, water and species."

In the House, Rep. [John Shimkus](#) expects the bills addressing nuclear waste management, drinking water and brownfields that passed out of his House Energy and Commerce Environment Subcommittee earlier this year could reach the floor under suspension in September.

"When I was fighting with Harry Reid, I just pledged to myself that I was going to outlast him. I thought to myself, the guy is 20 years older than me, I'll just outlast him," he told [a local newspaper](#) last month, referring to the long battle over nuclear waste and the stalled Yucca Mountain repository project. "He's retired, and now the door is open to get this done."

The House Natural Resources Committee plans to tackle a host of bills regarding onshore and offshore drilling, as well as hardrock mining, that would loosen restrictions and grant greater control to the states. "Once these are drafted, they'll hopefully get a legislative hearing on the sooner side with the intention of moving through the committee process to make it to the floor," a committee aide told POLITICO. "We could see these bills in subcommittee hearings and marked up before the end of this year."

The Senate cleared much of the backlog of nominees before breaking for August recess, but moving White House appointees through the chamber in the coming weeks and months will hinge on whether Democrats continue to draw out the process through procedural hurdles. Among those waiting in the wings: Susan Bodine for EPA enforcement chief; a host of Energy and Interior nominations; NRC nominees Annie Caputo, David Wright and current Commissioner Jeff Baran; and FERC nominees Kevin McIntyre and Richard Glick.

The FERC picks, along with the selections of Joseph Balash to be an Interior assistant secretary and Ryan Nelson to be Interior's solicitor, will get [a hearing](#) Thursday with the Senate Energy and Natural Resources Committee.

The list of nominations to consider grew with a [flurry of late-night Sept. 1 nominations](#) from

Trump that included: Matthew Leopold as EPA general counsel; David Ross as EPA's top water official; Steven Winberg as assistant Energy secretary for fossil energy; Bruce Walker as assistant Energy secretary for electricity, delivery and energy reliability; David Zatezalo as head of the U.S. mine safety agency; Timothy Gallaudet for the number two position at NOAA; and Rep. [Jim Bridenstine](#) (R-Okla.) to be NASA administrator.

Murkowski and Sen. [Maria Cantwell](#) will keep pushing for floor time on their energy bill, [S. 1460 \(115\)](#), but several observers say they've seen no interest from Senate Majority Leader [Mitch McConnell](#) in moving any energy-related measures this year — and there's been even less engagement in the House.

There's not a chance the current iteration of the energy package would be taken up by the House, Guith said. "There absolutely needs to be a bicameral discussion. It's not there yet."

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**Ryan: 'I don't think anyone's interested in having a shutdown'** [Back](#)

By Louis Nelson | 08/23/2017 03:09 PM EDT

House Speaker Paul Ryan said Wednesday he did not think Republican lawmakers are interested in shutting down the government over funding for President Donald Trump's long-promised border wall.

Trump told the crowd at a rally Tuesday night in Phoenix, "believe me, if we have to close down our government, we're building that wall," a promise that prompted the crowd to chant "build that wall."

But Ryan (R-Wis.), who spoke to reporters during a visit to Intel Corp. offices in Oregon, said the House has already passed border security legislation that includes money for a wall. He said lawmakers shouldn't have to choose between keeping the government open and making good on the president's border security pledge.

"I don't think a government shutdown is necessary, and I don't think most people want to see a government shutdown, ourselves included. And Congress, in the House, has already done its work on this issue. There are very legitimate problems and concerns on the border that need to be addressed," Ryan said. "I don't think anyone's interested in having a shutdown. I don't think it's in our interests to do so while we work on doing what we actually said we would do, what we've done already in the House and we need to do, which is to control our border. So I don't think you have to choose between the two."

Congress must pass funding legislation by the end of next month in order to avoid a government shutdown, and lawmakers are scheduled to have just 12 working days after their Sept. 5 return before the deadline hits. Ryan said he expects Congress will keep the government open via a short-term continuing resolution, as opposed to a full appropriations bill, because the schedule won't offer sufficient time for the Senate to process the latter.

"The fact is though, given the time of year it is and the rest of the appropriations we have to

do, we're going to need more time to complete our appropriations process, particularly in the Senate. So that's something that I think we all recognize and understand, that we're going to have to have some more time to complete our appropriations process," the speaker said.

Asked if that meant a continuing resolution, he replied, "I think that will probably be necessary, yes, because I can't imagine the Senate will be able to process the appropriations bill as quickly as the House is."

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## **Trump's EPA attacks AP reporter in personal terms [Back](#)**

By Matthew Nussbaum | 09/03/2017 05:52 PM EDT

President Donald Trump's habit of singling out reporters for attacks is being adopted by his federal agencies, with the Environmental Protection Agency excoriating an Associated Press reporter in unusually personal terms on Sunday after the reporter wrote a story that cast the agency in an unfavorable light.

"Yesterday, the Associated Press' Michael Biesecker wrote an incredibly misleading story about toxic land sites that are under water," the [statement](#) began. "Despite reporting from the comfort of Washington, Biesecker had the audacity to imply that agencies aren't being responsive to the devastating effects of Hurricane Harvey. Not only is this inaccurate, but it creates panic and politicizes the hard work of first responders who are actually in the affected area."

The [article in question](#), which was written by Biesecker and his AP colleague, Jason Dearen, noted that seven toxic Superfund sites around Houston had been flooded during Hurricane Harvey. The Saturday report also noted that the "EPA had not yet been able to physically visit the Houston-area sites," which the EPA confirmed, arguing the sites were not accessible.

Dearen appears to have reported from on the ground in Texas, and he was not singled out by the EPA statement.

The statement went on to say that "state agencies worked with responsible parties to secure Superfund sites before the hurricane hit."

It then continued the attacks on Biesecker, saying he "has a history of not letting the facts get in the way of his story" and noting that a July story he wrote inaccurately characterized an interaction between EPA Administrator Scott Pruitt and Dow Chemical CEO Andrew Liveris. Biesecker's story, based on EPA schedules, initially said the two met for half an hour at a Houston hotel.

A spokesperson for the EPA later said the meeting was canceled and that the two had only a "brief introduction in passing." The AP issued a correction to the story.

The bulk of Sunday's EPA statement was unsigned. It did, however, include one portion attributable to associate administrator Liz Bowman.

"Once again, in an attempt to mislead Americans, the Associated Press is cherry-picking facts, as EPA is monitoring Superfund sites around Houston and we have a team of experts on the ground working with our state and local counterparts responding to Hurricane Harvey," Bowman's statement said. "Anything to the contrary is yellow journalism."

The statement did not point to any specific factual inaccuracies in Saturday's story, besides accusing Biesecker of leaving out information about the EPA's other efforts to monitor the toxic land sites, and the AP has not offered any corrections on the piece.

The EPA declined Sunday to provide additional information about who drafted the statement, with EPA spokesperson Amy Graham calling the statement "pretty self-explanatory" in an email to POLITICO.

Bowman later followed up with an additional email to POLITICO.

"We understand you are very focused on our press release; we hope you will apply the same focus to the facts, which include that a national reporter from a wire service publishing [sic] inaccurate and misleading stories about the agency and it's [sic] staff on the ground," Bowman wrote. "We think that is more important than who drafted a press release."

The Associated Press on Sunday evening pushed back on the EPA's claims.

"AP's exclusive story was the result of on-the-ground reporting at Superfund sites in and around Houston, as well as AP's strong knowledge of these sites and EPA practices," it said in a statement. "We object to the EPA's attempts to discredit that reporting by suggesting it was completed solely from 'the comforts of Washington' and stand by the work of both journalists who jointly reported and wrote the story."

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**EPA delays chemical facility safety rule until 2019** [Back](#)

By Alex Guillén | 06/12/2017 12:26 PM EDT

EPA is giving refineries, chemical plants, fertilizer makers and other facilities until 2019 to comply with an Obama-era rule meant to prevent explosions and other disasters at those sites and protect nearby communities.

The Risk Management Program rule was finalized in January and had been set to go into effect in March as part of the federal government's response to the West, Texas, fertilizer plant explosion that killed 15 people in 2013.

"We are seeking additional time to review the program, so that we can fully evaluate the public comments raised by multiple petitioners and consider other issues that may benefit from additional public input," Administrator Scott Pruitt said in a statement. In a [Federal Register notice](#) to be published later, Pruitt gave regulated facilities until Feb. 19, 2019 to comply with the rule, although any changes to its requirements likely will push that back even

further.

In a separate [response to comments](#), EPA dismissed complaints that the delay poses environmental, safety or national security risks.

"EPA's legal mandate ... is not to ratchet up regulatory requirements to prevent all conceivable accidental releases regardless of the burden of implementation and regardless of how such regulations fit in overall chemical safety," the agency said, adding that the law requires the agency to be "reasonable."

Sen. [Jim Inhofe](#) (R-Okla.) pushed unsuccessfully to kill the RMP rule via a Congressional Review Act resolution earlier this year after arguing it would reveal too much sensitive information to terrorists. His resolution never received a vote.

**WHAT'S NEXT:** EPA will continue its review of objections to the rule raised by industry groups and companies.

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**EPA puts grants under scrutiny, cuts some funding** [Back](#)

By Annie Snider | 08/24/2017 02:11 PM EDT

The Trump EPA is undertaking a wide-ranging review of all grants to nonprofits, universities and other institutions, and has already decided to end multiple awards made by the Obama administration.

The Bay Journal, a 27-year-old non-profit news organization that covers Chesapeake Bay cleanup efforts, [learned](#) Wednesday that EPA will end a six-year grant it awarded the organization two years ago. The Journal, which began as an EPA-funded newsletter, was due to receive its next annual distribution of \$325,000 in February.

"It's not unprecedented for a new administration to conduct a thorough review of the previous administration's funding decisions, which is currently ongoing for all grants, including those that are mid-cycle," EPA spokeswoman Amy Graham said in a statement, confirming that multiple mid-cycle grants are already on the chopping block. "We are focused on ensuring taxpayer funds are spent responsibly on programs that yield tangible results to protect clean air, land and water."

The agency is also requiring that all new grant solicitations be approved by a political appointee in its Office of Public Affairs, according to a [memo](#) first reported by E&E News.

The Trump administration called for sharp cuts for EPA in its budget blueprint, including to the Chesapeake Bay cleanup effort and other watershed programs across the country. But those programs are broadly popular with lawmakers of both parties, and EPA Administrator Scott Pruitt voiced strong support for the Chesapeake Bay cleanup effort during his confirmation hearing, despite having sued over it in his previous job as Oklahoma's attorney general.

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## **Trump names nominees for posts at EPA, DOE, NOAA [Back](#)**

By Alex Guillén | 09/01/2017 09:41 PM EDT

The White House on Friday evening announced a number of new nominations at EPA, the Energy Department and at other key energy-related posts.

— Matthew Leopold to be EPA's general counsel. An attorney at a Tallahassee law firm, Leopold previously was general counsel to the Florida Department of Environment Protection and an attorney with the Justice Department's environmental division, where he worked on the civil trial team for the Deepwater Horizon disaster.

— David Ross to be EPA's assistant administrator for water. Ross runs the Wisconsin Department of Justice's Environmental Protection Unit and was a top state lawyer for Wisconsin and Wyoming. He worked from 2002 to 2014 at D.C. law firms, mostly Crowell & Moring and helped on challenges to EPA's Waters of the U.S. rule.

— Steven Winberg to be assistant Energy secretary for fossil energy. Winberg, a program manager at the Battelle Memorial Institute, headed up research and development for CONSOL Energy. Winberg has been a member of DOE's National Coal Council and chaired the FutureGen Industrial Alliance, which backed an unsuccessful carbon capture project in Illinois.

— Bruce Walker to be assistant Energy secretary for electricity, delivery and energy reliability. Walker founded Modern Energy Insights, a company that assesses utilities' electric infrastructure risks. His resume includes executive positions at National Grid and Consolidated Edison.

— David Zatezalo to be assistant Labor secretary for mine safety and health, which runs the Mine Safety and Health Administration. Zatezalo in 2014 retired as president and CEO of coal miner Rhino Resources.

— Timothy Gallaudet to be assistant secretary of Commerce for oceans and atmosphere, the No. 2 position at the National Oceanic and Atmospheric Administration. A Navy admiral and commander of the service's Meteorology and Oceanography Command, and has a doctorate from the Scripps Institution of Oceanography. He also served as deputy director of a Navy task force on climate change.

— Rep. [Jim Bridenstine](#) (R-Okla.) to be NASA administrator. Bridenstine has [criticized](#) federal spending on climate change research. The White House's budget would cut funding from NASA's climate change-related activities.

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## **Rubio, Nelson blast Trump's NASA pick** [Back](#)

By Marc Caputo | 09/01/2017 08:09 PM EDT

Florida's senators are voicing opposition to President Donald Trump's pick for NASA administrator, Oklahoma Congressman Jim Bridenstine, saying a "politician" shouldn't lead the nation's space program.

Republican Marco Rubio and Democrat Bill Nelson wouldn't say whether they'd buck the president and vote against Bridenstine, who was nominated Friday. But they suggested the GOP congressman's political past would needlessly spark a partisan fight in the Senate that could ultimately damage NASA.

Bridenstine also trashed Rubio during last year's GOP presidential primary, although Rubio said he doesn't hold that against the congressman.

The bipartisan pushback against Trump's nominee for NASA administrator underscores the importance of the agency to Florida, home of the Kennedy Space Center in Cape Canaveral. Nelson, as a member of Congress, in 1986 flew on a Space Shuttle Columbia mission; he also has a home on what's known as the state's Space Coast.

"The head of NASA ought to be a space professional, not a politician," Nelson said in a brief written statement to POLITICO.

Nelson serves as the ranking member on the Senate's Committee on Commerce, Science & Transportation, which oversees NASA and would hear Bridenstine's nomination. Bridenstine's office did not return calls seeking comment.

The White House officially announced in a statement on Friday night that Trump intended to nominate Bridenstine to the role of NASA administrator.

Rubio said he and Nelson "share the same concerns" and worry Bridenstine's "political baggage" would weigh him down in a GOP-led Senate that has grown increasingly resistant to Trump. NASA can't afford that, Rubio said.

"I just think it could be devastating for the space program. Obviously, being from Florida, I'm very sensitive to anything that slows up NASA and its mission," Rubio told POLITICO.

"It's the one federal mission which has largely been free of politics and it's at a critical juncture in its history," Rubio said. "I would hate to see an administrator held up -- on [grounds of] partisanship, political arguments, past votes, or statements made in the past -- because the agency can't afford it and it can't afford the controversy."

Noting NASA's mission to Mars, Rubio said the agency is at critical moment in its history and he would prefer an administrator who has the "respect of the people who work there from a leadership and even a scientific perspective."

Rubio said he relayed his thoughts to the White House.

Rubio said he would wait to meet with Bridenstine, a former Navy pilot who once served as

director of Tulsa's Air and Space Museum, and review his credentials before deciding how to vote.

Bridenstine was harshly critical of Rubio during the GOP presidential primary when the Oklahoma representative supported Texas Sen. Ted Cruz. In two ads for Cruz that suggested Rubio was weak on terror, Bridenstine also attacked Rubio's support of comprehensive immigration reform.

"I have seen Ted Cruz stand up to both Obama and Marco Rubio, when they joined forces to provide amnesty without border security," Bridenstine said in one of the spots. "The Rubio amnesty bill would have expanded the U.S. refugee resettlement program."

When asked about Bridenstine's politicking against him, Rubio wisecracked that "there's a couple people in the executive branch who didn't always say nice things about me in a political campaign. This is largely a secondary issue. I don't think it speaks to a person's ability to work at NASA."

*Cristiano Lima contributed to this report.*

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**Sources: Skadden lawyer to be FERC general counsel** [Back](#)

By Eric Wolff and Darius Dixon | 09/01/2017 03:59 PM EDT

James Danly will be announced as FERC's new general counsel as early as Tuesday, two industry sources tell POLITICO.

FERC declined to comment, and Danly could not be reached by phone or email today.

Danly has been an associate in the Energy Regulatory and Litigation Group at the law firm of Skadden, Arps, Slate, Meagher & Flom LLP since 2014. He graduated from Vanderbilt Law School in 2013 and clerked at the 6th Circuit for a year, according to his biography on the [firm's website](#).

Danly served two tours as an Army officer in Iraq, winning the Bronze Star and a Purple Heart, according to a [bio](#) on the Council on Foreign Relations, where he was a fellow in 2009. He became managing director at the Institute for the Study of War, a think tank, and he has written op-eds for major publications on military issues.

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By Anthony Adragna | 11/15/2017 05:44 AM EDT

*With help from Sara Stefanini, Eric Wolff and Alex Guillén*

**POLITICAL COPS HIT THE CLIMATE BEAT:** Politicians roll into Bonn, Germany, today to take over the final three days of the COP23. The opening ceremony will include German Chancellor Angela Merkel, French President Emmanuel Macron, and U.N. Secretary General António Guterres around 10 a.m. EST. The goal over the remaining days of the summit is to make as much progress as possible on the complex rules supporting the Paris climate agreement.

**No Bonn voyage:** Citing "[a family emergency](#)," career State Department diplomat Tom Shannon will no longer arrive in Bonn today to lead the U.S. delegation to the climate talks, Pro's Emily Holden [reports](#). Other delegations had been anxiously waiting to see what tone and direction he'd set for the U.S. at the talks. Leading the delegation in his place will be Judith Garber, acting assistant secretary of State for oceans and international environmental and scientific affairs.

**Optimism among other diplomats:** Career U.S. diplomats negotiating technical elements of the deal with their foreign counterparts have stuck to many of the same stances they did under the Obama administration and that's raising hopes the Paris accord will survive the presidency of Donald Trump, POLITICO's Emily Holden, Kalina Oroschakoff and David Siders [report](#). Christiana Figueres, a former United Nations climate envoy who helped orchestrate the Paris climate agreement's adoption two years ago, said that in the long-term effort to reduce greenhouse gas emissions, Trump is "going to be a blip" in history.

**Walking the line:** Dave Banks, Trump's energy adviser, argued the U.S. policy on fossil fuels is totally separate from what American diplomats are discussing in negotiation halls. The administration hasn't made any effort to start renegotiating the agreement, which would have set off an immediate diplomatic fray. And Banks said Shannon would not have pushed the administration's coal efforts if he made the trip. "So you think he's going to say, 'We're going to promote coal'? No, that's a policy discussion. It's not a negotiation," Banks said.

**How one senior African negotiator** summed up the situation for career State diplomats: "I think the mandate is not to be a blocker. They engage, but in the end they're not the ones calling the shots," he said.

**WELCOME TO WEDNESDAY!** I'm your host Anthony Adragna, and ME led you astray with an imprecise trivia question. Alaska has the most federal land by acreage and Nevada has the greatest percentage federal land within its border. Sorry! For today: Which former congressman was convicted of voter fraud by forging ballots at a nursing home? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#), and [@POLITICOPro](#).

**NET NEUTRALITY 101:** The long-running fight over net neutrality, which pits telecom

giants against tech companies, is heating up at the Federal Communications Commission. To understand what the fight is all about and where it's headed, check out POLITICO's latest explainer video featuring technology reporter Margaret Harding McGill and the artwork of Pulitzer Prize-winning cartoonist Matt Wuerker. Click [HERE](#) to watch.

**New for Pros!** The Pro app brings real-time policy intelligence and customizable notifications to your smartphone and tablet. [Download the Pro app for iPhone and iPad](#) | [Get the Pro app on Google Play](#).

**ANWR SET TO CLEAR COMMITTEE:** The Senate Energy Committee [convenes](#) at 9 a.m. to consider [reconciliation legislation](#) offered by Chairman [Lisa Murkowski](#) that would open a small part of the Arctic National Wildlife Refuge to oil and gas development. The CBO [estimates](#) the package would raise \$1.092 billion over the 10-year budget window, though Democrats and public lands groups say that overestimates how much lease sales could raise. Expect the package to pass on a largely party-line vote with West Virginia Democratic Sen. [Joe Manchin](#) likely to vote in favor.

**ME first — New ad blitz launched:** The League of Conservation Voters is unveiling a \$550,000 television ad campaign in the districts of Republican Reps. [Erik Paulsen](#), [Bruce Poliquin](#), [John Katko](#) and Washington today opposing the effort to open ANWR to drilling. Watch it [here](#).

**BISHOP: SOMETHING'S GOTTA GIVE:** Don't expect Congress to send tens of billions in relief funds to Puerto Rico until the island's government and a congressionally created independent financial oversight board are able to work together, House Natural Resources Chairman [Rob Bishop](#) told reporters. "If they don't do that, then it's going to be a very difficult ask to ask this body to appropriate a whole bunch of money without some kind of guarantee that things will be different," he said. "The power struggle has got to stop if they expect Congress to actually come up with the money." Bishop said he doesn't think additional legislation is necessary to improve that relationship, but he's willing to insert language into forthcoming spending packages if necessary.

**What about Whitefish?** Bishop's not worried about the details of the now-cancelled contract, but wants to ensure the process that led to it is never replicated. "The details of Whitefish and PREPA are insignificant — that's history," he said. "The process that created Whitefish cannot happen again and cannot be replicated. This is what's bothersome to me." He declined to say whether Ricardo Ramos, the head of the utility who inked the Whitefish deal, should be fired.

**That comes as** [documents](#) showed the utility ignored advice from its law firm of Greenberg Traurig to include language in the contract that would cap the amount of money Whitefish Energy could charge, allow PREPA to terminate the agreement for any breach of contract and make Whitefish responsible for paying Puerto Rican taxes, Pro's Ben Lefebvre [reports](#).

**CRUZ TO IOWA: COME TO THE TABLE OR NORTHEY GETS IT:** Sen. [Ted Cruz](#), having seemingly failed to secure a meeting with Midwestern senators brokered by the White House, has turned to newly fledged Iowa Gov. Kim Reynolds to try and bring corn-staters to the table. Cruz [wrote](#) to Reynolds Tuesday to explain why he has put a hold on the nomination of Iowan Bill Northey to become an undersecretary for the Department of Agriculture. He cites high costs of biofuel credits in the Renewable Fuel Standard that refiners in Texas and elsewhere say is hurting their bottom line (Reuters [reported](#) yesterday that at least one refinery is selling off high priced credits to meet debt payments). "Both sides of the debate must

negotiate in good faith to find a mutually agreeable solution to secure the fate of liquid fuels in America," Cruz wrote.

**You started it!** Cruz said Iowa Sens. [Joni Ernst](#) and [Chuck Grassley](#) blocked "multiple EPA nominations (and threatened to do the same to judicial nominations)" to protect the RFS from EPA interference. Ernst blocked only EPA air chief Bill Wehrum. The rumor that Grassley, who chairs the Senate Judiciary committee, threatened to block judicial nominations has circulated for months. A spokesman told ME that the Iowa Republican "did not place a hold on any EPA nominee and has not threatened to place a hold on any judicial nominee."

**What about that meeting?** Cruz and eight colleagues wrote to Trump last month asking the White House to broker a meeting with the Midwestern senators within three weeks. Three weeks is up today, and as of Monday, aides to two Midwestern Senators said they had received no outreach from the White House to set up a meeting.

**\*\* A message from Chevron:** When an endangered butterfly was found near a Chevron refinery, we protected the habitat and still plant the only thing they eat—buckwheat. Watch the video: <http://politi.co/2yQ8q7z> \*\*

**PAGING GRASSLEY:** It's not just Cruz you have to worry about. Sen. [Lamar Alexander](#), one of the chamber's top wind energy critics, took aim at the production tax credit in a floor speech Tuesday. The Senate Finance Committee is expected to begin processing amendments today to its tax bill, and Alexander said the wind incentive should go on the chopping block. "I'm here today to challenge my colleagues to be willing to consider all energy subsidies for mature technologies - wind, solar, oil and gas - as candidates for elimination in a tax reform bill," he said. "These dollars could be better spent to lower rates for taxpayers." Senate tax-writers did not follow the lead of their House counterparts and left the PTC alone in their tax bill, and Grassley, a senior Finance Committee member, is likely to make sure it stays that way after the markup.

**Green group targets bill:** The Sierra Club launched a digital ad campaign urging 29 House Republicans to oppose the chamber's tax package [H.R. 1 \(115\)](#). "The GOP's plan even manages to raise taxes on the middle class, while sneaking in an outrageous attack on the Arctic Refuge by opening it up for drilling," Melinda Pierce, the group's legislative director, said in a statement.

**FOR YOUR RADAR:** Vice President Mike Pence joins Energy Secretary Rick Perry, FEMA Administrator Brock Long and Texas Gov. Greg Abbott in Austin for a briefing on recovery efforts from Hurricane Harvey today at 1:40 p.m. EST.

**VOTE EXPECTED ON MINE SAFETY PICK:** A final vote is scheduled for noon today to confirm David Zatezalo to be assistant secretary of Labor for Mine Safety and Health. Majority Leader [Mitch McConnell](#) hailed his "keen understanding of the challenges and risks sometimes associated with mining" on the floor Tuesday and said "this firsthand experience will serve him well in his new role." The cloture vote was 52 to 45.

**House clears flood insurance, final NDAA bills:** Lawmakers cleared by a 237-189 [vote](#) legislation [H.R. 2874 \(115\)](#) would reauthorize and overhaul the National Flood Insurance Program, which has struggled to meet its obligations to policyholders in the midst of a string of hurricanes, Pro Financial Services' Zachary Warmbrodt [reports](#). The House also passed a

compromise defense policy bill [H.R. 2810 \(115\)](#) that includes language requiring a study of the threats posed by climate change to military installations by a 356-70 vote, Pro Defense's Connor O'Brien [reports](#).

**SASC CLEARS ARMY CORPS NOM, EPW UP NEXT:** The Senate Armed Services Committee on Tuesday gave the green light to R.D. James' nomination to run the Army Corps of Engineers, but thanks to the Corps' dual role in water policy, he also has to clear the Environment and Public Works Committee before he can hit the floor. An EPW spokesman said the hearing for James will happen sometime in December, though that timeline means a committee vote may not happen until the new year.

**HEARING ROUNDUP — E&C SUBPANEL VOTES ON AIR BILLS:** The House Energy and Commerce Environment Subcommittee today [marks up](#) legislation on the brick MACT [H.R. 1917 \(115\)](#), wood heaters [H.R. 453 \(115\)](#), racing vehicles [H.R. 350 \(115\)](#) and a bill [H.R. 1119 \(115\)](#) meant to help waste coal-to-energy power plants cope with the Cross-State Air Pollution Rule and the mercury rule. That vote takes place at 10 a.m. in Rayburn 2123.

**Science panel tackles research bills:** The full House Science Committee marks up a series of bills today, including one [H.R. 4376 \(115\)](#) making upgrades to DOE research capacities and another [H.R. 4378 \(115\)](#) boosting nuclear energy research infrastructure. The [session](#) convenes at 10 a.m. in Rayburn 2318.

**EPW looks at reducing emissions:** Senate EPW holds a hearing entitled "Promoting American Leadership in Reducing Air Emissions Through Innovation" at 10 a.m. in Dirksen 406. Look for the National Association of Manufacturers to call for Congress to "work with the EPA to fix [the New Source Review program] so that it functions properly and does not stand in the way of efficiency." Watch [here](#).

**MAIL CALL! RESTORE CLIMATE WEBPAGES:** Seven members of the Senate Democratic caucus asked EPA Administrator Scott Pruitt in [a letter](#) to restore a series of removed webpages on climate change and for explanations of modifications. "These latest website alterations are part of a sequence of disturbing EPA actions that appear designed to censor dialogue about climate change in the United States," the group, led by [Cory Booker](#), wrote.

**WHAT A WASTE:** The Environmental Defense Fund is out with a [new report](#) finding wide discrepancies between flaring rates among the top 15 oil and gas producers working in the Texas Permian Basin and concluding the industry continues to struggle to tamp down on natural gas waste.

**NEW LIFE FOR OLD MINES?** The Rocky Mountain Institute released new research on how to evaluate old mining sites for potential renewable energy siting opportunities. Link [here](#).

**TAKE A GLANCE!** The Federalist Society launched the [Regulatory Transparency Project](#), which it aims to "foster a national discussion about where government regulation seems to be doing more harm than good."

**MOVERS, SHAKERS:** Members of New Jersey Gov.-elect Phil Murphy's transition team on environmental and energy issues include: former NRG Energy CEO David Crane, former John

Kerry senior advisor Kathleen Frangione, Earthjustice VP Lisa Garcia and former state Board of Public Utilities President Jeanne Fox, according to [NJ.com](#).

## QUICK HITS

— Grand Staircase-Escalante monument will be pruned by half, Hatch official says. [Salt Lake Tribune](#).

— LG&E and KU credits LED lights as it announces plans to shut down two coal-burning units. [Louisville Courier Journal](#).

— Climate Change and Water Woes Drove ISIS Recruiting in Iraq. [National Geographic](#).

— Lawsuit Seeks to Stop Work on Appalachian Gas Pipeline. [AP](#).

— Trump's team may move the Bureau of Land Management headquarters to Salt Lake City. [Salt Lake Tribune](#).

— 61 EPA Staff Have Left Chicago Office in 2017, And They're Missed. [WTTV](#).

— U.S. Steel dumps more toxic chromium near Lake Michigan, faces lawsuit. [Chicago Tribune](#).

## HAPPENING THIS WEEK

8:00 a.m. — Roll Call Live's "[Energy Decoded](#)," Newseum, 555 Pennsylvania Ave NW, 8th Floor Knight Conference Center

9:00 a.m. — Business [Meeting](#) to consider Reconciliation Legislation, Senate Energy and Natural Resources Committee, Dirksen 366

10:00 a.m. — "[Legislative Hearing on Bills to Empower Indian Tribes, Promote Self-Determination](#)," House Natural Resources Indian, Insular and Alaska Native Affairs Subcommittee, Longworth 1324

10:00 a.m. — House Science Committee [markup](#) of several bills, Rayburn 2318

10:00 a.m. — House Energy and Commerce Environment Subcommittee [marks up](#) several bills, Rayburn 213

10:00 a.m. — "[Promoting American Leadership in Reducing Air Emissions Through Innovation](#)," Senate Environment and Public Works Committee, Dirksen 406

10:00 a.m. — The Information Technology and Innovation Foundation holds a panel discussion on "[ARPA-E: A Catalyst of Clean Energy Innovation](#)," 1101 K Street NW, Suite 610A

10:30 a.m. — "[Legislative Hearing on National Park, Fish and Wildlife Service Bills](#)," House Natural Resources Federal Lands Subcommittee, Longworth 1334

12:00 p.m. — "[Restore the Mississippi River Delta](#) releases report on priority restoration projects for the Mississippi River Delta, RSVP: [alina@sandersonstrategies.com](mailto:alina@sandersonstrategies.com)

12:30 p.m. — "[Coming Clean: Improving Transparency and Accountability to End Pollution's Chokehold on Development](#)," World Resources Institute, 10 G Street NE, Suite 800

12:30 p.m. — University of Wisconsin researchers discuss comprehensive assessment of ethanol mandate impacts on climate change, RSVP: [lubetkin@nwf.org](mailto:lubetkin@nwf.org)

2:00 p.m. — "[Nord Stream and European Energy Security](#)," Jamestown Foundation, Choate Conference Room, Carnegie Endowment for International Peace, 1779 Massachusetts Avenue, NW

2:30 p.m. — Media briefing on PJM's energy price formation proposal, RSVP: [kassandra.meholick@edelman.com](mailto:kassandra.meholick@edelman.com)

4:30 p.m. — The Friends Committee on National Legislation hosts conversation with Reps. Costello and Eshoo about climate change and conservation, 205 C Street NE

6:00 p.m. — Press briefing on Marine Mammal Protection Act featuring Actress Miranda Cosgrove, Rayburn 2045

### **THAT'S ALL FOR ME!**

**\*\* A message from Chevron:** This is a story about DOERS, butterflies, and buckwheat. In '75, the endangered El Segundo Blue butterfly was found near a Chevron refinery. We protected the habitat and planted the only thing they eat—buckwheat. We're still planting and keeping an eye on our littlest neighbor. Watch the video: <http://politi.co/2yQ8q7z> \*\*

*To view online:*

<https://www.politicopro.com/newsletters/morning-energy/2017/11/mixed-signals-from-us-as-world-leaders-arrive-in-bonn-025554>

### **Stories from POLITICO Pro**

#### **State Department: Shannon to miss climate talks [Back](#)**

By Emily Holden | 11/14/2017 03:43 PM EDT

BONN, Germany — Tom Shannon, the State Department career diplomat who was set to head the U.S. delegation at international climate talks here, will not attend, according to the State Department.

Delegations from other countries had been waiting to see what tone and direction Shannon would set at the talks for the U.S. He was to be the top politically appointed U.S. diplomat at COP23.

Acting Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs Judith Garber will travel to Bonn on Wednesday to lead the delegation.

*To view online [click here](#).*

[Back](#)

## House Natural Resources: Puerto Rico utility ignored lawyers' advice in hiring Whitefish Energy [Back](#)

By Ben Lefebvre | 11/14/2017 05:12 PM EDT

Puerto Rico's electric utility ignored advice from its own lawyers when it signed a contract with Whitefish Energy in the aftermath of Hurricane Maria, according to [documents](#) released ahead of a House Natural Resources Committee hearing today.

Law firm Greenberg Traurig advised Puerto Rico Electric Power Authority to include language in the contract that would cap the amount of money Whitefish Energy could charge, allow PREPA to terminate the agreement for any breach of contract and make Whitefish responsible for paying Puerto Rican taxes, among other requirements. But none were included, the [committee said](#) in its summary of the documents.

PREPA last month canceled the \$300 million contract with Whitefish, a relatively unknown, two-man operation based in Montana.

Puerto Rico Gov. Ricardo Rossello reiterated to lawmakers that he has launched two investigations into how the contract came about, but Natural Resources Chairman [Rob Bishop](#) (R-Utah) said the governor would have to do more if he wants Congress to support his [request](#) for disaster assistance.

"You have a credibility gap," Bishop said of PREPA's behavior. "You're asking for \$90 billion. Simply telling me you've launched two investigations isn't sufficient."

PREPA Director Ricardo Ramos, who declined to attend the House hearing, told the Senate Energy and Natural Resources Committee earlier today that he ultimately chose Whitefish Energy because no other companies would work with the bankrupt territory. In response to questions from Ranking Democrat [Maria Cantwell](#) (D-Wash.), Ramos said he was not aware of anyone with PREPA receiving kickbacks from the company.

*To view online [click here](#).*

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## House passes flood insurance renewal in wake of massive storms [Back](#)

By Zachary Warmbrodt | 11/14/2017 07:23 PM EDT

House Republicans overcame bipartisan opposition Tuesday to pass a bill that would reauthorize and overhaul the National Flood Insurance Program, which has strained to pay out billions of dollars to policyholders after this year's run of devastating hurricanes.

The House passed the bill in a 237-189 [vote](#) following months of debate and dealmaking over how much to scale back the primary tool that millions of homeowners rely on to protect themselves from the financial risks of flooding.

The bill, [H.R. 2874 \(115\)](#), would reauthorize the NFIP for five years and enact several

operational changes championed by Financial Services Chairman [Jeb Hensarling](#) (R-Texas), the fiscal conservative who led an effort to pare back the program as part of the reauthorization bill.

During the process, Hensarling clashed with influential business groups and coastal Republicans who argued that his committee's proposals threatened homeowners and local economies.

After agreeing to a series of concessions going back to this summer, Republicans secured the votes they needed. The bill the House passed Tuesday retained measures sought by Hensarling that would make it easier for private companies to compete with the NFIP in the flood insurance market and prohibit the government from offering coverage to certain homes that flood over and over again.

"It is a bankrupt program," Hensarling said on the House floor. "It is unsustainable."

The vote marked Congress' first attempt this year to pass a long-term renewal of the flood insurance program before it expires on Dec. 8. The Senate, where negotiations are ongoing, was not expected to take up the House package.

The debate in the House this week underscored why progress has been so slow on the issue.

Hensarling and other lawmakers who helped draft the House bill argued that the changes they were seeking in the program would help protect taxpayers while giving consumers the opportunity to find more affordable options beyond what the government offers.

"A federal program that conceals actual risk through artificially low rates is neither compassionate nor responsible," Rep. [Dennis Ross](#) (R-Fla.) said.

But Republicans representing coastal districts urged their colleagues to vote against the bill, warning that it would make flood insurance less affordable for their constituents and threaten the solvency of the NFIP. They were unpersuaded by sections of the bill that would limit premium increases and allow states to create programs that would identify homeowners who need financial assistance. Other sections of the bill would escalate premium increases and charge homeowners more to fill a reserve fund.

Critics argued that the nascent private flood insurance market championed by Hensarling would not necessarily be a boon for homeowners, and that insurers would likely cherry pick the least risky properties while leaving behind the rest for the government to cover.

California Rep. [Maxine Waters](#), the top Democrat on the Financial Services Committee, fought the legislation. House Minority Whip [Steny Hoyer](#) (D-Md.) also tried to rally opposition, a spokeswoman said.

Until two weeks ago, House Majority Whip [Steve Scalise](#), who represents a southern Louisiana district, had also withheld support for the bill. Scalise, the No. 3 House Republican, came around after Hensarling agreed to ease proposed penalties for properties that repeatedly flood.

Still unsatisfied, Rep. [Frank LoBiondo](#) (R-N.J.) spoke out against the legislation on the House floor Tuesday, questioning why the concerns of his constituents and others in the Northeast didn't have more sway in the debate.

"I'm angry and disappointed I have to fight with my own party on these issues," said LoBiondo, who last week announced his plans to retire.

In the end, 14 Republicans and 175 Democrats voted against the bill. Fifteen Democrats voted for it. The White House on Monday said it supported the bill, despite wanting to see additional changes to the flood program.

The House Financial Services Committee drafted the legislation well before hurricanes Harvey, Irma and Maria ravaged the southern coast of the United States and its territories. As the proposal lingered for months, the monster storms added a new sense of urgency behind efforts to update the flood insurance program.

An earlier series of devastating hurricanes had overwhelmed the program's financial resources, forcing it to borrow money from Treasury that it could not repay.

A new set of claims piled up this fall, and the program hit its roughly \$30 billion borrowing limit. In response, Congress agreed in October to forgive \$16 billion of the NFIP's debt.

The program borrowed another \$6.1 billion on Nov. 9, FEMA said Tuesday, bringing its debt to more than \$20.5 billion.

"No legislation currently pending before the 115th Congress addresses the underlying, core challenge facing the NFIP — the reality that the NFIP was not designed to address catastrophic losses," said Tom Glassic, a consultant who previously served as senior insurance counsel to the Financial Services Committee.

"This makes it likely we'll be dealing with many of the same issues in five or six years or whenever the NFIP is next up for reauthorization."

Meanwhile, senators from both parties oppose the proposals in the House package and are pushing their own competing bills. One would freeze interest payments that the NFIP pays on its debt — an issue the House bill does not address directly.

Sen. [John Kennedy](#) (R-La.) said the House proposal failed to strike the right balance between "the integrity of the program, the financial stability of the program and the affordability." Sen. Bob Menendez (D-N.J.) said it was "Republicans' first concrete step towards dismantling a critical program that more than 200,000 New Jersey families rely on."

"It doesn't resolve all of the issues that we have in the Senate," Banking Chairman [Mike Crapo](#) (R-Idaho) said in an interview Tuesday.

*To view online [click here](#).*

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**House passes \$700B compromise defense bill [Back](#)**

By Connor O'Brien | 11/14/2017 05:29 PM EDT

The House on Tuesday overwhelmingly passed a \$700 billion compromise defense policy bill that would authorize a military buildup beyond that proposed by President Donald Trump, but vastly exceed the cap on defense spending to fund it.

The vote was 356-70.

The Senate will debate the fiscal 2018 National Defense Authorization Act after Thanksgiving and is expected to handily approve it and send it to the president for his signature.

With fewer contentious issues than in previous years, the annual legislation was hammered out by House and Senate Armed Services leaders in just a few weeks.

In all, the measure would authorize nearly \$700 billion in national defense spending. Within that, the bill endorses \$626.4 billion in base spending, including \$20.6 billion for nuclear national security programs under the Energy Department. And it would authorize \$65.7 billion for a separate Pentagon war account.

The legislation, which tallies billions of dollars more than Trump's \$603 billion budget request, would authorize more spending for missile defense technology to counter North Korea, more ships and fighters, and would continue to rebuild the Army.

On the floor Tuesday, House Armed Services Chairman Mac Thornberry (R-Texas) called the bill a down payment on a yearslong military buildup.

"We will not rebuild and fix our problems in one year or one bill ... but we can head in the right direction," Thornberry said. "That's what this conference report does."

But the final NDAA is also tens of billions of dollars above the \$549 billion cap on national defense spending set by the Budget Control Act for the current 2018 fiscal year.

House and Senate leaders must strike a budget deal that increases the caps in order to boost defense spending as prescribed by the bill, approved on Tuesday by the House.

"It goes \$80 billion, roughly, over the budget caps, and the bill can't do that on its own," said House Armed Services ranking Democrat Adam Smith of Washington state.

"Unless the budget caps are lifted and the appropriators pass the appropriations bill, that doesn't happen," Smith said. "And we haven't made a lot of progress on that."

The final measure includes a 2.4 percent troop pay raise, higher than the 2.1 percent sought by the Pentagon.

It would authorize 90 F-35 Joint Strike Fighters, 20 more than the Pentagon requested, and 24 Navy F/A-18 Super Hornets, 10 more than requested. And it would boost Navy shipbuilding by authorizing 13 new ships, five more than requested, including an extra Littoral Combat Ship, destroyer and amphibious ship.

The bill would also authorize more personnel in the active-duty military services and Reserves.

Notably, the Army would grow by 7,500 active-duty soldiers and the active-duty Marine Corps would increase by 1,000. The Air Force would grow by 4,100 active-duty personnel.

And the Navy would increase by 4,000 active-duty personnel.

The legislation also continues efforts, spearheaded by Senate Armed Services Chairman John McCain (R-Ariz.), to shake up the Pentagon's senior leadership ranks.

It would establish the Pentagon's newly created chief management officer as the third most senior post and give it more information technology functions performed by the chief information officer.

The final NDAA compromise would also eliminate one assistant secretary of Defense and limit the total number of deputy assistant secretaries to 48.

Additionally, the bill includes a series of provisions aimed at streamlining the Pentagon's acquisition process, including a proposal pushed by Thornberry to set up an online marketplace for purchasing commercial products.

Lawmakers, however, dropped a House-backed proposal to create a new Space Corps under the Air Force.

Instead, the final bill would require an independent plan to establish a separate service responsible for space as well as a slew of changes to streamline national security space acquisitions and operations.

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**Date:** Wednesday, October 04, 2017 5:47:37 AM

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By Anthony Adragna | 10/04/2017 05:43 AM EDT

*With help from Alex Guillén, Eric Wolff, Darius Dixon and Ben Lefebvre*

**SCRUTINY MOUNTS OF PRUITT'S HABITS:** Critics of EPA Administrator Scott Pruitt increasingly see a chief who avoids contact with the broader public and distrusts even his own agency's career staff, opting instead for meetings with like-minded industry and political leaders that could prove useful in a future political run, Pro's Emily Holden and Alex Guillén [report](#). The Trump administration doesn't consider Pruitt's \$58,000 in charter and military flight expenses to be as troubling as former HHS Secretary Tom Price's and now consider the controversy resolved after Price's [resignation](#) last week, one administration official said.

**Environmentalists and other critics** say Pruitt's spending is at best tone-deaf given agency budget reductions and at worst speaks to paranoia. Christine Todd Whitman, a Republican who ran EPA during President George W. Bush's first term, said she recalls taking chartered planes only while visiting remote areas of Alaska that were otherwise inaccessible. "Most people have to wait in line for a long time for planes," Whitman said. "The fact that you just turn around and order a private plane ... that starts to look really problematic. It's a lot of money." The agency said the flights were all cleared by ethics officials and say Pruitt's unprecedented around-the-clock security protection is necessary given increased threats.

**Others point to who he met with as especially revealing.** An analysis of Pruitt's broader schedule shows he's met most often with oil and gas executives, followed by agriculture and farming interests. And the former Oklahoma attorney general has paid especially close attention to his home state. Of at least 30 meetings or speaking engagements Pruitt had with oil and gas executives or trade groups, seven appear to have connections to Oklahoma. He's also spoken at events or held calls with right-wing policy groups that spend little of their time on environmental issues, such as the Family Research Council, Council for National Policy, State Policy Network and Federalist Society.

**PRUITT LIEUTENANTS HOP ONTO HOTSEAT:** Sparks are guaranteed to fly as Senate Environment and Public Works Committee hears from four EPA nominees and an NRC candidate today. Expect Democrats to pay close attention to William Wehrum, the EPA air nominee, and his long history as an industry attorney, the same issue that kept him from this post in the pre-nuclear option George W. Bush era. Since leaving EPA a decade ago, Wehrum's [client list](#) is a who's who of industry groups, including the American Petroleum Institute, American Fuel & Petrochemical Manufacturers and the Utility Air Regulatory Group. Wehrum just last week helped industry groups challenge OSHA's silica rule in court — though the judges [indicated](#) they weren't buying his arguments that the agency had failed to prove new health benefits.

**Heavy focus expected on Dourson:** The other nominee likely to face heat is Michael Dourson, nominee for EPA chemicals and pesticides chief. The job will be vital as EPA works to implement the reformed Toxic Substances Control Act. Critics were also incensed when Pruitt earlier this year rejected agency scientists' suggestion to ban the pesticide chlorpyrifos.

Dourson's work as an independent toxicologist often concluded that safe levels of various chemicals and pesticides were significantly higher than the findings of government and university scientists. Dourson is also the author of a [series](#) of self-described "science-Bible stories."

**Also slated to attend:** Matt Leopold, the nominee for EPA general counsel, and David Ross, the pick to run EPA's water office. Leopold is a Florida lawyer who was previously the Florida Department of Environmental Protection's general counsel. Ross heads the Wisconsin Department of Justice's Environmental Protection Unit and previously helped challenge the Obama administration's WOTUS rule, which EPA is working to repeal and replace. Joining the EPA nominees is Democrat Jeff Baran, who is up for renomination to the NRC through 2023.

**If you go:** Chairman [John Barrasso](#) will gavel in [the hearing](#) at 10 a.m. in Dirksen 406.

**WHAT ABOUT THE BOSS?:** Pruitt himself hasn't been to an EPW hearing since he was confirmed in February, and the committee's top Democrat [Tom Carper](#) is out of patience. "It's almost nine months into the administration and we're still waiting for the head of EPA to come in and defend the administration's budget for EPA, which is appalling," Carper told ME.

**The House Energy and Commerce Committee** has never heard from Pruitt in a public hearing, though it is traditional for the EPA boss to testify there at least once a year. Illinois Republican [John Shimkus](#), who chairs the E&C environment subcommittee, says a visit is overdue, especially in light of the heightened scrutiny of his spending. Shimkus said he thinks Cabinet officials should fly commercial, just like members of Congress do. "We're also stewards of taxpayers' dollars and these agencies, we're asking them to do more with less," Shimkus told ME Tuesday. "It probably would have been better had he come earlier than later."

**WELCOME TO WEDNESDAY!** I'm your host Anthony Adragna, and the Joyce Foundation's Ed Miller first identified Rep. Fred Grandy, aka Gopher from *The Love Boat*, as the Iowa congressman. For today: Who did [Nancy Pelosi](#) succeed when she first won election to Congress in 1987? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**ADMINISTRATION PICKS ARMY CORPS CHIEF:** Trump announced late Tuesday his choice of R.D. James to lead the Army Corps of Engineers. He's previously served on the Mississippi River Commission where he's provided water resources advice to several administrations and Congress. James has also served as president of the Southern Cotton Ginners Association. Among other responsibilities, James would have a major role as the Trump administration revamps the Waters of the U.S. regulation. An April [report](#) made it sound like James was lukewarm on taking the post: "I'm a country boy, and I can't imagine living up there, but, if chosen, I will, and I will do my very best."

**TRUMP STRIKES HARSH TONE IN PUERTO RICO:** Visiting the devastated island of Puerto Rico Tuesday, President Donald Trump warned the island's millions of residents — many of whom have been told not to expect electricity or potable drinking water for months — they had "thrown our budget a little out of whack because we've spent a lot of money on Puerto Rico" and avoided a "real catastrophe" like Hurricane Katrina. As POLITICO's Matthew Nussbaum and Nolan D. McCaskill [note](#), Trump maintained his boasts about a wildly successful response effort that hasn't matched the reality of the hurricane-ravaged

island.

**At a stop later in the day** Trump insisted residents didn't need flashlights (it's unclear what he meant) even though 95 percent of the island lacks electricity. "The power grid, honestly, was devastated before the hurricanes even hit. And then the hurricanes hit and they wiped them out," Trump said, as he repeatedly seemed to blame the island for its poor infrastructure and financial situation. Joining him on the trip were Pruitt and Energy Secretary Rick Perry.

POLITICO's Burgess Everett and Seung Min Kim [report](#) the administration will today ask for \$13 billion in hurricane recovery funding, \$16 billion in flood insurance relief and more than \$500 million for wildfires with congressional consideration likely in mid- to late-October.

**BISHOP PROBES YEARS OF NON-COMMERCIAL TRAVEL:** House Natural Resources Chairman [Rob Bishop](#) and Rep. [Bruce Westerman](#) sent [a letter](#) to Interior Secretary Ryan Zinke Tuesday asking for all records of non-commercial travel by the Interior secretary since the start of the Obama administration, as well as copies of department policies on the matter. "When partisan opportunists conflate diligent conformance to scandal, no one wins," they wrote. "Let's get all facts on the table, ensure taxpayers are protected and proceed with the peoples' business."

**More questions raised for Zinke:** A group of 26 House Democrats, led by [Nanette Barragan](#) and [Don Beyer](#), asked Zinke in a Tuesday [letter](#) to immediately disclose all details of his use of charter aircraft.

**Zinke doesn't plan to repay** the government for his charter flights, the Associated Press [reports](#).

**NUCLEAR WASTE BILL ON ICE — FOR NOW:** Shimkus said plans to bring a [committee-passed](#) nuclear waste package, [H.R. 3053 \(115\)](#), to the House floor are on hold for now as Nevada lawmakers, some of the most vocal opponents of the measure, deal with Sunday's massacre. "In light of the tragedy, there's no desire to move quickly," he said.

**BISHOP: SILENCER CONTROVERSY 'SILLY':** Delaying a broad sportsmen's package over language loosening gun silencer restrictions amid the response to the Las Vegas tragedy would be silly, Bishop told reporters. As your ME host [reports](#), Bishop added: "If that's a hang-up, that's sad that that's a hang-up." GOP sources have previously indicated the SHARE Act, [H.R. 3668 \(115\)](#), likely won't come to the floor anytime soon after the shooting that killed 59 people and injured hundreds others.

**COAL, NUCLEAR CAUTIOUSLY BACK PERRY'S PLAN:** Representatives of the coal and nuclear industries offered qualified support before a House Energy and Commerce subcommittee for Perry's plan to extend their plants a lifeline through FERC, Pro's Darius Dixon [reports](#). Nuclear Energy Institute CEO Maria Korsnick voiced support for an extended public comment period while Paul Bailey, who heads the American Coalition for Clean Coal Electricity, said he'd back the proposal if forced to answer yes or no with "a huge caveat [that] we're still looking at it."

**Lotsa wiggle room:** FERC General Counsel James Danly told Senate lawmakers Tuesday the commission intends to act on DOE's resiliency pricing rulemaking proposal within the 60 days outlined by Perry, but he left plenty of room to tease out what that might look like, Pro's Darius Dixon [reports](#).

**Not giving up:** Three new groups — the Energy Storage Association, the American Biogas Council, and the Business Council for Sustainable Energy — have [linked arms](#) with the other 11 energy groups asking DOE and FERC to slow down. The groups were spooked by FERC's decision on Monday to take comments on DOE's proposal even before the rulemaking was published but it's unclear how the processes will mesh. They have asked FERC to respond by Friday to their request for an extended comment period and technical conference.

**\*\* A message from Chevron:** Advanced technology is helping us find safer ways to deliver energy. We're piloting a program that uses drones to monitor tanks and pipelines. Watch the video: <http://politi.co/2xO60oe> \*\*

**GREENS PLAN SUIT OVER MISSED OZONE DEADLINE:** A group of 10 environmental groups said Tuesday they [plan to sue](#) Pruitt after he missed a deadline to decide which parts of the U.S. do or do not meet the 2015 ozone standard, Pro's Alex Guillén [reports](#). In response, an agency spokesman told ME: "The agency is continuing to work closely with the states to work through the designations process for the 2015 ozone standard."

**SEIA GOES TO THE WHITE HOUSE:** The Solar Energy Industries Association has a meeting today at the White House with presidential aides and staff from DOE, USTR and other cabinet agencies, Abigail Ross Hopper from the Solar Energy Industries Association said Tuesday. SEIA is trying to ward off tariffs on imported solar panels that will ultimately be decided by the president. The group would not specify who they'd be meeting with. "We are speaking with all of those folks who have a seat at the table and will help advise the president what the right decision is," Hopper said. "This is a conversation about American jobs, American blue collar jobs from many of the states that voted for our president."

**LET'S GET TOGETHER, ROYALLY:** Interior convenes the initial meeting of its new Royalty Policy Commission today. Counselor to the Secretary for Energy Policy Vincent DeVito will chair the commission, which he said will help with "looking at financial elements [at Interior] that have not been looked at in quite some time." The department [caught flak](#) earlier this year for stacking the commission with industry representatives but failing to fill slots reserved for public interest groups. NGOs said they will provide public comments, however, with The Wilderness Society set to ask Interior to increase royalty rates for oil and gas developed on public land from the current 12.5 percent. "Remarkably, for oil and gas, this rate has not changed since the 1920s," TWS said in [prepared remarks](#) seen by ME.

**MORE JABS AT MANCHIN FROM BLANKENSHIP:** Former West Virginia coal executive Don Blankenship released [an ad](#) Tuesday attempting to link Sen. [Joe Manchin](#) to both the Benghazi consulate attack and the deaths at Upper Big Branch Mine, Campaign Pro's Kevin Robillard [reports](#). The spot, airing on state television, provocatively asks: "Does Manchin have blood on his hands?" Blankenship, who served a year in prison for conspiring to violate mine safety standards, has previously mused about challenging Manchin for his Senate seat as a Republican.

**MURRAY JOBS SUIT REACHES SUPREME COURT:** Coal producer Murray Energy [asked](#) the Supreme Court Tuesday to conclude Section 321(a) of the Clean Air Act requires EPA to produce a detailed study of its effects on coal jobs, Pro's Alex Guillén [reports](#). A federal appeals court said that study represents a discretionary duty after a district court judge originally called it a mandatory one. But keep your expectations in check: It'll likely take the administration months to respond and there's no guarantee SCOTUS will ultimately hear the appeal.

**AHEAD OF THE CLASS:** Solar energy capacity in 2016 was 4,500 percent higher than the government thought it would be 10 years earlier, and wind supply is 350 percent above projections, the Natural Resources Defense Council finds in [a report](#) out Tuesday. "When you look at how clean energy development has exploded beyond official government projections from just 10 years ago, it offers hope that its potential will continue to far surpass expectations and we'll meet our U.S. climate goals," Amanda Levin, co-author of the report, said.

**CEI SUES FOR PARIS DOCUMENTS:** The Competitive Enterprise Institute filed [a lawsuit](#) Tuesday seeking emails and text messages concerning the communications of three former Obama-era State Department officials in the lead up to the Paris climate agreement being reached. In particular, the lawsuit seeks records related to Todd Stern and Sue Biniaz's communications with officials at NRDC and the World Wildlife Fund.

**LAWSUIT FILED OVER ADVISORY BOARD RECORDS:** The Center for Biological Diversity filed a lawsuit Tuesday seeking NOAA records concerning its decision to end a federal climate change advisory panel — Advisory Committee for the Sustained National Climate Assessment — over the summer. Copy of the filing [here](#).

**MOVERS, SHAKERS:** State Energy & Environmental Impact Center at NYU School of Law, which aims to help state attorneys general fight Trump environmental rollbacks, today announced the additions of **Elizabeth Klein** as deputy director and **Chris Moyer** as communications director. Klein was most recently Interior's associate deputy secretary under the Obama administration and Moyer was most recently deputy communications director for California Attorney General Xavier Becerra.

**Former FERC Commissioner Colette Honorable** has joined the Bipartisan Policy Center as a senior fellow.

## QUICK HITS

- EPA Asks Drillers and Miners for Advice on Regulating Them. [Bloomberg](#).
- Pipeline wins federal OK to carry hazardous liquids across Kentucky. [Lexington Herald-Leader](#).
- Former DEP official tapped to lead EPA regional office. [State Impact](#).
- 'The new OPEC bromance': How Saudi Arabia and Russia are bonding over oil. [CNBC](#).
- Coal-state lawmakers introduce bill to shore up pensions for miners. [Washington Examiner](#).
- Miles of Algae Covering Lake Erie. [New York Times](#).

## HAPPENING TODAY

9:00 a.m. — Rob Bishop addresses Heritage Foundation on Antiquities Act, Heritage Foundation, 214 Massachusetts Ave. NE

9:30 a.m. — Natural Gas Supply Association holds its winter outlook media briefing for 2017-2018, RSVP: [hinson.peters@ngsa.org](mailto:hinson.peters@ngsa.org)

10:00 a.m. — Full committee [markup](#) on various bills, House Natural Resources Committee, Longworth 1334

10:00 a.m. — Senate Environment and Public Works Committee holds [hearing](#) on various EPA, NRC nominees, Dirksen 406

10:00 a.m. — "[Air Quality Impacts of Wildfires: Perspectives of Key Stakeholders](#)," House Energy and Commerce Environment Subcommittee, Rayburn 2123

12:45 p.m. — House Natural Resources Chairman Rob Bishop holds a press call to discuss emergency response efforts in hurricane-impacted U.S. Territories, RSVP: [molly.block@mail.house.gov](mailto:molly.block@mail.house.gov)

2:00 p.m. — House Natural Resources Subcommittee on Indian, Insular and Alaska Native Affairs holds legislative [hearing](#) on three bills, Longworth 1334

3:00 p.m. — House Natural Resources Committee holds members forum to discuss rescue and recovery in Puerto Rico and the U.S. Virgin Islands, location: TBD

3:00 p.m. — Senate HELP Committee holds [hearing](#) on mine safety nominee, Dirksen 430

## THAT'S ALL FOR ME!

**\*\* A message from Chevron:** Advanced technology is helping us find better and safer ways to deliver energy to America. We're piloting a program that uses drones, HD imaging, and thermal mapping capabilities to monitor Chevron wells, tanks, and miles of pipeline. Watch the video: <http://politi.co/2xO60oe> \*\*

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/10/pruitts-flight-meeting-habits-raise-eyebrows-024898>

## Stories from POLITICO Pro

### **Pruitt critics see political motives in flights and meetings** [Back](#)

By Emily Holden and Alex Guillén | 10/03/2017 07:02 PM EDT

EPA Administrator Scott Pruitt is facing growing political blowback about his taxpayer-funded spending and meetings with industry allies, with critics seizing on his expensive flights, \$25,000 soundproof phone booth and 18-person security detail just days after lavish travel costs brought down former HHS Secretary Tom Price.

The travel expenses drawing the most scrutiny for Pruitt — \$58,000 at last count — don't come close to the more than \$1 million that taxpayers had spent to fly Price on private and government planes since May. But to his detractors, the EPA chief's spending on charter and government flights, eavesdropper protection and round-the-clock security point to an administrator who avoids contact with the broader public and distrusts even his own agency's career staff.

Instead, according to multiple interviews and POLITICO's review of agency travel records,

Pruitt spends much of his time meeting with like-minded industry and political leaders — the kind of people who could back him in a future political campaign — but meets relatively seldom with environment and public health groups that oppose President Donald Trump's policies.

Pruitt, who spent six years as Oklahoma's elected attorney general, is already facing an EPA [inspector general investigation](#) for taking at least 10 [commercial flights](#) in March, April and May to his home state, where he is widely seen as a [potential candidate](#) for U.S. senator in 2020. Since then, he's been back to Oklahoma several times, including to meet with oil and gas companies and state political leaders and participate in media interviews, according to his published schedule.

Agency records released in the past week show that he has also spent tens-of-thousands of dollars on four private or government flights, including more than \$36,000 to travel on an Air Force plane from Cincinnati to New York in June. House Democrats have asked the inspector general to review those as well. Senate Judiciary Chairman [Chuck Grassley](#) (R-Iowa) also cited some of Pruitt's travels last week in a letter urging Trump to rein in Cabinet spending.

The White House has taken note of the negative news coverage surrounding Pruitt's travels but doesn't consider his expenses to be as troubling as Price's, one administration official told POLITICO on Tuesday. Administration officials have said they consider the travel-expense controversy to have been resolved by Price's departure, which was quickly followed by an [order](#) requiring Cabinet officials to get chief of staff John Kelly's approval for almost any trips on chartered or government planes.

But environmentalists and other critics say the records raise questions about Pruitt's priorities.

Pruitt "has traveled extensively and spent an inordinate amount of time in Oklahoma, which begs the question of whether or not he's laying the groundwork for a campaign," said Tiernan Sittenfeld, senior vice president of government affairs at the League of Conservation Voters.

Pruitt's staff has defended all his trips, and has said the four non-commercial flights were approved by ethics officials and were necessary for him to make it to key meetings.

But Christine Todd Whitman, a Republican who ran EPA during President George W. Bush's first term, said she recalls taking chartered planes only while visiting remote areas of Alaska that were otherwise inaccessible.

"Most people have to wait in line for a long time for planes," Whitman said. "The fact that you just turn around and order a private plane ... that starts to look really problematic. It's a lot of money."

Whitman said Pruitt's other expenses are troubling, too. The agency already had a secure enclosure where people can talk and use the phone protected from eavesdropping — but, as The Washington Post [reported last week](#), EPA is spending nearly \$25,000 to install a customized private phone booth that is outfitted against eavesdropping inside his office at DC's Federal Triangle.

Whitman said she "can't imagine what the reasoning is behind this, except the paranoia."

One current EPA employee, who requested anonymity to discuss internal agency affairs

without authorization, told POLITICO that it's difficult for anyone outside Pruitt's office to hear someone speaking inside. A few hand-picked administrative staffers work outside the office's thick wooden doors, and beyond that are several unoccupied rooms, which are also guarded by security.

And Whitman said EPA administrators typically haven't needed the around-the-clock protection that Pruitt is demanding. "The problem that I have with it is not that he's getting the security details but that it's at the same time they're cutting the budget of the agency," she said.

Pruitt's aides say he needs his security detail, which is far bigger than what any previous administrator had, to guard him against increased threats. On one of his trips, the agency decided that his security needs warranted chartering a private flight so that Pruitt wouldn't have to fly commercial without a bodyguard or wait for a delayed plane.

His guards were initially drawn away from other duties in EPA's enforcement office until the agency made an exception to a hiring freeze to bring on more officers.

Eric Schaeffer, executive director of the Environmental Integrity Project and a former director of civil enforcement at EPA, called Pruitt's travel habits "arrogant" and "tone-deaf."

"What would Republicans have done if Gina McCarthy had done this?" Schaeffer said, referring to former President Barack Obama's second-term EPA chief. "They would have gone ape. And now they're not concerned."

Penn State climate researcher Michael Mann, a frequent critic of Trump's and Pruitt's environmental policies, said via email Monday that "ethical violations demand that Pruitt step down."

"And by ethical violations, I don't just mean his abuse of the public trust through frivolous personal use of government-funded private plane trips," Mann added. "I also mean the manner in which he has betrayed the citizens he is supposed to represent by endangering them through the dismantling of environmental protections built up over decades, under Democratic and Republican administrations."

Critics say they are most upset because Pruitt's spending comes amid potential budget cuts. He has indicated, for example, that he wants to end payments to Justice Department lawyers who force polluters to pay to clean up Superfund sites, The New York Times [reported](#) last week.

They say his travel records are just as telling in showing whom he chooses to meet with as EPA administrator.

His four non-commercial flights included a trip to visit with Oklahoma farmers, meetings with Republican officials in North Dakota and a tour to criticize a Colorado environmental project mishandled by the Obama administration.

In July, he flew in an Interior Department plane from Tulsa to Guymon, Okla., where he met with farmers as part of a tour highlighting his effort to withdraw an Obama administration water rule. Pruitt and his aides then continued in the plane to visit state officials in Oklahoma City. The total cost for both legs was \$14,434.50.

EPA declined to provide a more detailed schedule or a list of business leaders who were present. Spokesman Jahan Wilcox provided local news clips that [report](#) 90 farmers and

ranchers from Oklahoma, Texas and Kansas attended.

In August, Pruitt toured the site of the Gold King Mine spill, a 2015 mining-waste disaster caused by EPA and its contractors, for a visit in which he said the Obama administration had "failed those who counted on them." He got there via a plane that EPA had chartered from Denver to Durango, Colo., at a cost of more than \$5,000.

The agency says Pruitt had initially traveled on a commercial flight to Denver, only to learn that his planned connection to Durango would be delayed by several hours. Individual seats were available on other commercial planes but didn't have enough space for Pruitt's bodyguard or other staff, the agency said.

In a third trip, Pruitt had lunch with North Dakota Republicans — Gov. Doug Burgum, Sen. [John Hoeven](#) and Rep. [Kevin Cramer](#) — in Fargo. He and two staffers then flew with the governor on his state plane to meet farmers and tour an energy research center that studies ways to keep the state's struggling coal industry alive. The ride cost EPA \$2,144.40, according to [The Washington Post](#). A spokesman said Pruitt needed to fly with Burgum to keep up with the governor's schedule. Driving between the two cities would have taken about an hour and a half.

The flight with the biggest price tag, \$36,068.50, was on an Air Force plane from Cincinnati to New York's John F. Kennedy International Airport on June 7. Pruitt then flew on to Rome, on what Wilcox described as a scheduled commercial flight, where he arrived several days early for a meeting with foreign environment ministers. Wilcox said Pruitt had to find a way to New York after the president invited him at the last minute to Cincinnati to promote infrastructure development.

EPA spokespeople have said they explored all other options for the Rome trip, although they did not comment on why Pruitt couldn't have flown commercially from Cincinnati to another U.S. international hub and then to Italy.

Trump's event with Pruitt was set to conclude by 2:10 p.m., according to the president's schedule. Pruitt's public schedule for the following day, June 8, didn't show any public meetings until 1 p.m., at the U.S. Embassy, and 2 p.m., with a business roundtable — which could have left time for even a lengthy international flight. Travel sites show that on a typical Wednesday, multiple options from Cincinnati to Rome would fit the time window and cost around \$3,000 per person when purchased last-minute.

On June 9, Pruitt met with officials from the Catholic Church and attended a judicial roundtable. Not until June 10 and 11 did he meet with foreign ministers, before leaving the high-profile event early to make it back for a Cabinet meeting at the White House on the morning of June 12, according to his [schedule](#). During the trip, EPA tweeted pictures of Pruitt rolling pasta and eating prosciutto with Italian environment minister Gian Luca Galletti, which critics were quick to highlight when he left ahead of schedule.

A POLITICO analysis of Pruitt's broader schedule, as shown in EPA records, demonstrate he's spent much of his time meeting with key industries, including ones back home. He's met most often with oil and gas executives, followed by agriculture and farming.

Of at least 30 meetings or speaking engagements Pruitt had with oil and gas executives or trade groups, seven appear to have connections to Oklahoma. He's spent time with executives

of companies whose employees donated at least \$37,000 for his 2014 campaign to be Oklahoma attorney general, according to state campaign finance records.

For example, Pruitt met in March with representatives from Oklahoma Gas & Electric, whose executives were a major source of cash for his 2014 reelection campaign. Pruitt has also had face-to-face sit-downs with John Minge, the head of BP America, Duke Energy's Lynn Good and the boards of the National Mining Association, the American Coalition for Clean Coal Electricity, the American Petroleum Institute and American Fuel & Petrochemical Manufacturers.

Pruitt spends far more time with industry and political leaders than with environmental advocates, according to two months of calendars released under public records requests and another six months of far less detailed schedules that the agency has published.

EPA maintains a list of environmental or public health groups the agency has met with, but they do not appear officially on Pruitt's schedule.

The EPA chief has also spoken at events or held calls with right-wing policy groups that spend little of their time on environmental issues. For example, he had a call in May with the Family Research Council, a conservative group that lobbies against abortion rights and believes homosexuality is "unnatural" but has never filed comments on EPA proceedings.

In the same month, he had a speaking engagement with the Council for National Policy, which advocates for limited government and "Judeo-Christian values," and was on a call with the State Policy Network, an umbrella group for state-level conservative think tanks.

He continues to appear at events for the Federalist Society, a group that advocates for an originalist interpretation of the Constitution and has become an established gatekeeper for conservatives seeking judicial posts.

*To view online [click here](#).*

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### **Price resigns from HHS after facing fire for travel [Back](#)**

By Dan Diamond, Rachana Pradhan and Adriel Bettelheim | 09/29/2017 04:40 PM EDT

HHS Secretary Tom Price resigned Friday in the face of multiple federal inquiries and growing criticism of his use of private and government planes for travel, at a cost to taxpayers of more than \$1 million since May.

The White House said the former seven-term Georgia congressman, 63, offered his resignation earlier in the day and that President Donald Trump had accepted it.

Price becomes the first Trump administration Cabinet secretary to step down. The White House said Trump asked Deputy Assistant Health Secretary Don Wright to serve as acting secretary of the agency, which has an annual budget \$1.15 trillion and includes the Medicare and Medicaid programs, as well as the FDA, NIH and CDC.

As late as Thursday, Price said he believed he had the president's support. But the tumult surrounding his travel became another distraction for an administration already reeling from the defeat of repeated Senate efforts to repeal Obamacare and criticism for its hurricane relief efforts in Puerto Rico.

Price ran afoul of Trump in part because his actions seemed to symbolize everything the president had inveighed against on the campaign trail by vowing to "drain the swamp." The fallout extended to the entire Cabinet Friday night when the White House [announced](#) that chief of staff John Kelly must approve almost all travel on "government-owned, rented, leased, or chartered aircraft."

Price, in his resignation letter, expressed regret that "recent events" distracted from efforts to overhaul the health care system. "In order for you to move forward without further disruption, I am officially tendering my resignation as the Secretary of Health and Human Services effective 11:59 PM on Friday," he wrote.

Senate Democrats quickly served notice they were preparing for a potential confirmation fight over Price's successor, saying the next HHS secretary must not undermine Obamacare. Under Price, the department cut the law's enrollment period in half and slashed advertising and outreach for the enrollment period starting in November.

"The next HHS secretary must follow the law when it comes to the Affordable Care Act instead of trying to sabotage it," said Senate Minority Leader Chuck Schumer.

"Tom Price's replacement needs to be focused on implementing the law as written by Congress and keeping the president's promise to bring down the high cost of prescription drugs," Senate Finance ranking Democrat Ron Wyden of Oregon said in a statement.

House Speaker Paul Ryan, a close ally, praised Price as a dedicated public servant. "His vision and hard work were vital to the House's success passing our health care legislation," Ryan said in a statement.

POLITICO revealed that Price flew at least 26 times on private aircraft at a cost of hundreds of thousands of dollars, a sharp break with his predecessors' practice. Many of Price's flights were between major cities that offered inexpensive alternatives on commercial airlines, including Nashville, Philadelphia and San Diego.

On some of those trips, Price, an orthopedic surgeon, mixed official business with leisure. He took a government-funded private jet in August to get to St. Simons Island, an exclusive Georgia resort where he and his wife own land, a day and a half before he addressed a medical conference he and his wife have long attended. In June, HHS chartered a private jet to fly Price to Nashville, where he owns a condominium and where his son resides. Price toured a medicine dispensary, spoke to a local health summit organized by a friend and had lunch with his son, an HHS official confirmed.

Price also used military aircraft for multi-national trips to Africa, Europe and Asia, at a cost of more than \$500,000 to taxpayers. The White House said it had approved those trips but not the private jets within the United States.

Price tried to defuse the controversy by promising on Thursday to reimburse the government for the approximately \$52,000 cost of his own seat on his domestic trips. But that wasn't

enough to tamp down the scandal, which had [infuriated](#) the president and prompted a bipartisan inquiry from the House Oversight Committee and separate calls for accountability from lawmakers including Republican Sen. Chuck Grassley. The inspector general of Price's own agency is [reviewing](#) if Price complied with federal travel regulations.

The White House put Cabinet officials on notice Friday that it would crack down on use of private planes, telling them chief of staff John Kelly must approve almost all travel on "government-owned, rented, leased, or chartered aircraft."

Mick Mulvaney, director of the Office of Management and Budget, sent out the memo soon after Price's resignation was made public, reminding department and agency heads that, by regulation, "Government-owned, rented, leased, or chartered aircraft should not be used for travel by Government employees except with specific justification."

The issue of Cabinet members' travel has already extended beyond Price: POLITICO reported Interior Secretary Ryan Zinke and his aides [took several flights](#) on private or military aircraft, including a \$12,000 charter plane to take him to events in his hometown in Montana and private flights in the Caribbean. Zinke dismissed the furor as a "little B.S." during a Friday appearance at the Heritage Foundation.

Price's wife, Betty, accompanied him on the military flights, while other members of the secretary's delegation flew commercially to Europe.

HHS spokeswoman Charmaine Yoest said Price reimbursed the agency for his wife's travel, but declined to elaborate.

White House officials have grouched about Price's frequent travels, with one senior White House official saying the HHS secretary was "nowhere to be found" as they mounted a last-ditch unsuccessful push to repeal Obamacare.

Congressional Democrats attacked Price for advocating spending cuts to the health agencies he oversaw and health care programs while spending taxpayer dollars on private jets. "There could not be a clearer statement of the Trump administration's priorities," Sen. Maggie Hassan (D-N.H.) said. Key Democrats overseeing health issues in Congress had formally requested that HHS's inspector general review Price's travel practices.

In June, Price defended a proposed fiscal 2018 budget for HHS that included a \$663,000 cut to the agency's \$4.9 million annual spending on travel, or roughly 15 percent. "The budgeting process is an exercise in reforming our federal programs to make sure they actually work — so they do their job and use tax dollars wisely," Price told the Senate Finance Committee on June 8.

Ethical questions dogged Price even before questions about his travel arose. During his Senate confirmation hearing to helm HHS, Price faced pointed questions about his personal investments in health care companies during his time in Congress. Democrats called on government ethics officials to investigate Price's health care stock trades, following reports that he got a sweetheart deal from a biotech company and invested in Zimmer Biomet, a medical device-maker, just days before writing legislation that would have eased regulations on the sector.

The Senate confirmed Price by a 52-47 margin in February after he maintained full

Republican support.

Price carved out a reputation as a staunch fiscal conservative during his decade-plus tenure in the House of Representatives. He generally supported reducing government spending on health care while shifting more of the financial burden onto individuals. Like most conservatives, he's supported privatizing Medicare so that seniors would receive fixed dollar amounts to buy coverage and limiting federal Medicaid spending to give states a lump sum, or block grant, and more control over how they could use it.

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**Trump expected to pick Bush EPA official turned industry lawyer for agency's air office**

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By Alex Guillén | 07/24/2017 10:03 AM EDT

President Donald Trump is expected to nominate Bill Wehrum, a former George W. Bush-era EPA official, to run the agency's powerful air office, according to two sources outside the administration familiar with the plans.

While Wehrum would bring critical knowledge of EPA's workings and environmental law, he also represents several high-profile industry groups in lawsuits challenging numerous Obama-era EPA regulations, meaning he may face recusal and conflict issues similar to EPA Administrator Scott Pruitt.

Wehrum served as acting assistant administrator for the Office of Air and Radiation from 2005 to 2007. Bush pulled Wehrum's formal nomination to that post after Democrats blocked him as too industry-friendly, though the new simple majority threshold on nominees likely will prevent that from happening again. Wehrum spent 2001-2005 as counsel to Jeff Holmstead, Bush's first air administrator. Holmstead [emerged](#) last month as a possible Trump pick to be EPA deputy administrator, though coal lobbyist Andrew Wheeler remains the frontrunner for that job.

In a 2013 [interview](#) with Law360, Wehrum said that despite the Supreme Court's 2007 ruling that said EPA has the authority to regulate greenhouse gases, he believes "Congress never intended the EPA to address an issue such as climate change under the Clean Air Act."

He also called for lengthening the review cycle for National Ambient Air Quality Standards beyond five years — House Republicans recently passed a bill that would stretch that to ten years — and said the Obama administration tried to shift power away from the states and toward EPA, comments since echoed by Pruitt.

And in a 2015 Wall Street Journal [editorial](#), Wehrum said the EPA-caused Gold King mine spill highlighted how the agency "often criminalizes actions that are nothing more than accidents, many far less damaging to the environment than the Animas River disaster." That spill fouled Colorado's Animas River and downstream areas for several weeks before water quality [returned to normal](#) and the river was reopened to recreational activities.

Wehrum pointed to the 2014 chemical spill that fouled drinking water for hundreds of thousands of West Virginia residents, which led to an EPA investigation and the company's bankruptcy, as an example of "unjust" treatment.

For the last decade Wehrum has been a partner at the high-powered D.C. law firm Hunton & Williams, where he currently represents high-profile clients, including two leading oil and gas industry lobbying groups, in a number of ongoing lawsuits against EPA.

Wehrum represents the American Petroleum Institute in a challenge to EPA's methane rule for new oil and gas wells, as well as the separate legal battle over EPA Administrator Scott Pruitt's decision to stay that rule while under review, where API has defended Pruitt's stay.

He also represents either API or American Fuel & Petrochemical Manufacturers, a refinery sector group, in lawsuits over a 2015 rule limiting pollution from oil refineries; a ["regional consistency" rule](#) that governs how court rulings apply to nationwide EPA regulations; and permitting rules for Indian lands.

He represents the Utility Air Regulatory Group, a coalition that challenges EPA air regulations, in a legal challenge over an Obama-era rule meant to decrease explosions at chemical plants and other facilities. Pruitt has put that rule on hold while it is under review.

Wehrum helped the Gas Processors Association challenge two greenhouse gas reporting rules. He took an EPA boiler regulation to court on behalf of a coalition of industry groups, including the American Chemistry Council, the National Association of Manufacturers and the American Forest & Paper Association. He is challenging an EPA emissions rule for brick manufacturers on behalf of an industry group. And he represented construction interests in various lawsuits against the Labor Department, including an ongoing challenge to the Occupational Safety and Health Administration's 2016 silica exposure rule.

Wehrum did not immediately reply to a request for comment on Monday. EPA and White House spokespeople did not immediately respond to a request for comment.

*To view online [click here](#).*

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## **EPA nominee's case against OSHA rule draws skepticism from judges** [Back](#)

By Alex Guillén | 09/26/2017 12:24 PM EDT

Federal judges seemed skeptical today of arguments made by William Wehrum, President Donald Trump's pick to head EPA's air office, against the Occupational Safety and Health Administration's silica rule.

Wehrum, an attorney at Hunton & Williams, argued on behalf of various industry groups that OSHA had not proven that lowering the silica standard would provide any significant health benefits.

"OSHA had a thumb on the scale" because it had already decided to lower the standard and had "lost objectivity," Wehrum told a three-judge panel at the D.C. Circuit Court of Appeals.

Judge David S. Tatel called Wehrum's comment "curious" and pointed to reams of data and studies OSHA used to justify the new standard.

Chief Judge Merrick Garland noted that there are some legitimate disagreements among scientists about silica's health effects — but he said the law says the regulation in such situations should lean in favor of caution. "There's supposed to be a thumb on the scale in terms of safety," Garland said.

"We believe that skepticism is well warranted," Wehrum replied.

A Justice Department attorney defending the rule faced light questioning from the judges about OSHA's methodologies and called Wehrum's arguments about uncertainty in epidemiology "flimsy."

As air administrator, Wehrum would be charged with implementing or writing new versions of a number of health-based standards, including the 2015 ozone rule. EPA officials last week noted that Wehrum can argue against the OSHA rule since it is not an EPA regulation and is unrelated to his nomination.

**WHAT'S NEXT:** The D.C. Circuit will weigh Wehrum's argument along with arguments made by other attorneys on technological, economic and union issues with the silica rule. Wehrum's nomination hearing was postponed last week and has not yet been rescheduled.

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## **EPA nominee's case against OSHA rule draws skepticism from judges [Back](#)**

By Alex Guillén | 09/26/2017 12:24 PM EDT

Federal judges seemed skeptical today of arguments made by William Wehrum, President Donald Trump's pick to head EPA's air office, against the Occupational Safety and Health Administration's silica rule.

Wehrum, an attorney at Hunton & Williams, argued on behalf of various industry groups that OSHA had not proven that lowering the silica standard would provide any significant health benefits.

"OSHA had a thumb on the scale" because it had already decided to lower the standard and had "lost objectivity," Wehrum told a three-judge panel at the D.C. Circuit Court of Appeals.

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## **Trump brings harsh edge to Puerto Rico trip [Back](#)**

By Nolan D. McCaskill and Matthew Nussbaum | 10/03/2017 05:03 AM EDT

President Donald Trump brought a jarring tone to Puerto Rico as he toured the hurricane devastation Tuesday, appearing to blame the U.S. territory for having "thrown our budget a little out of whack" and complimenting officials for sustaining only 16 deaths, compared with

the much higher human toll of Hurricane Katrina.

"I hate to tell you, Puerto Rico, but you've thrown our budget a little out of whack because we've spent a lot of money on Puerto Rico," Trump said as he met with local officials from the island, which declared a form of bankruptcy in May. "And that's fine."

The president also appeared to boast that the death toll in Puerto Rico pales in comparison to the more than 1,800 fatalities that followed Katrina in 2005.

"We saved a lot of lives," said Trump, who added that "every death is a horror" and broached what he called "a real catastrophe" in Katrina.

"Sixteen people versus in the thousands," the president said, overstating Katrina's death toll.

"You can be very proud of all of your people, all of our people working together," he told Gov. Ricardo Rosselló. "Sixteen versus literally thousands of people. You can be very proud. Everybody around this table and everybody watching can really be very proud of what's taken place in Puerto Rico."

A Rosselló spokesman said Tuesday night that the death toll had more than doubled, to 34, news agencies reported.

Trump landed in Puerto Rico on Tuesday after spending much of the past week boasting about a wildly successful response effort that hasn't matched the reality of the hurricane-ravaged island — and after picking a fight over the weekend with San Juan's mayor and other "political motivated ingrates" who have questioned the robustness of the federal response.

The visit came as he's attempting to be soother-in-chief for the nation after a shooting in Las Vegas left at least 59 dead on Sunday night — the first time he's had to navigate two disasters of national scope that are politically perilous for any president, but especially one prone to off-the-cuff riffs.

The Puerto Rico stop marks only the start of emotionally charged travels for Trump this week. On Wednesday, he is scheduled to travel to Las Vegas to meet with the families of victims of Sunday's massacre.

Trump struck a somber and unifying tone Monday when discussing the attack in Las Vegas. But on Tuesday, he traded the scripted and controlled setting of the Diplomatic Room for a storm-ravaged island where more than half of the residents remain without access to drinking water and only 5 percent of the island has electricity.

Throughout the day, he boasted about his administration's response and appeared to repeatedly blame Puerto Rico for its poor infrastructure and financial situation before Hurricane Maria ripped through and left a humanitarian crisis in its wake.

Early on Tuesday, Trump extended praise to his officials and to Rosselló, Puerto Rico's Democratic governor. And he asked the island territory's Republican non-voting congresswoman, Jenniffer González-Colón, to repeat past accolades of the administration's response for the television cameras.

"He's not even from my party, and he started right at the beginning appreciating what we did," Trump said of Rosselló. "Right from the beginning this governor did not play politics. He

didn't play it at all. He was saying it like it was, and he was giving us the highest grades. And on behalf of our country, I wanna thank you."

Trump, however, sought to have the plaudits reciprocated, noting that he watched González-Colón say "such nice things about all of the people that have worked so hard" the other day and asking her to repeat her compliments.

"Jenniffer, do you think you can say a little bit [of] what you said about us today?" Trump asked. "And it's not about me. It's about these incredible people, from the military to FEMA to first responders. I mean, I've never seen people working so hard in my life. Perhaps you could say, congresswoman?"

Cameras captured the president engaging in a conversation with a hurricane victim, asking multiple questions and commending public officials in closing, but also telling another group of victims impacted by the storm to "have a good time."

The pool of reporters accompanying the president described a pair of basketball-related exchanges. Trump asked a teenager whether he played basketball and was going to the NBA. After handing out bags of rice at a church, Trump began tossing paper towels into the crowd — mimicking the motions of a jump shot.

In later remarks Tuesday — as the president handed out flashlights — Trump insisted Puerto Ricans don't need flashlights, though much of the territory is still without power, as he acknowledged to reporters just minutes prior.

"The power grid, honestly, was devastated before the hurricanes even hit. And then the hurricanes hit and they wiped them out," Trump said. "A lot of generators have been already brought to the island. Most of the hospitals are open — or at least partially open. But most of them now are open. And, again, the job that's been done here is really nothing short of a miracle. It's been incredible."

Trump has courted controversy by blasting on Twitter the "poor leadership ability" of Puerto Rican officials, who he said "want everything to be done for them." Trump had also said the island's leaders "are not able to get their workers to help," and he accused Carmen Yulín Cruz, the Democratic mayor of San Juan — who repeatedly slammed the Trump administration's response to Hurricane Maria — of trying to score partisan political points by criticizing him.

"We have done a great job with the almost impossible situation in Puerto Rico. Outside of the Fake News or politically motivated ingrates," Trump tweeted on Sunday.

All the while, he's kept up an upbeat tone about the response. He told reporters in the Oval Office on Monday that it's "amazing what's been done in a very short period of time." He added: "There's never been a piece of land that we've known that was so devastated."

Other officials have echoed his attitude. "The federal government is doing everything within our powers and capabilities to first focus on the life-sustaining and life-saving measures as well as on the rebuilding process," press secretary Sarah Huckabee Sanders told reporters on Monday.

But Trump's comments on Tuesday at times distracted from his administration's response efforts, with Cruz, the San Juan mayor, freshly criticizing the president for his comments

about Puerto Rico's impact on the U.S. budget.

"It goes to prove the lack of sensibility," she told CNN in an interview.

*Colin Wilhelm contributed to this report.*

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### **White House seeking \$29 billion more in disaster assistance [Back](#)**

By Burgess Everett and Seung Min Kim | 10/03/2017 08:54 PM EDT

The Trump administration is expected to request about \$29 billion in disaster assistance on Wednesday, according to three sources familiar with the matter.

The administration is expected to ask Congress to deliver nearly \$13 billion in funding for recovery from hurricanes that struck Puerto Rico and other parts of the United States, \$16 billion in flood insurance relief, and more than \$500 million for wildfires, the source said. Congress is expected to consider the package in mid- to late-October.

The figures were first reported by the Associated Press. The nearly \$13 billion in FEMA funding is estimated to last through Dec. 31, one source said, although the government has been spending disaster money more quickly than expected because of the recent spate of hurricanes.

Congress previously approved more than \$15 billion in disaster assistance for hurricanes in Texas and Florida in September.

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### **Nuclear waste bill clears House committee with bipartisan backing [Back](#)**

By Darius Dixon | 06/28/2017 12:05 PM EDT

The House Energy and Commerce Committee approved nuclear waste reform legislation this morning on a bipartisan 49-4 vote, facing only a handful of Democratic holdouts.

The bill, H.R. 3053, sponsored by E&C Environment Subcommittee Chairman [John Shimkus](#), would make the first changes in 30 years to the Nuclear Waste Policy Act, which names Yucca Mountain as the nation's sole waste repository.

The committee agreed to a compromise [manager's amendment](#) that would let DOE open one interim storage facility while regulators continue to work on a permanent repository. That eliminated most of the [Democratic objections](#) to a draft version of the bill that would have

barred such work until the Nuclear Regulatory Commission issued a decision on Yucca Mountain.

Yucca Mountain supporters have been concerned that a storage site would take the pressure off of approving a repository. Meanwhile, lawmakers have been anxious to move the waste building up at defunct nuclear power plants in their states.

Another [bipartisan amendment](#), also approved on a voice vote, removed the bill's original language impacting Nevada's water rights and air permitting. The amendment would also increase Yucca's capacity from 70,000 metric tons to 110,000 metric tons.

The bill also authorizes payments to host states and limits work on any defense waste-only repository.

New Jersey Rep. [Frank Pallone](#), the top Democrat on E&C, said that the bill was "a delicate and difficult negotiation, but I believe we have arrived at a very good compromise."

**WHAT'S NEXT:** Shimkus has said he expects the bill to get a vote by the full House before the August recess, but GOP leaders have not yet scheduled floor time for the bill.

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**Bishop: 'Silly' to delay sportsmen's package over silencer provision** [Back](#)

By Anthony Adragna | 10/03/2017 02:26 PM EDT

House Natural Resources Chairman [Rob Bishop](#) told reporters today it would be "silly" to remove provisions in a broad sportsmen's package, [H.R. 3668 \(115\)](#), loosening restrictions on purchasing gun silencers even after the nation's worst shooting massacre in modern history.

"The suppressor part actually helps people," he said. "To remove it, you're not helping anybody out. That would be silly to do that."

He added: "If that's a hang up, that's sad that that's a hang up."

GOP sources previously [told POLITICO](#) the Las Vegas shooting would derail consideration of the Sportsmen's Heritage and Recreational Enhancement Act at least in the short term.

Bishop said he'd been told by leadership the legislation would get a floor vote "soon," but said he'd never been given a specific date. But the Utah Republican said he hadn't spoken to them about the matter this week.

"To get a floor vote for things, I would strip naked if I had to," he said.

**WHAT'S NEXT:** Republican sources have previously indicated the SHARE Act is unlikely to get a floor vote in the near future.

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## **Coal, nuclear industry leaders cautiously supportive of DOE proposal [Back](#)**

By Darius Dixon | 10/03/2017 05:38 PM EDT

Coal and nuclear power industry representatives offered qualified endorsements today of the Energy Department's proposed regulation that offer their plants an economic lifeline.

Many experts are [already confused](#) about DOE's proposal to FERC, and a strange-bedfellows coalition of energy groups, including oil and renewables trade associations, has asked regulators to [slow down](#).

Testifying before a House Energy and Commerce subcommittee, Nuclear Energy Institute CEO Maria Korsnick said she'd support having another 30 days to comment on the Energy Secretary Rick Perry's plan to FERC, which gave regulators just 60 days to finalize the rule or issue an interim final rule. She said the proposal is "a good baseline but additional conversations need to be had through the rulemaking process."

Paul Bailey, who heads the American Coalition for Clean Coal Electricity, demurred when asked how long FERC should collect comments, stressing that the work "needs to be done very, very quickly." Bailey said he'd back the proposal if he was only given a yes-or-no option, but he added there was "a huge caveat [that] we're still looking at it."

Rep. [Fred Upton](#) (R-Mich.) noted that FERC often allows 180 days to comment on complex proposals.

Meanwhile, Marty Durbin, an executive with the American Petroleum Institute, which has criticized the proposal, said it was "totally inconsistent" with the grid study DOE issued in August.

John Moore, of the Natural Resources Defense Council, said he would toss the proposal "in the trash can because I don't think it meets the minimum standards of due process and the Administrative Procedures Act."

**WHAT'S NEXT:** FERC has asked for comments on the proposal to be submitted by Oct. 23 and for reply comments by Nov. 7. DOE has not yet published its proposal in the Federal Register, which will kick off the 60-day countdown clock.

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## **Official: FERC will take 'appropriate action' on DOE pricing rule within 60 days [Back](#)**

By Darius Dixon | 10/03/2017 04:22 PM EDT

FERC intends to act on the Energy Department's resiliency pricing rulemaking proposal

within the 60 days Energy Secretary Rick Perry directed last week, FERC General Counsel James Danly told lawmakers this afternoon. But his comments left plenty of room for interpretation.

"Right now, the commission is internally reviewing the notice of proposed rulemaking that was put forward by the secretary," Danly told members of a Senate Energy and Natural Resources subcommittee, while noting that FERC has [already requested comments](#) on the proposal.

"We're reviewing the options that are available and we are in the process of building the record by soliciting these comments and reply comments," he said. "Once they're assembled, we're going to review them and take the appropriate action within the 60-day timeframe established by the NOPR."

The law that Perry is using to initiate the rulemaking at FERC directs regulators to take "final action" within a reasonable timeframe, but it's unclear what FERC might consider a final action. Similarly, Danly's phrase "appropriate action" could represent a number of decisions by FERC.

**WHAT'S NEXT:** FERC has asked for comments on the proposal to be submitted by Oct. 23 and for reply comments by Nov. 7. DOE has also not yet published its proposal in the Federal Register, which will kick off the 60-day countdown clock.

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**Greens will sue Pruitt over missed ozone deadline** [Back](#)

By Alex Guillén | 10/03/2017 05:13 PM EDT

Ten environmental groups [say they plan to sue](#) EPA Administrator Scott Pruitt for missing the Oct. 1 deadline to decide which parts of the U.S. do or do not meet the 2015 ozone standard, a critical step toward implementing the rule and curbing pollution.

"It's an outrage that Scott Pruitt just willfully ignored his legal and moral obligation to keep American communities safe from dangerous air pollution that sends children to the hospital," Matthew Gravatt of the Sierra Club said in a statement.

Pruitt earlier this year announced plans to delay the designations by one year, citing trouble with data collection from states. Following lawsuits from green groups and Democratic attorneys general, EPA reversed course and said Pruitt would work to meet the deadline. But the deadline passed this week without any word from EPA on any designations.

The underlying 2015 standard is itself under review at EPA, along with a host of other Obama-era regulations. EPA in recent weeks also sent for White House review what appears to be a proposal setting new thresholds for which areas would have to take action to improve their air quality.

EPA on Monday had no comment on when the agency plans to issue the designations.

Groups suing include the Sierra Club, Natural Resources Defense Council, American Lung Association and National Parks Conservation Association.

**WHAT'S NEXT:** The Clean Air Act requires anyone suing EPA over a missed deadline to give the agency at least 60 days' notice. The lawsuit could be filed as soon as early December.

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## Taxpayer advocate, Democrats see industry tilt on Zinke's royalties panel [Back](#)

By Ben Lefebvre | 09/14/2017 03:33 PM EDT

Interior Secretary Ryan Zinke has pledged to increase energy revenue from federal lands, but congressional Democrats and public watchdogs are worried the agency is putting key policy decisions about royalties in the hands of the industry.

Interior officials have said increasing drilling on federal lands would help fulfill President Donald Trump's promise to "usher in a golden age of energy dominance" — and help restore the agency's coffers back to levels seen a decade ago, when they were bolstered by oil prices that flirted with \$150 a barrel.

Now, with oil prices under \$50 a barrel, the portion of Interior's budget from those revenues has dropped to \$6.2 billion, one-quarter of where it was in during the heady market of 2008.

"I will be looking at revenue," Zinke [told](#) senators during a June budget hearing, pointing to the federal income from natural gas, oil and wind. "If you're going to operate on public land, then the public should have a say, because we are all stewards of our public lands. We want to make sure we have a fair return. That return should be transparent."

But public interest groups and Democrats say the 20-member advisory committee Zinke [named](#) to review royalty rates that oil, natural gas and coal companies pay for access to federal land and water is stocked with industry-linked members.

The committee includes five energy company representatives and six others members who hail from energy-friendly, GOP-led local governments. Critics say it lacks representatives from public interest groups or Democrats who might question whether the public is getting a fair deal from new drilling.

"We should be exploring better royalty structures," Sen. [Tom Udall](#) (D-N.M), whose state is the fifth largest oil producer in the country, said in an email. "But I'm skeptical that the royalty policy committee established by Secretary Zinke is structured to ask the most probing and balanced questions to benefit citizens." Udall plans to reintroduce his legislation, [S. 2254 \(108\)](#), next week that would institute royalties on gold, silver and other precious minerals currently excluded from generating royalties.

Ryan Alexander, president of public watchdog group Taxpayers for Common Sense, lauded Zinke's move to restart that commission as an opportunity to make sure taxpayers get a fair

return for energy developed on public lands, but its make-up didn't give her confidence that would happen.

"There's a lot of people who know a lot of stuff on that committee," said Alexander, whose nomination to the committee was rejected by Interior. "But there isn't anyone who focuses on taxpayer interest. It is a definitely a concern that this is weighted toward the industry. We're going to be watching carefully."

Republicans have backed Zinke's exclusion of environmental and public interest groups.

"Many of these public interest groups have been driving this debate in court and so forth at the demise of our natural resource industry, and our economies and jobs in places like Montana," Sen. [Steve Daines](#) (R-Mont.) told POLITICO. "So it's time to change it up."

Interior's royalty rates dictate the percentage of the proceeds from oil, gas or other energy produced from federal lands or waters that companies must share with the government. The new committee will "provide advice to the Secretary ... on the fair market value of and on the collection of revenues derived from, the development of energy and mineral resources on Federal and Indian lands," according to the [charter](#) Zinke approved in March.

Oil production on federal lands reached an all-time high of 580 million barrels in 2016 from the surge in offshore production, according to data from the Office of Natural Resources Revenue, an overall increase of 33 percent from 2008.

Even as oil production surged, oil revenues flowing to Interior dropped to \$2.8 billion, however, the lowest point since 2005, largely because of weak market prices. U.S. oil averaged \$43.29 per barrel last year, less than half the price in 2014.

Natural gas volumes have fallen by a third since 2008, with most of the drop because of offshore drillers' shift to more profitable oil production. And coal production on federal land fell by a third between 2008 and 2016, following electric utilities' switching to cheaper natural gas.

Interior's decisions on royalties have a major impact on state budgets. In 2016, Wyoming received \$684 million from federal leases, nearly one-quarter of the state's \$3 billion budget that year, while New Mexico got \$386 million, about 6 percent of the state's total budget.

Interior lowered the minimum royalty payments for oil and gas produced from shallow-water areas of the Gulf of Mexico that it [offered](#) in a lease in August. But that cut failed to attract companies to the area, which is largely tapped out of oil and gas from years of development, and only 10 percent of the tracts up for auction were leased.

Interior has also rolled back an Obama-era rule on assessing the value of coal from federal lands that required mining companies to use the price they sold the coal at on the open market — not to affiliate companies they may have sold it to at a steep discount. Zinke's move did away with a rule that the department [estimated](#) would increase Interior's coal royalty revenues by up to \$85 million a year, but that coal companies complained was too burdensome.

Zinke's appointments to the committee include employees of ConocoPhillips, Anadarko Petroleum and the National Ocean Industries Association, a trade group representing offshore drilling companies.

He also included Matthew Adams, vice president of taxation at Cloud Peak Energy, a Wyoming-based coal company that donated \$10,000 to Zinke's PAC in 2016. Cloud Peak paid the department \$80 million in royalties last year, according to government [data](#).

Interior Department spokeswoman Heather Swift called the commission members "eminently qualified individuals," and added that Cloud Point Energy's donation to Zinke's PAC was "absolutely not" a factor in appointing a company representative to the commission.

Another member of the committee is John Sweeney, an investor relations executive at VWR Corp., a Pennsylvania-based company that provides laboratory services to the pharmaceutical, biotech, industrial and healthcare industries.

Sweeney nominated himself to the commission and was appointed because of "his education and experience in business connecting investors with developers," Swift said. Sweeney did not reply to messages seeking comment.

Swift also pointed to the native American tribes on the commission as operating some renewable energy projects. Those tribes on the board are also heavily invested in oil, gas and coal projects. The Navajo Nation, whose president Russell Begaye is on the royalty commission, runs the largest coal-fired power plant in the western United States, and Begaye [wrote](#) an op-ed in March asking for government assistance to keep plant from shutting.

Zinke promised to appoint up to four members representing "academia and public interest" groups when he announced plans for the commission, and he has stressed the importance of public oversight on royalties.

But the sole slot that was allotted in the end for a representative for the public interest went to Daniel Ruzs , a coal expert from energy industry consulting group Wood MacKenzie.

Interior's Swift initially said the choice came about because "no groups identifying themselves as public interest were nominated or self-nominated." She didn't address the rejection of the Taxpayers for Common Sense nomination, but said the group was "still permitted to attend the public meetings and the public comments are taken into consideration in decision making processes."

The commission also doesn't include any local government representatives identified as Democrats or nominated by Democratic governors. No one from Colorado or California was appointed, despite those two states producing more energy resources from federal lands than Alaska or Texas.

Gov. Steve Bullock, the Democratic head of Zinke's home state of Montana, nominated a Montana Department of Natural Resources employee who helps manage 6.2 million acres in the state that received \$23 million in royalties from Interior in 2016, though that nominee was rejected. Interior did name a Montana representative as an alternate board member in case a sitting member drops out.

Instead, Interior appointed a Clinton Carter, Alabama's Republican state finance director. Alabama received \$1.9 million in royalties from the department in 2016.

The lack of public accountability advocates on the board threatens to undermine its purpose of helping Interior increase public revenue, House Natural Resources committee ranking member

[Raul Grijalva](#) (D-Ariz.) said in a [letter](#) to Zinke.

Appointing a committee dominated by the fossil fuel industry with no public interest voices does not build "greater trust and transparency," Grijalva said in his letter, adding that the committee "should not be allowed to act as a fig leaf for actions designed solely to favor the interests of drilling and mining companies."

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### **Convicted coal exec attacks Manchin in new ad [Back](#)**

By Kevin Robillard | 10/03/2017 04:15 PM EDT

Don Blankenship, a former energy executive convicted of a misdemeanor related to the deaths of 29 coal miners in West Virginia, is paying for an inflammatory new television ad attacking Democratic Sen. [Joe Manchin](#).

The [30-second ad](#), which is airing on broadcast television in the state, starts by talking about the deaths of four Americans at the U.S. consulate in Benghazi, Libya and then links it to the deaths at Upper Big Branch Mine, which Blankenship blames on the federal government. The ad repeatedly shows Manchin side-by-side with former President Barack Obama and Democratic presidential nominee Hillary Clinton, along with captions asking: "Does Manchin have blood on his hands?"

"In 2012, four Americans were killed by terrorists in Benghazi, Libya. Many say the Obama administration hid the Benghazi truth," a male narrator says. "The truth about more killed Americans has also been hidden. In 2010, 29 Americans were killed. None of them were an ambassador, none were CIA agents, none were killed by terrorists. They were coal miners who were killed when the U.S. government reduced their mines' airflow. President Trump must be told the truth about Obama's deadliest cover-up."

The ad is the latest in a series of amateurish spots Blankenship has paid for attacking Manchin and asserting federal officials are to blame for the deaths at Upper Big Branch. The United Mine Workers of America have blasted the ads as "desperate, low-life attempt to once again shift the blame for a decade of death, destruction and despair at Massey Energy while Blankenship was CEO."

Manchin is considered a slight favorite to win reelection in a state President Donald Trump won handily. Rep. [Evan Jenkins](#) and Attorney General Patrick Morissey are competing in the Republican primary to challenge Manchin in 2018. Blankenship has previously mused about running for the seat himself as a Republican.

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## Murray asks Supreme Court to force EPA study of coal job losses [Back](#)

By Alex Guillén | 10/03/2017 03:21 PM EDT

Coal producer Murray Energy has [asked](#) the Supreme Court to force EPA to study how its regulations and other actions affect coal jobs.

A federal judge in West Virginia initially sided with Murray in ruling that Section 321(a) of the Clean Air Act required EPA to produce a separate, detailed study of its effects on coal jobs, despite EPA arguments that it did so on a rolling basis as it worked on each rule.

But just days before the July 1 deadline for EPA to cough up a study going back through 2009, the 4th Circuit Court of Appeals [ruled](#) that the study is a discretionary duty, not a mandatory one open to enforcement in the courts, thus freeing EPA from having to produce the study.

Last week, Murray appealed to the Supreme Court, arguing that the 4th Circuit's ruling "creates a substantial blind spot where EPA will be left to its own devices.

"An evaluation of the job losses that have occurred and those jobs that remain under threat because of EPA's decisions will be a powerful tool in helping EPA, Congress, the States, and Plaintiffs address and correct a policy that, up until now, has been far 'too narrow a policy and a cruel one at that for workers' in the coal industry," Murray wrote.

The [case](#) is *Murray Energy v. Pruitt*, 17-478.

**WHAT'S NEXT:** It will likely take months for the Trump administration to reply. If the Supreme Court agrees to hear the appeal — a major question — it likely will do so next spring or fall.

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**Date:** Monday, October 23, 2017 5:44:42 AM

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By Anthony Adragna | 10/23/2017 05:42 AM EDT

*With help from Esther Whieldon, Tim Starks and Darius Dixon*

**CONGRESS MOVING ON DISASTER AID:** The Senate takes the first procedural step today toward getting additional resources to Puerto Rico — more than a month after Hurricane Maria hit — even as 80 percent of the island remains without power and 30 percent lacks clean drinking water. The House-passed \$36.5 billion disaster aid package [H.R. 2266 \(115\)](#) includes nearly \$19 billion for FEMA while also providing a much needed cash infusion to the National Flood Insurance Program's borrowing capacity. It's expected to pass by Wednesday after Senate Majority Whip [John Cornyn](#) received [a commitment](#) that additional hurricane aid for his state of Texas would come in a subsequent bill, removing one of the largest obstacles to passage.

**Calls for an emergency response CEO:** Calling the long delays in restoring electricity and clean water "unconscionable," Senate Minority Leader [Chuck Schumer](#), along with Reps. [Nydia Velazquez](#) and [Jose Serrano](#), are asking President Donald Trump to appoint a CEO of response and recovery to help coordinate the government's response. "This person will have the ability to bring all the federal agencies together, cut red tape on the public and private side, help turn the lights back on, get clean water flowing and help bring about recovery for millions of Americans who have gone too long in some of the worst conditions," Schumer said in a statement. He called for the person to have a "direct line" to Trump.

**And time is of the essence:** Thousands of low-income properties across the island may no longer be able to meet legal standards for housing assistance if power cannot be restored soon, Pro Financial Services' Lorraine Woellert [reports](#). "Due to the ongoing and unique circumstances in Puerto Rico, we're reviewing every available option to assist residents during this difficult time," HUD spokesman Brian Sullivan said.

**Presidents tout fundraising:** The five living former presidents announced Saturday they'd raised \$31 million in private funds from over 80,000 donors to help hurricane recovery in Texas, Florida, Puerto Rico and other areas. ME will admit to having Lin-Manuel Miranda's [benefit song](#) stuck in his head.

**WELCOME TO MONDAY!** I'm your host Anthony Adragna, and Andeavor's Stephen Brown was first to identify Rep. [Chris Stewart](#) as the author of Elizabeth Smart's book. For today: How many states have just one congressman? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**ON TAP THIS WEEK — PRUITT'S LATEST DIRECTIVE:** The timing isn't exactly clear yet, but look for EPA Administrator Scott Pruitt to issue a directive limiting scientists who receive agency research grants from being able to serve on its various advisory boards. "If we have individuals that are on those boards that are receiving money from the agency, sometimes going back years and years to the tune of literally tens of millions of dollars, over

time, that to me causes questions on the independence and the veracity of the transparency of the recommendations that are coming our way," Pruitt said in [an interview](#) posted Friday by the Heritage Foundation's Daily Signal. It's unclear if the same restrictions would apply to scientists that receive funding from industry groups regulated by EPA.

**Pruitt's view on environmentalism:** "True environmentalism from my perspective is using natural resources that God has blessed us with to feed the world, to power the world with the sensitivity that future generations cultivate, to harvest, to be respectful good stewards, good managers of our natural resources, to bequeath those natural resources for the next generation."

**WORTH A READ:** The New York Times [looks at](#) how the arrival of Nancy Beck, a former American Chemistry Council executive, at EPA has led to weaker chemical regulation that may result in the "underestimation of the potential risks to human health and the environment." Beck returned from the private sector in May after receiving an ethics waiver and began pressing right away for changes to chemical regulations long-sought by industry. "It was a clear demonstration this administration has been captured by the industry," said Elizabeth Southerland, an Office of Water employee who retired in July.

**EPA's eyebrow-raising response:** "No matter how much information we give you, you would never write a fair piece. The only thing inappropriate and biased is your continued fixation on writing elitist clickbait trying to attack qualified professionals committed to serving their country," Liz Bowman, a spokeswoman for the agency who worked at the American Chemistry Council before joining the administration, [said in an email](#) to the newspaper.

**CLIMATE DATA PUSH GROWS:** Seventeen cities around the U.S., including New Orleans, Atlanta and Boston, are now hosting climate change data that EPA has removed from its website, Chicago Mayor Rahm Emanuel announced. "While the Trump administration buries their heads deeper in the sand when it comes to climate change, local leaders from across the country continue to confront the challenge head-on," he said. Chicago wants to expand [its site](#) to include an open-sourced repository of new scientific research.

**ARE YOU A YES PERSON OR A NOPR-SON?** If you have any thought on the Energy Department's grid resilience pricing proposal, you're just about out of time. FERC set a deadline on initial comments for today — less than a month after the rule was filed with regulators. The deadline for reply comments is Nov. 7, two weeks from Tuesday. If you've misplaced FERC's list of questions, [here it is](#).

**Days for FERC to take a "final action":** 49

**MANY A TARGET:** The Homeland Security Department and the FBI issued a joint [warning](#) about a sophisticated hacking campaign that has targeted the energy, nuclear, water, aviation and manufacturing sectors. The targets include both governments and other organizations. Although the alert, issued late last week, doesn't identify the nationality of the attackers, it does reflect a Symantec [report](#) from last month where the company found similarities between those attackers and a campaign that U.S. officials tied to Russia.

**"This campaign comprises two distinct categories of victims:** staging and intended targets. The initial victims are peripheral organizations such as trusted third party suppliers with less secure networks," the joint DHS-FBI report states. "The threat actor uses the staging targets'

networks as pivot points and malware repositories when targeting their final intended victims. The ultimate objective of the cyber threat actors is to compromise organizational networks."

**\*\* A message from Chevron:** When an endangered butterfly was found near a Chevron refinery, we protected the habitat and still plant the only thing they eat—buckwheat. Watch the video: <http://politi.co/2gyQXsp> \*\*

**TWO HOUSE BILLS OF NOTE:** Lawmakers are expected to vote on two bills of interest to ME readers this week. One, [H.R. 732 \(115\)](#), would bar federal agencies from requiring defendants to donate money to outside groups as part of federal government settlements. The other, [H.R. 469 \(115\)](#), would place various limitations on the use of federal consent decrees that frequently require new regulatory actions. The House Rules Committee meets today at 5 p.m. to consider how to structure debate on both bills.

**SECOND TIME'S THE CHARM?** After winning the support of Sen. [Joni Ernst](#) for Trump's pick to run the EPA air office, the Senate Environment and Public Works Committee will try again on Wednesday to move a host of nominees. On deck is the highly controversial selection of Bill Wehrum to run the air office and Michael Dourson's selection for EPA chemicals chief, as well as the less contentious picks of David Ross as head of the EPA water office, Matthew Leopold for EPA general counsel, Jeff Baran's re-nomination to the NRC and Paul Trombino's selection to be administrator of the FHWA.

**CELEBRATION FROM BIOFUEL BACKERS:** Pruitt's letter Thursday making major concessions on the Renewable Fuel Standard led to sighs of relief from biofuel backers but frustration from oil refiners, Pro's Eric Wolff [reports](#). "[Pruitt] didn't kick tires on changing the RFS, he tried to take a baseball bat to the program, and the response was matching and in response to, from a magnitude perspective, to the initial foul," Brooke Coleman, head of the industry lobby group Advanced Biofuels Business Council, said.

**That's not how refiners felt:** "Some Midwesterners cannot accept any premise that the RFS could be improved. As a result, their overreaction included everything from holds on confirmations to even more personal threats launched at the White House and EPA," one refining source told Eric.

**Help wanted:** Meanwhile, Pennsylvania Gov. Tom Wolf sent Trump [a letter](#) Friday asking him to take steps to help Northeast refiners deal with the high costs associated with compliance credits, known as RINs. "I specially request that you ask Administrator Pruitt to waive the renewable volume obligation for Northeast refiners until or unless the market prices deflate," Wolf wrote.

**PRUITT VISITS NEBRASKA:** Continuing his state visits, Pruitt stopped by Nebraska Friday where he met with Gov. Pete Ricketts and other officials to discuss the agency's efforts to revamp the Waters of the U.S. regulation. "In his work of rolling back the old rule and writing a new one, Pruitt is returning power to the states and protecting the rights of our farm families and small business owners," Ricketts said. Afterwards, Pruitt hit up Omaha where he met with officials from railroad giant Union Pacific about the agency's agenda.

**BLM ANNOUNCES SAGE GROUSE PUBLIC MEETINGS:** The Bureau of Land Management will hold a series of public meetings in Idaho, Colorado, California and Oregon in November on potential changes to plans for protecting greater sage grouse habitat. The meetings will be in [Idaho](#) on Nov. 2, 6 and 7, in [California](#) on Nov. 3, in [Oregon](#) on Nov. 7,

and in [Colorado](#) on Nov. 9. The sage grouse plans involve 10 Western states, so BLM may announce more meetings in the weeks ahead and it will accept emailed comments through either Nov. 27 or 15 days after the last public meeting, whichever is later. The agency created the plans in 2015 under an agreement with states in lieu of listing the bird as either endangered or threatened under the Endangered Species Act but re-opened them at Zinke's bidding.

**WESTERN VALUES PROJECT SUES FOR SAGE GROUSE RECORDS:** The Montana-based Western Values Project, which focuses on public land issues, is [suing](#) Interior to release copies of emails between Zinke, members of his sage grouse review team and oil and gas groups to determine the extent to which they were able to influence the agency's decision to reshape the sage grouse plans and guidance on energy development.

**ME FIRST -- INTERIOR BEEFS UP BLM, BOEM SENIOR STAFF OVER NOMINEE DELAY:** The Interior Department last week quietly assigned a senior political staffer to lend an extra hand overseeing the agencies that are key to carrying out the administration's energy goals until the Senate confirms Joe Balash as secretary for land and minerals management.

In [Secretarial order No. 3357](#) dated Oct. 17, Deputy Secretary David Bernhardt said there is a "an immediate need for additional executive level supervision and direction" over the Bureau of Land Management, Bureau of Ocean Energy Management, Bureau of Safety and Environmental Enforcement and the Office of Surface Mining Reclamation and Enforcement and assigned Aurelia Skipworth, the deputy assistant secretary for fish, wildlife and parks; to help out.

**Balash's nomination easily cleared** the Senate Energy and Natural Resources Committee in September with a voice vote but Interior spokeswoman Heather Swift in an emailed statement accused Senate Democrats of dragging their feet on the nomination. "Rather than let that slow our progress, we are utilizing team members across the bureaus to move the ball forward for the American people," she said. In related news, Virginia Johnson, an Interior beachhead staffer and principle deputy secretary for fish wildlife and parks in July left for a job at the USO, according to her [LinkedIn](#) profile.

**HANNITY V. INGRAHAM ON SOLAR TARIFFS:** Whether to slap cheap imported solar equipment with tariffs has split Laura Ingraham and fellow Fox News host Sean Hannity, Pro's Eric Wolff [reports](#). Ingraham said on her radio show Friday that "Chinese manipulation of the solar market has hurt U.S. manufacturers" and urged Trump to hit back with steep tariffs. But Hannity has made [an ad](#) warning that Suniva and SolarWorld are trying to manipulate U.S. trade laws and pointing out that both had foreign owners. "American taxpayers should not have to bail out one foreign company so another foreign company can get a payout," he said.

**NO MINCING WORDS HERE:** Russian President Vladimir Putin bashed efforts by some European nations, Poland and Denmark chief among them, to block two Russian gas pipelines, POLITICO Europe's David M. Herszenhorn [reports](#). "Attempts are being made to create obstacles in the way of our efforts to forge new energy routes - South Stream and Nord Stream - even though diversifying logistics is economically efficient, beneficial for Europe and promotes its security," Putin said in a speech at the Valdai Discussion Club.

**SIGNED, SEALED, DELIVERED:** The Bureau of Ocean Energy Management approved a key step of Deepwater Wind's 144-megawatt Revolution Wind project that will enable the company to collect the biological and wind performance data it needs to file a construction plan, Pro's Esther Whieldon [reports](#). Massachusetts is slated to pick the winning contracts in

July, and Deepwater Wind has said it could bring the project online by the end of 2023.

**FRIESS WON'T RULE OUT BARRASSO CHALLENGE:** Wealthy GOP megadonor Foster Friess tells [Fox Business](#) he won't raise money to pick off Republican incumbents, but he's not ruling out launching a bid to unseat Wyoming Sen. [John Barrasso](#). "Better messaging, return of civility and untangling the health care logjam are my motivation; not that I am hell bent on replacing John Barrasso," he said.

**Not amused:** During an appearance on "Fox News Sunday," Senate Majority Leader [Mitch McConnell](#) referred to Steve Bannon and others not backing GOP incumbents as "specialists at nominating people who lose, and that isn't going to help President Trump achieve his agenda," POLITICO's Rebecca Morin [reports](#).

## QUICK HITS

- E.P.A. Cancels Talk on Climate Change by Agency Scientists. [New York Times](#).
- Governor Brown Signs Order Allowing EPA to Help With Cleanup of Hazardous Waste from North Bay Fires. [NBC Bay Area](#).
- OKC firm secures \$200 million contract to restore power in Puerto Rico. [News OK](#).
- U.S.-backed forces take Syria's largest oil field from Islamic State. [Chicago Tribune](#).
- The World's Next Environmental Disaster. [Wall Street Journal](#).

## HAPPENING THIS WEEK

### MONDAY

1:00 p.m. — Press call with PJM president and CEO, contact: [kassandra.meholick@edelman.com](mailto:kassandra.meholick@edelman.com).

5:00 p.m. — House Rules Committee holds [a hearing](#) on various bills, H-313

6:00 p.m. — "Can Fossil Fuel Companies Be Held Liable for Climate Change?" Columbia Law School, Jerome Greene Hall, Room 104, 435 West 116th Street, New York, NY

### TUESDAY

1:00 p.m. — Lawmakers host "Half-Earth Day" celebration and conversation with E.O. Wilson, U.S. Capitol Building Visitor Center: Congressional Auditorium and Atrium

2:30 p.m. — "[Reauthorization of the Magnuson-Stevens Fishery Conservation and Management Act: Fisheries Science](#)," Senate Commerce Coast Guard Subcommittee, Russell 253

4:00 p.m. — "[Crude Nation: How Oil Riches Ruined Venezuela](#)," Cato Institute, 1000 Massachusetts Ave. NW

6:00 p.m. — 'Flint' viewing and panel discussion with Rep. Dan Kildee, U.S. Capitol Visitors Center Auditorium

## WEDNESDAY

10:00 a.m. — "[Empowering State Based Management Solutions for Greater Sage Grouse Recovery](#)," House Natural Resources Committee, Longworth 1324

10:00 a.m. — Senate Environment and Public Works Committee holds a [business meeting](#) and hearing on "The [Wildfire Prevention and Mitigation Act of 2017](#)," Dirksen 406

2:00 p.m. — House Natural Resources subcommittee [hearing](#) on American Indian lands bill, House Natural Resources Indian, Insular, and Alaska Native Affairs Subcommittee, Longworth 1324

## THURSDAY

10:00 a.m. — "[Examine Cyber Technology and Energy Infrastructure](#)," Senate Energy and Natural Resources Committee, Dirksen 366

10:00 a.m. — "[Improving Oversight of the Regulatory Process: Lessons from State Legislatures](#)," Senate Homeland Security Subcommittee on Regulatory Affairs and Federal Management, Dirksen 342

12:00 p.m. — Natural Gas Roundtable [hosts](#) USTDA's Energy Sector Worldwide Team Lead, Carl B. Kress, University Club, 1135 16th Street, NW

## THAT'S ALL FOR ME!

**\*\* A message from Chevron:** This is a story about DOERS, butterflies, and buckwheat. In '75, the endangered El Segundo Blue butterfly was found near a Chevron refinery. We protected the habitat and planted the only thing they eat—buckwheat. We're still planting and keeping an eye on our littlest neighbor. Watch the video: <http://politi.co/2gyQXsp> \*\*

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/10/senate-takes-up-massive-disaster-aid-package-today-025166>

## Stories from POLITICO Pro

### Cornyn extracts Trump pledge of Texas hurricane aid [Back](#)

By Sarah Ferris | 10/19/2017 05:47 PM EDT

The Senate's No. 2 Republican today endorsed a \$36.5 billion disaster aid package, resolving one of the standoffs holding up the bill.

A spokesman for Sen. [John Cornyn](#) (R-Texas) said Cornyn will support the House-passed aid package, [H.R. 2266 \(115\)](#), after personal assurances from the White House that more money for Texas will be delivered next month.

"The president strongly indicated his preference that a second appropriations request, which will come in November, will include funds specifically to aid Texans recovering from Harvey," Cornyn told Texas reporters in a call.

The [House package](#) includes nearly \$19 billion to replenish FEMA, largely intended for emergency efforts in Puerto Rico. It would also restore the National Flood Insurance Program's borrowing capacity to ensure all hurricane victims, including in Texas and Florida, receive timely payments.

But just two days ago, Cornyn said the package was "inadequate" for his home state, which was recently slammed by Hurricane Harvey.

Texas lawmakers in Congress have been pressured by Gov. Greg Abbott to seek more funding — and fast. After the House denied the Texas delegation's \$18.7 billion request for Harvey-specific aid last week, Abbott blasted the representatives for lacking a "[stiff spine](#)."

Without a cash infusion, the National Flood Insurance Program's claims funding would run dry on Oct. 23, a FEMA spokesman told POLITICO this week.

To view online [click here](#).

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## **Puerto Rico housing subsidies at risk as blackout drags on [Back](#)**

By Lorraine Woellert | 10/20/2017 06:42 PM EDT

Puerto Rico could lose funding for thousands of low-income housing units if power to the island isn't restored soon.

The Department of Housing and Urban Development, which subsidizes 203 housing projects on the island, is prohibited by law from providing Section 8 assistance to buildings that aren't "decent, safe, and sanitary."

As an electrical blackout drags on a month after Hurricane Maria, it's likely that fewer properties will be able to meet that standard, and the agency is being forced to review its options.

"Due to the ongoing and unique circumstances in Puerto Rico, we're reviewing every available option to assist residents during this difficult time," HUD spokesman Brian Sullivan said in a statement. About 20,000 housing units in 203 projects on the island receive project-based subsidies to provide affordable housing.

The agency has long interpreted "decent, safe and sanitary" housing to include continuous running water and electricity. In Puerto Rico, evaluating the livability of HUD's subsidized units has been slow going, and it's too soon to know how much damage has been done.

Meanwhile, property owners and managers say they're shipping generators to the island and sending couriers armed with cash to pay for gas to keep the machines running.

The Institute of Real Estate Management, an affiliate of the National Association of Realtors, whose members manage nearly 40 percent of federally assisted housing units, is urging HUD Secretary Ben Carson to keep the subsidies flowing.

"Penalizing these properties and, more importantly, these tenants, is simply adding more hardship to this community," the group wrote in a [letter](#) to HUD. "Without the federal portion of the rent, many of these properties will simply fail, and this stock of affordable housing will be lost."

After Hurricane Katrina hit New Orleans, some subsidies to ruined housing projects were converted to rental vouchers, which were distributed to individuals in need. Many of those low-income households pulled up roots and moved away from the city. In Puerto Rico, there are far fewer, if any, places for families to go.

"It's not only an invitation for people to leave the island, it means you're going to displace that many more families," said Mike Ford, NAR's point person on Puerto Rico. "Maybe it's not what we would call safe and decent housing in Mississippi or Arkansas, but it's better to have a house with a roof over your head in a rainstorm than be outside."

*Colin Wilhelm contributed to this report.*

To view online [click here](#).

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## **Biofuel backers claim victory in EPA battle** [Back](#)

By Eric Wolff | 10/20/2017 05:37 PM EDT

Biofuels backers were breathing a sigh of relief on Friday after EPA Administrator Scott Pruitt backed away from changes to the Renewable Fuels Standard, a reversal that left oil refiners frustrated.

Pruitt [acceded](#) to demands from Sen. [Joni Ernst](#) that he publicly promise not to pursue plans to change the biofuel program rules — changes that had been sought by oil refiners who have long complained about the costs of implementing the program that many see as a giveaway to the corn states.

Pruitt's letter to Ernst, Sen. [Chuck Grassley](#) and five other Midwestern Republican senators delivered what they'd asked for: A promise not to expand the group of companies required to comply with the program, to keep the biodiesel volume requirements at levels proposed in July, to not alter the policy that strips RFS credits from exported ethanol, and to explore allowing year-round sale of gasoline with 15 percent ethanol nationwide.

The quick reversal by Pruitt — at the [direction](#) of President Donald Trump — showed the influence of the biofuel lobby, corn growers and farm-state lawmakers to scuttle changes in the decade-old policy sought by the energy industry.

"This was a basket of bad ideas for biofuels," said Brooke Coleman, head of the industry lobby group Advanced Biofuels Business Council. "And there's no way that we could have any other response than to take this approach. [Pruitt] didn't kick tires on changing the RFS, he tried to take a baseball bat to the program, and the response was matching and in response to, from a magnitude perspective, to the initial foul."

The push by the senators, as well as Midwestern governors, "made a huge difference in this matter," said Michael McAdams, head of the Advanced Biofuels Association. "In addition, the collective unity of the entire biofuels industry, including those who distribute and market these fuels, made a significant impression on the importance and support for the RFS program."

But oil refiners who have said the high cost of biofuel credits, called Renewable Identification Numbers, was costing them hundreds of millions of dollars, lamented the power of the biofuels lobby and the corn-belt lawmakers.

"The [Pruitt] letter is a result of political pressure applied by Midwestern politicians," said one refining source. "Some Midwesterners cannot accept any premise that the RFS could be improved. As a result, their overreaction included everything from holds on confirmations to even more personal threats launched at the White House and EPA."

The unified and vociferous campaign by the biofuels industry in attacking the proposal that would have lowered biodiesel volume mandates surprised some in the refining industry, as well as the political staff in the EPA, sources tell POLITICO.

The Trump administration's embrace of the oil industry had raised refiners' hopes that it could have the best opportunity in years for significant RFS changes, and refining giant Valero Energy, along with a group of Pennsylvania companies, believed they would get relief from what they considered an onerous program.

But Grassley took to the Senate floor to blast Pruitt's biofuel plans as a "betrayal" of Trump's promises to protect ethanol, and he arranged a call with Trump and Pruitt that led to the meeting in his office with Pruitt and Ernst as well as [Deb Fischer](#) (Neb.), [John Thune](#) (S.D.), [Ben Sasse](#) (Neb.), [Pat Roberts](#) (Kan.) and [Mike Rounds](#) (S.D.). Following that meeting, Ernst demanded the public statement from Pruitt, and said she would withhold her support for Bill Wehrum, who was nominated to run the agency's air office, forcing a delay in the Environment and Public Works Committee's vote until next week.

Ernst spokeswoman Brook Hougerson told POLITICO, "Now that Sen. Ernst has received the assurances that the EPA will support the spirit and the letter of the RFS, she will support Mr. Wehrum."

Valero was disappointed its efforts to change the program had been shot down by the fierce political opposition.

"These senators have intervened in a regulatory process, and the proposals and concepts in the letter address RFS implementation problems to which these senators have offered no constructive solutions," Valero said in a statement. "The only unifying principle of their bullying opposition seems to be a desire to maintain the status quo at all costs and to protect windfall profits associated with unregulated trading of renewable identification numbers, or RINs. Their position advances neither the goals nor the efficient implementation of the RFS, and places U.S. manufacturing jobs at risk."

But in a statement, the White House made clear that Trump remained fully behind the biofuels program.

"President Donald J. Trump promised rural America that he would protect the Renewable Fuel Standard, and has never wavered from that promise," spokeswoman Kelly Love said in a

statement. "The president has had constructive conversations with several key officials about the RFS over the past week, and he understands their concerns. The Trump administration will protect the RFS and ensure that our Nation's hardworking farmers continue to fuel America."

One energy executive said the biofuel backers were victorious because they were unified in their support for the RFS, while Republicans, the oil industry, and even the refiners were not on the same page.

"The ethanol boys won this round, no doubt, but at a pretty high cost," said Stephen Brown, vice president for federal government affairs for Andeavor. "The refining industry is anything but united on the RFS beyond a sunset as individual companies have each made investments and honed mitigation strategies to comply with the statute. As those investment decisions become increasingly operationally embedded, the industry will continue to splinter on the suite of RFS issues."

But some producers are still wary of Pruitt's pledge in his Thursday letter, and they note that he promised to release a final rule in which none of the mandatory volumes will be less than he proposed in July. For some producers, those volumes were already too low.

"There's some work to do here," Coleman said. "We won't know until the rule is done. And we recognize it's an ongoing rulemaking, it's not like they're going or republish the rule, they've said what they can say. The final rule really matters."

*To view online [click here](#).*

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## **Solar tariff fight pits Ingraham against Hannity [Back](#)**

By Eric Wolff | 10/20/2017 03:53 PM EDT

Conservative talk radio host Laura Ingraham urged President Donald Trump to impose tariffs on solar equipment imports today — rebutting the argument by Fox News host Sean Hannity that such tariffs would be a bailout to two foreign-owned companies in the U.S.

"Chinese manipulation of the solar market has hurt U.S. manufacturers," Ingraham said on [her show](#) while interviewing Matt Card, an executive with Suniva, one of the companies that brought the trade case seeking tariffs on imported solar panels.

"This is where Trump fulfills his promises that he made on the campaign trail to stand up for American manufacturing by using current U.S. law that other presidents basically didn't pay that much attention to," Ingraham said.

But most of the industry opposes tariffs, and solar installers have enlisted Hannity to urge Trump not to implement trade barriers. He made [an ad](#) saying the two companies were trying to manipulate U.S. trade laws, and pointed out that both had foreign owners. "American taxpayers should not have to bail out one foreign company so another foreign company can get a payout," he says in the ad.

Suniva, which is backed by a Chinese solar company, and SolarWorld, a U.S. subsidiary of a

German company, last month won a 4-0 decision from the U.S. International Trade Commission saying that they had been harmed by cheap solar panel imports.

**WHAT'S NEXT:** The ITC will hold a hearing to discuss tariff options next week.

To view online [click here](#).

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## **BOEM approves key step for Deepwater Wind-Tesla offshore wind project** [Back](#)

By Esther Whieldon | 10/20/2017 04:17 PM EDT

The Bureau of Ocean Energy Management has approved a key step for Deepwater Wind's 144-megawatt Revolution Wind project proposed off the coast of Massachusetts and Rhode Island.

In a letter dated Oct. 12 and posted by the agency today, BOEM said it approved Deepwater's "site assessment plan" to install a meteorological buoy at the site of the project. The buoy will give the company the biological and wind performance data it needs to file a construction plan.

Deepwater has held a lease for the area since 2013 and in July announced plans with Tesla to combine the wind project with a 40 megawatt-hour onshore battery in their bid to win a long-term clean-energy contract in Massachusetts.

Deepwater late last year brought the nation's first offshore wind project online — the 30-megawatt Block Island project off the Rhode Island coast.

**WHAT'S NEXT:** Massachusetts is slated to pick the winning contracts in July, and Deepwater Wind has said it could bring the project online by the end of 2023.

To view online [click here](#).

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By Anthony Adragna | 10/02/2017 05:41 AM EDT

**DIRE SITUATION IN PUERTO RICO AMID TRUMP ATTACKS:** President Donald Trump spent the weekend tweeting defenses of his administration's response to Hurricane Maria in Puerto Rico from his New Jersey golf resort but his words bear little resemblance to the dire situation on the ground. Just 5 percent of the island has electricity and more than half of people lack access to clean drinking water more than a week and a half after the hurricane.

**View from the ground:** Trump in a series of weekend tweets bashed the "poor leadership ability" of Puerto Rican officials, who he said "want everything to be done for them," POLITICO's Matthew Nussbaum and Marc Caputo [report](#). But Lt. Gen. Jeffrey Buchanan, who the Defense Department tapped to lead its response efforts, told [the PBS NewsHour](#) "this is the worst I've ever seen" in terms of damage from the storm. And Carmen Yulín Cruz, San Juan's mayor and the target of a number of Trump's Twitter missives, told ABC's "This Week" of the federal officials responding: "Their heart is in the right place, but we have to cut the red tape. That's the one message."

**Several relief officials [told Matthew and Marc over the weekend](#)** that the administration's patting itself on the back over the response was not helping, especially as the conditions on the ground in no way matched the rhetoric. "We have to think of this as societal collapse: no power, no water, no food, no nothing," one relief official told them from Puerto Rico. "We came in thinking this would be a traditional model of disaster response ... It is up to us to keep everything moving. Civil society is pretty much gone, and we didn't realize that until like 36 or 48 hours ago. And who knows when it's going to end." Senate Minority Leader [Chuck Schumer](#) summed up his view of the response during an interview with CBS' "Face the Nation": "The bottom line is at least for the first week and a half the effort has been slow footed, disorganized, and not adequate," he said.

**Administration mounts defense:** FEMA Director Brock Long told "Fox News Sunday" the administration continued to make daily progress on improving the situation but added "absolutely" there was a long road ahead. "This is the most logistically challenging event the United States has ever seen and we have been moving and pushing as fast as the situation allows," Long said. "It's going to be multiple — multiple months before power is restored to many of these areas and that's just a reality." In an update obtained by [Axios](#), Tom Bossert, Trump's homeland security adviser, wrote: "Lack of power and the persistent commodity distribution problems on the island are major focuses right now. This is still an urgent situation."

**WELCOME TO MONDAY!** I'm your host Anthony Adragna, and NOIA's Nicolette Nye was first up to name Rep. [Dana Rohrabacher](#) as the former Reagan speechwriter. For today: Which former congressperson joined the Green Party in 2008 and became their presidential candidate? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**WHITE HOUSE TIGHTENS REINS ON CABINET TRAVEL:** After Tom Price's

[resignation](#) Friday over hundreds of thousands in private flights, White House Chief of Staff John Kelly must now approve almost all travel on "government-owned, rented, leased, or chartered aircraft," POLITICO's Matthew Nussbaum [reports](#). "Every penny we spend comes from the taxpayer," OMB Director Mick Mulvaney wrote in a memo shortly after Price's resignation. "We thus owe it to the taxpayer to work as hard managing that money wisely as the taxpayer must do to earn it in the first place." Officials should stick to commercial travel "with few exceptions," he wrote. Remember both EPA Administrator Scott Pruitt and Interior Secretary Ryan Zinke have faced scrutiny in recent days for non-commercial travel.

**Key line from memo:** "Put another way, just because something is legal doesn't make it right."

**Questions for Zinke continue:** The Campaign for Accountability on Friday [asked](#) Office of Special Counsel and Interior's inspector general to probe whether Zinke violated the Hatch Act by speaking to the NHL's Vegas Golden Knights. He spoke at the dinner organized by team owner Bill Foley, one of Zinke's biggest campaign donors. Then, as POLITICO first [reported](#), he hopped a \$12,000 charter flight to an airport 20 minutes away from his Montana residence.

**Some argue Pruitt, Zinke deserve Price's fate:** A number of green and progressive groups urged Trump to also fire Pruitt and Zinke due to their non-commercial travel. "Forcing Tom Price from office does not come close to answering questions in the Trump Administration about the abuse of taxpayer funds when Ryan Zinke and Scott Pruitt are unrepentantly wasting hundreds of thousands on their own luxurious travel and sticking hardworking Americans with the bill," Sierra Club executive director Michael Brune said in one statement. "They deserve Price's fate and should be removed from office immediately."

**MORE PUSHBACK TO PERRY'S FERC ASK:** Count the solar and wind industries among those concerned by Energy Secretary Rick Perry's push to throw a lifeline to the struggling coal and nuclear industries (ICYMI Pro's Darius Dixon [dived deep](#) into the proposal Perry launched Friday). "The best way to guarantee a resilient and reliable electric grid is through market-based compensation for performance, not guaranteed payments for some, based on a government-prescribed definition," Amy Farrell, senior vice president for the American Wind Energy Association, said in a statement.

**Same worries for solar:** Christopher Mansour, vice president of federal affairs for the Solar Energy Industries Association: "While we agree that wholesale markets should fully compensate generators for all the energy, capacity and ancillary services they provide, healthy competition should always promote the best, most innovative solutions," he said. The conservative R St. Institute [called](#) Perry's plan "an arbitrary backdoor subsidy to coal and nuclear plants."

**DEREGULATORY PUSH GETS SPOTLIGHT TODAY:** Trump is expected to deliver remarks today at 11 a.m. highlighting his administration's efforts to remove regulatory burdens across the federal government to drive economic growth. Don't expect any major new initiatives to be announced, but ME would be shocked if the efforts of EPA to halt or delay a host of Obama-era regulations don't make a major appearance. That'll be followed by a series of breakout sessions with 10 agencies, including the Energy and Interior departments.

**Not on the list? EPA,** though the agency is doing its own event Tuesday to launch what it's calling Smart Sectors. EPA spokeswoman Liz Bowman said it's "a program that aims to facilitate meaningful collaboration with regulated sectors, sensible policies to improve

environmental outcomes, and better EPA practices and streamlined operations." As Pro's learned last week, the event will designate staff liaisons for specific industries including oil and gas and utilities and power generation.

**Pre-buttal:** Public Citizen and Coalition for Sensible Safeguards put out [their pre-buttal](#) to the speech and say Trump's agenda is "premised on a series of demonstrably false claims about the costs of regulation, defies public opinion and major campaign promises, and represents a craven attempt at self-enrichment and payback to corporate donors." They'll host a press call at 1:30 p.m., along with Rep. [David Cicilline](#), responding to his remarks.

**A taste of today's remarks:** Here's how Trump summed up his deregulatory efforts to the National Association of Manufacturers on Friday: "We are cutting regulations at a pace that has never even been thought of before — not even thought of. This is a groundbreaking campaign and involves every department and agency across our government."

**A preview (via Playbook):** A photo inside the White House from a tipster with the pages on the right showing "the number of pages in the [Code of Federal Regulations] today, which is a measure of all regs on the books (Fed Register are just new ones), versus the # about a half-century ago" on the left side. Click [here](#).

**\*\* A message from Chevron:** We're piloting a program that uses drones to keep an eye on Chevron wells, tanks, and pipelines—all to keep DOERS and what they're doin' safer. Watch the video: <http://politi.co/2xO60oe> \*\*

**ARKEMA UNDER INVESTIGATION:** The Harris County District Attorney's Office announced Friday it was investigating the Houston-area Arkema plant whose volatile chemicals exploded in the aftermath of Hurricane Harvey, The Houston Chronicle [reports](#). "Companies should be on notice that we care when they pollute our air, our water, our environment," District Attorney Kim Ogg said. "We are looking into exactly what happened at the plant. We are gathering facts and we will apply the law. Arkema is under criminal investigation."

**MAIL CALL! LET'S DO IT, PRUITT:** The Senate Environment and Public Works Committee Democrats, led by ranking member [Tom Carper](#), sent Chairman [John Barrasso](#) a [letter](#) Friday urging him to schedule a hearing on EPA's budget request where Pruitt would testify. "We are concerned that this necessary hearing is long overdue," they wrote. Barrasso would only tell reporters last week he planned to have Pruitt appear before the committee "this year."

**BORING BUT IMPORTANT:** POLITICO's Danny Vinik [looks at](#) an important issue likely floating under your radar: the federal government's workforce continues to get older and younger people aren't stepping in to fill in the gaps. "It's that smart agencies develop a plan for a pipeline. The federal government's biggest problem is it's not very good at pipeline planning," Don Kettl, a professor at the University of Maryland who has written extensively on government management, said.

**TAKE A GLANCE!** Interior released [a report](#) Friday finding it contributed 1.7 million jobs and \$254 billion in economic output during fiscal 2016. Among the conclusions: Interior-managed lands and waters produced 768 million barrels of crude oil, 4.7 trillion cubic feet of natural gas, and 310 million tons of coal. Its lands and facilities also generated enough hydropower to power 3.4 million homes.

**SOMETHING'S PHISHY HERE:** EPA employees were targeted by a phishing scheme seeking to steal large amounts of office supplies from the U.S., according to a podcast released Friday by the agency's inspector general. Photos of some of the phishing messages posted [here](#).

**MOVER, SHAKER:** Brandon VerVelde has joined the House Science, Space and Technology Committee as press secretary and as an on-the-record spokesperson. He was previously director of communications for the Asian American Hotel Owners Association.

**LIGHTER CLICK:** Count Senate Energy Chairman [Lisa Murkowski](#) as those sharing super awkward old pictures of themselves to help fundraise help for Puerto Rico (though she left out the key hashtag of #PuberMe). Anyways, pic [here](#). Also, apparently you can catchy your super trendy energy chairman [playing cornhole](#) down by Nats Park during the weekend.

## QUICK HITS

- Oil Prices Bounce Back in Third Quarter. [Wall Street Journal](#).
- Ancient bristlecone pine forests are being overwhelmed by climate change. [Los Angeles Times](#).
- Renewable energy investors see opportunity in Puerto Rico's demolished grid. [Reuters](#).
- In a Warming World, Keeping the Planes Running. [New York Times](#).
- A Labor of Love: Coal mining continues despite unsettling trends. [Casper Star-Tribune](#).
- Activists in 4-state pipeline protest embrace unique defense. [AP](#).

## HAPPENING THIS WEEK

### MONDAY

12:00 p.m. — "[The Trump Administration and Federal Land](#)," Women's Council on Energy and the Environment, Beveridge & Diamond PC, 1350 I Street NW

### TUESDAY

9:00 a.m. — "[Carbon Capture: A Business Opportunity in the Global Low-Carbon Economy](#)," Global CCS Institute, National Press Club, 529 14th Street Northwest

10:00 a.m. — "[Resiliency: The Electric Grid's Only Hope](#)," House Science, Space and Technology Committee, Rayburn 2318

10:00 a.m. — Legislative [hearing](#) on H.R. 3400, House Natural Resources Committee, Longworth 1334

10:15 a.m. — Senate Energy and Natural Resources Committee holds [hearing](#) to consider various nominations, Dirksen 366

10:30 a.m. — "[Full Committee Hearing to Examine Energy Storage Technologies](#)," Senate Energy and Natural Resources Committee, Dirksen 366

2:00 p.m. — "[Part II: Powering America: Defining Reliability in a Transforming Electricity Industry](#)," House Energy and Commerce Energy Subcommittee, Rayburn 2123

2:30 p.m. — Senate Energy and Natural Resources Subcommittee [hearing](#) on various bills, 366 Dirksen

### **WEDNESDAY**

9:30 a.m. — Natural Gas Supply Association holds its winter outlook media briefing for 2017-2018, RSVP: [hinson.peters@ngsa.org](mailto:hinson.peters@ngsa.org)

10:00 a.m. — Full committee [markup](#) on various bills, House Natural Resources Committee, Longworth 133

10:00 a.m. — Senate Environment and Public Works Committee holds [hearing](#) on various EPA, NRC nominees, Dirksen 406

10:00 a.m. — "[Air Quality Impacts of Wildfires: Perspectives of Key Stakeholders](#)," House Energy and Commerce Environment Subcommittee, Rayburn 2123

2:00 p.m. — House Natural Resources Subcommittee on Indian, Insular and Alaska Native Affairs holds legislative [hearing](#) on three bills, Longworth 1334

3:00 p.m. — House Natural Resources Committee holds members forum to discuss rescue and recovery in Puerto Rico and the U.S. Virgin Islands, location: TBD

3:00 p.m. — Senate HELP Committee holds [hearing](#) on mine safety nominee, Dirksen 430

### **THURSDAY**

9:30 a.m. — CSIS [discussion](#) on the future of electrification, Center for Strategic & International Studies, 1616 Rhode Island Ave NW

10:00 a.m. — "[Powering America: Consumer-Oriented Perspectives on Improving the Nation's Electricity Markets](#)," House Energy and Commerce Energy Subcommittee, Rayburn 2123

12:00 p.m. — "[The Growing Role of Liquefied Natural Gas in Latin America](#)," Atlantic Council, 1030 15th ST NW, 12th Floor

12:30 p.m. — "[How Agencies Reverse Policy: Stays, Remands, and Reconsideration](#)," Environmental Law Institute, 1101 K Street, NW, President's Room

### **FRIDAY**

9:00 a.m. — 2017 Veterans In Energy [Forum](#), NRECA, 4301 Wilson Blvd. Arlington, VA 22203

### **THAT'S ALL FOR ME!**

**\*\* A message from Chevron:** This is a story about energy, safety, and some truly high-flyin' doin'. We're piloting a program that uses drones, HD imaging, and thermal mapping to help

keep a close eye on Chevron wells, tanks, and pipelines—all to keep DOERS and what they're doin' safer. Watch the video: <http://politi.co/2xO60oe> \*\*

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/10/trump-feuds-as-puerto-rico-struggles-024851>

## Stories from POLITICO Pro

### Trump picks risky Puerto Rico fight [Back](#)

By Matthew Nussbaum and Marc Caputo | 09/30/2017 07:50 AM EDT

The natural disaster in Puerto Rico has escalated into a firestorm for President Donald Trump, whose Saturday Twitter attack on the mayor of San Juan drew harsh condemnations, new charges of insensitivity, and warnings about political fallout.

In a series of Saturday morning tweets, Trump blasted the "poor leadership ability" of Puerto Rican officials, who he said "want everything to be done for them." Trump also said the island's leaders "are not able to get their workers to help," and accused the Democratic mayor of San Juan — who has publicly criticized his administration's response to Hurricane Maria — of scoring partisan political points.

Even Republicans were uncomfortable seeing television images of suffering Puerto Ricans juxtaposed with Trump's fighting words, tweeted from his luxury golf course in Bedminster, New Jersey.

"He is definitely not helping," said Republican state Rep. Bob Cortes, a Puerto Rico native who lives in Central Florida, which has seen a huge influx of Puerto Rican families in recent years. Cortes added that the controversy "gives [Democrats] a platform to register new voters."

Other Republicans also worry that Trump's comments could be a godsend to Democrats in Florida—a swing state whose Puerto Rican population of more than 1 million is expected to swell as people flee the storm's aftermath.

Ten days after Maria ravaged the island, most of Puerto Rico is still without power and many of its 3.4 million residents, most of them U.S. citizens, lack basic supplies like food and water. Critics say the Trump administration has been slow to help, with some invoking the aftermath of Hurricane Katrina in New Orleans a decade ago.

The perception that George W. Bush oversaw an incompetent and insensitive response to Katrina dealt a crippling blow to his presidency from which he never recovered, helping to drive his approval ratings to the low 20s. Trump officials scoff at the comparison with Katrina, saying their response to Maria has been appropriate.

In Washington, Democrats were swift to condemn Trump's tweets Saturday.

Rep. Bennie Thompson of Mississippi, the top Democrat on the House Homeland Security Committee, released a statement calling Trump's tweets "abhorrent, baseless, and ... beneath the dignity of the office of the Presidency."

"Lives are on the line and people are dying," he added.

Trump's early morning broadsides, which began at 7:19 a.m., came after San Juan Mayor Carmen Yulín Cruz slammed the administration's response repeatedly on Friday amid growing media coverage of the devastation on her island.

"We are dying here," Cruz said in an emotional plea. "If anybody out there is listening to us, we are dying, and you are killing us with the inefficiency and the bureaucracy." Puerto Rican officials say Maria killed at least 16 people there — a number experts believe will grow significantly.

From Bedminster, Trump defended his response while dismissing Cruz as a partisan.

"The Mayor of San Juan, who was very complimentary only a few days ago, has now been told by the Democrats that you must be nasty to Trump," Trump wrote on Twitter. "Such poor leadership ability by the Mayor of San Juan, and others in Puerto Rico, who are not able to get their workers to help."

Trump added that the Puerto Ricans "want everything to be done for them when it should be a community effort. 10,000 Federal workers now on Island doing a fantastic job."

But Republicans are anxious about the [political effect](#) the Puerto Rico crisis might have on Trump's national standing as well as their fortunes in Florida, where Gov. Rick Scott is mulling a bid against Democratic incumbent Sen. Bill Nelson next year. The past four top-of-the-ticket races in Florida were decided by 1.2 percentage points or less. Puerto Rican voters already tend to favor Democrats.

"It is a political nightmare for both Trump and Scott," a consultant associated with the Republican National Committee said in a text message. He said the disaster and Trump's "asinine response to criticism" have given Democrats "a way to 1) energize Puerto Rican voters in Florida and 2) motivate Puerto Rican residents who will be Florida residents after this disaster."

While echoing those concerns, Cortes also said Puerto Rico deserves its share of the blame, thanks to the commonwealth's endemic corruption and mismanagement. "It took a storm of this magnitude to show how underprepared they were," Cortes said.

Meanwhile, the White House is fighting against the narrative that it has been slow to act. Trump's Saturday schedule lists five phone calls to discuss the storm response, including one with Federal Emergency Management Agency administrator Brock Long.

Trump also reiterated his plan to visit the island on Tuesday, saying he would "hopefully" stop off in the U.S. Virgin Islands.

Trump's White House social media director, Dan Scavino, joined the fray on Twitter, calling Cruz a "hater" and "an opportunistic politician." Cruz denied that her criticism of Trump was fueled by personal animus.

"Actually, I was asking for help," she told MSNBC on Saturday morning. "I wasn't saying anything nasty about the president." Cruz noted that even Trump's point man for the disaster recovery effort, Army Lt. Gen. Jeff Buchanan, said on Friday that the number of U.S. troops assisting is "not enough." (Buchanan said more manpower and equipment like helicopters were headed to the island.)

Trump's tweets also targeted media outlets that have dedicated increasing amounts of air time to the suffering and chaos on the pummeled island.

"Fake News CNN and NBC are going out of their way to disparage our great First Responders as a way to 'get Trump.' Not fair to FR or effort!" he wrote.

Under mounting pressure, in recent days Trump officials have defended their relief effort as a success. On Thursday, acting Homeland Security Secretary Elaine Duke called the response "a good news story."

The comment only inflamed frustrations on an island where a sense of helplessness prevails, however.

"Damn it, this is not a good news story," Cruz told CNN on Friday. "This is a people are dying story. This is a life or death story. This is a there's a truckload of stuff that cannot be taken to people story. This is a story of a devastation that continues to worsen because people are not getting food and water."

Cruz, a liberal Trump critic, initially avoided tussling with the president for fear that it would become a distraction to relief efforts and "not productive."

But as the week unfolded, Puerto Rico officials felt their pleas for faster action and less red tape went unheeded. Then, on Thursday, Trump touted the recovery effort on Twitter, writing, "Governor said 'great job!'" That was an apparent reference to Cruz, who finally let loose with harsh criticism.

Sen. Marco Rubio (R-Fla.) also pointed to problems on the island in a Friday tweet, writing that criticism of the Trump administration response is "missing [the] main problem." FEMA "has sent lots of aid problem is distribution once it gets to #PuertoRico," Rubio wrote.

Rubio, though, [warned](#) the Trump administration privately and publicly that Puerto Rico could become a "Katrina-like" situation.

Behind the sharp debate over disaster response are internal political tensions on the island. Cruz is eyeing the job of Puerto Rico's Republican governor, Ricardo Rossello, who has taken pains to avoid publicly criticizing Trump. She is developing strong ties to Florida Democrats and met Wednesday with Miami Beach Mayor Philip Levine, a likely candidate for Florida governor, when he delivered 7,000 pounds of relief supplies to the island.

About 24 hours later, Florida's Republican governor met with Rossello in Puerto Rico, then debriefed Trump on the disaster response over lunch the following day.

"This is not a time for politics," Scott said on the White House lawn Friday, saying that Rossello is "going through an unbelievable crisis."

*To view online [click here](#).*

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## Trump's breaking point with Price [Back](#)

By Andrew Restuccia, Josh Dawsey and Dan Diamond | 09/29/2017 08:24 PM EDT

Tom Price's downfall was his penchant for pricey jets.

But his demise was months in the making, as the president continued to lose trust in the Health and Human Services secretary who rarely attended Oval Office strategy meetings, had little sway or influence on Capitol Hill, and was associated in the president's mind with one of the administration's biggest defeats — the failure to repeal Obamacare.

Of particular notoriety: A picture of Price in March drinking at Bullfeathers, a famed Capitol Hill bar, as his colleagues tried to wrangle votes for the president's signature initiative.

Price's lack of goodwill with Trump and other senior administration officials ultimately doomed his chances of survival, even though many administration officials believed the furor would blow over when news first broke that Price spent hundreds of thousands of taxpayer dollars on private jets.

By early this week, however, it became clear that the growing firestorm over Price's travel was only getting worse. A number of officials in the White House said HHS had badly handled the response to the controversy — and was caught off guard by the facts. And it was hard to find a power player in the White House who would defend Price to the president.

POLITICO published five stories over the last 10 days that revealed Price had spent [more than \\$1 million](#) in taxpayer money on travel since May, including overseas flights on military aircrafts and more than two dozen domestic trips on private planes.

Other media outlets amplified the revelations, with cable news frequently running damaging chyrons and reporters peppering Trump and press secretary Sarah Huckabee Sanders about the growing scandal throughout the week.

The president grew more angry, fuming to West Wing aides about the optics of a member of the administration spending so lavishly. The almost daily drip of revelations — including that Price [took](#) a government-funded private jet in August to get to a Georgia resort where he and his wife own land — further incensed the president.

Meanwhile, Trump was intensely frustrated by his unsuccessful health care push and associated Price with the failure, several aides said. He joked at a rally in July he would fire Price if he didn't get the votes for the Obamacare repeal.

While the White House has weathered a steady stream of mini-scandals since Trump took office, this one was different, according to administration officials, because it made Price look like the kind of creature of Washington that the president had railed against on the campaign trail.

Trump himself blasted Price on Friday for what he suggested was frivolous spending in light of the administration's efforts to impose fiscal conservatism on the federal government.

"I've saved hundreds of millions of dollars," the president told reporters on Friday when he was asked if he had lost confidence in Price. "So I don't like the optics of what you just saw."

Administration officials grew increasingly certain on Friday that Price would be ousted, but the final decision happened quickly, according to aides, who had cautioned as late as Friday afternoon that Trump might change his mind.

Though he nurtured a reputation as a ruthless boss on *The Apprentice*, Trump often hesitates to fire people — and sometimes takes weeks to make a final decision. In this case though, the president was counseled that the travel stories had become a distraction from his policy agenda, especially his tax reform push, according to an administration official.

There was also little personal chemistry between the two men.

The president was initially attracted to Price because he was a doctor, a supporter and "looked the part," one adviser with direct knowledge said, plus he was given positive reviews from House Speaker Paul Ryan and others on Capitol Hill.

He soon became a bit player in the administration.

Price was often left out of senior level meetings in the Oval Office on Obamacare repeal, even as other top deputies attended, according to several people with knowledge of the matter.

The president and a number of top aides had little faith in his political instincts.

Leading the effort to negotiate with senators on the Hill was Seema Verma from the Centers for Medicare and Medicaid Services and Marc Short, head of legislative affairs. Two senior White House officials said Price's relationships at the Capitol were not as good as he promised — and that some members preferred not to deal with him. Many members saw him as prickly and not particularly likable, one senior GOP aide said, damaging his ability to negotiate.

Andrew Bremberg, the head of the White House's Domestic Policy Council, was more involved in policy decisions than Price, these people said.

Price was often out of town during key stretches of the presidency, and while several senior officials said they weren't aware of his private jet use, there was a general consensus that he was often nowhere to be found.

"I didn't know he was on private jets," one senior administration official said. "I knew he was never there."

Price's press office initially reassured the White House that the story would quickly pass and argued that Price needed charter jets to respond to public health emergencies like the recent hurricanes.

After POLITICO [identified](#) at least 17 charter flights that took place before the first storm — Hurricane Harvey — hit in late August, and included flights that did not appear to be for urgent public health priorities, HHS then changed its argument: Price needed charter aircraft "to accommodate his demanding schedule," a spokesperson allowed last week.

As he often does when making a big decision, the president began making calls on Thursday night and Friday morning to ask whether he should fire Price.

Trump also told aides that if Price had a defense, he would give it. "I don't think he has any defense for it," one person said, summarizing Trump's comments. "He is just taking it."

Price did make a last-ditch effort to save his job, announcing on Thursday that he would reimburse the federal government for the cost of his seat on the domestic flights, a figure that reportedly totals nearly \$52,000 — just a fraction of the total cost of the trips. The president didn't like that Price was only offering to pay back some of the flights, and was struck by TV coverage that showed the total cost as more than \$1 million, officials said.

The secretary also tried to go on Fox News and assuage the president. It didn't work.

Rumors began swirling in HHS early Friday that Price might be fired. But, in an apparent sign of how quickly the final decision was made, Price was conducting business as usual late Friday.

Just minutes before Price's resignation became official, the secretary sent an email to HHS officials outlining next steps on the "Reimagine HHS initiative," a broad reorganizational effort of the department that was expected to result in staff reductions. The email outlined senior HHS officials who will be spearheading the process.

"Thank you for all your dedication and support, and we look forward to being in touch soon," Price wrote, according to the email, which was obtained by POLITICO.

Across town at the White House, Trump's chief of staff John Kelly was calling Hill leadership to tell them Price was out.

One senior official said the tipping point was when the White House couldn't contain the scandal and it became an administration-wide story.

Other members of Trump's Cabinet were coming under increased criticism for their use of military and private aircraft, including Environmental Protection Agency Administrator Scott Pruitt, Interior Secretary [Ryan Zinke](#) and Treasury Secretary Steven Mnuchin.

"Got to the point he was causing problems for everybody," this person said. "He could have lasted maybe if it didn't just get worse every day."

*To view online [click here](#).*

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**White House to Cabinet: No private air travel without Kelly's approval** [Back](#)

By Matthew Nussbaum | 09/29/2017 06:57 PM EDT

The White House cracked down on Cabinet officials' use of private planes Friday, telling them chief of staff John Kelly must approve almost all travel on "government-owned, rented, leased, or chartered aircraft," after Health and Human Services Secretary Tom Price [resigned](#) over his own taxpayer-funded flights.

Mick Mulvaney, the director of the Office of Management and Budget, sent out the memo soon after Price's resignation was made public. His exit came after [a series of POLITICO reports](#) about his frequent use of private planes to conduct government — [and sometimes](#)

[personal](#) — business.

"In light of recent events, the President has asked me to remind the heads of all executive departments and agencies of Administration policies on travel," Mulvaney wrote.

He reminded the department and agency heads that, by regulation, "Government-owned, rented, leased, or chartered aircraft should not be used for travel by Government employees except with specific justification."

"However, beyond the law and formal policy, departments and agencies should recognize that we are public servants," Mulvaney wrote. "Every penny we spend comes from the taxpayer. We thus owe it to the taxpayer to work as hard managing that money wisely as the taxpayer must do to earn it in the first place."

Mulvaney added: "Put another way, just because something is legal doesn't make it right."

Officials should stick to commercial travel "with few exceptions," he wrote.

In the wake of the controversy, other administration officials' travels have come under scrutiny. Interior Secretary Ryan Zinke has used military planes for some trips, [POLITICO reported](#), while EPA Administrator Scott Pruitt and Treasury Secretary Steven Mnuchin have also raised eyebrows with their travel itineraries.

President Donald Trump was livid over the Price scandal and accepted his resignation on Friday.

"We have great secretaries, and we have some that actually own their own planes, so that solves that," Trump told reporters earlier on Friday.

*To view online [click here](#).*

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**Interior Secretary Zinke traveled on charter, military planes [Back](#)**

By Ben Lefebvre | 09/28/2017 07:54 PM EDT

Interior Secretary Ryan Zinke and his aides have taken several flights on private or military aircraft, including a \$12,000 charter plane to take him to events in his hometown in Montana and private flights between two Caribbean islands, according to documents and a department spokeswoman.

Zinke is at least the fourth senior member of the Trump administration to have used non-commercial planes at taxpayer expense, along with Environmental Protection Agency Administrator Scott Pruitt, Treasury Secretary Steven Mnuchin and Health and Human Services Secretary Tom Price. President Donald Trump has [fumed](#) at Price's pricey travel, and Democrats say the revelations demonstrate a cavalier attitude by Cabinet members toward excessive spending.

Interior Department spokeswoman Heather Swift said Zinke's charter or military plane trips

were booked only after officials were unable to find commercial flights that would accommodate Zinke's schedule and that all were "pre-cleared by career officials in the ethics office." Swift said she had not spoken to Zinke about whether he would reimburse the government for the cost of the flights, as [Price plans to do](#) for some of the \$400,000 tab he racked up on charter flights.

On June 26, a Beechcraft King Air 200 carried Zinke and several staffers from Las Vegas to Glacier Park International Airport in Kalispell, Montana, about a 20-minute drive from Zinke's home in Whitefish, according to his [official schedule](#). The flight cost \$12,375, Swift said.

Zinke left after speaking at an event for the city's new professional hockey team, the Vegas Golden Knights Development Camp Dinner, according to his schedule. Earlier in the day, he had been in Pahrump, Nevada, for an announcement related to public lands.

Zinke's flight left Las Vegas at 8:30 p.m. PST and landed in Kalispell around 1:30 a.m. MST. The secretary stayed overnight at his residence, Interior documents show.

Las Vegas is one of the main [connecting](#) airports for commercial flights to Glacier International. Commercial flights between the two cities are available for several hundred dollars a ticket, according to travel planning websites.

In Whitefish, Zinke attended the Western Governors' Association's annual meeting, where he spoke for about 20 minutes without taking questions. He then had a private lunch with association members. In the afternoon Zinke was the subject of a photo shoot with GQ magazine at Lake McDonald and fished while being interviewed by Outside Magazine, the records show.

Zinke and staffers flew commercial back to Washington, D.C., the next day, according to the records.

The trip was not the first in which Interior booked a private jet for Zinke. [On March 31](#), Interior chartered two flights to take Zinke and staff from St. Croix to St. Thomas in the U.S. Virgin Islands to attend the centennial of the Danish government turning the islands over to the United States. Another two flights were chartered to return to St. Croix later that night.

Swift said she did not know how much the flights cost but that no other arrangements were available.

Commercial flights between the two islands generally run a few hundred dollars, according to travel booking websites.

In May, Zinke and his wife, Lolita, used a military aircraft to travel to Norway. From there, they flew on a military plane to Alaska for events organized by the Senate Energy and Natural Resources Committee. The trip included charter planes to travel within Alaska, a common occurrence in the large, remote state. The Zinkes paid for Lolita's share of the trip, the full cost of which was not immediately available, Swift said.

Zinke also took a military helicopter from Fort Bliss to review the Organ Mountains-Desert Peaks National Monument in New Mexico in June, and he used a Bureau of Land Management helicopter to review the Basin and Range National Monument on July 30. "It is difficult to survey a half-million-acre piece of land with few roads by foot or car in an hour-

and-a-half," Swift said.

Along with Agriculture Secretary Sonny Perdue, Zinke took a military plane to Ravalli County, Montana, to check on wildfires in the area in August. "The military plane was used because of a very tight travel window, with no viable commercial airline options to transport two secretaries, security details, and associated USDA, Forest Service and Interior staff to Missoula in the time required," said USDA spokesman Tim Murtaugh. The cost of the flight was not immediately available, but the two agencies plan to reimburse the Air Force, Murtaugh said.

To view online [click here](#).

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## **DOE's Perry pushes FERC to support coal power plants** [Back](#)

By Darius Dixon | 09/29/2017 02:48 PM EDT

The Trump administration on Friday called on FERC to create new rules to protect coal-fired and nuclear power plants that are being squeezed by cheaper natural gas and renewable sources, saying they were "indispensable for economic and national security."

Energy Secretary Rick Perry, who [told miners](#) in Pennsylvania on Thursday that "it's time for coal in this country to be revived," pressed electricity regulators to alter power markets and protect the resilience of the power grid with payments to generators that keep fuel supplies on site, a clear reference to the coal-fired and nuclear power plants.

The proposal, which DOE said gave FERC 60 days to create a final or interim rule, comes just a month after Perry's agency issued a report saying FERC should "expedite" its work with grid operators to ensure the stability of the nation's power network.

"In terms of process, this is a pretty bold move," said Tony Clark, a Republican former FERC commissioner. DOE often conducts studies on issues it believes need attention, he said, but "actually forwarding to the commission something specific for action is a pretty bold way of moving the issue right up the batting order at FERC."

The new proposal, directed at FERC under a rarely used Section 403 authority of the Department of Energy Organization Act, stops short of specifically seeking market incentives for coal. But it calls for full-cost recovery for power generating units that provide essential power and "ancillary" services — and have a 90-day fuel supply on site in case of natural or man-made disruptions. That would exclude most natural gas power plants, which do not typically keep large fuel inventories on hand and instead receive supplies via pipeline.

Perry's request represents a departure from the two decades of U.S. policy that has trended toward more market-based tools, which has helped natural gas to nearly double its power market share. Renewable energy sources like wind and solar, though still modest when compared to fossil fuels or nuclear power, have also grown quickly as federal incentives helped drive down their costs.

But the growth of renewables and natural gas — combined with tighter pollution controls and

weak new demand for electricity — has forced hundreds of old coal-fired power plants into retirement. Nuclear power plants in some parts of the country are also under financial pressure, hurt by negative wholesale power market prices that sometimes require the plant owners to pay to deliver their power supplies.

"If this gets the debate started, then my hat's off," said former FERC Chairman Pat Wood, a friend of Perry and a strong advocate for market-based power systems. "But it's a pretty arresting [thing] to wake up and read. That would never have played in Texas. ... If there is a service to be valued, then a market can value that."

In the [grid study](#) ordered by Perry and released in August, DOE experts pointed to low power prices and cheap natural gas as the single [biggest reason](#) for coal ceding its position as the nation's biggest source of electricity. And that report also called for "reforms" to power markets that would help bolster the electricity network's resilience by easing the financial pressures on many power providers.

In its Friday proposal, DOE cited a spike in demand during the 2014 "polar vortex" that hit much of the U.S., which prompted utilities to run many coal plants that were slated for retirement. Without those plants, as many as 65 million people in the PJM market would have seen their power resources threatened, DOE said.

But the new regulatory pitch from the agency also fueled the growing feud between the gas and coal industries.

Paul Bailey, president and CEO American Coalition for Clean Coal Electricity, commended Perry for "initiating a rulemaking by FERC that will finally value the on-site fuel security provided by the coal fleet."

But the American Petroleum Institute, which also represents natural gas producers, said DOE drew the wrong conclusions from the 2014 event, and that forcing new mandates on the power market wasn't the solution.

"[A]s we review the proposal we are concerned the agency has mischaracterized the lessons learned from past weather-related events and appears to suggest that additional regulation is the answer where markets have already proven the ability to greatly benefit consumers and give our electric system the flexibility needed to meet constantly, and often rapidly, changing electricity demands," said API Executive Vice President and Chief Strategy Officer Marty Durbin in a statement.

FERC, which has struggled to integrate states' energy policies that aim to boost renewables or support aging nuclear power plants, has long maintained a fuel-neutral stance in the regional markets that it oversees. If it were to follow Perry's directive to create incentives for grid resilience to plants that maintain their own fuel inventories on site, it would be an implicit move at the national level to alter the electricity markets to support the fuels that both Perry and Trump have touted.

Montana regulator Travis Kavulla [suggested](#) on Twitter that rather than deal with the pressing issues facing the grid, "Instead, this reform is sort of the [@ENERGY](#) equivalent of the Oprah "you get a car, and you get a car. And you? A car!" approach."

However, FERC, whose members are appointed by the president and operate as an

independent body, isn't obligated to implement the specific policy pushed by Perry. The commission will so be back to operating with a full five members in the coming weeks, with a Republican majority.

"FERC's going to follow its own procedures," said Marc Spitzer, a Republican former FERC commissioner. "It would be a mistake for people to assume that this is going to be some partisan Republican rubber stamp given the way FERC works."

FERC can spend months or years digging into complex issues that underpin the power markets, and its commissioners tend to seek common ground with each other to ensure that its rules are clear and ensure long-lasting regulations that give utilities stability to plan their operations.

"Is someone really going to invest [billions of dollars] when it's a 3-2 vote that partisans and the parties can flip next year? Is that a good forum for investment as opposed to a 5-0 order?" Spitzer said.

FERC declined to say when the agency last received a rulemaking from DOE using Section 403.

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Yes, very	Somewhat	Neutral	Not really	Not at all

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**Date:** Monday, November 13, 2017 5:49:20 AM

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By Anthony Adragna | 11/13/2017 05:45 AM EDT

*With help from Emily Holden*

**LAISSEZ LES BONN TEMPS ROULER?** Government officials and industry executives will urge developing countries to pursue "cleaner" fossil fuel and nuclear power in a presentation today in Bonn, Germany, Pro's Emily Holden [reports](#). At tonight's event George David Banks, special assistant to President Donald Trump on energy and environment, will make introductory remarks, while Francis Brooke, an aide to Vice President Mike Pence, moderates a discussion with executives from the liquefied natural gas company Tellurian, the coal company Peabody Energy and the nuclear power company NuScale. Barry Worthington, director of the U.S. Energy Association who will participate in the discussion alongside industry executives, told [Climate Home News](#) that striking fossil fuel trade deals was a major goal of the presentation.

**Not on the agenda? Paris.** Diplomats entering the second week of the COP23 climate negotiations won't be getting any hints from the U.S. delegation about how to convince Trump to stay in an international deal to slash greenhouse gas emissions. A White House official briefing reporters last week said climate mitigation is a "lesser priority" than energy security and economic development, "but it's still a priority" for the White House. "The president has left the door open, the president has said multiple times that he's willing to reconsider our engagement in the Paris agreement if we can find a fairer deal that works for American businesses, taxpayers, consumers, so yeah it's up to the president," the official told reporters.

**Out of the shadows:** A host of prominent Democratic officials, including five senators, stressed over the weekend that the U.S. remained committed to action on climate change despite Trump's stance on issue, POLITICO California's David Siders and Emily [report](#). "I want to make it clear: The federal government is not just the president of the United States," Sen. [Ben Cardin](#), ranking member on the Foreign Relations Committee, [told activists](#) on Saturday. The senators met with delegations from India, Japan, the European Union, Mexico, Indonesia and Canada to assuage concerns about U.S. inaction. They also participated in side events including one decrying efforts to [weaken](#) automobile CAFE standards.

**Governors tout actions too:** Four Democratic governors — Virginia's Terry McAuliffe, California's Jerry Brown, Washington's Jay Inslee and Oregon's Kate Brown — plan to highlight their climate ambitions in a panel this morning with Christiana Figueres, former executive secretary of the UNFCCC. And that comes after Jerry Brown and former New York mayor Michael Bloomberg, released [a report](#) touting the role of U.S. states and cities in addressing climate change that nonetheless acknowledged non-federal efforts won't be sufficient to meet the 26 to 28 percent emissions reductions below 2005 levels that the U.S. promised by 2030.

**Steyer stays focused (on impeachment):** Tom Steyer, the billionaire Democratic donor, on Sunday morning made his case for impeaching Trump to Democrats in Bonn, asking them to "confront the liars and deniers," David also [reports](#). The governors seemed unimpressed, and

Steyer acknowledged himself that congressional Republicans, not voters, would have to back his impeachment campaign for it to work.

**IT'S ANOTHER MONDAY!** I'm your host Anthony Adragna, and NRDC's Ed Chen was first up to identify the L.A. County board of supervisors as the body with two former congresswomen (Janice Hahn and Hilda Solis). For today: Rahm Emanuel is the most famous former congressman-turned-mayor but there's another former member that now runs the largest city in their state. Who is it? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](https://twitter.com/AnthonyAdragna), [@Morning\\_Energy](https://twitter.com/Morning_Energy) and [@POLITICOPro](https://twitter.com/POLITICOPro).

**NERC CHIEF ON LEAVE AFTER ARREST:** Gerry Cauley is on a leave of absence from the North American Electric Reliability Corporation "[until further notice](#)" following his arrest on a domestic violence charge. The Atlanta Journal-Constitution [reports](#) Cauley has been charged with a misdemeanor, battery/family violence. Charles Berardesco has been named interim CEO.

**EYEBROWS RAISED BY PERRY ROUNDTABLE:** Energy Secretary Rick Perry headlines an intimate gathering today on behalf of the pro-Trump outside group America First Policies in a growing trend of giving donors access to Cabinet officials that many worry is an ethical gray area, POLITICO's Maggie Severns [reports](#). Perry won't solicit donations but America First officials plan to ask for contributions after he departs. He's allowed to take part in events for the group's nonprofit policy arm, which is legally separate from the super PAC even though the same officers run both groups.

**But campaign finance reform advocates** say the arrangement takes advantage of a loophole. "This is all part of the very close coordination we're seeing between the campaign itself and what's supposedly an outside group," said Craig Holman, the government affairs lobbyist at the good-government group Public Citizen.

**INSIDE LOOK AT PRESSURE ON PERRY'S GRID STUDY:** Alison Silverstein, the veteran energy consultant who authored Perry's electric grid study, resisted pressure from the agency to blame regulations for the struggles of coal and nuclear plants, Forbes [reports](#). After being hit for not faulting regulations in the first draft, Silverstein said she asked officials to provide data to back up their assertion: "I said, 'Bring me the data. I've been in the building three or four weeks now, you guys are the ones who own the issue. Prove to me, bring me all of your research on how regulation has killed these.' 'Well, we don't have any.' 'Then how am I supposed to do this?'"

**ACTIVISTS WILL BE PROSECUTED:** The Justice Department said Friday it would aggressively prosecute activists who damage pipelines or "critical energy infrastructure in violation of federal law," Reuters [reports](#). That comes after more than 80 House members [sought information](#) on what DOJ planned to do about an increase in protest activities around pipelines in a late October letter.

**ON TAP IN CONGRESS — DISASTER AID REQUEST EXPECTED:** The latest disaster relief request is expected to arrive on Capitol Hill sometime this week and is likely to top \$50 billion, Pro Budget and Appropriations Brief [reports](#). Like the two previous requests, it won't be broken down state-by-state. But the governors of Puerto Rico and the U.S. Virgin Islands will be town to push for recovery funds and the Texas congressional delegation hopes to meet with OMB Director Mick Mulvaney to make their case for their full \$61 billion request.

**Speaking of which,** Puerto Rico Gov. Ricardo Rosselló and Del. [Jenniffer González](#) hold a press conference at 11 a.m. today at the Hall of States to make their case.

**And you're out:** Abner Gómez resigned his post as head of Puerto Rico's emergency management department on Friday and Lt. Gen. Jeffrey Buchanan, who led the Trump administration's military response to the hurricanes, will be reassigned off the island this week, [CNN reports](#).

**And remember Whitefish?** While senior linemen from Florida working on grid restoration work on behalf of Whitefish Energy earned \$63 an hour working in Puerto Rico, the tiny Montana-based company billed the island's utility \$319 an hour for linemen, the New York Times [reports](#). Experts said those charges were well above normal, even for emergency work, though a spokesman for the company defended the charges, saying "simply looking at the rate differential does not take into account Whitefish's overhead costs," included in the rate.

**Status check:** More than 7 weeks after Hurricane Maria hit, more than 52 percent of the island remains in the dark and more than 10 percent of residents still lack drinking water, according to [government figures](#).

**MINE SAFETY PICK COULD GET VOTE:** Senate Majority Leader [Mitch McConnell](#) filed cloture last week on David Zatezalo's selection to be the administration's mine safety chief, teeing up a final confirmation vote as soon as this week. He chaired the coal company Rhino Resources when it received pattern of violation notices in 2010 and 2011, but [said during his confirmation hearing](#) he wouldn't have a problem working with career staff at MSHA that issued those notices.

**FLOOD INSURANCE READY TO ROLL!** House Republicans are ready to try again with a revised version [H.R. 2874 \(115\)](#) of their flood insurance reauthorization and the Rules Committee [meets today](#) at 5 p.m. That comes even as coastal lawmakers [continued to raise](#) concerns with the proposal. Pro Financial Services' Zachary Warmbrodt with more [here](#).

**FORMER EPA ATTORNEYS BASH PRUITT ORDER:** Fifty-seven former EPA career attorneys today sent [a letter](#) to Administrator Scott Pruitt "to correct the many mistakes of law and fact" concerning his [October directive](#) boosting the role of industry in settlement negotiations. "It is EPA's failure to comply with legal requirements that is the problem, not the people who sue EPA, the courts that hear the suits, or the EPA and DOJ staff who faithfully negotiate settlements that provide EPA longer and more flexible schedules than it would receive if there were no settlement," they wrote. The former agency attorneys urge Pruitt to revise the directive to promote "fair, transparent, and efficient settlement of well-founded suits against the agency."

**NORTH CAROLINA OFFICIAL ALSO ON LEAVE:** Donald van der Vaart, a recent appointee to EPA's Scientific Advisory Board and top North Carolina environmental regulator during the prior Republican governor's term, has been placed on "investigatory leave," The News & Observer [reports](#). Van der Vaart's selection to the advisory board [generated significant controversy](#) and prompted the new head of the state's Department of Environmental Quality to say he didn't represent North Carolina on the EPA board. His deputy John Evans was also placed on "investigatory leave" for unspecified reasons. Both men demoted themselves to be shielded from termination under the new incoming Democratic administration.

**WHY BROWN'S A CLIMATE WARRIOR:** David Siders' [entire profile](#) of Brown is worth your time but of particular interest to ME readers is why termed-out governor has devoted so much energy to climate change. "I find a lot of what is included in politics doesn't count that much, at least for my salvation or my peace of mind or my interest in life," Brown said. The climate, he went on, "is fundamental. It's not like dietary requirements. It's not like a tax measure, or a school curriculum, or many of the issues, even a crime bill. It goes to the essence of being alive, living things. Whether it's humans or fauna, flora, the basis of life is embedded in this chemical structure, biological structure. And it's threatened."

**But not good enough for some:** Environmental activists interrupted Brown's speech in Bonn Saturday, shouting his refusal to ban fracking in California was a major blemish on his record. But the long-time governor shot back, according to [The Sacramento Bee](#), "I agree with you, 'in the ground. Let's put you in the ground so we can get on with the show here."

**\*\* A message from Chevron:** When an endangered butterfly was found near a Chevron refinery, we protected the habitat and still plant the only thing they eat—buckwheat. Watch the video: <http://politi.co/2yQ8q7z> \*\*

**MAIL CALL! SAVE TANGIER!** Virginia Sens. [Tim Kaine](#) and [Mark Warner](#) asked Trump in [a letter](#) to follow through on his pledge to protect Tangier Island, thought likely to become uninhabitable within 50 years due to rising seas. "We can debate the causes for why this is happening, but regardless, the effects are clear. It is urgent that we address those effects," they wrote.

**FOR YOUR RADAR:** Delaware Gov. John Carney and Rep. [Donald Norcross](#) headline a rally today at the Delaware City Refining Company at 10 a.m. urging Trump to fix the Renewable Fuel Standard to protect East Coast refining jobs.

**HIGH PRICE TO PAY?** Food and Water Watch and Greenaction for Health and Environmental Justice are out with a report arguing pollution trading programs are "undermining successful environmental laws like the Clean Air Act and the Clean Water Act" by allowing industries to pay to pollute and that they inflict the brunt of the damage on low-income and minority communities. Read it [here](#).

## QUICK HITS

- \$300 Billion War Beneath the Street: Fighting to Replace America's Water Pipes. [New York Times](#).
- California Westlands water settlement in limbo. [High Country News](#).
- Can Carbon-Dioxide Removal Save the World? [New Yorker](#).
- Schwarzenegger calls on climate activists to change methods. [AP](#).
- Lessons From Hurricane Harvey: Houston's Struggle Is America's Tale. [New York Times](#).
- Canada, U.K. team up in push to end coal-power use. [The Globe and Mail](#).

## HAPPENING THIS WEEK

### MONDAY

2:00 p.m. — The Environmental and Energy Study Institute hosts [briefing](#) to examine how high-octane, low-carbon fuel can enable CAFE compliance, Dirksen 106

2:00 p.m. — "[Approaches for International Collaboration and Financing for CCUS Pilot Projects](#)," U.S. Energy Association, 1300 Pennsylvania Ave NW, Suite 550

5:00 p.m. — The House Rules Committee holds hearing on [H.R. 2874 \(115\)](#), the National Flood Insurance Program reauthorization bill, H-313

## TUESDAY

9:30 a.m. — "[Hurricane Recovery Efforts in Puerto Rico and the U.S. Virgin Islands](#)," Senate Energy and Natural Resources Committee, Dirksen 366

9:30 a.m. — The NAACP, Clean Air Task Force and National Medical Association hold briefing to unveil report on impacts of oil and gas development on African-American communities, National Press Club, 529 14th St NW

10:00 a.m. — "[Response and Recovery to Environmental Concerns from the 2017 Hurricane Season](#)," House Energy and Commerce Environment Subcommittee, Rayburn 2123

10:00 a.m. — "[Legislative Hearing on S. 1857, S. 203, S. 839 and S. 1934](#)," Senate Environment and Public Works Clean Air and Nuclear Safety Subcommittee, Dirksen 406

11:30 a.m. — SEEC, Center for American Progress, the League of Conservation Voters, and more hold press conference touting commitment to Paris accord, Senate swamp

2:00 p.m. — "[The Need for Transparent Financial Accountability in Territories' Disaster Recovery Efforts](#)," House Natural Resources Committee, Longworth 1324

2:00 p.m. — "[Sustaining U.S. Leadership Against Nuclear Terrorism and Proliferation](#)," Hudson Institute, 1201 Pennsylvania Avenue NW, Suite 400

4:00 p.m. — "[Status and Prospects for U.S. Nuclear Power](#)," John Hopkins SAIS, Room 806, 1619 Massachusetts Avenue NW

## WEDNESDAY

8:00 a.m. — Roll Call Live's "[Energy Decoded](#)," Newseum, 555 Pennsylvania Ave NW, 8th Floor Knight Conference Center

9:00 a.m. — Business [Meeting](#) to consider Reconciliation Legislation, Senate Energy and Natural Resources Committee, Dirksen 366

10:00 a.m. — "[Legislative Hearing on Bills to Empower Indian Tribes, Promote Self-Determination](#)," House Natural Resources Indian, Insular and Alaska Native Affairs Subcommittee, Longworth 1324

10:00 a.m. — House Science Committee [markup](#) of several bills, Rayburn 2318

10:00 a.m. — "[Promoting American Leadership in Reducing Air Emissions Through](#)

[Innovation](#)," Senate Environment and Public Works Committee, Dirksen 406

10:00 a.m. — The Information Technology and Innovation Foundation holds a panel discussion on "[ARPA-E: A Catalyst of Clean Energy Innovation](#)," 1101 K Street NW, Suite 610A

10:30 a.m. — "[Legislative Hearing on National Park, Fish and Wildlife Service Bills](#)," House Natural Resources Federal Lands Subcommittee, Longworth 1334

12:30 p.m. — "[Coming Clean: Improving Transparency and Accountability to End Pollution's Chokehold on Development](#)," World Resources Institute, 10 G Street NE, Suite 800

2:00 p.m. — "[Nord Stream and European Energy Security](#)," Jamestown Foundation, Choate Conference Room, Carnegie Endowment for International Peace, 1779 Massachusetts Avenue, NW

6:00 p.m. — Press briefing on Marine Mammal Protection Act featuring Actress Miranda Cosgrove, Rayburn 2045

## THURSDAY

8:30 a.m. — Progressive Policy Institute and Common Good host a Capitol Hill forum on "[Rebuilding America: What Are We Waiting For?](#)" The Reserve Officers Association Building, Symposium Center, 4th Floor, 1 Constitution Ave NE

10:00 a.m. — "[Successful Pre-Salt Auctions put Brazil's Oil & Gas Sector on Promising Path](#)," Wilson Center, One Woodrow Wilson Plaza, 1300 Pennsylvania Ave. NW

12:00 p.m. — "Beyond Batteries: Grid-interactive Efficient Buildings," Alliance to Save Energy, Rayburn 2045

## FRIDAY

11:15 a.m. — EPA Administrator Scott Pruitt addresses The Federalist Society's National Lawyer Convention, 1127 Connecticut Avenue, NW

## THAT'S ALL FOR ME!

**\*\* A message from Chevron:** This is a story about DOERS, butterflies, and buckwheat. In '75, the endangered El Segundo Blue butterfly was found near a Chevron refinery. We protected the habitat and planted the only thing they eat—buckwheat. We're still planting and keeping an eye on our littlest neighbor. Watch the video: <http://politi.co/2yQ8q7z> \*\*

*To view online:*

<https://www.politicopro.com/newsletters/morning-energy/2017/11/trump-team-not-pitching-paris-renegotiation-in-bonn-025509>

## Stories from POLITICO Pro

**U.S. climate delegation won't outline conditions to stick with Paris deal** [Back](#)

By Emily Holden and David Siders | 11/12/2017 03:33 PM EDT

BONN, Germany—The Trump administration does not plan to give international diplomats any clues about how they could convince the U.S. to stay in a global agreement to fight climate change but will use meetings this week as an opportunity to promote U.S. coal, gas and nuclear companies, according to a White House official.

The centerpiece of the White House presence at the climate talks in Bonn, Germany, will be a Monday evening presentation where government officials and industry executives will urge developing countries to pursue "cleaner" fossil fuel and nuclear power — a pitch that could be meant to widen the market for American energy exports.

The White House source said State Department diplomats and Trump aides would not engage on remaining in the 2015 Paris agreement, which Trump has said he would exit unless he got terms more favorable to U.S. businesses.

"We're not going to address that issue," the official said on an embargoed call with reporters on Thursday. "The president has left the door open, the president has said multiple times that he's willing to reconsider our engagement in the Paris agreement if we can find a fairer deal that works for American businesses, taxpayers, consumers, so yeah it's up to the president."

Trump has never repudiated his view that man-made climate change is a hoax, although the White House has since said he "believes the climate is changing" without elaborating on the cause. But the lack of engagement from his negotiating team suggests he has little interest in reaching a better deal to limit global greenhouse gas emissions.

The U.S. panel is not expected to discuss ways to reach the Paris agreement goals of reducing greenhouse gas emissions enough to avoid a 2 degrees Celsius rise above pre-industrial levels, which scientists say would be a dangerous tipping point.

"The president believes that we can reduce our emissions while growing our economy," the White House official said.

Climate activists were mulling protest actions ahead of the Monday night forum, while fearing the event would only further cast a shadow over the United States' role in the conference.

"It's what you expect when we have fossil fuel billionaires running our government," said Garrett Blad, executive director of the SustainUS, a youth advocacy group. "I think it's irresponsible and dangerous, and I think the American people know that and are on our side."

Former Vice President Al Gore said he expected the forum would do little to alter dynamics of the conference.

"I think that people will see it for what it is," he said in an interview. "The president has surrounded himself with some of the most notorious climate deniers, and people who come to these meeting know who these characters are, and I think they see it for what it is."

The White House official said he didn't expect other countries to ask what kind of deal the president is looking for, adding that the United Nations conference "is really not the place for that to happen," and that the conversation would be more likely to occur between world leaders. Trump returns Tuesday from a 12-day trip to Asia, which included meetings with Chinese President Xi Jinping and other heads of state. He did not mention climate change once while abroad.

The Trump administration is rolling back President Barack Obama's climate efforts and also trying to boost coal-fired power--a major driver of rising temperatures that are making seas swell and extreme weather intensify.

Despite Trump's stance, a delegation of career officials from the State Department is on site at the United Nations conference to represent U.S. interests as countries negotiate how they will achieve and verify their commitments to curb emissions.

In the discussion Monday, George David Banks, special assistant to President Trump on energy and environment, will make introductory remarks. Francis Brooke, an aide to Vice President Mike Pence, will moderate the talk among executives from the liquefied natural gas company Tellurian, the coal company Peabody Energy and the nuclear power company NuScale, as well as Barry Worthington, director of the U.S. Energy Association.

The panel will outline ways U.S. could encourage developing countries to build "cleaner, more efficient," fossil fuel plants to mitigate climate change, the White House source told reporters last week.

Worthington told [Climate Home News](#) that striking fossil fuel trade deals was a major objective of the discussion.

"The flavor du jour is LNG but we're also exporting crude oil and derivative products and continue to export a sizeable volume of coal," he told the outlet.

The White House source said climate mitigation is a "lesser priority" than energy security and economic development, "but it's still a priority."

Without U.S. involvement, "the Chinese will build the coal plants and use inefficient technology," the official said.

"Quite frankly, if we don't bring it up and want to engage people on it, it's just not going to happen," he said. "It's burying your head in the sand if you don't have a conversation, just simply because of the facts, again because of the role coal is going to play in the energy mix...because of the role that natural gas is going to play."

The official cited International Energy Agency [projections](#) that natural gas demand will grow 50 percent and coal demand will increase by 2040, especially in South and Southeast Asia. And he pointed to [reports](#) that at least 1,600 coal plants are planned or under construction in 62 countries, according to the environmental group Urgewald. Chinese companies are reportedly planning many of them, but the Chinese government in January canceled plans for 103 plants.

As part of the Paris agreement, China pledged to begin shrinking total emissions by 2030. Trump has said it's unfair that China would be able to keep increasing its carbon output in the meantime, although the U.S. over time has contributed more greenhouse gases to the atmosphere than any other nation and China's economy was slower to begin growing.

The White House official did not explain how the U.S. would seek to push of more efficient coal plants abroad, but he said the conversation in Bonn Monday would cover "high efficiency, low emissions coal, but then also the more advanced technologies that either improve efficiency, or the carbon capture and utilization pieces."

Trump on his trip to Asia last week unveiled a slate of deals with China, but none were to promote more efficient coal-fired power plants. One is for sales and rentals of Caterpillar mining equipment to China's largest coal mining company and another is a joint venture between a U.S. industrial gases company and state-owned Chinese firm to build a coal-to-syngas facility, according to [Bloomberg](#). Trump's travels focused far more on promoting the export of U.S. liquefied natural gas.

To view online [click here](#).

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## **Top Democrats stage anti-Trump revolt at Bonn climate summit [Back](#)**

By David Siders and Emily Holden | 11/12/2017 10:56 AM EDT

BONN, Germany — A handful of Democratic governors and scores of other lawmakers and mayors are mounting an insurgency at the United Nations climate conference here, orchestrating a highly choreographed campaign to persuade world leaders that President Donald Trump doesn't speak for the United States on climate change.

Several Democratic U.S. senators began meeting last week with officials from other countries, seeking to minimize Trump's withdrawal from the Paris climate agreement. Meanwhile, the governors of California, Virginia, Oregon and Washington — along with mayors from throughout the nation — were expected to touch off a blitz of public appearances at the conference as the meeting enters its final week.

"We are still in!" Sen. Ben Cardin of Maryland told cheering activists Saturday at a pavilion set up just outside the official meeting zone, a de facto headquarters for the opposition. "I want to make it clear: The federal government is not just the president of the United States."

The Democrats' diplomacy — part lobbying, part public relations — comes amid widespread international concern about Trump's decision to pull the United States out of the Paris accord. War-torn Syria announced last week that it would join the agreement, leaving the United States — if it goes through with its withdrawal — as the only country in the world outside of the pact.

On Saturday, Democratic politicians, climate activists and like-minded business interests sought to present the United States as a country divorced from its president. Speakers repeated the slogan, "We are still in," a message splayed across an electronic ticker and on buttons at the unofficial U.S. pavilion. The pavilion's estimated \$235,000 cost was being covered by a coalition including former New York Mayor Michael Bloomberg and the billionaire environmentalist Tom Steyer.

Steyer, who is spending millions of dollars on a national television ad campaign calling for Trump's impeachment, was expected to outline his case for Trump's ouster in a speech here Sunday.

While pavilion organizers plied guests with big-name speakers and free beer and wine, a subtler campaign was unfolding inside the conference halls. Starting late last week, a small

delegation of U.S. senators, including Cardin, Brian Schatz (D-Hawaii), Ed Markey (D-Mass.) and Sheldon Whitehouse (D-R.I.) — began meeting with officials from other countries in an effort to assuage nerves about Trump. Schatz said he and other lawmakers met with delegations from India and Japan and were planning to meet with representatives of the European Union, Mexico, Indonesia and Canada.

The senators argued Trump could not quickly undo eight years of Obama-era climate policies or significantly affect state-level efforts to reduce greenhouse gas emissions.

"I think that there's an understanding of the American system of government, which is sometimes cumbersome and slow, and frustratingly so, but in this instance it works in favor of climate action," said Schatz. "Whatever the president's rhetoric, he can't prevent us from moving forward on clean energy."

Following a meeting with Mexican officials, Markey said Saturday, "Obviously, I think it's important for them to understand that there are 30 states that have renewable electricity standards, that the fuel economy standards are still the federal law, that the appliance efficiency standards are still federal law."

Democrats trying to thwart attacks on climate action have on their side bureaucracy, the courts and a narrowly divided Congress that often gets stuck in legislative stalemates. Although Republicans control Congress and the White House, they need 60 votes to proceed to most legislation.

The Trump administration is moving to undo President Barack Obama's climate standards — including carbon limits for the roughly one-third of emissions that come from the power sector. Those regulatory rollbacks could take years and will have to stand up to legal review, but in the meantime, the federal government will not move forward to curb greenhouse gases.

Markey promised that Democrats will fight to maintain fuel economy standards and will block any effort to cut back wind and solar tax credits. He told a crowd on Saturday that Trump has "assembled a Cabinet of Big Oil all-stars" but that, "On our side, we have 100 years of science and nearly 100 percent of the scientists in the planet. And inside the United States, we have city after city, state after state, standing up to take action."

Diplomats are paying close attention to American representatives pledging to keep fighting climate change, said Jens Mattias Clausen, a Copenhagen-based climate change adviser for Greenpeace who is attending the talks.

The most important thing those representatives can do is "show the rest of the world that even if the Trump administration refuses to face reality here and continues with this very isolationist style that the rest of the U.S. is actually ready to step up and help with the commitments that they have," Clausen said. In terms of specific numbers they can offer, "the more concrete it gets ... the better," he added.

California Democratic Gov. Jerry Brown and Bloomberg are leading a group called America's Pledge, which aims to release more specific reduction commitments from states and localities next year. On Saturday, they released a report asserting the combined economic power of every state and city that has committed to the Paris agreement would outmatch every country except for China and the U.S.

Yet even their own report acknowledged, as previous studies have, that non-federal efforts to reduce greenhouse gas emissions are not sufficient to meet the United States' commitments under the Paris agreement given Trump's stated policies. And local and state climate efforts are fraught with their own, internal disagreements about how aggressively subnational governments should pursue climate policies on their own. On Saturday, Brown had a speech interrupted for an extended period by activists protesting California's cap-and-trade program and its permissiveness on hydraulic fracturing.

"You have a positive message insofar as what individual states and individuals are doing" about climate change, Mairead McGuinness, a member of the European Parliament, told Brown at a forum last week.

However, she said, "Sometimes when we make a step forward, there are forces that ask us to step back by half."

McGuinness added, "One of the comments we hear from EU citizens is that, why should we act when others are not?"

For all of the Democrats' efforts, Trump looms large over the conference, and the power of the White House is not lost on the international community. Trump, who has called climate change a hoax, is publicly promoting coal production. He has said he is withdrawing from the Paris agreement because it puts the United States at a "big economic disadvantage."

Last week's elections in the United States provided a rare, positive talking point for Democrats trying to combat Trump's message in Bonn. The Democrats' sweep in the off-year contests, they said, presaged a return to Democratic power in Washington and re-engagement in climate talks abroad.

"Tuesday's election marked that Trump is alone and isolated," said Garrett Blad, executive director of SustainUS, a youth advocacy group. "It's going to be our job back home — 2018 is going to be a huge year with the elections — to make sure that states ... are moving forward with the most aggressive action that we can."

When Bloomberg mentioned Saturday that the official U.S. delegation to the conference under Trump was preparing to host a controversial panel on Monday on the use of fossil fuels, the crowd booed.

"The Trump administration did send a delegation here to Bonn, and it might be the first climate conference where — this is not a joke, folks — coal is being promoted as an example of sustainability," Bloomberg said.

He added, "It will also likely be the last. The world is moving on, and so is the United States."

Former Vice President Al Gore, a major draw for climate activists at the conference, told POLITICO in an interview Saturday that commitments made by states, cities and businesses all "adds up to a very impressive reduction in U.S. emissions."

He added, "I mean, [Trump] can prohibit EPA employees from talking to the public, and he can remove the word 'climate' from all the government websites. But he can't stop the technological and business revolution that's gaining speed around the world and especially in the U.S."

*Sara Stefanini contributed to this report.*

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## **Top Democrats stage anti-Trump revolt at Bonn climate summit** [Back](#)

By David Siders and Emily Holden | 11/12/2017 10:56 AM EDT

BONN, Germany — A handful of Democratic governors and scores of other lawmakers and mayors are mounting an insurgency at the United Nations climate conference here, orchestrating a highly choreographed campaign to persuade world leaders that President Donald Trump doesn't speak for the United States on climate change.

Several Democratic U.S. senators began meeting last week with officials from other countries, seeking to minimize Trump's withdrawal from the Paris climate agreement. Meanwhile, the governors of California, Virginia, Oregon and Washington — along with mayors from throughout the nation — were expected to touch off a blitz of public appearances at the conference as the meeting enters its final week.

"We are still in!" Sen. Ben Cardin of Maryland told cheering activists Saturday at a pavilion set up just outside the official meeting zone, a de facto headquarters for the opposition. "I want to make it clear: The federal government is not just the president of the United States."

The Democrats' diplomacy — part lobbying, part public relations — comes amid widespread international concern about Trump's decision to pull the United States out of the Paris accord. War-torn Syria announced last week that it would join the agreement, leaving the United States — if it goes through with its withdrawal — as the only country in the world outside of the pact.

On Saturday, Democratic politicians, climate activists and like-minded business interests sought to present the United States as a country divorced from its president. Speakers repeated the slogan, "We are still in," a message splayed across an electronic ticker and on buttons at the unofficial U.S. pavilion. The pavilion's estimated \$235,000 cost was being covered by a coalition including former New York Mayor Michael Bloomberg and the billionaire environmentalist Tom Steyer.

Steyer, who is spending millions of dollars on a national television ad campaign calling for Trump's impeachment, was expected to outline his case for Trump's ouster in a speech here Sunday.

While pavilion organizers plied guests with big-name speakers and free beer and wine, a subtler campaign was unfolding inside the conference halls. Starting late last week, a small delegation of U.S. senators, including Cardin, Brian Schatz (D-Hawaii), Ed Markey (D-Mass.) and Sheldon Whitehouse (D-R.I.) — began meeting with officials from other countries in an effort to assuage nerves about Trump. Schatz said he and other lawmakers met with delegations from India and Japan and were planning to meet with representatives of the European Union, Mexico, Indonesia and Canada.

The senators argued Trump could not quickly undo eight years of Obama-era climate policies or significantly affect state-level efforts to reduce greenhouse gas emissions.

"I think that there's an understanding of the American system of government, which is sometimes cumbersome and slow, and frustratingly so, but in this instance it works in favor of climate action," said Schatz. "Whatever the president's rhetoric, he can't prevent us from moving forward on clean energy."

Following a meeting with Mexican officials, Markey said Saturday, "Obviously, I think it's important for them to understand that there are 30 states that have renewable electricity standards, that the fuel economy standards are still the federal law, that the appliance efficiency standards are still federal law."

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*Sara Stefanini contributed to this report.*

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## **McAuliffe, top Democrats dismiss impeachment talk [Back](#)**

By David Siders | 11/12/2017 11:19 AM EDT

BONN, Germany — Virginia Gov. Terry McAuliffe said Sunday he does not support impeaching President Donald Trump, after Democratic billionaire Tom Steyer pressed the case for impeachment at the United Nations climate conference here.

"Let [special counsel Robert] Mueller, and let the people who are doing the process, go through and do what they're doing," McAuliffe said after a breakfast speech by Steyer, a supporter of the Virginia Democrat. "You don't prejudge investigations."

Steyer, who is spending millions of dollars running television ads in the United States calling for Trump's impeachment, told a small crowd Sunday that "lack of action is a choice."

But Steyer's message did not appear to resonate with top Democratic politicians in Germany for the climate talks. Oregon Gov. Kate Brown, who also attended the breakfast, said she has no position on impeachment, which she said is "something that Congress is going to deal with." California Gov. Jerry Brown was also dismissive.

"Do you want me to start an impeachment movement by saying, 'Yes, I agree with Steyer. Let's go.' What will that do?" Jerry Brown told reporters on Saturday night. "That would be counterproductive. It would undermine all that we're trying to do."

Former California GOP Gov. Arnold Schwarzenegger, a vocal critic of Trump, declined to answer questions about impeachment Sunday.

Steyer, who is considering running for U.S. Senate in California, spoke in a pavilion set up by United States climate advocates and financed by a coalition including Steyer and former New York Mayor Michael Bloomberg.

McAuliffe, a potential presidential contender who described Steyer as a friend, said, "He paid for the breakfast. He's entitled to clearly say what he wants."

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## **Pro-Trump group courts donors with Cabinet access [Back](#)**

By Maggie Severns | 11/10/2017 03:22 PM EDT

Energy Secretary Rick Perry will headline an intimate gathering of high-powered business executives in Texas next week for the pro-Trump outside group America First Policies, the first in a series of "roundtable discussions" giving donors face time with top Trump officials.

The Houston event featuring Perry, detailed in an invitation sent to a Republican donor and obtained by POLITICO, will include roughly 30 people and cover topics from energy policy

to the Trump administration's broader agenda, America First spokeswoman Erin Montgomery said. Perry will not solicit donations from the attendees at the Monday event, which would be a violation of federal law — but America First officials plan to ask for contributions after Perry leaves the room.

The event highlights the cozy and growing ties between officials in President Donald Trump's administration and outside allies spending millions of dollars pushing administration policies this year. America First is brandishing its relationships with government officials to establish itself as the White House's preferred outside ally, among a mass of pro-Trump groups that have popped up this year.

In addition to holding more roundtable events, America First Policies recently held conference calls featuring White House Legislative Affairs Director Marc Short, House Majority Leader Kevin McCarthy and Rep. Erik Paulsen, all key players on tax reform. America First leaders also huddled with White House officials recently.

America First Policies and its affiliated super PAC, America First Action, plan to raise and spend \$100 million supporting Trump's agenda in the next year. Super PACs are not permitted to coordinate with candidates and there are strict rules governing Cabinet officials' political activities. But there is a loophole: Perry and others can participate in events put on by America First's nonprofit policy arm, which is legally separate from the super PAC even though the same officers run both groups.

"As long as the super PAC and the 501(c)(4) each stays in its own lane they can both operate under the same umbrella," said Brett Kappel, a campaign finance lawyer and partner at Akerman LLP.

But campaign finance reform advocates said the arrangement crosses an ethical line.

"This is all part of the very close coordination we're seeing between the campaign itself and what's supposedly an outside group," said Craig Holman, the government affairs lobbyist at the good-government group Public Citizen. The activities constitute "coordination in anyone's definition except for the Federal Election Commission's," he said.

Perry is an ideal ambassador for America First Policies in Texas, where the former governor has deep ties to the energy industry and donors who fueled his state campaigns as well as two presidential bids.

An Energy Department spokesperson did not return a request for comment. Perry was in France this week meeting with energy leaders from other countries. He is slated to attend a similar meeting in Texas on Monday, prior to the America First event, with leaders from Canada and Mexico.

America First was silent for much of this year and went through multiple staff shakeups, but has recently been working to restore its original position as the central group backing Trump's agenda.

But it has competition. Future45, which supported Trump during the 2016 elections with funding from casino billionaire Sheldon Adelson and the Ricketts family, [announced](#) a project that will spend in the tens of millions of dollars promoting tax reform earlier this month. Great America PAC, which is affiliated with former White House strategist Steve Bannon, began

endorsing 2018 candidates in recent days.

Great America PAC's support for Roy Moore broke from Trump's support for Sen. Luther Strange in Alabama. America First plans to stay closely aligned with Trump and Trump's agenda, which Texas businessman Roy Bailey said could be a differentiator.

"We're not second-guessing anything; we're totally confident in [Trump's] ability to lead this nation and we're supporting him and the vice president," said Bailey, who is involved with America First.

That message has intrigued Texas-based energy executive Dan Eberhart, who said he hasn't yet made a donation to America First but is "interested in what they have to say."

"A lot of people who supported Republicans in 2016 are frustrated with the way things have turned out," Eberhart said. "If the Republican establishment won't support the president's agenda, we need alternatives who will."

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**Perry's grid study: 4 things that may have legs** [Back](#)

By Darius Dixon | 08/24/2017 06:56 PM EDT

The Energy Department's study of the electric grid arrived late Wednesday, but it's not yet clear whether Secretary Rick Perry's efforts to help support nuclear and coal-fired power plants will have legs.

The 187-page [report](#) called for DOE to focus mostly on R&D and coordinating efforts to prepare for disasters, and left the heavy lifting for other agencies, such as FERC, EPA, the National Science Foundation and the Nuclear Regulatory Commission.

Among the recommendations are for FERC to "expedite" its work to reformulate how electricity markets pay power generators, and for EPA to revisit its New Source Review permitting program that requires plants to tighten emissions controls when they upgrade their plants — both issues that have proven difficult for the two agencies.

"If these recommendations, as a suite, are something that the administration really wants to do, someone in the White House is going to have to quarterback that," said Greg Gershuny, who served as chief of staff in DOE's Energy Policy and Systems Analysis office during the Obama administration and worked on the Quadrennial Energy Review.

"In the next four or five weeks, as Congress gets back, we'll see if these things are going to move," he said. "How engaged Perry is and how many times a week he's going to the Hill and talking to other agency heads is going to tell us a lot about how serious they are about this."

DOE, which did not submit the report for OMB review before its release, is now taking [public comments](#) on the study. Here's a breakdown of the issues.

**Wholesale electricity markets:** The new report calls on FERC to speed its work with states, grid operators and market players to "improve" how power producers are paid in the wholesale markets under the agency's jurisdiction. FERC had been grappling with the issue under its "price formation" initiative over the past three years, rolling out proposals and new rules to try to adapt to the increasing complexity of the electric grid — and to make sure power generators are fairly compensated.

However, grid operator PJM has [argued](#) regulators were thinking too small, and it released a trio of working papers earlier this year highlighting FERC's initiative while quickly noting that "fundamental" price formation issues hadn't been addressed. DOE suggested that FERC consider "fuel-neutral" markets to pay for essential grid reliability services.

So far, FERC seems sympathetic.

Soon after President Donald Trump gave him the gavel this month, FERC Chairman Neil Chatterjee stressed that generators, including coal and nuclear plants, "need to be properly compensated to recognize the value they provide." FERC has broad authority to alter market pricing rules, but that can be a slow process, and can have vastly different impacts in different states and regions — and draw sharp political pushback.

ClearView Energy Partners analysts warned against dismissing opposition to market rules that raise electricity prices on consumers.

"FERC-led initiatives can often create strange bedfellows, strong alliances and more opposition than state-led proposals," a ClearView report issued Thursday said. "We are reluctant to assume this all goes as quickly as the change advocates hope."

DOE's study also argued that "negative offers should be mitigated to the broadest extent possible," a reference to the fact that renewables like wind power can still make money even if power prices go negative because they can rely on a federal production tax credit.

**Grid reliability R&D:** The new report says that DOE should "focus R&D efforts to enhance utility, grid operator, and consumer efforts to enhance system reliability and resilience." That view stands in contrast to the Trump administration's first budget proposal, which suggested cutting DOE's electricity office by 42 percent from current levels, to \$120 million.

Nevertheless, Perry has said he wants his agency to focus on "early-stage" research, with the intention of transitioning that work to the private sector as quickly as possible.

DOE's study says more research should be done on technology that will make it easier for grid operators to integrate increasing amounts of renewable power, facilitate technical coordination with Canada and Mexico, and increase "targeted" R&D to boost the efficiency of coal-fired power plants.

**Infrastructure development:** The new push calls on the federal government to "accelerate and reduce costs for the licensing, relicensing, and permitting of grid infrastructure" — including power plants and transmission — which could easily involve a half-dozen federal agencies.

DOE, the study says, "should review regulatory burdens for siting and permitting for generation and gas and electricity transmission infrastructure and should take actions to

accelerate the process and reduce costs."

The Obama administration sought to quicken the electric transmission permitting process in 2013 with a [memo](#) to the chiefs at the departments of Agriculture, Commerce, Defense, Energy and Interior, which resulted in a [final rule](#) last year. Several members of Congress have also pressed the issue in legislation, including in the 2015 highway bill that [included](#) directives to more than a dozen agencies to join a new permitting council tasked with speeding up the federal process for large infrastructure projects.

DOE also recommends that the NRC "ensure the safety of existing and new nuclear facilities without unnecessarily adding to the operating costs and economic uncertainty of nuclear energy" and, without much explanation, "[r]evisit nuclear safety rules under a risk-based approach."

The report doesn't target specific NRC regulations, but does discuss the agency's license renewal process and the expenses associated with equipment upgrades, which may make it a prime target for cost reductions.

**Breaking down barriers for coal power:** The study recommends that policymakers "encourage EPA to allow coal-fired power plants to improve efficiency and reliability without triggering new regulatory approvals and associated costs." That's a reference to the New Source Review permitting program, which was created under the 1977 Clean Air Act amendments to prevent coal plants and other major emitters from making equipment changes or upgrades that would increase their emissions.

Reforming the program has been an industry priority for decades, with companies arguing that power plants have held back on making upgrades that would increase their efficiency because of concerns that they would have to go through the NSR permitting process. A collection of unions earlier this summer, for example, [called for NSR reform](#) as part of any replacement rule for the Clean Power Plan.

But multiple Bush administration attempts to weaken permitting requirements show that NSR reform is much easier said than done. A 2002 rule was partly [struck down](#) by the D.C. Circuit Court of Appeals, which said several new exemptions were not allowed under the Clean Air Act. Another 2003 rule introducing another major exemption was completely [tossed out](#) by the D.C. Circuit. A third NSR [rulemaking](#), issued in the final days of Bush's presidency, dealt with how sources report emissions changes. Environmentalists sued, and the rule remains under reconsideration at EPA to this day.

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**MSHA nominee: 'I was not proud' of violations notice [Back](#)**

By Ian Kullgren | 10/04/2017 05:55 PM EDT

President Donald Trump's nominee for assistant secretary of Labor for Mine Safety & Health told a Senate committee today that his coal company ignored safety conditions at one of its mines.

David Zatezalo was chairman of Rhino Resources when it received pattern of violation notices in 2010 and 2011, the Charleston Gazette-Mail previously reported. The company was later fined when a wall collapsed, killing a worker.

When questioned by Sen. [Tim Kaine](#) (D-Va.) about the notice, Zatezalo blamed the mine manager.

"The management of that particular group and that particular site was not doing what they should have been doing," Zatezalo said. "I was not proud of the fact that we got designated as a [potential pattern of violations] mine. I did not try to lawyer up and stop anything from happening."

"I replaced that management," he added, "because I wasn't too happy with their performance and hadn't been for sometime."

Zatezalo appeared before the Senate HELP Committee for a confirmation hearing with Cheryl Stanton and Peter Robb, Trump's nominees for Wage and Hour Division administrator and NLRB general counsel, respectively. Few senators showed up to the hearing, though, and [Patty Murray](#) (D-Wash.) complained that the Senate's busy schedule didn't leave enough time to probe as deeply as she would have liked.

Zatezalo assured Kaine that he wouldn't have a problem working with career staff at MSHA who issued the notice to his company.

"They did what they were supposed to do," he said.

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## **Coastal lawmakers push back on House flood insurance proposals [Back](#)**

By Zachary Warmbrodt | 11/08/2017 03:59 PM EDT

A bipartisan group of coastal lawmakers is pushing for major changes to the National Flood Insurance Program reauthorization bill that's awaiting a floor vote.

Republicans and Democrats representing the Atlantic and Gulf coasts have filed several amendments, which have been [released](#) by the House Rules Committee.

Some of the amendments would attempt to further shield policyholders from flood insurance premium increases, following concessions won by House Majority Whip [Steve Scalise](#) (R-La.) that reduced proposed penalties for properties that repeatedly flood.

One [amendment](#) by Reps. [Frank LoBiondo](#) (R-N.J.) and [Peter King](#) (R-N.Y.) would strike three sections of the bill, [H.R. 2874](#), including a prohibition on coverage for buildings valued above \$1 million. Their amendment would also lower the bill's proposed cap on annual premium increases to \$5,000 from \$10,000.

"While discussions continue with the committee, Congressman LoBiondo feels the flood insurance bill is not at a point it needs to be to earn his vote and those of other coastal legislators," LoBiondo chief of staff Jason Galanes said. "He drafted the amendment to address those outstanding concerns."

LoBiondo and King were two of 26 House Republicans who [wrote](#) to House leadership this summer warning that they would not support an earlier iteration of the House Financial Services Committee package in part because they said it would make flood insurance unaffordable for their constituents.

Another lawmaker who signed on to that letter, Rep. [Garret Graves](#) (R-La.), has offered four amendments, including [one](#) that would restrict FEMA from raising insurance rates if a property was at a higher risk of flooding because of actions undertaken by the federal government.

Rep. [Dan Donovan](#) (R-N.Y.), who was part of the group fighting the bill this summer, has offered an [amendment](#) that would freeze insurance premiums in areas where flood maps are being redrawn.

Other coastal Republicans who signed the July letter were trying to put their stamp on the final bill.

Rep. [Leonard Lance](#) (R-N.J.) raised concerns about the bill this week, a spokesman said. Rep. [Clay Higgins](#) (R-La.) is part of the negotiations, his spokesman said.

Rep. [Steven Palazzo](#) (R-Miss.) is pushing for changes addressing several concerns with the bill, including increasing surcharges, how premium rates will be determined for coastal versus inland locations and the lack of provisions that address the NFIP's debt, a spokeswoman said.

"He will continue to push for a program that protects South Mississippians, provides flood insurance that is affordable and available, and ensures the long term success of the program," she said.

House aides said the Financial Services Committee was preparing to [rewrite](#) a section of the bill laying out annual assessments that FEMA charges policyholders to fill a reserve fund.

The new provision would require FEMA to impose a 16 percent assessment on insurance premiums, up from the flood program's current rate of 15 percent.

Aides said the change was being made to address member confusion and issues raised by the CBO.

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**House Rules reschedules hearing on flood insurance bill [Back](#)**

By Zachary Warmbrodt | 11/10/2017 04:51 PM EDT

The House Rules Committee will hold a hearing Monday on the National Flood Insurance Program reauthorization bill, as Republicans try to move ahead with a floor vote.

The Rules Committee will resume consideration of the bill, [H.R. 2874 \(115\)](#), after postponing a Tuesday hearing on the legislation. At the time, the committee said it delayed the meeting after the CBO flagged a scoring issue.

In the interim, House Financial Services Chairman [Jeb Hensarling](#) (R-Texas) decided to [revise](#) a section of the bill that would impose assessments on premiums to fill a reserve fund, [drop](#) a prohibition of coverage for homes worth more than \$1 million and delay the implementation of an exemption for commercial properties subject to mandatory coverage requirements.

This week, a group of coastal lawmakers continued to raise [concerns](#) with the bill and offered several amendments.

**WHAT'S NEXT:** The Rules Committee hearing on the bill will be at 5 p.m. on Monday.

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**SAB appointee doesn't represent North Carolina, state says** [Back](#)

By Alex Guillén | 11/08/2017 10:16 AM EDT

Donald van der Vaart, the former head of North Carolina's Department of Environmental Quality, will not represent the agency or the state in his recent appointment to EPA's Science Advisory Board, the DEQ [told a local television station](#).

Van der Vaart, a Republican who was considered for a top EPA appointment, demoted himself at DEQ to a non-political position that cannot be removed at will following last fall's gubernatorial win by Democrat Roy Cooper.

But his position on SAB will not come with Cooper's blessing, according to DEQ.

"DEQ does not support his participation on the EPA's SAB," the agency told local TV station WRAL. DEQ will not participate as a representative of the DEQ or North Carolina, the agency added.

Neither van der Vaart nor EPA immediately returned requests for comment this morning.

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**Jerry Brown, President of the Independent Republic of California** [Back](#)

By David Siders | 11/11/2017 07:06 AM EDT

VATICAN CITY—On his way to the United Nations climate talks in Bonn, Germany, this week, Jerry Brown stopped over at the Vatican, where a doleful group of climate scientists, politicians and public health officials had convened to discuss calamities that might befall a warming world. The prospects were so dire—floods and fires, but also forced migration, famine and war—that some of the participants acknowledged difficulty staving off despair.

California's doomsayer governor did not express much optimism either. Seated between an economist and an Argentine bishop at the Pontifical Academy of Sciences, Brown leaned into his microphone and said, "It is despairing. Ending the world, ending all mammalian life. This is bad stuff."

"There's nothing that I see out there that gives me any ground for optimism," he went on. Still, he promised action: "I'm extremely excited about doing something about it."

Even though President Donald Trump has abandoned the Paris climate agreement and called climate change a "hoax," and even though he is proceeding to scrap the Obama-era Clean Power Plan and promoting the production of coal, Brown insisted to his audience at the Vatican that these policies do not reflect the true sensibilities of the United States.

"This is not just a top-down structure that we have in the United States," the governor said. The small crowd burst into applause when he added, "Over time, given the commitments that we're seeing in this room today, and what we're seeing around the world, the Trump factor is very small, very small indeed."

In the raw balance of power between a governor and a president, Brown has almost no standing abroad. What he does have is a platform, and a proposition: Crusading across Europe in his Fitbit and his dark, boxy suit, Brown advances California and its policies almost as an alternative to the United States—and his waning governorship, after a lifetime in politics, as a quixotic rejection of the provincial limits of the American governor. In the growing chasm between Trump's Washington and California—principally on climate change, but also taxes, health care, gun control and immigration—Brown is functioning as the head of something closer to a country than a state.

In his final term, Brown has lobbied other states and regions to reduce their greenhouse gas emissions, while augmenting California's already expansive suite of climate change programs. But Trump's election—and the specter of Brown's own retirement—have lately set the governor on a tear. In a rush of climate diplomacy this year, Brown traveled to China to meet with President Xi Jinping, then to Russia to participate in an international economic forum. This past week saw him address lawmakers in Brussels and Stuttgart, Germany, and he was preparing for roundtable meetings with scientists in Oslo before arriving in Bonn for a climate conference, where Brown will serve as special adviser for states and regions. And he is preparing for California to host an international climate summit of its own next year in San Francisco.

In one sense, Brown's fixation on climate change would seem unremarkable, the predictable conclusion of a career steeped in the ecological and environmental movements of the 1960s and 1970s. The 1969 Santa Barbara oil spill, early Earth Day rallies and the Stockholm conference on the environment weighed heavily on the public consciousness when Brown was starting out in politics, and observers of a certain age will still recall him mystifying audiences with pronouncements about "planetary realism" and the "spaceship Earth." He was still talking about the need for a fundamental shift in lifestyle when he said at the Vatican that confronting

climate change will require "a transformation of the relationship of human beings to all the mysterious network of things."

"It's not just a light rinse," Brown said. "We need a total, I might say, brainwashing. We need to wash our brains out and see a very different kind of world."

But in his climate diplomacy today, Brown is performing a more urgent, final act. For nearly all his public life—from secretary of state to governor, to mayor of Oakland and state attorney general before becoming governor once again, at age 72—Brown's near-constant state was to run for public office. Now, for the first time, he is not. Term limits will chase Brown from the state Capitol in January 2019, and today he calls climate change his "campaign," dismissing the idea that after running unsuccessfully for president three times, he might try again in 2020. "I've thought because people like you ask me," he said in an interview before leaving for Europe. "But no, I'm not running."

Now, Brown's future rests on a family ranch in Northern California, where he is nearly finished building a remote, off-the-grid home. These days, he talks more about rattlesnakes and wild boar than the presidential election, and he has turned his focus from electoral politics to more existential concerns.

"I find a lot of what is included in politics doesn't count that much, at least for my salvation or my peace of mind or my interest in life," Brown said. The climate, he went on, "is fundamental. It's not like dietary requirements. It's not like a tax measure, or a school curriculum, or many of the issues, even a crime bill. It goes to the essence of being alive, living things. Whether it's humans or fauna, flora, the basis of life is embedded in this chemical structure, biological structure. And it's threatened."

Sitting in the back of a Ford Crown Victoria on a tarmac at Los Angeles International Airport, Brown added, "This, to me, seems worthwhile."

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**Brown often borrows from the writer** Carey McWilliams' description of California as "the great exception," a colossus that McWilliams said, "always occupied, in relation to other regions, much the same relation that America has occupied toward Europe: it is the great catch-all, the vortex at the continent's end into which elements of America's diverse population have been drawn, whirled around."

Trump's election nearly spun that vortex off its axis. In a state where Democrats had already battered Republicans to near-irrelevance, voters last year installed Democratic super-majorities in both houses of the state Legislature. They approved higher taxes and stricter gun controls, legalized marijuana and made certain felons eligible for early parole. They handed Trump the most lopsided loss a Republican presidential nominee has suffered in California in 80 years. Then they slumped in front of their TV sets as the rest of America went the other way.

The morning after the election, the leaders of the state Senate and assembly issued a joint statement in which they said they "woke up feeling like strangers in a foreign land." Brown had joked before the election that if Trump were to become president, "We'd have to build a wall around California to defend ourselves from the rest of this country."

Now, the state Legislature and a large share of Brown's constituents expected him to hoist it up—to assert California's sovereignty in the Trump state. As Trump started dismantling his predecessor's climate policies, Brown helped organize an alliance of 14 states and the island of Puerto Rico, pledging to meet their share of the U.S. commitment to the Paris climate accord. He redoubled his efforts outside of the United States, expanding on a joint project with the German state of Baden-Württemberg: recruiting nearly 200 mostly subnational governments to sign a nonbinding pact to limit global temperature rise to below 2 degrees Celsius, the threshold beyond which many scientists predict environmental catastrophe. On top of that, Brown negotiated legislation extending California's signature cap-and-trade program for an additional 10 years, then signed an agreement with leaders of Ontario and Quebec to integrate their cap-and-trade systems with California's.

Trump's election shook Brown and his home state in other ways, too: California relied on billions of dollars in federal health care funding that Trump threatened to undo, and the president's hard line on immigration sowed fear among California's large population of undocumented immigrants. When the Trump administration started conducting immigration sweeps in Los Angeles, protesters strung "No I.C.E" signs from freeway overpasses, and Brown—who had signed legislation granting undocumented immigrants driver's licenses and access to college financial aid—negotiated state legislation curbing local law enforcement officials' ability to cooperate with federal immigration agents.

By this fall, California's feuding with Washington had grown so routine that it barely registered as news when, during the span of seven hours one day last month, state Attorney General Xavier Becerra announced four separate lawsuits against the Trump administration on issues ranging from health care and education to immigration and oil extraction on public and tribal lands.

Before Trump's election, Brown existed largely at the margins outside California. When he returned to office in 2011, a fellow Democrat held the White House, and no one had to look West for an expression of leftist causes. In that context, Brown presented as a moderate, taking criticism from environmentalists for his permissiveness of hydraulic fracturing, while others dismissed as insignificant the nonbinding climate agreements he pursued.

But then Trump, less than a month in office, told a national TV audience, "California is in many ways out of control." Former White House chief strategist Steve Bannon, addressing California Republicans shortly after Brown signed legislation expanding protections for undocumented immigrants, said that if California kept this up, it would eventually "try to secede from the union." The governor factored so heavily in the specter of a civil war that House Majority Leader Kevin McCarthy, himself a Californian, slipped in a speech last month in which he rebuked one "President Brown."

The nation's most populous state was cleaving from Washington, and Brown was its marshaling force.

"Trump is leaving many vacuums, and I think Jerry Brown has long imagined himself as a kind of global player," says Orville Schell, who wrote a biography of Brown in 1978 and remains in contact with him. "He does see California, as the sixth-largest economy of the world, as capable of playing more of a nation-state-like role."

Brown "sort of accidentally has had the world thrust in his lap through the climate issue, which he passionately believes in," Schell adds. "The opportunity has presented itself, the

inclination is there, and he's sort of ratcheting the state up to rush into that breach that Washington is leaving."

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**In the role of a statesman**, Brown so far has been met with dotting audiences in Europe. When he arrived in Stuttgart for meetings this week, local officials sent a seven-car motorcade to the airport to deliver him to his hotel with lights flashing, an unheard-of accommodation back home. And when Brown spoke in Brussels on Tuesday, before the hemicycle of the European Parliament, the body's president, Antonio Tajani, said the governor's presence gave Europeans "some comfort" in the era of Trump. Muhterem Aras, president of the parliament of Baden-Württemberg, told Brown through an interpreter, "You and your work are needed more than ever." She cast Brown as a warrior "facing a mighty lobby as an adversary."

Yet in the polished, grip-and-grin world of diplomacy, Brown can also seem out of place. He has sprinted through his trip on a borrowed charter plane with his tiny entourage—a handful of aides, a small protective detail and his wife and adviser, Anne Gust Brown, straightening his collar. He maintains an exasperatingly loose schedule, suffers posing for photographs and sometimes wanders on stage.

Before he strode into the Vatican headquarters of the Pontifical Academy of Sciences, a 16th century summer residence for Pope Pius IV, Brown darted for a table of coffee and cookies that waiters were starting to clear away.

"You had to eat, didn't you, love?" his wife asked her husband, who has a sixth sense for free food.

Throughout his trip, Brown has also carried copies of two articles he wrote about the threat of nuclear proliferation, his principal concern other than climate change. The first, "Nuclear Addiction: A Response," was written in 1984 for a now-defunct Jesuit publication. The second is Brown's review in the *New York Review of Books* last year of former defense secretary William Perry's *My Journey at the Nuclear Brink*. Leaving a meeting one night in Rome with Arturo Sosa, the superior general of the Jesuits, Brown squinted over his hawk-like nose and said that while "going around enlisting allies ... I bring my two little articles and I pass them around."

Depending on his audience and mood, Brown vacillates between optimism and dread for the future. Signing a government guestbook in Brussels this week, he quoted Virgil: "Ad astra per aspera"—to the stars through difficulties. Later, when the elevator taking Brown from a meeting went up instead of down, he first complained, half-joking—"Mistake!"—and then said, "That can happen with missile launches, too."

As frequently as Brown is asked about Trump, Brown has mentioned the president only sparingly on his European tour. Although he has called Trump the "null hypothesis" for climate change, a politician who by "making his case of denial so preposterous, helps the other side," he insists the problem of climate change is bigger than one leader, and has acknowledged he is trying to make "lemonade out of a lemon."

A year ago, it appeared that Brown might not be able even to do that. Two nights before the election, he was eating chips and salsa at an airport bar in Durango, Colorado, where he had spent the day campaigning for Hillary Clinton. If Trump took the White House, he said in an

interview, it would be "game over" for climate change. "Game over," he said again.

Asked about it recently, on the tarmac in Los Angeles, Brown said, "I say a lot of things while waiting for a drink in bars across America."

"We're fighting," he added. "The game is over in Washington for the moment ... But not in the world."

Later, at the Vatican, he put it this way: "You should despair, but that won't help. So be optimistic, and do whatever you can."

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**Brown said he has met Trump once**, when he was mayor of Oakland in the 2000s and considered bringing a casino to the city. The two flew together in Trump's plane to Oakland from Palm Springs. The governor recalled being impressed with a Renoir that Trump had hung on a wall in the plane. "I don't know whether it was real or not," Brown said last year. "But I thought it was. I thought it was a hell of a statement."

Brown, more than many politicians, could appreciate the populist appeal that swept Trump into the White House—and that Brown sought to capture in his own three presidential campaigns. In 1976, he called for an "era of limits," then campaigned against the North American Free Trade Agreement and the influence of corporate money in politics in his 1992 campaign. He refused campaign contributions greater than \$100 and, in rhetoric reminiscent of Trump's "drain the swamp," criticized "the basic fact of unchecked power and privilege."

Pat Caddell, the veteran pollster and political analyst who gave advice to Brown in 1992 and Trump in 2016, says, "Brown was way ahead of his time, really ... I think if Jerry had run in '16, he could have won the Democratic nomination."

Today, Brown's mind is elsewhere. He deflects questions about his legacy, arguing, "Everything we're doing can be framed as either a model for everybody else or building my legacy that I'm going to be reviewing in my dotage." Yet the issues that consume him—climate change and nuclear proliferation—are legacy concerns of humankind.

"Human civilization is on the chopping block," Brown told an auditorium full of lawmakers and students this week in Stuttgart, his voice rising almost to a yell. "We have to wake up the world. We have to wake up Europe, wake up America, wake up the whole world to realize that we have a common destiny."

While climate change has afforded Brown a degree of notoriety outside California, he believes that history is not kind to governors and a politician's relevance quickly fades. "It's just a matter of time before your irrelevance engulfs your total being," he said in Los Angeles, chuckling. "I'm pretty focused on today."

He is at least thinking a little about the near future. Dna Hoover, who is building the Browns' ranch house, said Anne Gust Brown called recently to ask about stucco samples and a generator, and the couple ran a herd of goats through the property, where the Browns have planted olive trees, to chew down grass to prevent fire. "He's ready," Hoover says. "He's really so connected with that place and is ready to get up there full-time."

Brown has even discussed the possibility of creating some kind of meeting space on the ranch.

Before he was to arrive in Bonn on Saturday, he left his aides behind and swung south to Bremen, Germany, to visit with Silja Samerski, who had once helped him organize a salon he called the "Oakland Table," attracting intellectuals such as the late social critic Ivan Illich. "We're going to talk about unfinished issues from the Oakland Table," Brown said of his visit with Samerski. "The good life, and how are we supposed to lead it. What are we doing? So, that's getting ready for the Colusa Institute," he explained, laughing a bit. Colusa is the name of the county where he is building his ranch.

Brown is also contemplating writing when he leaves office, something he tried, but largely gave up, after his first two terms as governor. His work at the time, he says, "didn't rise to the quality that met my standards."

Decades later, Brown says, "I have much more to say."

At an event held alongside the Democratic National Convention last year, Brown had compared his retirement to that of a Roman statesman, "a fellow named *Cincinnatus* who saved the Republic, and then he went back to the plow."

Reminded of that comparison recently, Brown smiled and said, "I like to be on my plow." But he added, "Maybe I'll be sending out pronouncements from the plow."

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By Anthony Adragna | 09/06/2017 06:00 AM EDT

*With help from Alex Guillén, Eric Geller and Ben Lefebvre*

**TRUMP HITS ENERGY-RICH NORTH DAKOTA:** President Donald Trump isn't expected to dwell on any energy topics when he heads to Andeavor Corp's (formerly Tesoro) North Dakota refinery in Mandan today. Instead, he'll talk tax reform and mainly [rehash the message](#) he delivered last week in Missouri, a source who helped plan the event tells ME. Trump's main aim is to speechify in a state that he won by more than 30 points — but's still within a day's round-trip flight from D.C., our source said. Expect to hear a lot of talk on "unrigging" the tax code but not a lot of details on how it will be done. ME will keep an ear out for nuanced policy discussion about revamping deductions for the depletion of oil shale deposits and the marginal wells tax credit, but we're not holding our breath.

**Planning to hitch a ride** is North Dakota Democratic Sen. [Heidi Heitkamp](#), who is of course facing a challenging reelection battle next year. As POLITICO's Burgess Everett [reports](#), she's planning to tag along on Air Force One and attend Trump's speech. Heitkamp told reporters she's not down with some of the tax policies the administration has been floating but has been in touch with senior aides regularly. "We've always said that we're interested in tax reform," she said. "I continue to be curious about what the actual plan is." With her in the audience for the speech, perhaps Trump will spare her attacks similar to the ones he directed at Sen. [Claire McCaskill](#) in Missouri last week.

**ADMINISTRATION BACKS HOUSE EPA/INTERIOR BILL:** The House Rules Committee won't decide which Interior and EPA-related amendments lawmakers will consider on the floor until later around 2 p.m. today, but the Trump administration is already out with [a statement of administration policy](#) indicating the president would sign the unwieldy-bus (ME term's) into law. The White House objected to provisions in the 1,300-page bill [H.R. 3354 \(115\)](#) regarding federal funding for land acquisition and cutting the Clean Water Act state revolving fund that it warned "would result in less funding going to States to finance critical wastewater and storm water infrastructure investments."

**TAKING A STEP BACK:** Parts of the Gulf Coast were swamped with four feet of rain during Hurricane Harvey last week in what the National Weather Service called an "unprecedented" event "[beyond anything experienced](#)." Now, major swaths of South Florida are evacuating in anticipation of Hurricane Irma, which may become the [strongest hurricane ever recorded](#) in the Atlantic. And dozens of intense wildfires across the West are causing [ash to rain in Seattle](#) like snow and threatening [iconic national parks sites](#) after the La Tuna blaze menaced Los Angeles in what was called the city's "[largest fire in history](#)." Given these devastating events have all occurred so close together, it's worth noting the 2014 National Climate Assessment [concluded](#): "Human-induced climate change has already increased the number and strength of some of these extreme events."

**WELCOME TO WEDNESDAY!** I'm your host Anthony Adragna, and CEQ's Ted Boling was first up to name South Sudan as the world's newest country (established in 2011). For

today: What's the least densely populated state? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](https://twitter.com/AnthonyAdragna), [@Morning\\_Energy](https://twitter.com/Morning_Energy), and [@POLITICOPro](https://twitter.com/POLITICOPro).

**\*\* A message from Chevron:** When an endangered butterfly was found near a Chevron refinery, we protected the habitat and still plant the only thing they eat—buckwheat. Watch the video: <http://politi.co/2xaoDCa> \*\*

**EPA FINISHES INITIAL SUPERFUND ASSESSMENTS IN HOUSTON:** EPA says it has finished assessing the 13 Superfund sites around Houston that suffered the hardest hits from Hurricane Harvey and its flooding. Two of those sites will need more study, EPA said: the San Jacinto River waste pits, a group of impoundments holding 1960s-era paper mill waste; and the U.S. Oil Recovery Site in Pasadena, which holds hazardous waste from a former hydrocarbon recovery operation. More [here](#) from Alex Guillén.

**Speaking of Harvey:** EPA's response to the hurricane will get an early critique today at a House Energy and Commerce subcommittee hearing. Although the [topic](#) is unimplemented recommendations made by the EPA inspector general and the Government Accountability Office, aides from both sides say lawmakers plan to bring up Harvey, and in particular whether any of the recommendations EPA hasn't put in place over the years could have contributed to its response these past weeks, or could help the agency respond to future disasters. No EPA officials are testifying, but witnesses from the OIG and GAO will be on hand. Expect to hear from Democrats about the White House's proposal to slash 30 percent from EPA's Superfund program, particularly since that's one of the handful of EPA activities championed by Administrator Scott Pruitt.

**History lesson:** Although FEMA and the Bush administration took heavy criticism over their response to Hurricane Katrina in 2005, EPA's response back then earned it flying colors from the agency's inspector general. A [2006 IG report](#) concluded EPA provided "quality and timely information" in the wake of Katrina which left New Orleans and more than a dozen Superfund sites soaked. According to the report, EPA and Louisiana officials made their initial assessments of the Superfund sites from Sept. 2-9, with further study conducted from Sept. 13 through Oct. 14.

**EPA HOLDS MEETING ON MIDTERM AUTO REVIEW:** EPA will hold a public meeting today to get comments on its plan to re-open the midterm review of 2022-2025 vehicle emissions standards. The agency is taking written comment through Oct. 5. Expect to hear plenty from green groups, public health advocates and others who oppose weakening the standards, and also about EPA's recent move to reconsider the locked-in 2021 standards as well. If EPA ultimately does decide to change the standards, it will have to go through a full rulemaking process with another commenting round. The meeting starts at 9 a.m. at the Renaissance Washington D.C. Downtown Hotel. You can also listen in (but not speak) by phone; information [here](#).

**One regulation, undivided:** Maine Attorney General Janet Mills told reporters Tuesday that she and a dozen other AGs who warned Pruitt in June against changing the standards remain steadfast. She also dismissed questions about whether Maine and other states could simply stick to a stricter California standard in the event of changes to the national program, noting that Maine sits at the end of the nation's tailpipe. "To roll back the national standards would result in disparities among the states, disparities for purposes of manufacturing, for consumer safety, for consumer choice and efficiency," Mills said. "It is clearly to everyone's benefit to

have a national standard."

**ME FIRST — NEW AD HITS ZINKE IN MONTANA:** The Western Values Project is out with a [second ad](#) today hitting Interior Secretary Ryan Zinke for what it calls his "sham" review of national monuments. It's part of a six-figure digital and television campaign in Zinke's home state as rumors swirl about his potential future political plans. Polling out today on behalf of the Montana Conservation Voters finds 54 percent of Montanans disagree with Zinke's recommendations to shrink national monuments and 86 percent want more transparency in the process.

**EPA TO SHED HUNDREDS:** EPA's workforce will drop to late-1980s levels by the end of September when it hits 14,428 due to a combination of early retirements and buyout packages, Pro's Alex Guillén [reports](#). An agency official says 362 agency workers accepted the voluntary buyouts last week, while another 45 employees are still mulling offers. And another 45 employees will have retired by the end of this month. "We're giving long-serving, hard-working employees the opportunity to retire early," EPA Administrator Scott Pruitt said in a statement. It was not immediately clear how much the agency spent on the buyouts.

**Speak of the devil:** Two senior House Energy and Commerce Committee lawmakers — Chairman [Greg Walden](#) and Oversight chief [Tim Murphy](#) — sent Pruitt [a letter](#) requesting a briefing on the buyout effort to ensure it is "an efficient use of taxpayer money."

**MAIL CALL! ME FIRST — CARPER PROBES WOTUS REPEAL PROCESS:** The top Senate Environment and Public Works Democrat, [Tom Carper](#), is sending [a letter](#) today to Pruitt on the agency's efforts to rewrite the Obama-era Waters of the U.S. rule amid reports political appointees directed EPA career scientists to simply delete \$500 million in economic benefits from the regulatory package it submitted to OMB for review. "Erasing the scientific and economic benefits of a rule designed to protect the drinking water of 117 million Americans will not erase the environmental and public health risk that the drinking water sources may pose if the rule is repealed," Carper wrote, requesting copies of the documents submitted to OMB for review and any communications from political appointees on costs and benefits.

**GOP LAWMAKERS PROBE INTERIOR LAND HABITS:** Two senior House Natural Resources Committee lawmakers — Chairman [Rob Bishop](#) and Oversight Subcommittee Chairman [Bruce Westerman](#) — sent [a letter](#) to Zinke Tuesday seeking information on land purchases made with grant money. Their inquiry comes on the heels of an inspector general [report](#) finding the agency doesn't track data on such purchases and many recipients don't report back to Interior. "The inadequate reporting and oversight of grants with such massive taxpayer funding raises serious concerns of fraud and abuse vulnerabilities," they wrote. Of particular interest to Bishop is the activities of the Land and Water Conservation Fund, which he has repeatedly described as "[broken](#)."

**GREENS DEMAND GREATER TRANSPARENCY FROM INTERIOR:** A group of environmental advocates, including the Wilderness Society, Center for American Progress and the Natural Resources Defense Council, sent separate letters today to Zinke arguing his review of policies concerning [oil and gas development](#), [methane waste prevention](#), and [mitigation](#) is unnecessary. The letters urge the agency to be more responsive to Freedom of Information Act requests to honor transparency requirements and expand meaningful opportunities for public comment.

**LAYING THE GROUNDWORK:** A Russia-linked hacker group targeting the energy sector may be preparing to move from exploratory probes to more disruptive cyberattacks, according to researchers. In a [report](#) published today, the cybersecurity firm Symantec said that a group it calls "Dragonfly" launched a second wave of attacks on energy companies in December 2015 with a "distinct increase" in intrusion attempts this year. Notably, the latest attempts may be part of "a new phase" for the hackers, the researchers wrote, "with recent campaigns potentially providing them with access to operational systems, access that could be used for more disruptive purposes in future." Previously, Symantec said, Dragonfly was in more of an "exploratory phase where the attackers were simply trying to gain access to the networks of targeted organizations."

**Cyber experts believe that Dragonfly**, also known as "[Energetic Bear](#)," is a Russian hacker organization, although Symantec didn't address the group's possible government affiliation. Dragonfly [targeted](#) more than 1,000 companies in the first known phase of its operations. In the most recent attacks, it used infected email attachments to penetrate corporate networks and "attempt to leak victims' network credentials to a server outside of the targeted organization," according to Symantec. They also took over websites popular among their victims and added malware to the sites' code that would download when victims visited the websites. Symantec linked the latest activity with Dragonfly's earlier campaign by comparing the malware that the hackers used. The same two variants appeared in both campaigns.

**ANOTHER PANEL JUMPS INTO PERMITTING TANGLE:** The House Small Business Committee today becomes the latest congressional panel to [look at](#) how the federal permitting process affects businesses around the country. "We need streamlined, expedited procedures that allow for timely implementation of projects to protect the long-term health of our forests, our small businesses, and the overall economies of the communities we serve," one of the witnesses, Missoula Electric Cooperative General Manager Mark Hayden, will say in testimony. The session begins at 11 a.m. in Rayburn 2360.

**SIGNED, SEALED, DELIVERED:** The White House [formally sent over](#) to the Senate on Monday the nominations for a host of EPA, DOE and other energy-related nominees [picked Friday](#), as well as the renomination of Jeff Baran to another five-year term on the NRC.

**CHEMICALS PROGRAM UNDER THE MICROSCOPE:** Two House Science subcommittees today [examine](#) EPA's Integrated Risk Information System, a program that develops health assessments used to support regulatory decisions. They'll look at "scientific and operational integrity issues as they relate to the functionality and goals" of the program. The session kicks off at 10 a.m. in Rayburn 2318.

**REPORT: HIDDEN DANGER IN YOUR TAP WATER:** The Environmental Working Group is out with [a report](#) today finding an industrial solvent likely to cause cancer — 1,4-dioxane — can be found in the tap water of 90 million Americans across 45 states. It concludes 2.5 million people in California; 1.2 million people in North Carolina and 700,000 people in New York are exposed to the chemical in quantities above the threshold thought to increase cancer risk. An interactive map of test data is available [here](#).

**MOVER, SHAKERS:** Mike Schon has joined the U.S. Chamber's litigation center as deputy chief counsel for energy and environmental issues. He joins from the Portland Cement Association and also previously worked at Baker Botts LLP and DOJ's Energy and Environmental Resources Division.

**Justin Savage** has joined Sidley Austin LLP's environmental practice as a partner in its Washington office. He comes there after nearly ten years with DOJ's Energy and Environmental Resources Division as a senior lawyer.

Environment and Public Works Committee Chairman [John Barrasso](#) on Tuesday named **Teri Donaldson**, most recently a partner at DLA Piper LLC in Houston, to be general counsel to majority staff. He also announced the promotion of **Matt Leggett** to chief counsel; he's served as deputy chief counsel since January.

**ANOTHER JOINS CLEAN ENERGY WEEK:** American Gas Association has joined the steering committee of National Clean Energy Week bringing the number of energy groups on that committee to 13.

**BLAST FROM THE PAST!** Ken Bone (remember [him?](#)) will be on "Real Time with Bill Maher" this Friday. "Yes, I will be wearing a sweater. They asked me to wear it so I will," he [tweeted](#).

**INFOGRAPHIC — GUIDE TO LEGISLATION:** Brush up on your knowledge of the complicated legislative process. Our guide to legislation infographic covers each step of the legislation proposal process, the changes legislation goes through before it becomes a law and how legislative differences are resolved. [Download the guide.](#)

## QUICK HITS

— When workers died, Tampa Electric vowed to stop doing this. But weeks later, they did it anyway. [Tampa Bay Times](#).

— A two-decade crusade by conservative charities fueled Trump's exit from Paris climate accord. [Washington Post](#).

— Those 3 percent of scientific papers that deny climate change? A review found them all flawed. [Quartz](#).

— As Houston grew, officials ignored 'once-in-a-lifetime' chance to spare thousands from flooding. [Dallas Morning News](#).

— McMillan stepping down at Los Alamos. [Albuquerque Journal](#).

— Motiva refinery in Port Arthur begins to roar back after Harvey shutdown. [Houston Chronicle](#).

— Western Australia temporarily bans fracking to examine risks. [Business Day](#).

## HAPPENING TODAY

9:00 a.m. — "[Fostering Public-Private Innovations in the U.S. Water Market](#)," A. O. Smith Corporation and The Water Council, CVC 201-00

10:00 a.m. — "[Powering America: Reevaluating PURPA's \(Public Utility Regulatory Policies Act\) Objectives and its Effects on Today's Consumers](#)," House Energy and Commerce Energy Subcommittee, Rayburn 2123

10:00 a.m. — House Natural Resources Energy and Mineral Resources Subcommittee holds [a hearing](#) on various bills, 1334 Longworth

10:00 a.m. — "[Examining the Scientific and Operational Integrity of EPA's IRIS \(Integrated Risk Information System\) Program](#)," House Science Environment and Oversight subcommittees, Rayburn 2318

10:15 a.m. — "[EPA Oversight: Unimplemented Inspector General and GAO Recommendations](#)," House Energy and Commerce Oversight and Investigations Subcommittee, Rayburn 2322

11:00 a.m. — "[Expediting Economic Growth: How Streamlining Federal Permitting Can Cut Red Tape for Small Businesses](#)," House Small Business Committee, Rayburn 2360

## THAT'S ALL FOR ME!

**\*\* A message from Chevron:** This is a story about DOERS, butterflies, and buckwheat. In '75, the endangered El Segundo Blue butterfly was found near a Chevron refinery. We protected the habitat and planted the only thing they eat—buckwheat. We're still planting and keeping an eye on our littlest neighbor. Watch the video: <http://politi.co/2xaoDCa> \*\*

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/09/trumps-tax-pitch-heads-to-north-dakota-refinery-today-024451>

## Stories from POLITICO Pro

### Trump still pushing for a 15 percent corporate rate [Back](#)

By Ben White and Nancy Cook | 09/05/2017 08:30 PM EDT

President Donald Trump is increasingly fixated on slashing the top corporate tax rate to 15 percent — a level that pretty much no one else working on the issue in the White House or Congress thinks is workable.

In a White House meeting on Tuesday, Trump again expressed his strong desire to hit the 15 percent target, from today's 35 percent.

"You can't get to 15 percent, and anyone who has a back of an envelope can make that calculation," said a senior official working on tax reform. "And he may not like that truth, but it's the truth. It's just math."

This debate over how low to bring the corporate rate as part of a larger overhaul foreshadows the difficulties the administration faces as it attempts to tackle tax reform, while also trying to raise the debt ceiling, pass a budget to keep the government funded, address immigration reform and dole out money for Hurricane Harvey relief.

Congressional leaders, tax writers and key administration officials known as the "Big Six" met Tuesday in the Oval Office to talk about their progress — largely as a way to publicly show momentum on an issue significant to Republicans, the business community and conservative activists.

On Wednesday, Trump plans to travel to North Dakota to make his second tax sales pitch in a week. He will deliver a speech focused on the way tax reform will boost the financial lives of the middle class and help businesses.

[Accompanying him](#) on Air Force One will be North Dakota Sen. Heidi Heitkamp, one of 10 Democratic senators up for reelection in 2018 in states that Trump won. A key part of the administration's strategy to push a tax package through Congress is to earn these members' support.

In his speech, Trump is expected to bring up the fact that the 1986 tax overhaul under President Ronald Reagan was also a bipartisan effort, according to excerpts released by the White House.

"Both of the Reagan tax cuts were passed by a Democratic majority in the House, a Democratic speaker and the vast majority of Democrats in the Senate, including a Democratic senator from the great state of North Dakota," the president intends to say. "If Democrats continue their obstruction, if they don't want to bring back your jobs, raise your pay and help America win, voters should deliver a clear message: Do your job to deliver for America or find a new job."

Treasury Secretary Steven Mnuchin and National Economic Council Director Gary Cohn will also join the president on the trip.

As in his speech in Missouri last week, Trump is not expected to go into specific details about proposed changes to the tax code beyond wanting to lower corporate and individual rates and allow companies to bring back money from overseas.

He's expected to continue trying to make a populist-style push for tax cuts, arguing that they will encourage businesses to invest and hire more workers while making it less attractive to open manufacturing facilities abroad and ship products back into the United States.

Lost in much of this rhetoric is the way a major tax cut would help businesses and their bottom line.

Part of the challenge for the White House is crafting a major legislative package that can appeal to the fractured Republican Party in Congress, where hard-core conservatives and more moderate members often find themselves at odds.

"The key hurdle is very simple. It's how to craft a package that can get 50 votes in the Senate and avoid the problems they had with Obamacare," said Stephen Moore, an informal economic adviser to Trump and distinguished visiting fellow at the Heritage Foundation. "I still maintain they will end up with something really scaled back that can give the president a bill-signing ceremony."

"The politics of the issue keep changing as to what is attainable here, but it's time to get realistic about what we can pass," Moore added.

Tuesday's 45-minute Big Six meeting at the White House offered some hints of the difficulty of developing a major piece of tax legislation. The meeting was largely devoid of policy details — more of a show for the media than anything else, said one congressional source.

"This was mostly about procedure: How we get from point A to point B and make sure tax

reform doesn't get lost," said one source familiar with the meeting. "That means the House has to start moving in September, because it takes the Senate awhile."

Another issue that has cropped up in recent weeks is the state of play on the corporate tax rate.

Trump surprised some people closely following the tax reform process by publicly sticking with the 15 percent figure in his speech in Missouri last week.

"Ideally — and I say this for our secretary of the Treasury — we would like to bring our business tax rate down to 15 percent, which would make our tax rate lower than most countries, but still, by no means the lowest, unfortunately, in the world," he said. "But it would make us highly competitive."

Most of the Big Six negotiators have come to the conclusion that the corporate rate will end up somewhere between 20 percent and 25 percent, despite the president's insistence on lowering it to 15 percent, a key promise from the campaign trail.

The thinking is that lowering the rate to 15 percent is unattainable without introducing a major new tax, such as the border adjustment tax long favored by House Speaker Paul Ryan (R-Wis.) and Chairman of the Ways & Means Committee Kevin Brady (R-Texas).

Negotiators now must decide how hard to push on limiting expensing for capital investments and cutting into other current deductions to get that rate close to 20 percent. More immediate expensing and continuing to allow deductions for corporate interest, for instance, would mean pushing the top corporate rate closer to 25 percent.

"Where the rubber meets the road is how much you are willing to cut into all this stuff to get the number closer to 20," said the administration official.

While Trump continues to push to get as low on the top rate as possible, he is mainly sticking to the 15 percent figure so as not to be "negotiating with himself," said White House officials working on tax reform, and they expect the president eventually to endorse a plan that has a higher rate, probably closer to 20 percent or slightly higher.

Administration officials also cautioned against expecting any new detailed plan on taxes from the White House in the near term. Some on Wall Street began expecting those details after Mnuchin, in an interview on CNBC last week, appeared to suggest that a new blueprint would be coming soon.

Instead, the officials said that the Big Six have already agreed on the basic framework and that it would now be up to the "regular order" process in Congress, in which the tax writing committees take the framework and create legislation with specific details on rates and deduction changes.

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**Heitkamp to hitch a ride with Trump on Air Force One [Back](#)**

By Burgess Everett | 09/05/2017 06:19 PM EDT

President Donald Trump is giving Heidi Heitkamp far warmer treatment than he gave Claire McCaskill.

The president will host Sen. Heitkamp (D-N.D.) on Air Force One on Wednesday as they travel to North Dakota for Trump's event on tax reform, suggesting that Trump won't attack the vulnerable Heitkamp as he did similarly imperiled McCaskill in Missouri last week.

Heitkamp told reporters that she opposes some of the tax policies the Trump administration has been floating, like taxing 401(k) accounts, but that she's been in regular contact with chief economic adviser Gary Cohn and other administration officials. It's a sharp contrast from most other Democrats, who believe Trump and the congressional GOP merely want to cut taxes for corporations and the wealthy.

"We've always said that we're interested in tax reform," Heitkamp said. "I continue to be curious about what the actual plan is."

Heitkamp is one of just three Senate Democrats who declined to sign a letter to GOP leaders demanding that Republicans abstain from using the party-line budget reconciliation maneuver for tax reform. McCaskill signed it, and Trump urged Missourians to vote her out if she doesn't back his tax reform effort.

In contrast, Heitkamp met with Trump during the transition last year about a Cabinet position, which would have flipped her seat to the GOP but never materialized. She recalled that effort was "pretty real" in a lengthy interview in North Dakota earlier this year, one of several face-to-face encounters she's had with Trump.

She said it's all part of how she's dealing with a president who is popular in North Dakota but reviled by the Democratic base and most of her colleagues.

"I'm doing the best that I can, when I disagree with the president it's pretty obvious. And when I agree with the president I'm willing to work with him," she said in the interview earlier this year.

*To view online [click here](#).*

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**EPA finishes initial assessments of flooded Houston Superfund sites [Back](#)**

By Alex Guillén | 09/05/2017 06:22 PM EDT

EPA says it has finished assessing the 13 Superfund sites around Houston that suffered the hardest hits from Hurricane Harvey and its flooding.

Two of those sites will need more study, EPA said: the San Jacinto River waste pits, a group of impoundments holding 1960s-era paper mill waste; and the U.S. Oil Recovery Site in Pasadena, which holds hazardous waste from a former hydrocarbon recovery operation.

The San Jacinto waste pits require more time to inspect because a temporary underwater "armored cap" that prevents waste from migrating must be inspected by EPA dive teams. The agency said it will also plan for "longer-term assessments" at 41 Superfund sites in the broader area.

EPA also says its sniffer plane has been flying above the cluster of industrial sites along the Houston Ship Channel, particularly following concerns about emissions from a Valero Energy facility. Along with ground-based monitors, EPA says its readings of volatile organic compounds have been within "first responder screening levels."

EPA has assigned 157 workers to Harvey-related tasks, along with about 500 state environmental employees, the agency said.

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**EPA sheds 450 workers through buyouts, retirements** [Back](#)

By Alex Guillén | 09/05/2017 08:31 PM EDT

EPA will shed more than 450 workers by the end of September, largely via early retirement and buyout packages, according to an agency official.

After a monthslong process, 362 workers last week accepted the voluntary buyouts, known in federal jargon as VERA and VSIP. Another 45 workers are still considering offers. Meanwhile, 12 more employees retired at the end of August, and another 33 are expected to retire at the end of this month, bringing EPA's workforce to 14,428, according to the official.

That's roughly in line with late-1980s levels. According to EPA's website, the agency employed 14,370 workers in 1989 before hitting a high of more than 18,000 in 1999.

"We're giving long-serving, hard-working employees the opportunity to retire early. We're proud to report that we're reducing the size of government, protecting taxpayer dollars and staying true to our core mission of protecting the environment and American jobs," EPA Administrator Scott Pruitt said in a statement.

It was not immediately clear how much EPA spent on those buyouts, which can run as high as \$25,000 per person. During a similar round of buyouts in 2014, EPA [spent](#) \$11.3 million in incentives on 456 employees — though many of those positions were refilled, unlike most of the positions in this round.

The White House's proposed EPA budget sought single-year workforce reductions of 3,200, or about 21 percent of the agency, although Congress has resisted such drastic cuts to EPA's budget.

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## Why I let the Land and Water Conservation Fund expire [Back](#)

12/08/2015 11:52 AM EDT

The Land and Water Conservation Fund is broken. Created more than 50 years ago to "ensure access to outdoor recreation" and paid for by revenues from American offshore oil and natural gas development, the fund was supposed to help Americans. Unfortunately, the law has been hijacked by special interests too close to the government and must be reformed.

Since I chose to let the fund expire — due to fundamental flaws — on Sept. 30, a few have hurled criticisms and impugned the motives of members of Congress for wanting to reform the LWCF. Special interests have fought tooth and nail to protect the status quo, denigrating efforts to reprioritize funding for state and local recreation needs as a means to "pervert," "eviscerate," "torpedo" and even "destroy" the 1965 statute.

But on the contrary, efforts to blindly reauthorize the LWCF are denying the fact that the law's original intent to develop recreational opportunities close to home for more Americans was perverted long ago.

The LWCF currently authorizes money for purposes including federal land acquisition and something called the Stateside Assistance Grant Program. The Stateside program provides matching grants to states to help them expand public recreational access. Because states know best the needs of the people in their communities, the original 1965 law required that states receive the lion's share of funding from the LWCF. Unfortunately, the Stateside Program has been gradually crowded out over the years by the federal government's powerful drive to acquire more and more land. Originally, 60 percent of the fund went to the states; in 2015, a mere 16 percent went to the Stateside Program, about one-quarter of what was originally envisioned when Congress created the fund in a bipartisan effort.

Even more troubling is how the feds prioritize and spend the money they're given, acquiring millions of acres of land with little transparency, scant oversight and minimal local input. Federal agencies can't even identify how much land has been acquired with LWCF funds. Earlier this year, I wrote a letter to the Department of the Interior, requesting information about the total amount of federal land acquisitions over the life of the program and the goals accomplished through those acquisitions. The department has been utterly incapable of answering this request. As more land is acquired, federal land management agencies are racking up as much as \$19 billion in federal maintenance backlogs on existing lands. This is unacceptable.

Continued federal land acquisition is especially disturbing for the West, where so much of the land is already owned by the federal government. More federal land means lost economic opportunity and lost tax revenue that should be available for schools and infrastructure. Furthermore, even state and local recreation projects — the main purpose of the law — are stymied since states simply don't have the revenues to pay for them. According to the National Parks Service, states today struggle with more than \$18.5 billion in unmet recreational needs.

The means by which land is acquired using LWCF funding must be addressed as well. Recently, The Wall Street Journal reported that at least 19 states have been using LWCF funds for controversial eminent domain projects. Private property is the cornerstone of our land

policy and has made our nation free and prosperous, but that right is compromised when the government uses a fund that was intended to create greater public access to lands as a way to take away people's property.

So, how should we reboot the LWCF? I recently unveiled legislation that eliminates the corrosion of the law and restores the honorable intent of public recreation and access. The Protecting America's Recreation and Conservation Act strengthens the original intent of LWCF — a robust, successful program chiefly aimed at helping states — while eliminating eminent domain and significantly curtailing the ballooning federal land acquisition. The PARC Act leaves no room for funding abuses and ensures the federal government's priorities properly focus on strictly identified inholdings that actually expand public access or improve maintenance of the hundreds of millions of acres that it already owns.

Since the LWCF's inception, the needs and geographical distribution of our population have changed. Communities across the country - particularly in urban areas - lack opportunities to enjoy America's land. The Community Improvement Through Innovation, Engagement and Support Program in the PARC Act will encourage people, particularly children in urban areas, to get the kind of recreational access they need to lead healthy, flourishing lives.

Governors, state park advocates and recreation groups are calling to restore the LWCF to its original purpose. Congress has an obligation to evaluate the laws that have been on the books for decades, and when found failing, improve them. The LWCF is one of those laws. By acknowledging the successes and failures of the LWCF, we can end its longstanding abuses and restore its benefit to more and more Americans. The PARC Act is a renewed and transparent framework that achieves these ends. Those who favor more of the same for the sake of political convenience will have to answer to the American people.

*Rep. Rob Bishop, a Republican, represents Utah's 1st Congressional District.*

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**Trump names nominees for posts at EPA, DOE, NOAA [Back](#)**

By Alex Guillén | 09/01/2017 09:41 PM EDT

The White House on Friday evening announced a number of new nominations at EPA, the Energy Department and at other key energy-related posts.

— Matthew Leopold to be EPA's general counsel. An attorney at a Tallahassee law firm, Leopold previously was general counsel to the Florida Department of Environment Protection and an attorney with the Justice Department's environmental division, where he worked on the civil trial team for the Deepwater Horizon disaster.

— David Ross to be EPA's assistant administrator for water. Ross runs the Wisconsin Department of Justice's Environmental Protection Unit and was a top state lawyer for Wisconsin and Wyoming. He worked from 2002 to 2014 at D.C. law firms, mostly Crowell & Moring and helped on challenges to EPA's Waters of the U.S. rule.

— Steven Winberg to be assistant Energy secretary for fossil energy. Winberg, a program manager at the Battelle Memorial Institute, headed up research and development for CONSOL Energy. Winberg has been a member of DOE's National Coal Council and chaired the FutureGen Industrial Alliance, which backed an unsuccessful carbon capture project in Illinois.

— Bruce Walker to be assistant Energy secretary for electricity, delivery and energy reliability. Walker founded Modern Energy Insights, a company that assesses utilities' electric infrastructure risks. His resume includes executive positions at National Grid and Consolidated Edison.

— David Zatezalo to be assistant Labor secretary for mine safety and health, which runs the Mine Safety and Health Administration. Zatezalo in 2014 retired as president and CEO of coal miner Rhino Resources.

— Timothy Gallaudet to be assistant secretary of Commerce for oceans and atmosphere, the No. 2 position at the National Oceanic and Atmospheric Administration. A Navy admiral and commander of the service's Meteorology and Oceanography Command, and has a doctorate from the Scripps Institution of Oceanography. He also served as deputy director of a Navy task force on climate change.

— Rep. [Jim Bridenstine](#) (R-Okla.) to be NASA administrator. Bridenstine has [criticized](#) federal spending on climate change research. The White House's budget would cut funding from NASA's climate change-related activities.

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**Date:** Tuesday, November 14, 2017 5:42:10 AM

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By Anthony Adragna | 11/14/2017 05:40 AM EDT

*With help from Alex Guillén, Steven Overly, Sara Stefanini and Darius Dixon*

**ADMINISTRATION'S FOSSIL FUELS PITCH FALLS FLAT:** The Trump administration made few friends with its promotion of fossil fuels and nuclear energy on the sidelines of an international climate change conference Monday, POLITICO's Emily Holden and Kalina Oroschakoff [report](#) from Bonn, Germany. Protesters interrupted the only public event planned by the Trump administration, a panel of White House aides and industry officials arguing that fossil fuels would be around for decades but could be made more efficient to address climate-related concerns. "This panel is only controversial if we choose to bury our heads in the sand and ignore the realities of the global energy system," White House energy aide George David Banks said.

Some diplomats were dismayed that the U.S. would appear in Bonn to try to bolster American coal sales. "There's no such thing as clean fossil fuels. ... We can't move to the future like that," Tuaoi Uepa, a delegate from the Marshall Islands, said, describing the event as "ridiculous." Former New York Mayor Michael Bloomberg was blunter: "Promoting coal at a climate summit is like promoting tobacco at a cancer summit."

**Trump's political appointees also appear to be getting the cold-shoulder** from the official State Department negotiating team, Bloomberg Environment [reports](#). The formal COP23 talks are focused on technical issues around implementing the 2015 Paris agreement, and the career diplomats representing the U.S. in those seem primarily focused on nitty-gritty technical priorities such as preventing developing countries from dodging strict transparency requirements. Bloomberg reports the political appointees are being housed in a hotel an hour away from the conference, rather than downtown with the rest of the delegation, and have been frozen out of bilateral meetings with countries including China and Fiji. "They don't want us here," one political appointee told the news service.

**Allies rally on the Hill:** A whole bunch of Senate and House Democrats, joined by League of Conservation Voters, the Center for American Progress, MoveOn.org, 350.org and others, hold a rally at 11:30 a.m. in the Senate swamp to tout their support for climate action even absent action from the Trump administration.

**WELCOME TO TUESDAY!** I'm your host Anthony Adragna, and DOE's Marty Dannenfelser was first up to identify Milwaukee mayor Tom Barrett as the former congressman who now runs the biggest city in his state. For today: Which state has the greatest amount of federally-owned land within its borders? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#), and [@POLITICOPro](#).

**HURRICANE HEARINGS HIT THE HILL:** Three separate panels today convene to take a close look at the federal government's response to the hurricanes that ravaged the U.S. earlier this year. Arguably the highest-profile is the Senate Energy and Natural Resources, which

features the governors of Puerto Rico and the U.S. Virgin Islands, as well as the controversial head of Puerto Rico's utility Ricardo Ramos. Ranking member [Maria Cantwell](#) vowed ahead of the session to probe the "inadequate" federal response to the hurricanes and look for especially tough questions to go to Ramos, who inked the now-cancelled \$300 million contract with Whitefish Energy for grid restoration work. If you go, the [hearing](#) kicks off at 9:30 a.m. in Dirksen 366.

**A House Energy and Commerce subcommittee** takes the broader view and looks at the response to environmental concerns in Texas, the Gulf Coast, Florida, Puerto Rico and the Virgin Islands. Witnesses include regional EPA officials, state environmental regulators and local groups. ME expects Superfund sites to be a major focus of the sessions. The [hearing](#) kicks off at 10 a.m. in Rayburn 2123.

**Several hours later**, the House Natural Resources Committee holds its own session with Puerto Rico Gov. Ricardo Rosselló and Virgin Islands Gov. Kenneth Mapp. They'll be focused on how to properly oversee how the billions in federal aid is being spent. After receiving an initial batch of documents, the committee has "grave concerns" about the ability of the island's utility to negotiate contracts "without significant independent oversight," according to [a memo](#). "Confidence in the utility's ability to manage contracts and time-sensitive disaster related infrastructure work is long gone," Chairman [Rob Bishop](#) said in a statement. The hearing is also especially timely as Rosselló sent a request for \$94 billion in disaster relief to Congress and a federal judge [denied a bid](#) to have an outsider oversee the utility on Monday. If you go, the [session](#) gavel in at 2 p.m. in Longworth 1324.

**Rosselló defends decision on mutual aid:** Saying he thought it was a more expedient solution, Rosselló said he rejected requesting aid from other states to repair the electrical grid in favor of seeking assistance from the Army Corps of Engineers as well as the FEMA-funded Whitefish contract, Pro Budget and Appropriations Brief's Sarah Ferris and Pro Financial Services' Colin Wilhelm [report](#). "Of course, as we know, that didn't happen," the governor added.

**CONSULTANT DISPUTES REPORT ON GRID:** Alison Silverstein, a veteran energy consultant, emails to say a Forbes [article](#) mentioned in Monday's ME mischaracterized her role in preparing Perry's electric grid study. "In fact, DOE staff told me (properly) to look at regulations and I did so," she said. "But DOE staff did not try tell me what to conclude in that inquiry."

**SUIT FILED FOR OBAMA-ERA PARIS RECORDS:** The Competitive Enterprise Institute filed a lawsuit Monday seeking records during the Obama administration from two State Department aides — Trigg Talley and Alexandra Costello — related to the decision not to classify the Paris climate agreement as a treaty, which would have required Senate ratification. Talley is part of this year's State Department delegation to Bonn. Link to the lawsuit [here](#).

**HEATED CLIMATE IN ALABAMA:** Several ME faithful have asked so here's what Republican Roy Moore and Democrat Doug Jones have said about climate change. Jones has an entire [section of his website](#) devoted to the environment where he says "the consequences of our unchecked use of fossil fuels for our planet and our health have been clear for decades" and voices opposition to Trump's withdrawal from the Paris climate accord. Moore's [website](#) says "coal mining and oil drilling should be encouraged, subject only to reasonable regulations" and denied the scientific consensus on climate change back in 2009, writing in [an](#)

[op-ed](#) "not only do scientists disagree on 'global warming,' but there is little hard evidence that carbon emissions cause changes to the global climate."

**Meanwhile, former House Energy and Commerce Chairman [Fred Upton](#)** called on Moore to leave the race amid [new allegations](#) of inappropriate sexual contact with minors. "These are real life stories with real life consequences — not a soap opera. Heartbreaking. Past time to pull the plug on Roy Moore," he [tweeted](#).

**DECISION TIME:** The Nebraska Public Service Commission announced it would decide Nov. 20 at 10 a.m. whether to approve the Keystone XL pipeline's route through the state, Pro's Ben Lefebvre [reports](#). A favorable ruling could be the [last regulatory hurdle](#) facing the controversial pipeline, though legal appeals are likely.

**Decision time, part 2:** Trump now has 60 days to decide whether to slap imports of solar cells and panels with tariffs or other restrictions after the International Trade Commission formally sent its recommendations to the White House on Monday, Pro Trade's Doug Palmer [reports](#).

**ANOTHER INTERIOR PICK NAMED:** Trump has selected Timothy Petty, a Sen. [Jim Risch](#) staffer and former Interior Department official during the George W. Bush administration, to be the agency's assistant secretary on water and science, Pro's Esther Whieldon [reports](#).

**\*\* A message from Chevron:** Advanced technology is helping us find safer ways to deliver energy. We're piloting a program that uses drones to monitor tanks and pipelines. Watch the video: <http://politi.co/2yPsOFP> \*\*

**REHEARING SOUGHT ON ATLANTIC COAST PIPELINE:** A coalition of environmental and community groups, represented by the Southern Environmental Law Center, asked FERC in a Monday [petition](#) for a rehearing over its [approval](#) last month of the Atlantic Coast pipeline.

**STEYER AIDES PITCHED ON OIL LAWSUITS:** An environmental attorney briefed two aides to environmentalist Tom Steyer on early plans to file lawsuits on behalf of cities and states against the oil industry, the Daily Mail [reports](#), citing a nine-page confidential memo. Both San Francisco and Oakland [filed lawsuits](#) in September asking major oil companies to fund infrastructure projects they say are necessary due to the impacts of climate change. Steyer [told POLITICO](#) in September 2016 he was not involved in the push.

**EPW TAKES UP SMALL AIR BILLS:** The Senate Environment and Public Works Committee will consider a slate of highly targeted air pollution bills at a [hearing](#) today, so anyone hoping for action on remote Alaskan generators or other specialized issues can get excited. The bills are: [S. 203 \(115\)](#), which bars EPA from regulating emissions from vehicles used in racing competitions; [S. 839 \(115\)](#), which would delay implementation of the brick MACT (which coincidentally last week was argued in front of the D.C. Circuit); [S. 1934 \(115\)](#), which targets emissions regulations on remote diesel power engines in Alaska; and [S. 1857 \(115\)](#), which would delay emissions compliance deadlines for residential wood heaters and similar devices. Some, like the brick bill, cleared the House in previous congresses without going anywhere. The hearing starts at 10 a.m. in Dirksen 406.

**Dept. of Good Timing:** The House Energy and Commerce Committee's environment panel on [Wednesday](#) will mark up House versions of three of those Senate bills, on the brick MACT,

wood heaters and racing vehicles, among others. That vote will be Wednesday at 10 a.m. in Rayburn 2123.

**WITH A LITTLE HELP FROM MY FRIENDS:** Energy Secretary Rick Perry convenes the North American Energy Ministerial in Houston at 2:45 p.m. with Mexican Secretary of Energy P. Joaquin Coldwell and Canadian Minister of Natural Resources Jim Carr. They'll hold a press conference following their meeting.

**GENE GREEN STEPS ASIDE:** Texas Democratic Rep. [Gene Green](#), who took a more moderate streak on oil and gas issues than much of the rest of his caucus, announced he would not seek reelection in 2018, POLITICO's Heather Caygle [reports](#). The long-time House Energy and Commerce Committee member has significant energy interests in his district that nevertheless is overwhelmingly Democratic.

**OFFICIAL: ADMINISTRATION 'STILL WORKING' ON CLIMATE:** Michael Kratsios, the White House's deputy chief technology officer, told the Internet Association's conference on Monday the Office of Science and Technology Policy would continue to work on climate change issues. "We will continue to do that work and play our part along the 13 or so agencies," he said, adding he personally acknowledged the scientific consensus that human activity drives the problem. "What we're focused on is creating the next great technologies for the energy sector to be created in the US."

**ON AUTOPILOT:** Sean Cunningham, the head of the Energy Department's policy office, held firm to agency talking points Monday when he defended Energy Secretary Rick Perry's controversial grid resilience plan at a National Association of Regulatory Utility Commissioners gathering in Baltimore: Coal and nuclear plants "came to the rescue" during the 2014 "polar vortex"; the grid is a "paramount national security issue"; and that "both of these resources need to be revived, not reviled," he said. When state commissioners asked about cost estimates, Cunningham countered with a response about the potential cost of not rescuing economically struggling plants. And when asked about whether the grid plan should be narrowed to a particular set of plants necessary for resilience, Cunningham basically said the proposal was narrowly written.

**The press didn't have any better luck.** When reporters gathered around him, one asked why DOE officials like to reference the polar vortex. "Please just read the text of the NOPR and the accompanying letter [covers] all this," Cunningham said before taking off.

**CLIMATE LAB TO CLOSE:** A U.S. Geological Survey science center in Virginia that studies climate change east of the Mississippi River will close due to an expected 71 percent cut to its funding for fiscal 2018, Pro's Esther Whieldon [reports](#), citing a [letter](#) to a union representative for federal employees at the center. But an Interior spokeswoman tells ME: "While the office will technically close in order to save on administrative overhead expenses, the work done by scientists will continue at USGS."

**AVIATION BIOFUELS CUTS COMING?** The International Civil Aviation Organization's governing body intends to drastically scale back sustainability requirements for aviation biofuels, Pro's Eric Wolff [reports](#). The body intends to cut 10 of 12 sustainability provisions intended to guide the production of biofuel that carriers could buy to produce carbon offsets, though a final decision won't come until next year.

**GREENS WANT MORE CPP HEARINGS:** The Natural Resources Defense Council sent [a](#)

[letter](#) to Pruitt requesting additional hearings on the agency's proposed repeal of the Clean Power Plan "in the nation's capital and in a range of communities" affected by climate change and power plant pollution. There's currently just one hearing scheduled for Nov. 28 in Charleston, W.Va.

**REPORT: MINORITY COMMUNITIES BEAR BRUNT OF AIR POLLUTION:** The National Association for the Advancement of Colored People, Clean Air Task Force and the National Medical Association are out with [a report](#) finding low-income and minority communities are "disproportionately" affected by air pollution from oil and gas development. The groups and Rep. [Al Green](#) will discuss the report at a National Press Club event at 9:30 a.m.

**LIGHTER CLICK:** HBO's John Oliver will air a commercial about clean coal on "Fox & Friends" this week in the Washington area. But you can watch it already beginning around 21:50 of [this clip](#).

## QUICK HITS

— Interior Decorator: Zinke's Push To Redesign Flags And Accessorize With Dead Animals. [Huffington Post](#).

— These Climate Skeptics Have The Trump Administration's Ear. Here's Their Wishlist. [Buzzfeed](#).

— Thousands of scientists issue bleak 'second notice' to humanity. [Washington Post](#).

— After Trump shrinks Bears Ears, it will still be larger than Zion and Bryce combined, says Interior secretary. [Salt Lake Tribune](#).

— OPEC Defends Oil Policy Ahead of Crucial Meeting. [Wall Street Journal](#).

— America's 'Renaissance' to Gains for Renewables: Global Energy Trends. [New York Times](#).

— From the Everglades to Kilimanjaro, climate change is destroying world wonders. [The Guardian](#).

— The GE-Baker Hughes Romance May Be Ending After a 4-Month Run. [Bloomberg](#).

## HAPPENING TODAY

9:30 a.m. — "[Hurricane Recovery Efforts in Puerto Rico and the U.S. Virgin Islands](#)," Senate Energy and Natural Resources Committee, Dirksen 366

9:30 a.m. — The NAACP, Clean Air Task Force and National Medical Association hold briefing to unveil report on impacts of oil and gas development on African-American communities, National Press Club, 529 14th St NW

10:00 a.m. — "[Response and Recovery to Environmental Concerns from the 2017 Hurricane Season](#)," House Energy and Commerce Environment Subcommittee, Rayburn 2123

10:00 a.m. — "[Legislative Hearing on S. 1857, S. 203, S. 839 and S. 1934](#)," Senate

Environment and Public Works Clean Air and Nuclear Safety Subcommittee, Dirksen 406

11:30 a.m. — SEEC, Center for American Progress, the League of Conservation Voters, and more hold press conference touting commitment to Paris accord, Senate swamp

2:00 p.m. — "[The Need for Transparent Financial Accountability in Territories' Disaster Recovery Efforts](#)," House Natural Resources Committee, Longworth 1324

2:00 p.m. — "[Sustaining U.S. Leadership Against Nuclear Terrorism and Proliferation](#)," Hudson Institute, 1201 Pennsylvania Avenue NW, Suite 400

2:00 p.m. — Experts hold briefing on the implications of waiving environmental laws in the Arctic Refuge, RSVP: [Gwen@AlaskaWild.org](mailto:Gwen@AlaskaWild.org)

4:00 p.m. — "[Status and Prospects for U.S. Nuclear Power](#)," John Hopkins SAIS, Room 806, 1619 Massachusetts Avenue NW

## THAT'S ALL FOR ME!

**\*\* A message from Chevron:** Advanced technology is helping us find better and safer ways to deliver energy to America. We're piloting a program that uses drones, HD imaging, and thermal mapping capabilities to monitor Chevron wells, tanks, and miles of pipeline. Watch the video: <http://politi.co/2yPsOFP> \*\*

*To view online:*

<https://www.politicopro.com/newsletters/morning-energy/2017/11/us-coal-pitch-draws-immediate-blowback-in-bonn-025532>

## Stories from POLITICO Pro

### White House coal pitch sparks climate outcry in Bonn [Back](#)

By Emily Holden and Kalina Oroschakoff | 11/13/2017 01:54 PM EDT

BONN, Germany — The Trump administration's effort to pitch coal at the international climate change meeting backfired on Monday, drawing heckling and booing at White House officials and energy industry representatives at a U.S. event.

The White House-sponsored panel discussion — held on the sidelines of the annual international climate change conference — was designed to promote more efficient use of coal and natural gas as well as nuclear power, but the event quickly turned into an outpouring of anger at the U.S. for pushing for energy sources blamed for boosting the Earth's temperatures.

"Clean coal is bull---," one person yelled. "Liars, you are a bunch of liars," another bellowed from the back of the room. About 100 people stood and broke into song after remarks by a White House energy aide, accusing the U.S. speakers of greed that's "killing across the world for that coal money," sung to the tune of "God Bless the USA."

After the event — the only public gathering planned by the White House — some world diplomats were dismayed that the U.S. would then appear in Bonn to try to bolster American coal sales.

Tuaoi Uepa, a delegate from the Marshall Islands, called the event "ridiculous."

"There's no such thing as clean fossil fuels. ... We can't move to the future like that," Uepa said.

But some others were resigned to President Donald Trump's plans to exit the Paris climate agreement struck in 2015 to curb greenhouse gas emissions and the new public push to bolster the market for U.S. coal abroad.

Jochen Flasbarth, secretary of state at the German environment ministry, said Germany was moving toward renewable energy and away from nuclear power, while also trying to speed its a shift from coal. "So, that's very clearly not the German path," he said of the U.S. policy. "But the Americans wanted to present this here. They can certainly do this. That's also found protest, but that's also OK. I think that's part of a conference."

At the event, White House energy aide George David Banks argued that solar and wind were not yet able to supplant fossil fuels in the developing world, and that coal and natural gas will be needed to lift people out of poverty.

"This panel is only controversial if we choose to bury our heads in the sand and ignore the realities of the global energy system," he said.

Barry Worthington, executive director of the United States Energy Association, a group consisting of government agencies and business, said that the U.S. would finance cleaner-burning coal plants for developing nations, but neither he nor Banks offered details.

Activists and journalists grilled Banks and the panelists — Amos Hochstein, senior vice president of the liquefied natural gas company Tellurian; Holly Krutka, vice president of coal generation and emissions technologies at Peabody Energy; and Lenka Kollar, director of business strategy at the nuclear company NuScale Power — about whether they supported the president's call to withdraw from the Paris climate pledge.

One reporter from a Chinese news outlet pushed Banks on Trump's tweet from before he became president that climate change was a "hoax" created by the Chinese.

Banks defended the president's statement, saying it was taken out of context and that Trump meant that forced climate action in the U.S. would hurt the economy and manufacturing jobs.

Trump's stance on climate change and fossil fuels has put the U.S. delegation in an uncomfortable spot in Bonn, where advocates are urging countries to ramp up their goals made under the Paris deal because emissions reductions are not yet on track to avoid some of the worst effects of climate change.

Fijian Prime Minister Frank Bainimarama, president of the meeting, called the COP23 summit, said on Sunday that coal is the dirtiest fossil fuel and indisputably bad for the climate.

"I really don't want to get into an argument with the United States of America, but we all know what coal does and we all know the effects of coal mining and of coal," Bainimarama told reporters. "There is really no need to talk about coal because we all know what coal does with regard to climate change."

Meanwhile, a group of U.S. state governors were pushing the message that much of the U.S.

still intended try to meet the goals laid out by former President Barack Obama in the Paris deal.

"Not one single nation has decided to slow down one mile per hour because Donald Trump has surrendered," Gov. Jay Inslee (D-Wash.) told reporters shortly before the event. "Every single nation we have talked to, if anything, is more energized, as is the state of Washington, to defeat climate denial."

Inslee called the administration's panel discussion a "side show" and a "blip."

Peabody Energy's Krutka told the audience that technologies to significantly reduce carbon emissions from coal and natural gas would be vital to achieving the goals of the Paris agreement.

"Nations around the world continue to use coal," Krutka said. "We cannot ignore their emissions or we cannot meet international climate goals." And she said technology to capture carbon emissions from power plants is "dramatically underfunded."

Despite the high-profile event, the White House has been silent about that technology, and White House press aides did not respond to a request for comment. The Department of Energy has continued to issue research grants to capture coal emissions, but the White House also proposed halving the funding for the agency's fossil office, which handles carbon-capture research.

The administration has supported investments in highly efficient coal plants, with Treasury in July changing its guidance to U.S. representatives on boards of multilateral development banks like the World Bank.

*Eric Wolff contributed to this report.*

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**Puerto Rico seeks \$94B in disaster aid** [Back](#)

By Sarah Ferris and Colin Wilhelm | 11/13/2017 11:49 AM EDT

Puerto Rico is seeking \$94 billion in immediate emergency money to fund hurricane recovery, the U.S. territory's governor told reporters Monday morning.

Gov. Ricardo Rosselló said he plans to send the request to the White House later Monday afternoon, asking for money for more than a dozen agencies.

Rep. [Jenniffer González](#) (R-Puerto Rico), the commonwealth's nonvoting delegate, said the eye-popping funding request would be distributed across multiple supplemental appropriations bills.

"I do understand that that money is going to be split in many supplementals, I don't think it's going to be just one bill," González said. "At least that's the way they did it in Katrina and they

did it in the rest of the states."

Gonzalez said she anticipates two supplementals to be considered by Congress before the end of the year.

About \$30 billion of Rosselló's request would go directly to the Federal Emergency Management Agency's disaster relief fund, which has been depleted by the string of hurricanes and wildfires that came in quick succession over the last few months.

About \$46 billion would fund Community Development Block Grants, which would help rebuild hundreds of thousands of homes.

Rosselló is also seeking \$17.9 billion in other federal grants from the likes of the departments of Transportation, and Health and Human Services.

"The task ahead is as daunting as it is urgent, and recovery cannot be accomplished unless Puerto Rico receives substantial federal assistance," the governor wrote in a nine-page request to the White House.

The Trump administration is expected to release its third supplemental funding request to Congress this week. Lawmakers have already approved more than \$52 billion in disaster aid following the trio of deadly hurricanes this year.

Rosselló also addressed his dispute with the federal board that Congress created last year to oversee Puerto Rico's fiscal recovery.

A federal judge in San Juan overseeing Puerto Rico's debt restructuring proceedings Monday ruled in favor of a government challenge to the board's installment of a de facto emergency manager for the island's electric utility, according to media reports. A formal order from the judge is expected later this week.

The board installed Noel Zamot as chief revitalization officer following questions surrounding the award of a multimillion-dollar, no-bid contract for electrical repairs to Whitefish Energy, a Montana-based company with two full-time employees. That contract has since been canceled, though Whitefish says its subcontractors will continue work on the beleaguered energy grid through the end of the month.

The installment of the officer, which the board justified as the commonwealth's trustee in ongoing debt proceedings, is part of its larger struggle with the governor. That conflict also includes the board's recent request for explicit oversight power over additional federal funds flowing to the island.

Rosselló said the board was overreaching.

"I just don't think it should attribute to itself more powers than it already has," he said, while also distancing himself from the decision of the utility, known as PREPA, to contract with Whitefish.

Rosselló also defended his decision not to request mutual aid for electrical repairs from other states, such as Florida and New York, in the days immediately following the hurricane hits, leaning instead on Whitefish, which subcontracts to local workers, and the U.S. Army Corps of Engineers.

In the days following Hurricane Maria's landfall, he said Puerto Rico was offered several alternatives instead of requesting aid from other states to repair the electrical grid, a common practice in emergency response. He said due to the territory's fiscal constraints, as well as what he thought would be a more expedient solution, he opted for assistance from the Army Corps of Engineers as well as the FEMA-funded Whitefish contract.

"Of course, as we know, that didn't happen," the governor added, so he then requested mutual aid from those states.

As he left Monday's press conference Rosselló and his representatives declined to respond to questions about a \$1.5 billion, no-interest loan proposed by one of the larger investor groups in Puerto Rico's bonds.

Rosselló will appear before the House Natural Resources Committee on Tuesday for a hearing about the recovery of Puerto Rico and the U.S. Virgin Islands from their respective hurricane-related disasters titled, "The Need for Transparent Financial Accountability in Territories' Disaster Recovery Efforts."

To view online [click here](#).

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**Woman accuses Moore of assaulting her when she was 16** [Back](#)

By Gabriel Debenedetti | 11/13/2017 03:40 PM EDT

NEW YORK — An Alabama woman said Senate candidate Roy Moore sexually assaulted her when she was 16 years old in 1977, becoming the fifth woman to go on record to accuse Moore of misconduct with them when they were young.

Appearing with attorney Gloria Allred at a news conference here on Monday, Beverly Young Nelson recounted how Moore, now 70, assaulted her when she was a waitress at a restaurant that the then-district attorney of Etowah County frequented.

Fighting through tears, Nelson recounted how one night, Moore forced himself on her in his car behind the restaurant in Gadsden.

After she screamed at him to stop, she said, "Instead of stopping, he began squeezing my neck, attempting to force my head onto his crotch. I continued to struggle."

"I thought he was going to rape me," Nelson said.

"At some point he gave up," she continued. "And he then looked at me, and he told me, he said, 'You're just a child, and I am the district attorney of Etowah County, and if you tell anyone about this, no one will ever believe you.'"

Nelson said her neck was "black and blue and purple" for the following days. "I did not tell anyone about what would happen — I was scared," she said. "I felt that if I told anyone, Mr. Moore would do something to me or my family."

Allred, who said Nelson approached her, called for the Senate Judiciary Committee to subpoena Moore and hold a hearing with him within the next two weeks. She said Nelson would volunteer to testify.

After Nelson gave her statement, Allred presented Nelson's high school yearbook from 1977, carrying a note from Moore, which is signed, "Roy Moore, D.A." She was 15 years old at the time. Allred said she had spoken with Nelson's sister, mother, and husband, who all said they knew about the alleged assault.

The Washington Post, in a story published last week, identified four other women who said Moore pursued them as teenagers.

Noting that she supported Donald Trump in the election, Nelson said her accusation has nothing to do with politics. She said she would not have come forward had the other four women not done so. They have not been in touch with Nelson, Allred said.

"This has nothing to do with Republicans or Democrats," Nelson said. "This has everything to do with Mr. Moore's assault when I was a teenager."

Ahead of the news conference, Moore's campaign chairman Bill Armistead responded: "Gloria Allred is a sensationalist leading a witch hunt, and she is only around to create a spectacle. Allred was the attorney who claims credit for giving us *Roe v. Wade*, which has resulted in the murder of tens of millions of unborn babies."

"We've said this before and we'll say it again: Judge Moore is an innocent man and has never had any sexual misconduct with anyone. This is a witch hunt against a man who has had an impeccable career for over 30 years and has always been known as a man of high character," Armistead continued in the statement circulated by the campaign. "Let it be understood: The truth will come forward, we will pursue all legal options against these false claims and Judge Moore will be vindicated."

The news conference, held at New York's Palace Hotel, came just hours after Republican Senate Majority Leader Mitch McConnell called on Moore to exit the race, saying he believes the women who have launched the allegations. Moore promptly fired back on Twitter: "The person who should step aside is @SenateMajLdr Mitch McConnell."

Later Monday, the head of the Senate Republican campaign arm said Moore should be expelled from Congress if he wins the election.

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**Nebraska to rule on Keystone XL route next week** [Back](#)

By Ben Lefebvre | 11/13/2017 05:35 PM EDT

The Nebraska Public Service Commission will decide Nov. 20 whether to approve the Keystone XL pipeline's route through the state, the regulatory body announced today.

The five-member commission will vote on whether Keystone XL developer TransCanada can build a section of the 1,200-mile pipeline along its proposed route, use an alternative route or go back to the drawing board. A favorable ruling could be the [last regulatory hurdle](#) facing the controversial pipeline, although anti-KXL activists likely would appeal and eventually challenge any approval in court.

Enough customers signed 20-year contracts to ship up to 500,000 barrels of crude from the Canadian oil sands in Alberta via the pipeline to the U.S. Midwest to make the project profitable, TransCanada [said last week](#). The interest came despite [market winds blowing away](#) from West Canadian oil sands, with ConocoPhillips and others leaving the region to concentrate on U.S. oil shale development.

Environmental groups are also targeting Keystone XL in court, having filed a [lawsuit](#) claiming the State Department did not perform due diligence before approving a cross-border permit for the pipeline.

**WHAT'S NEXT:** Commissioners will vote on the ruling at 10 a.m. Monday.

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**Keystone XL fight shifts to Nebraska** [Back](#)

By Ben Lefebvre | 03/23/2017 04:50 PM EDT

With the State Department set to grant a long-sought permit to build the Keystone XL, pipeline politics are about to go local.

The State Department is [expected to issue](#) its permit by Monday, leaving a relatively obscure, five-member state commission in Nebraska as the last regulatory hurdle that pipeline developer TransCanada needs to clear to start building the 1,200-mile line that will deliver Canadian heavy crude to U.S. Gulf Coast refiners.

TransCanada has asked the Nebraska Public Service Commission to approve the pipeline's route through the state. Now the commission — consisting of four elected Republicans and one Democrat — along with the state Legislature are feeling the full weight of the White House's decision to back the Keystone XL pipeline, said Gavin Geis, executive director for good governance watchdog Common Cause Nebraska.

"If the review happens now, it will get ugly," Geis said. "It is a big deal, and it will be big deal. There's already more partisan infighting than we normally see here."

Calgary-based TransCanada asked the commission in February to approve the route the pipeline will take through the state, beginning a process that could end with the NPSC in September accepting, rejecting or suggesting an alternate route.

TransCanada had tried, and failed, to have the state approve a route when it first attempted to build Keystone XL a few years ago, and the company spent more than a million dollars lobbying the state government before the Obama administration quashed the project in 2015.

But the NSPC is engulfed in its own local politics, and the Commission whose docket is mostly focused on petitions for local telephone service rate hikes may be ill-suited to judge a project of this size, sources in the state said. The NPSC didn't even have regulations governing oil pipeline siting until 2011, when TransCanada first came calling about Keystone XL.

Now the commission is gathering information and testimony about how the 1,200-mile pipeline and the 830,000 barrels a day of oil it can carry past state cornfields and waterways will affect local landowners — some of whom are planning legal challenges to keep the pipeline off their property.

None of the NPSC commissioners replied to calls for comment. But they're already getting an earful from TransCanada lobbyists, environmental advocates and their own state politicians, said commission spokesperson Deb Collins.

"Commissioners are well aware of the passion and conviction surrounding the application," Collins said.

The commission also got a nudge earlier this month when 33 of Nebraska's 49 state senators — the state's sole legislative body — sent a letter to the commission "respectfully urg(ing) the members of the Public Service Commission to approve the route outlined in TransCanada's recent permit application."

"It's going to bring construction jobs, it's going to bring tax revenue. It's just money that comes in," said Nebraska Republican Party Executive Director Kenny Zoeller.

And the tax revenue isn't the only money Keystone XL is again generating.

TransCanada is also paying Omaha-based lobbying firm Heartland Strategy Group \$5,000 a month to discuss "pipeline construction and management," according to a January 2017 filing with the Nebraska Accountability and Disclosure Commission.

While far less than the \$579,000 it spent in Nebraska in 2011 alone, it represented a re-opening of the taps that some in Nebraska had expected to remain closed, Geis said.

TransCanada's U.S.-based subsidiaries have separately donated \$23,000 to Nebraska state political campaigns since September 2014, according to disclosure forms. Nearly \$10,000 of that was a June 2015 donation to the Nebraska Republican Party.

While TransCanada spends, Keystone opponents are also lining up for a battle at the NPSC.

In the short-term, Bold Alliance's Nebraska chapter has been recruiting local landowners to register as "intervenor" to give official testimony at NSPC hearings as to why Keystone XL may hurt their legal rights or interests.

Jane Kleeb, president of the group's parent Bold Alliance and chair of the Nebraska Democratic Party, said Keystone XL opponents are prepping for possible challengers to run against NPSC Chairman Tim Schram and member Frank Landis Jr., both Republicans who are up for reelection in 2018.

"Landis is the big target for Bold, his is the district where we have many supporters," Kleeb said. "Our focus is protecting the water and property rights of farmers and ranchers."

Climate advocacy group 350.org has also applied for intervenor status, and may use its national mailing list to help "turn out people in droves to the NPSC hearings," according to Sara Shor, manager for its Keep It In The Ground campaign.

"We proved Keystone XL wasn't in the national interest, and we think it's the same for the public interest in Nebraska. We're setting out to prove that at the state level," Shor said.

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### **ITC formally gives Trump solar recommendations, starting 60-day clock [Back](#)**

By Doug Palmer | 11/13/2017 05:19 PM EDT

The U.S. International Trade Commission today formally gave President Donald Trump its recommendations for restricting imports of solar cells and panels, a move that triggers a 60-day clock for Trump to decide what to do, an agency spokeswoman told POLITICO.

ITC commissioners held a [public meeting on Oct. 31](#) that announced their recommendations to impose restrictions. But the "Section 201" import relief statute that provided the basis for the case also requires them to deliver their recommendations to Trump in a confidential report that explains their reasoning.

Three members of the ITC have recommended Trump establish both quotas and tariffs on imported solar cells and panels, while a fourth member called for only a quota. It is ultimately up to Trump to decide what to do.

Over the weekend in Manila, Trump [told reporters](#) that he planned to make a major trade announcement on Wednesday when he returned from his five-nation, 12-day Asian trip. However, it would be an extraordinarily short turnaround time if Trump was ready to make a decision in the solar case.

A White House spokeswoman today did not respond to a request asking for additional information on what Trump could announce.

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### **Trump to nominate Risch staffer to head up water, science at Interior [Back](#)**

By Esther Whieldon | 11/13/2017 05:43 PM EDT

President Donald Trump intends to nominate Timothy Petty, a Sen. [Jim Risch](#) (R-Idaho) staffer and former Interior Department official, to be the agency's assistant secretary on water and science, the White House announced today.

Petty heads up water, natural resources, environment and several other issues in Risch's office and previously served as acting assistant secretary and deputy assistant secretary for water and science during the George W. Bush administration.

Petty also worked for former Sens. Connie Mack of Florida and Rick Santorum of Pennsylvania and he spent time in California and Indiana as a geologist and hydrogeologist.

**WHAT'S NEXT:** Trump will next send the nomination paperwork to the Senate.

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## **Divided FERC approves Atlantic Coast, Mountain Valley pipeline projects [Back](#)**

By Darius Dixon | 10/13/2017 08:00 PM EDT

FERC gave a green light to the contentious Atlantic Coast natural gas pipeline project tonight, with Commissioner Cheryl LaFleur as a dissenting vote.

FERC voted 2-1 on approvals for both [Atlantic Coast](#) as well as a the [Mountain Valley Pipeline Project](#).

"Given the environmental impacts and possible superior alternatives, approving these two pipeline projects on this record is not a decision I can support," LaFleur wrote in a 5-page dissent attached to both orders, saying that "I cannot conclude that either of these projects as proposed is in the public interest."

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## **Gene Green to retire [Back](#)**

By Heather Caygle | 11/13/2017 06:37 PM EDT

Texas Democratic Rep. [Gene Green](#) won't seek reelection next year after serving more than two decades in Congress.

Green, who represents the Houston area, was first elected in 1992 and is a longtime member of the House Energy and Commerce Committee. Green said he was confident he would have won reelection in 2018 but wanted to spend more time with his family after 46 years in public office, including 20 years in the Texas legislature.

"I think that it is time for me to be more involved in the lives of our children and grandchildren," Green said in a statement. "I have had to miss so many of their activities and after 26 years in Congress it is time to devote more time to my most important job of being a husband, father and grandfather."

Green's district, which is more than three-quarters Hispanic, is overwhelmingly Democratic. Green won his last election with more than 70 percent of the vote.

More than a dozen House members, mostly Republicans, have announced they won't run for reelection or will seek higher office next year.

Green also joins a wave of Texas delegation departures, including Republican Reps. [Sam Johnson](#), [Jeb Hensarling](#), [Lamar Smith](#) and [Ted Poe](#) and Democratic Rep. [Beto O'Rourke](#), who is challenging GOP Sen. [Ted Cruz](#).

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### **Interior plans to close USGS Eastern climate change office [Back](#)**

By Esther Whieldon | 11/13/2017 04:01 PM EDT

The Interior Department is closing down a U.S. Geological Survey science center in Virginia that studies climate change east of the Mississippi River, according to a letter obtained today by POLITICO.

Interior plans to shut down the USGS Eastern Geographic Science Center in Reston, Va., due to an expected 71 percent cut to its funding for fiscal 2018, following several years of declining budgets, according to a Nov. 8 [letter](#) to a union representative for federal employees at the center. The center also studies how hydraulic fracturing in the Marcellus Shale region of Pennsylvania changes the landscape and the center compiles data used in Chesapeake Bay ecosystem restoration.

"Future appropriated budgets are not anticipated to improve," writes Interior Human Resources Specialist Yansi Hernandez in a letter to David Donato of the American Federation of Government Employees Local 3403. "For this reason, it is management's intention to close the science center."

The union can request to negotiate the decision, and Interior managers will try to reassign affected employees or offer early retirement packages "before considering any adverse action," Hernandez writes.

The Trump administration earlier this year [proposed](#) to cut USGS climate research and eliminate half the agency's regional climate adaptation science centers. President Donald Trump has called climate change a hoax and directed his administration to unwind numerous Obama-era climate policies at Interior and other agencies.

In a statement, Interior Department spokeswoman Heather Swift said the Eastern Geographic Science Center "is a small center based in Reston, Virginia, that has been undergoing a number of cost-savings measures over the past several years. While the office will technically close in order to save on administrative overhead expenses, the work done by scientists will continue at USGS."

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## International aviation body eyes cuts to sustainability requirements for biofuels [Back](#)

By Eric Wolff | 11/13/2017 05:35 PM EDT

An international standards-setting group is planning to dramatically cut back on the sustainability requirements for aviation biofuels, sources tell POLITICO.

The International Civil Aviation Organization's governing body, which is meeting privately in Montreal through this week, likely will drop 10 of 12 sustainability provisions intended to guide the production of biofuel that carriers could buy to produce carbon offsets, according to sources familiar with the discussion. The ICAO Council will not make a final decision until it meets again next year, after further studying the issue, the sources said.

Brazil was the lead proponent of dropping the sustainability provisions, and the idea won support from other developing nations that want to be able to produce biofuels at lower cost, the sources said.

The council intends to preserve a provision requiring that biofuels produce at least 10 percent fewer lifecycle greenhouse gas emissions than traditional jet fuel and to maintain a ban on feedstocks from land that was a forest or wetlands before 2009. The carbon losses of plowing under those types of land, called carbon stock, are far worse than could be made up with biofuels.

It is expected to drop requirements related to preserving air and water quality, protecting labor rights and protecting endangered species, among others.

ICAO last year [agreed](#) to create a carbon offset market to allow carriers alternative means of curbing emissions. The biofuels provisions were to define which biofuels could be used as offsets in that market.

**WHAT'S NEXT:** The ICAO Council will make a final decision at its next meeting in 2018.

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By Anthony Adragna | 11/16/2017 05:42 AM EDT

*With help from Darius Dixon, Alex Guillén, Sara Stefanini and Eric Wolff*

**FINDING TEA LEAVES TO READ:** The top U.S. diplomat at an international climate summit is scheduled to deliver a closely watched speech today, as world diplomats attempt to tease out a firmer sense of where the country stands in the climate negotiations. Judith Garber, the acting assistant secretary for oceans, environment and science who stepped in at the last minute to lead the State Department delegation in Bonn, Germany, is not expected to promote the White House effort calling for developing countries to build more efficient fossil fuel-fired power plants. Garber is set to speak sometime in the mid-to-late morning in the U.S., and a webcast will be available [here](#).

**World leaders who descended on COP23** Wednesday didn't dwell on President Donald Trump's intention to leave the landmark climate accord, focusing instead on the need for action, Pro's Emily Holden [reports](#) from Bonn. "The point is now to keep working [with] those that are in the agreement, those that are staying in the agreement, to walk forward, to walk fast and be able to implement Paris," said J. Antonio Marcondes, chief negotiator for Brazil. "The U.S. decision is the U.S. decision and it's up to them."

**But some were worried about funding.** "The U.S. team has been on the ground and they are working with us," said South Africa's Minister of Environmental Affairs Edna Molewa. "But the actual payment of the money they have committed already — it has to come." The Trump administration has said it would not pay what's left of the \$3 billion the Obama administration promised to the Green Climate Fund — while leaving open the possibility working with other countries or institutions like the World Bank to finance fossil fuel or nuclear plants.

**A carbon tax on EU imports?:** French President Emmanuel Macron called for the European Union to impose a border tax on carbon emissions, Sara Stefanini [reports](#) from Bonn. "We need a border tax to make it possible for us to protect imports from countries that do not protect our goals," Macron said in a speech at the summit.

**Germany's coal problem:** Chancellor Angela Merkel broached the uncomfortable topic of Germany's coal addiction at the summit, as talks to form a coalition government after the country's recent election get [down to the wire](#). "We know we have a long way yet to go," Merkel said in her speech. Still, coal has to make a "very important contribution" to cutting emissions, and how it does that will be discussed "very precisely" in the coming days, she said.

**WELCOME TO THURSDAY!** I'm your host Anthony Adragna, and the Pebble Partnership's Peter Robinson was first to identify former Rep. Austin Murphy as the person convicted of voter fraud at nursing homes. For today: Who was the other congressman, in addition to Dan Rostenkowski, convicted in the Congressional Post Office scandal? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energ](#), and [@POLITICOPro](#).

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**TROUBLE FOR EPA CHEMICAL NOMINEE:** Michael Dourson is one vote away from seeing his nomination go down the drain. North Carolina Republican Sens. [Richard Burr](#) and [Thom Tillis](#) announced late Wednesday they would vote against confirming his nomination to lead EPA's chemicals office, according to the [Wilmington Star News](#). The senators cited their home state's water problems and Dourson's industry-friendly history. One more Republican defection would leave Dourson short of the support to clear the chamber, with Democrats expected to oppose him unanimously. Burr confirmed his opposition to ME: "I will not be supporting the nomination of Michael Dourson. With his record and our state's history of contamination at Camp Lejeune as well as the current Gen X water issues in Wilmington, I am not confident he is the best choice for our country."

**Don't forget:** Dourson is already working at EPA as a senior adviser to Administrator Scott Pruitt — a position that does not require him to go through Senate confirmation. Ethics groups said that was inappropriate when reports of the arrangement emerged last month, but EPA defended itself by pointing to other administrations that had brought on employees who were waiting to be confirmed. In fact, Pruitt began laying the groundwork to get Dourson into the building without waiting on the Senate even before his first committee hearing. Pro's Alex Guillén [lays out](#) the timeline, based on a newly FOIA'd document.

**Senate EPW Ranking Member [Tom Carper](#) tweeted:** "Dr. Dourson's nomination must be pulled, he should not remain in an unconfirmed role at [@EPA](#) and we must find a credible regulator who the American people can trust."

**What's EPA to do?** If it becomes clear Dourson doesn't have the votes, EPA would face criticism for circumventing the Senate's duty to provide advice and consent, but its other option would be to acknowledge hiring someone who couldn't clear a Republican Senate and fire him. Both seem super awkward. The agency didn't respond to request for comment.

**\*\* A message from Chevron:** We're piloting a program that uses drones to keep an eye on Chevron wells, tanks, and pipelines—all to keep DOERS and what they're doin' safer. Watch the video: <http://politi.co/2zx6RdM> \*\*

**QUOTABLE:** From former EPA transition official David Schnare at the Heartland Institute's gathering last week in Houston on a recording obtained by [The Washington Post](#):

—On getting allies in the administration: "There are ways to get names in, and we've used every door and window and crack in the wall we can use."

—On forcing EPA to challenge the endangerment finding using what conservatives have derided as the "sue and settle" approach: ""If we come up with this case and say, well, this is what we want to do, and then we send a little note off to Scott Pruitt and say, 'We are going to sue you, would you like to sit down and talk.' It's not exactly sue and settle, it's just, 'We are going to sue your a--, and you ought to settle.'"

**EPA WANTS TWO YEARS TO RECONSIDER COAL ASH RULE:** EPA [told](#) the D.C. Circuit on Wednesday night that it would take until December 2019 to finish reconsidering a

swath of technical issues in the coal ash rule. That answer may not please the court, which will hold oral arguments over the rule on Monday and has already once rejected EPA's request to pause that lawsuit in the meantime. EPA only just last week asked for a handful of issues be remanded for reconsideration, enraging environmental groups who noted the court date is so close. In a filing Wednesday night, EPA noted that it's already working on several provisions that were remanded back in June 2016, and said completing a review and potential rewrite of all the provisions in question would mean a proposal in September 2018 and finalization in December 2019.

**EASY DOES IT:** The National Association of Regulatory Utility Commissioners urged the Trump administration in a [resolution](#) approved Wednesday to tread carefully as it considers trade tariffs for imported solar panels, Pro's Eric Wolff [reports](#). "NARUC is concerned that at least some of the requested trade protections could significantly increase the price of solar panels and therefore the cost of solar electricity generation," the resolution said.

**YEAH I'M THE TAX MAN:** House lawmakers [expect](#) to pass their tax package, [H.R. 1 \(115\)](#), today but that isn't stopping the flurry of groups pushing their priorities for the final product. Upset with reductions in value to the wind production tax credit, more than 200 companies in the wind industry [asked](#) House leaders to scrap an "unprecedented claw back" of the credit and stick to a phase-out deal reached two years ago.

**Ahead of the vote:** A roundup of the energy and environmental provisions in the legislation [here](#).

**Wither infrastructure?** The House tax vote may also spell doom for Trump's hope for a trillion-dollar infrastructure package, Pro Financial Services' Colin Wilhelm [reports](#). The bill eliminates tax preferences for private activity bonds, which support public-private partnerships similar to those Trump had pitched as a way to pay for infrastructure investments. "If that moved forward it would pretty substantially undermine the Trump infrastructure plan," said Michael Likosky, a principal at the infrastructure advisory firm 32 Advisors.

**DURBIN LIFTS SOME HOLDS:** After meeting with Secretary Ryan Zinke on Tuesday, Senate Minority Whip [Dick Durbin](#) lifted two of his holds on Interior nominations, your ME host [reports](#). That may clear a floor path for Joseph Balash's nomination to be assistant secretary for land and minerals management and Brenda Burman's selection to lead Interior's Bureau of Reclamation. Durbin didn't offer details on Zinke's decisions on each national monument designation, but told reporters: "He went through his reasoning on each one of them." Five Senate Democrats attended the session, according to the Illinois Democrat.

**DOE nominees announced:** Trump announced Wednesday his selection of John Vonglis, a senior adviser with Cross Range Capital, a private equity firm in New York, as the Energy Department's chief financial officer, Pro's Darius Dixon [reports](#). He also tapped Melissa Burnison, currently the Nuclear Energy Institute's director of federal affairs, as the agency's head of congressional affairs.

**TODAY'S FERC MEETING:** This is expected to be Neil Chatterjee's last FERC meeting as chairman before Kevin McIntyre takes the gavel, and regulators have a few items of note on the agenda. Commissioners are slated to get their annual briefing on the agency's enforcement work, and they will consider a petition from NERC, the electric industry's reliability organization, to rework standards for detecting, assessing and limiting faults on the electric grid.

**The agenda also includes** the Millennium Pipeline Co.'s 7.8-mile Valley Lateral Project. FERC on Wednesday night [denied a rehearing request](#) from New York environmental regulators who were upset that [FERC overrode](#) their opposition to the pipeline. But that order did not appear to address a challenge to the underlying certificate that acted as FERC's initial green light, so commissioners may weigh in on that rehearing request today.

**FERC on top?** When Chatterjee met with reporters last week, he said he hoped that by the end of today's meeting he might be able to announce that FERC was "dug out from that backlog" that accumulated when it was without a quorum earlier this year. So...?

**NEW PAGE:** A [proposal](#) issued Wednesday by PJM Interconnection to alter its wholesale power market that is likely to lead to higher electricity prices in the region, Pro's Darius Dixon [reports](#). "We expect that under this proposal energy market prices — and therefore energy market payments — will go up," Stu Bresler, a PJM operations and markets executive, told reporters.

**FLINT MAYOR TO MEET PRUITT:** Fresh off beating back a recall attempt, Flint mayor Karen Weaver returns to Washington today for meetings with White House officials and Pruitt. "This is a significant step in our effort to communicate to White House officials what we still need in Flint to fully recover from the water crisis," she said in a statement.

**McCASKILL PROBES GRID CONTRACTS IN PUERTO RICO:** Senate Homeland Security ranking member [Claire McCaskill](#) sent [a letter](#) to the Army Corps of Engineers on Wednesday seeking additional information on four contracts the agency awarded for grid restoration work on Puerto Rico. Among her requests: How it awarded each of the four contracts, how they each relate to grid restoration contracts given out by the island's utility and what the terms of performance are for each of them.

**Ahem, seems timely:** McCaskill's letter comes as much of the island was left in the dark again Wednesday after a line repaired by Whitefish Energy under its now-cancelled \$300 million contract failed again, Mashable [reports](#). Puerto Rico Gov. Ricardo Rosselló set Wednesday as his goal of restoring power to half the island, which [government figures](#) showed he met.

**INHOFE OKAY WITH CLIMATE STUDY:** Sen. [Jim Inhofe](#), arguably the most ardent denier of mainstream climate science, said he has no problem with a provision in the compromise version [H.R. 2810 \(115\)](#) of the National Defense Authorization Act requiring the Pentagon to detail threats posed by climate change to military installations. "Let's have it so we know if they really believe that [it's an increasing security threat to the United States]," he told reporters. "I didn't object at all to that."

**FIAT CHRYSLER HIRES TSCA REFORM AUTHOR TO LOBBY ON EMISSIONS:** The American subsidiary of automaker Fiat Chrysler, has hired a bipartisan team of lobbyists from Holland & Knight, according to a newly filed [disclosure](#). They include Dimitri Karakitsos, a Republican former EPW aide who helped write the Toxic Substances Control Act reform bill, and Rich Gold, a former aide to then-EPA Administrator Carol Browner. FCA US is currently battling EPA allegations that the company sold more than 100,000 diesel vehicles equipped to cheat emissions tests.

**MAIL CALL! BIODIESEL TO TRUMP: HIGHER VOLUMES, PLEASE:** The National Biodiesel board is [calling on](#) Trump to ask EPA to set advanced biofuel and biodiesel volumes significantly higher than the agency proposed over the summer. "These base numbers

contained in EPA's original, July proposal ... are themselves so low that, if finalized, they will halt the growth of the biomass-based diesel industry," the board writes.

— The National Association of Convenience Stores sent a letter to the Senate Finance Committee urging it "to retain the biodiesel tax credit as a blenders' credit and phase it out responsibly." Link [here](#).

**SHOTS FIRED BACK:** The Renewable Fuels Association is taking issue with a letter sent earlier this week by the Petroleum Marketers Association of America arguing the underground storage tank systems of many small businesses would be unable to handle higher percentage ethanol blends. "PMAA's claims that underground storage tanks at fueling stations cannot legally store gasoline containing 15% ethanol are grossly overstated, and their conclusion that the Renewable Fuels Standard (RFS) should thus be reduced is completely unfounded," Bob Dinneen, the group's head, said in [a letter](#) to EPW Chairman [John Barrasso](#). "There is no basis whatsoever to PMAA's claims and there is no legal justification for this group or any other to seek a reduction in ethanol volumes under the RFS."

**NEWSPAPER SUES EPA:** Bay Journal Media, Inc., publisher of the *Bay Journal* newspaper, filed [a lawsuit](#) against EPA seeking documents that might explain why the agency abruptly cut off grant funding to the newspaper that had been funded since 1991. "If this decision stands, it will leave a gap in Chesapeake Bay news coverage by threatening our ability to provide the public with information about how actions by the EPA, and others, may affect restoration efforts," editor Karl Blankenship said.

**MOVER, SHAKER:** Colin Hayes, who stepped down as Senate Energy staff director in September, will team up with Josh Lahey, a principal at the Podesta Group, to launch their own public affairs firm, called Lot Sixteen. The new firm will focus on energy work, but "it's absolutely going to be broader than that," Lahey said (h/t POLITICO Influence).

## QUICK HITS

- Perry says renegotiating NAFTA needed because of U.S. energy bounty. [Houston Chronicle](#).
- Chemical Plant Owners Urged to Prepare for Worst-Case Flooding. [Wall Street Journal](#).
- Woman injured in pipeline protest still being investigated. [AP](#).
- OPEC Nears Meeting Without Clear Plan on How to Extend Cuts. [Bloomberg](#).
- Pence promises to bring Texas 'all the way back' from Harvey. [San Antonio Express-News](#).
- Internet Reacts to Interior Secretary Participating in Indigenous Hashtag. [Teen Vogue](#).

## HAPPENING TODAY

8:30 a.m. — Progressive Policy Institute and Common Good host a Capitol Hill forum on "[Rebuilding America: What Are We Waiting For?](#)" The Reserve Officers Association Building, Symposium Center, 4th Floor, 1 Constitution Ave NE

10:00 a.m. — "[Successful Pre-Salt Auctions put Brazil's Oil & Gas Sector on Promising Path](#)," Wilson Center, One Woodrow Wilson Plaza, 1300 Pennsylvania Ave. NW

12:00 p.m. — "Beyond Batteries: Grid-interactive Efficient Buildings," Alliance to Save Energy, Rayburn 2045

## **THAT'S ALL FOR ME!**

**\*\* A message from Chevron:** This is a story about energy, safety, and some truly high-flyin' doin'. We're piloting a program that uses drones, HD imaging, and thermal mapping to help keep a close eye on Chevron wells, tanks, and pipelines—all to keep DOERS and what they're doin' safer. Watch the video: <http://politi.co/2zx6RdM> \*\*

*To view online:*

<https://www.politicopro.com/newsletters/morning-energy/2017/11/us-speaks-today-in-bonn-025575>

## **Stories from POLITICO Pro**

### **World leaders press climate case as poor countries decry loss of U.S. funds [Back](#)**

By Emily Holden | 11/15/2017 03:13 PM EDT

BONN, Germany — Heads of state arrived at the international climate conference Wednesday to press ahead with negotiations on implementing the global pact, while developing countries warned the loss of U.S. money would imperil their ability to meet their goals.

Few world leaders dwelled on President Donald Trump's move to withdraw the U.S. from the Paris agreement, instead focusing on the need to set the rules for the pact.

But Germany's Chancellor Angela Merkel lauded the U.S. governors and mayors who traveled here to promote their efforts to curb carbon pollution despite the Trump administration's work to erase any trace of former President Barack Obama's climate actions.

"I very much welcome this," Merkel said. "It underlines the importance attached to climate change in broad swaths of American society, irrespective of the decision of President Donald Trump to leave the Paris agreement."

J. Antonio Marcondes, chief negotiator for Brazil, declined to comment on how the U.S. negotiators were influencing the talks other than to say "[w]e're working with them. We're talking with them. They are participating in meetings."

Countries were disappointed by the U.S. plan to withdraw from the Paris agreement, he said, but the talks were proceeding.

"The point is now to keep working [with] those that are in the agreement, those that are staying in the agreement, to walk forward, to walk fast and be able to implement Paris. The U.S. decision is the U.S. decision and it's up to them."

China's special representative for climate change, Xie Zhenhua, said the U.S. remained active in the talks and that China "hopes that the United States will continue to play a constructive role in those negotiations."

State Department negotiators in talks hadn't veered far from the positions held under previous

administrations. And the White House hasn't sought to renegotiate terms already settled in Paris, raising hopes that the U.S. might ultimately alter its course and decided to remain a party to the deal after all.

Still, developing countries were worried about Trump's pronouncements that he won't fulfill Obama-era promises to fund climate action around the world.

"The U.S. team has been on the ground and they are working with us," said South Africa's Minister of Environmental Affairs Edna Molewa. "But the actual payment of the money they have committed already — it has to come."

The U.S. has contributed \$1 billion of the \$3 billion that Obama pledged to help poor nations fight climate change under the Green Climate Fund, but the Trump administration has said it would not pay the rest. The GCF funding, which the Paris deal says should rise to \$100 billion annually from 2020 to 2025, has long been a source of tension between industrialized nations that produced most of the carbon pollution over the past century and developing countries that are seeing their emissions now climb.

Asked whether the world should trust the U.S. after it has backed out of more than one climate agreement in recent decades, Molewa said the global community is "fairly concerned."

"That's why everybody is doing the level best to get all of us sobering up and really just thinking hard about what the world needs," she said. "The issue of climate change, the fight we are engaging in, is not about us only as individual countries, but it is beyond us. For humanity to survive, it is important that we all work together."

After a last-minute announcement that U.S. Undersecretary of State Tom Shannon would not attend the high-level segments of the talks because of a family emergency, acting Assistant Secretary Judy Garber is set to make the first big speech on behalf of the U.S. on Thursday. Like Shannon, she is a career State Department official, and she is not expected to promote the White House effort calling for developing countries to build more efficient fossil fuel-fired power plants.

Although the U.S. won't contribute to the GCF, Trump aides here say they're open to working with other countries to build coal, natural gas and nuclear plants. White House energy adviser George David Banks said the U.S. may band together with countries that may want coal plants but can't get financing for fossil fuels.

"It's come up a few times, but I don't know if we've had any sort of real international discussions or lengthy discussions with potential partners on that kind of arrangement," Banks said. "I would say that the administration is interested in the idea and would like to explore exactly what it means."

The White House may also initiate discussions with development banks, like the World Bank, about financing coal projects, he said.

The administration's coal pitch could cheer politicians from heavy coal-producing nations. Jerzy Buzek, the former prime minister of Poland and current chair of the European Parliament's Committee on Industry, Research and Energy, raised questions in Brussels last week about the financing necessary to transition off of fossil fuels.

"In the medium term, we still need huge investments also into existing systems," he told reporters in Brussels.

Buzek said he supports a transition to cleaner technologies but that it "is not very easy to achieve in all the regions of the European Union. In the regions with heavy industry — let's say coal- and carbon-intensive regions — it's not easy."

Banks said the administration also supports renewable energy but couldn't offer any evidence of how.

"The United States has been helping finance the deployment of renewable energy technologies, right? But it's essentially been a job program for China and for other countries," he said.

He said the White House is conducting a review of its renewable energy policies, but declined to offer details.

*David Siders, Kalina Oroschakoff and Sara Stefanini contributed to this report.*

To view online [click here](#).

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**Macron to call for a carbon border tax and other climate measures** [Back](#)

By Sara Stefanini | 11/15/2017 03:07 PM EDT

BONN, Germany — France will call on the EU to impose a border tax for carbon emissions and include environmental goals in its trade policy, among other efforts to reduce greenhouse gas emissions, President Emmanuel Macron said Wednesday.

"We need a border tax to make it possible for us to protect imports from countries that do not protect our goals," Macron said in a speech at the COP23 climate summit.

He also said France will work in the coming months on a "CO2 plan for Europe" to push the carbon trading price to €30 per ton.

"It will not be easy in any European country, there will be industrial groups who will ask for more time, say they won't be able to reach these goals," Macron said, adding that the plan will build on the "excellent" deal reached last week to reform the EU's Emissions Trading System from 2021.

"This agreement is in the right direction, but in the coming year it must be complemented with more action," he said.

Furthermore, France will support the development of electricity interconnectors with Germany, Ireland, Spain, Italy, Benelux and elsewhere to boost renewable energy use, Macron said.

France is "literally obsessed with reducing our greenhouse gases," he said, noting that it aims

to close all coal-fired power plants by 2021.

That's why the government decided to drop a goal to reduce the share of nuclear power in France from 75 to 50 percent of the mix by 2025, Macron said, as closing nuclear plants would mean re-opening coal-fired power.

*This article first appeared on [POLITICO.EU](#) on Nov. 15, 2017.*

*To view online [click here](#).*

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## **EPA started hiring process for Dourson ahead of hearing, document shows [Back](#)**

By Alex Guillén | 11/15/2017 05:18 PM EDT

EPA began laying the groundwork to get Michael Dourson onto the agency payroll without waiting for him to be confirmed — even before his nomination hearing occurred, according to documents obtained by POLITICO via a Freedom of Information Act request.

Dourson [joined](#) EPA as a senior adviser to Administrator Scott Pruitt sometime last month. On Sept. 20, Pruitt and EPA chief of staff Ryan Jackson signed Dourson's "[position description coversheet](#)," outlining his duties advising Pruitt on legislative and regulatory issues related to chemicals and pesticides. That was two weeks before Dourson's Oct. 4 hearing before the Senate Environment and Public Works Committee, though President Donald Trump nominated him in July as the assistant administrator for toxic substances. (In an apparent error, the document does not include Dourson's name, but was identified by EPA as Dourson's paperwork.)

The committee [approved](#) his nomination along party lines Oct. 25, but a Senate floor vote has not yet been scheduled. Dourson has drawn criticism over his past toxicology work for various companies, and some Republicans have indicated they have reservations.

EPA last month pointed out that previous administrations had hired nominees to begin working before their confirmation. The agency did not immediately respond to a request for a comment today.

Susan Bodine, who is awaiting a confirmation vote to become EPA's enforcement chief, also has already started at EPA. Pruitt and Jackson signed off on her job description July 12, according to a copy of the [document](#) obtained by POLITICO.

**WHAT'S NEXT:** It is unclear when Dourson may receive a final floor vote in the Senate.

*To view online [click here](#).*

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## **State power regulators oppose hefty solar tariffs [Back](#)**

By Eric Wolff | 11/15/2017 05:50 PM EDT

The National Association of Regulatory Utility Commissioners today approved a measure asking the Trump administration to go easy on trade tariffs for imported solar panels.

The group, a trade association for public utility regulators, approved a [resolution](#) at its annual meeting in Baltimore that said it "does not dispute" the U.S. International Trade Commission's finding that cheap imports from China and elsewhere harm U.S. manufacturing, but was concerned about potential trade barriers.

"NARUC is concerned that at least some of the requested trade protections could significantly increase the price of solar panels and therefore the cost of solar electricity generation," the resolution said.

The ITC sent its recommendations for tariffs and quotas to President Donald Trump on Monday. The Office of the U.S. Trade Representative is now taking comments on proposed remedies that it will present to Trump, who will make the final decision.

NARUC "urges the USTR, in its consideration of potential action, to carefully weigh the harm that could result to energy customers from increasing the costs of solar inputs across the country, and the potential challenges to achieving state renewable energy and greenhouse gas goals that may result from higher solar energy prices," the group said.

**WHAT'S NEXT:** The USTR will take comment until Nov. 20. Trump has until January to make a decision.

*Emily Holden contributed to this report.*

To view online [click here](#).

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**Tax bill teed up for House vote** [Back](#)

By Rachael Bade and Heather Caygle | 11/15/2017 01:15 PM EDT

House Republicans are set to pass a sweeping rewrite of the tax code Thursday, bringing President Donald Trump and the GOP closer to the major legislative win they so desperately want. And leadership apparently barely lifted a finger to whip votes this week.

Speaker Paul Ryan and his top lieutenants have been working behind the scenes on a few tax reform holdouts in recent days. But House Republicans think they've already got enough votes lined up — and have not needed to turn to Trump to flip opponents.

Republicans cleared a key procedural vote on the massive tax-cuts package Wednesday afternoon on a party-line vote. The final passage vote is expected soon after Trump rallies the GOP Conference at an 11:30 a.m. closed-door meeting in the Capitol on Thursday.

There's little room for error for Republicans. House Democrats have been working to keep their 194-member caucus together, not only to show unified opposition but to deny

Republicans any opportunity to tout the bill as a bipartisan effort.

Massachusetts Rep. Richard Neal, ranking member on the Ways and Means Committee, has been keeping close tabs on the Democratic Caucus' most squishy members for months and recently redoubled his outreach to individuals who may be considering voting for the GOP plan. On Wednesday, House Minority Whip Steny Hoyer predicted that not a single Democrat will vote for the tax package.

"I don't think we'll lose anybody," Hoyer told reporters. "I think the consensus conclusion of almost every Democrat — pro-business Democrat, conservative Democrat — is that this bill is not good for the country, is not good for average working people."

White House sources say they're focusing all their energy on the Senate, with little concern about the House vote. The House whip team has not had to turn to the president to move people from "no" to "yes" — if only because most Republicans are so desperate for a legislative win. That's a shift from a few months ago, when Trump persuaded wavering House members to pass legislation repealing Obamacare.

Republicans can afford to lose only 22 GOP votes. Most of those opponents, House Republican sources say, will be lawmakers from high-tax states, including half the delegation from New York and most of New Jersey, and perhaps one or two from California. Those members' constituents could see a tax increase under the GOP plan because the bill axes their most prized tax break: the state and local tax deduction.

House Majority Leader Kevin McCarthy of California has been working to keep fellow California Republicans on board after Rep. Darrell Issa peeled off last week. It's unclear whether any other Golden State Republicans will join him in opposing the legislation, though sources say several are concerned about how the bill will affect their districts.

Issa told reporters Wednesday that he expects "two or three" California Republicans to follow suit.

Meanwhile, some conservatives are sulking over leadership's refusal to include a repeal of Obamacare's individual mandate in the tax bill.

GOP leaders originally argued that mixing controversial health care matters with taxes could kill the tax package, legislation they believe they must pass to save their majority in 2018. They speculated that the Senate would be unlikely to pass such legislation if the two were combined — particularly because the upper chamber failed to rally around a single Obamacare replacement proposal.

But on Tuesday, Senate Republicans added the mandate repeal to their bill, surprising House GOP leaders and causing envy among some rank-and-file House members. Republican Study Committee Chairman Mark Walker of North Carolina tried to persuade House leaders Tuesday night to add the mandate repeal to the House bill, offering an amendment cosigned by 60 House Republicans during a Rules Committee hearing to combine the two issues. Leaders rebuffed him.

Despite some unhappiness with the final House product, GOP leaders have been selling members on the House plan by arguing that the bill they pass Thursday will not be the final version that heads to Trump's desk. Ryan has promised lawmakers that the House will go to

conference with the Senate — and that any outstanding concerns could be addressed at that time.

That argument appears to have won over a large swath of lawmakers. Conservatives who want the individual mandate in the bill are willing to wait. Others with more niche concerns — like preserving the historic tax credit to renovate older buildings, or changes they want made to the small business tax cuts — are similarly holding their fire.

That's still a few weeks away, as Senate Republicans are expected to vote on their tax bill after Thanksgiving. After Senate passage, GOP leaders in both chambers will appoint conferees to begin hashing out their differences, from the phase-in of the corporate tax cuts to how they handle high-tax areas.

House Democrats, meanwhile, are working to keep members unified in opposition to the bill.

The White House and Ways and Means Committee Chairman Kevin Brady had courted some Blue Dogs and other moderate Democrats since the spring, hoping to pick off a few when their bill eventually made it to the floor.

Neal has met with each coalition within the caucus in recent months from the pro-business New Democrats to the Congressional Progressive Caucus to get a read on members. And in the two weeks since the House GOP bill was first introduced, he touched base with members considering supporting the plan, working them on the House floor or coordinating with other messengers to talk to them.

In a coup for Democrats, the leaders of the centrist Blue Dog Coalition put out a statement Wednesday announcing their opposition to the bill. The group, whose 18 members were seen as the most likely defectors, cited the tax bill's deficit-busting numbers as the ultimate reason they decided to oppose the plan.

But privately, Democrats said they also were discouraged by Republicans' promises of bipartisanship before shutting them out of every part of the process.

"I think this is probably one of the most hypocritical bills that I've seen on the floor of the House of Representatives," Hoyer said. "It is one of the most fiscally reckless bills that has been presented. And I think there's a consensus in our party that that's the case."

*To view online [click here.](#)*

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**House tax bill slashes value of wind energy tax credit [Back](#)**

By Eric Wolff | 11/02/2017 02:20 PM EDT

The House tax bill released Thursday would substantially reduce the value of a key wind energy incentive, tighten requirements on what renewable energy companies have to do to qualify for tax credits, extend a nuclear energy tax break, and restore support for clean energy technologies that had been "orphaned" from an earlier tax extenders law.

The bill also eliminates an electric vehicle tax credit and jettisons some little-used oil industry tax breaks — as well as getting rid of the more significant domestic production tax deduction enjoyed by oil companies and other manufacturers.

The wind industry was quick to condemn the changes to its tax treatment.

"Despite comments to the contrary, this proposal reneges on the tax reform deal that was already agreed to, and would impose a retroactive tax hike on an entire industry," Tom Kiernan, CEO of the American Wind Energy Association, said in a statement. "The House proposal would pull the rug out from under 100,000 U.S. wind workers and 500 American factories, including some of the fastest growing jobs in the country. We expect members of the House and Senate to oppose any proposal that fails to honor that commitment, and we will fight hard to see that wind energy continues to work for America."

Here are some highlights from the [text](#) and a [section-by-section summary](#) provided by the Ways and Means committee.

— **PTC cutbacks:** The bill would reduce the value of the Production Tax Credit to 1.5 cents per kilowatt-hour, the level it was set at in 1992, rather than indexing it for inflation. That would reduce its value far beyond the terms of a tax credit phase-out that was implemented with bipartisan support in 2015. Wind farms and other eligible projects that begin construction this year can now claim a 1.9 cents/kWh credit, down from 2.3 cents/kWh for projects that started last year. The credit is scheduled to disappear for projects built after 2019 under current law, a schedule maintained in the House bill.

Developers also would face tougher requirements to claim the credit, the value of which is determined by when construction begins. The House bill requires a "continuous program of construction" until a facility comes online in order to qualify for the credit, eliminating provisions of existing law that allow developers to make "safe harbor" investments to qualify. The Joint Committee on Taxation says eliminating the inflation-adjustment and tightening the construction requirements will save \$12.3 billion over 10 years, according to the bill summary.

— **ITC repealed after 2027, orphan credits revived :** The House bill extends the investment tax credit for a set of "orphaned" technologies left out of the 2015 legislation phasing out the ITC and PTC over five years. Fuel cells, small wind turbines, combined heat and power systems and microturbines can now claim the ITC until Jan. 1, 2022, with the credits phasing down at the same rate as the solar ITC. But what was to be a permanent 10 percent tax credit for solar investments will now terminate at the end of 2026. The House bill includes similar "continuous construction" requirements for the ITC as for the PTC. The changes would cost the government \$1.2 billion in reduced revenues over 10 years, according to JCT estimates cited in the bill summary.

— **Advanced nuclear tax credit extended:** The bill extends a tax credit for advanced nuclear projects, allowing the secretary of Treasury to transfer unused credits after 2020, which was the in-service deadline under current law. The extension has long been a priority for South Carolina Republican Sens. [Lindsey Graham](#) and [Tim Scott](#), among others. The credits would cost \$400 million over 10 years.

— **Utilities keep interest deduction:** The bill would change how much loan interest some businesses can deduct from their taxes, while allowing them to take advantage of full expensing of capital investments. However, it excludes regulated utilities from the new rules,

providing a win for the industry. Eric Grey, director of government relations for the Edison Electric Institute, a trade group, told POLITICO in September that losing the interest tax deduction was a major concern for utilities. Overall, JCT estimates the deduction-and-expensing changes would save the government \$172 billion over 10 years.

— **No more 199:** The House bill would eliminate the domestic manufacturing credit known as section 199. Current law allows certain oil and gas companies to claim a 6 percent tax deduction, and other manufacturers can claim a 9 percent deduction, but the House bill would strip section 199 from the tax code starting next year. Doing so would save \$95.2 billion over 10 years.

— **Minor oil credits repealed:** The bill repeals two small oil industry credits that have barely been used because they only kick in when commodity prices are low. Repealing the enhanced oil recovery credit would cost the government about \$200 million over 10 years, while eliminating the marginal well production credit would have no effect on revenues.

— **EVs lose credit:** The bill repeals a \$7,500 tax credit for electric vehicles. It is part of a slew of tax credits, along with a mortgage credit, and an adoption credit, that the bill proposes repealing. Repealing all of the credits would save \$4 billion over 10 years, but the summary does not include a JCT estimate for the electric vehicle credit alone.

— **Biodiesel, CCS missing:** An expired biodiesel blenders credit was not restored, something likely to become an issue in the Senate where Sen. [Chuck Grassley](#) wants it revived as a producers credit; and a credit for carbon capture and sequestration did not get in the text, despite having bipartisan support.

To view online [click here](#).

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**Tax reform may doom Trump infrastructure plan** [Back](#)

By Colin Wilhelm | 11/16/2017 05:01 AM EDT

The tax reform bill set to be voted on Thursday by the House of Representatives could kill any chance of the Trump administration's trillion-dollar infrastructure plan ever happening.

At best, House support for the plan would signal lukewarm backing among Republicans for President Donald Trump's ambitions. At worst, the bill would effectively end the funding structure that the administration touts as a way to reach its \$1 trillion target and minimize the burden on taxpayers.

The House bill ends tax breaks for private activity bonds, a key part of public-private partnerships in projects ranging from roads to low-income housing. The administration has said it wants to leverage those partnerships to reduce the direct cost of the president's building plan.

Private activity bonds leverage local or state government debt for a project deemed to be a public good but too expensive for that government to manage, so it arranges for a private entity to run it. Examples range from aquariums to water systems. Those bonds come with a

tax exemption, as other municipal bonds do, on what they pay out to entice investors to buy them.

The White House did not comment on the change, but suggested that it would attempt to restore tax breaks for that type of infrastructure financing.

"We will continue working with Congress throughout the process to ensure that the President's priorities are reflected in the tax cut bill that reaches his desk," White House deputy press secretary Lindsay Walters said in an emailed statement to POLITICO.

Rep. [Bill Shuster](#) (R-Pa.), chairman of the House Transportation Committee, said he was concerned about repealing the tax exemption for those bonds.

"I don't know that there's a commitment" to restore the bond exemption between the House and Senate when they reconcile their bills. "There's a lot of money on the sidelines that comes into play, so I think it's something that would hopefully be put back in there."

Added Shuster: "The president's talked about doing these kinds of things, so it's not a helpful thing" for Trump's building plan.

Infrastructure experts agreed.

"If that moved forward, it would pretty substantially undermine the Trump infrastructure plan," said Michael Likosky, a principal at the infrastructure advisory firm 32 Advisors. "A large amount of infrastructure is financed through the tax code."

The head of the infrastructure financing desk for one major bank, who asked not to be named for fear of being seen as critical of Congress, said he viewed the tax reform provision as a sign of the House's rejection of Trump's infrastructure plan.

"Infrastructure is a lower priority for the House of Representatives as they've wrestled with tax reform," he said.

Matt Fabian, a partner at Municipal Market Analytics, estimated that 80 percent of the public-private partnerships that Trump would rely on to pay for new building use private activity bonds.

Elimination of such bonds would "effectively neuter" any infrastructure agenda that would use private financing, Fabian said.

The Joint Committee on Taxation, which does nonpartisan economic and budgetary analysis for Congress, estimates that eliminating those bonds would raise almost \$40 billion over 10 years, which would help make up for lost revenue from tax cuts made by the House reform bill.

Republicans need to meet strict budget requirements to pass tax reform along a party-line vote in the Senate.

Unless Trump can create an unlikely alliance of Democrats and Republicans to pass \$1 trillion in new infrastructure spending, repeal of the bonds could effectively end those hopes. That may set up a high-stakes fight to save the exemption if the House and Senate have to agree on unified tax reform legislation.

Shuster and other infrastructure spending supporters hope that the issue will be fixed, in part because the Senate's version of tax reform includes the private activity bond exemption. But the Senate tax bill is already over the budgetary limit for money the government may lose under the tax reform bill it's considering. That makes it more likely that provisions repealed by the House to fit those budgetary requirements will be included in a final product.

Even Republican supporters of private activity bonds sounded pessimistic.

"Finding revenue, finding the scorer space, it's an inside-D.C./Beltway problem; but it's the reality of the legislative sausage-making process that we're dealing with, and so finding the revenue is one of the difficult questions that has to be answered," said Rep. [Tom Reed](#) (R-N.Y.). "Even after tax reform, we're not going to give up the fight, because I believe in these types of programs."

Likosky and other infrastructure financing experts expected major municipal bond market distortions for the remainder of the year, due to a rush to market for private activity bonds before they would be repealed by the House bill.

"The muni market itself would shrink accordingly," Fabian said, and federal government aid to assist those programs would likely need to increase to offset it. Airports, hospitals and other institutions reliant on private activity bonds may increase costs to individuals to make up for the shortfall if that federal aid didn't come.

Fabian said he expected projects important to the constituencies of many Republicans, like rural hospitals, small religious universities and charter schools, to be hit particularly hard by loss of the bonds.

According to Chris Hamel, head of the infrastructure investment group for Royal Bank of Canada, a portion of low-income housing construction would also likely stall out. According to RBC, private activity bonds financed over \$4 billion worth of low-income housing projects in 2016.

But some view private activity bonds skeptically as government subsidization and see no problem killing them, regardless of the impact on Trump's infrastructure ambitions.

"What it does is dries up another revenue source with regard to that particular form of infrastructure," said Rep. [Mark Sanford](#) (R-S.C.), who sits on the House Transportation Committee. "But I think that there is fairly unanimous consent, within at least the House [Republican] conference, that they need to go."

Multiple members said they have yet to hear much pushback on the repeal from the White House, either, suggesting a potential abandonment of the private financing route for Trump's infrastructure plan.

"I think that's been a valuable tool," said Rep. [Pat Tiberi](#) (R-Ohio), a Ways and Means member. "If there is some abuse, which some say there has been, I would be for trying to limit [the private activity bond tax exemption's] scope. If it ends up being repealed, I think it will have an impact on the housing market."

*To view online [click here](#).*

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## **Durbin lifts some Interior holds after Zinke meeting [Back](#)**

By Anthony Adragna | 11/15/2017 03:13 PM EDT

Senate Minority Whip [Dick Durbin](#) told reporters today he's lifting holds on two Interior nominees after a meeting Tuesday in which Secretary Ryan Zinke walked five senators through his decisions on national monument designations.

"He went through his reasoning on each one of them," Durbin (D-Ill.) said. "I thought it was terrible reasoning on Bears Ears." He didn't offer further details.

Also attending the meeting with Zinke were Democratic Sens. [Catherine Cortez Masto](#) of Nevada, [Martin Heinrich](#) of New Mexico, [Jeff Merkley](#) of Oregon and [Tom Udall](#) of New Mexico, according to Durbin.

A spokesman clarified Durbin lifted his hold on Joseph Balash's nomination to be assistant secretary for land and minerals management and would also lift his hold this afternoon on Brenda Burman to lead Interior's Bureau of Reclamation.

Durbin and Zinke got into a [war of letters](#) last week over holds on two additional nominees besides Balash and Burman: Ryan Nelson to be agency solicitor and Susan Combs to be Interior's assistant secretary for policy, management and budget.

**WHAT'S NEXT:** Lifting the holds could clear the way for fast floor consideration of Balash and Burman.

*To view online [click here](#).*

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## **White House announces picks for DOE CFO, congressional affairs [Back](#)**

By Darius Dixon | 11/15/2017 05:54 PM EDT

President Donald Trump intends to nominate John Vonglis as the Energy Department's chief financial officer, and Nuclear Energy Institute official Melissa Burnison as the agency's head of congressional affairs, the White House announced today.

Vonglis is a senior advisor with Cross Range Capital, a private equity firm in New York. He has previously held positions with Red Apple Group, The Hudson Group and IBM. During the George W. Bush administration, Vonglis, a colonel in the Army Reserve, served in the Department of Defense in various roles, including acting assistant secretary for financial management and the chief management officer of the Air Force. He also ran for a House seat in 2000, the White House states.

Burnison, who will be nominated as the DOE assistant secretary for congressional

intergovernmental affairs, is NEI's director of federal affairs. Before NEI, she was a senior advisor at DOE and with the House Natural Resources Committee. According to the White House, she began a career on Capitol Hill with Sen. [Mitch McConnell](#), of her home state of Kentucky, and worked for former Tennessee Rep. Zach Wamp.

**WHAT'S NEXT:** The White House must formally nominate the picks and send their paperwork to the Senate before the Senate Energy and Natural Resources Committee will hold a hearing.

To view online [click here](#).

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## **FERC overrules New York's pipeline project rejection [Back](#)**

By Darius Dixon | 09/15/2017 01:32 PM EDT

FERC [cleared the way](#) today for a natural gas pipeline in New York, ruling the state had taken too long to issue its rejection of the project — a decision today that may signal how Washington could curtail states' efforts to stall energy infrastructure projects.

FERC's three sitting commissions ruled in favor of the Millennium Pipeline Co.'s 7.8-mile Valley Lateral Project, saying the New York Department of Environmental Conservation had waived its right to determine whether the project met CWA requirements because it had wrongly interpreted when the law's one-year review period for the application had started.

The NYDEC argued that its clock to review applications starts when it deems the paperwork complete — a date that was delayed by two state requests for additional information in Millennium's case. But FERC decided the one-year period started when the application was initially received by state regulators in 2015, making New York's rejection of the water quality clearance on Aug. 30 invalid.

"Giving effect to the plain text of a statute, the one-year review period began November 23, 2015, the date that New York DEC received the application," FERC's order states.

The new pipeline is designed to connect Millennium's mainline to the proposed CPV Valley Energy Center.

**WHAT'S NEXT:** New York can challenge FERC's interpretation in at the agency and request that a federal court issue an injunction on construction.

To view online [click here](#).

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## **PJM floats market plan that would boost power prices [Back](#)**

By Darius Dixon | 11/15/2017 05:16 PM EDT

The PJM Interconnection issued a proposal today to alter its wholesale power market that is likely to lead to higher electricity prices in the region.

"We expect that under this proposal energy market prices — and therefore energy market payments — will go up," Stu Bresler, a PJM operations and markets executive, told reporters on conference call this afternoon.

While payments to power plants that participate in PJM's capacity markets would likely go down, he said, "the net impact in the total, combined energy and capacity markets, costs will be [up] somewhere between around 2 and 5 percent."

PJM's plan would allow power plants that can't quickly alter their output, like nuclear generators, to set market prices.

"When the cost of an inflexible unit that is needed to serve demand is precluded from setting price, the [local price] does not accurately reflect the true incremental cost to serve load," PJM's [proposal states](#).

Second, the proposal would increase the window for the market's so-called shortage pricing, a period when power payments are higher because of a lack of generating capacity. Shortage pricing currently doesn't kick in until the 10 minutes before a potential shortfall, but PJM wants that increased to 30 minutes.

Bresler emphasized that PJM's proposal was under development long before Energy Secretary Rick Perry's grid resiliency proposal.

"We don't think we have the issue that the DOE seems to think we have," Bresler said, noting that PJM has been working on pricing issues for a year.

**WHAT'S NEXT:** Bresler said that a panel within PJM would start looking at the proposal on Dec. 7 but the plan is unlikely to get to FERC until fall 2018.

To view online [click here](#).

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**From:** POLITICO Pro Energy  
**To:** [lori\\_mashburn@ios.doi.gov](mailto:lori_mashburn@ios.doi.gov); [POLITICO subscriptions](#)  
**Subject:** Morning Energy, presented by Chevron: Zinke's close ties to "scam PACs" scrutinized — Report finds huge costs to federal government from climate change — Comments roll in on Perry's grid resiliency proposal  
**Date:** Tuesday, October 24, 2017 5:44:19 AM

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By Anthony Adragna | 10/24/2017 05:41 AM EDT

*With help from Esther Whieldon, Heather Caygle, Nick Juliano and Darius Dixon*

**ZINKE'S 'SCAM PAC' PALS:** Interior Secretary Ryan Zinke has worked for years with a group of Washington political operatives who have been accused by fellow conservatives of raising money on false pretenses, Pro's Ben Lefebvre and Nick Juliano [report](#). Their investigation sheds new light on Zinke's fundraising practices as a member of Congress and since joining Interior. In his first month on the job, Zinke flew to the Virgin Islands at taxpayers' expense for a series of official events tied to the 100<sup>th</sup> anniversary of the territory's handover to the U.S. — and while there he squeezed in a personal detour to attend a fundraiser for the Virgin Islands Republican Party. That group, known as VIGOP, is one of several "scam PACs" run by Washington-area political consultant Scott Mackenzie, according to numerous critics that include some Republicans in the Virgin Islands.

**Prominent GOP politicians have recoiled** from working with Mackenzie and firms that have been linked to him, such as ForthRight Strategy, formerly known as Base Connect and BMW Direct before that. Texas Rep. [Will Hurd](#) says they "are preying on seniors," and former Virginia Attorney General Ken Cuccinelli filed a lawsuit accusing Mackenzie and others of running a "national fundraising scam." ForthRight CEO Kimberly Bellissimo introduced Zinke to the VIGOP in 2015, when she accompanied him on a trip to the island chain.

**But not Zinke.** He substantially increased his spending on firms linked to ForthRight between his first race for Montana's sole House seat in 2014 and his re-election two years later, when he spent nearly \$3 million on direct mail fundraising firms operating out of the same address as ForthRight between his congressional campaign and leadership political action committee, SEAL PAC. And he provided a testimonial for the firm's website praising the "professional as well as personal relationship we have developed over many years."

**SEAL PAC seemed to operate on the same model** as VIGOP and other groups Mackenzie has run, raising huge sums from small donors and spending the vast majority of its money on fundraising consultants. The group raised \$2 million of its \$3 million haul last cycle in increments of \$200 or less, and it spent \$2.6 million on overhead, far more than the \$118,000 it sent to other congressional committees. That made it an outlier among other leadership PACs, which typically court high-dollar donors and allow lawmakers to spread contributions among their colleagues.

**There is no evidence Zinke did anything illegal**, but his relationship with the consultants and PACs is raising eyebrows. "To say the least, this is highly unusual," said Karl Sandstrom, a former Democratic FEC commissioner now at the law firm Perkins Coie.

**WELCOME TO TUESDAY!** I'm your host Anthony Adragna, and ME baffled the crowd on Monday's trivia. There are seven states (North Dakota, South Dakota, Vermont, Delaware, Montana, Wyoming and Alaska) with just one congressperson. For today: What state has the

fewest counties? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](https://twitter.com/AnthonyAdragna), [@Morning\\_Energy](https://twitter.com/Morning_Energy) and [@POLITICOPro](https://twitter.com/POLITICOPro).

**IT'S HERE AND IT'S EXPENSIVE:** The impacts stemming from climate change are already costing the federal government lots of money to address and will likely continue to grow rapidly over the next several decades, according to [a GAO report](#) out today. Noting that precise economic estimates are difficult to calculate, the report nevertheless urges policymakers to collect better data to prioritize adaptation actions that could blunt the financial risks to the government as the owner of vulnerable infrastructure, insurer of property and crops and provider of disaster assistance.

**Requested by the bipartisan duo** of Democratic Sen. [Maria Cantwell](#) and Republicans Sen. [Susan Collins](#) back in 2015, GAO's release comes as Congress continues to respond to various natural disasters with hundreds of billions in estimated damages. It calls for the executive branch to "identify significant climate risks facing the federal government and craft appropriate federal responses."

**"Our government** cannot afford to spend more than \$300 billion each year in response to severe weather events that are connected to warming waters," Collins said in a statement. "I hope the release of this analysis will cause all of us to think more broadly about this issue, take a harder look at the economic consequences of inaction, and use what is known about climate risks to inform federal policy."

**Sound familiar?** It should, because former President Barack Obama issued a [similar directive](#) back in 2013 calling for all federal agencies to take steps to prepare for the impacts of climate change. President Donald Trump [rescinded that order](#) as part of a sweeping directive in March that began the process of dismantling his predecessor's climate legacy. Both the White House and EPA declined to provide official comments on the report.

**Speaking of adaptation**, six state attorneys general released [a letter](#) to congressional leaders Monday calling for the reinstatement of a federal flood standard that requires federally funded construction projects be built to withstand the stronger storms and additional flooding projected to occur as the climate changes. Trump [suspended](#) the measure in August.

**\*\* A message from Chevron:** We're piloting a program that uses drones to keep an eye on Chevron wells, tanks, and pipelines—all to keep DOERS and what they're doin' safer. Watch the video: <http://politi.co/2gzHlxs> \*\*

**READ 'EM AND WEEP:** FERC's comment deadline for DOE's controversial resiliency proposal hit Monday, and a lot of people had a lot to say despite the short timeline. ME plucked the highlights of those that rolled under the closing gate like Indiana Jones. Energy Secretary Rick Perry's plan got praise from state coal associations, FirstEnergy, Exelon, and coal producer Murray Energy, which [said](#) it was threatened with bankruptcy if too much coal power tanked. But some of the state regulators and grid operators expected to be most affected by the proposal were unafraid to brandish their boom sticks.

**The heart of PJM:** The Public Utilities Commission of Ohio [urged](#) FERC to reject the plan, found it "deeply concerning" that DOE "makes no attempt to quantify the costs" of the rule (which Perry said was equal to the "the cost of freedom") and suggested it could cost \$8.1 billion a year. Pennsylvania regulators [said](#) DOE's "hastily drafted" plan threatens markets "without adequate justification" and using the 2014 "polar vortex" to justify the proposal is

"inadequate and inappropriate." PJM CEO Andy Ott [said](#) DOE's rule didn't meet legal muster and ISO-New England [said](#) it wouldn't address the region's fuel concerns. The attorneys general of Massachusetts, California, Connecticut, Illinois, Maryland, North Carolina, Oregon, Rhode Island, Vermont, and Washington also [submitted](#) a six-point attack.

**The Counterintuitive Awards:** A few entities tried to praise DOE's goals around resiliency while making it clear that they weren't willing to stomach the proposal at face value. "DOE is heading in the right direction, but the industry needs more time," American Electric Power [argued](#). "[T]he proposal put forward by DOE should not be adopted by FERC without comprehensive discussions and inputs from stakeholders in all sectors of the industry" — a vast departure from DOE's argument that there's already been too much talk. Entergy, which has nuclear plants that could benefit from the proposal, [says](#) DOE's rule is "not well-defined" and could "produce conflicts with current market rules and otherwise create unintended consequences." Even the West Virginia [regulators](#), who aren't thrilled with PJM markets, said having 90 days of fuel on site was "excessive" and urged FERC to do something like 45 days.

**The magic minute:** People were filing into the docket at such a clip on Monday that five different notices came from the docket at 4:29 p.m. Things got bad enough that we couldn't access FERC's system for a few hours on Monday, and eventually the agency said that it would accept filings for another day.

**ZINKE'S SUPER SECRET HILL MEETING:** Zinke is scheduled to meet this afternoon with House Natural Resources Committee members in a room typically reserved for issues involving a high-security clearance. Zinke will meet separately with committee Democrats and Republicans and copies of invitations obtained by ME say he will be "raising a confidential matter" and only members and staff with top-secret level clearance may attend.

**Topic not specified:** The invitations do not say what topics Zinke plans to discuss and the Interior declined to comment. But the agency does oversee park and wilderness areas that abut the US-Mexico border and Zinke raised concerns in a leaked report to the White House earlier this year that Organ Mountains-Desert Peaks National Monument in New Mexico can be used as a drug smuggling route and needs to be monitored. Also, the U.S. territory of Guam faces possible missile threats from North Korea. Or it could simply be that Zinke, who reportedly flies his official flag over the Interior building when he occupies it, is looking to limit the number of people who know what the agency has in store on a number of topics, such his plans for national monuments.

**'Everything about this is weird':** A former Interior staffer could not recall a time when prior secretaries Sally Jewell or Ken Salazar ever called a meeting with lawmakers in a secure room on the hill or in the agency's Washington headquarters. "Everything about this is weird," the former staffer said. And Democratic Rep. [Ruben Gallego](#) said there's "nothing normal" about having a meeting with Zinke in such secure meetings and also found it odd the secretary would split up Democrats and Republicans.

**MURKOWSKI: 'CLIMATE CHANGE IS REAL':** Senate Energy committee Chairwoman [Lisa Murkowski](#) broke sharply with the party line over the weekend during a speech at the Alaska Federation of Natives convention with the message that climate change is real, and she urged action to install alternative energy systems across her state, KTOO [reports](#). "Climate change is real," she said. "Confronting climate change and adapting to it will take leadership, it will take partnership and attention to social justice if we are to find the strength to tackle the issue together."

**HOUSE TO VOTE ON SETTLEMENT BILL:** Lawmakers today take up a bill [H.R. 732 \(115\)](#) that would restrict the government's ability to enter into settlement agreements that fund third-party activities. Though the House [report](#) on the package says it "explicitly" permits "payments to remediate environmental damage," it also condemns a settlement with Volkswagen that funded a \$2 billion electric vehicle initiative and says it is "critical that Congress act to prevent these activities in the future."

**MAIL CALL! MENENDEZ SEEKS PROBE OF EPA CHEMICAL CHANGES:** New Jersey Sen. [Bob Menendez](#) asked EPA's inspector general in a Monday [letter](#) to investigate the influence of a former chemical industry insider in revising regulations in light of a New York Times [report](#). In particular, Menendez wants the inspector general to look into potential suppression of scientific evidence, whether the agency's hiring practices run afoul of ethics and conflict of interest requirements and whether EPA has caved to industry requests in rulemakings.

**INFORMATION SOUGHT ON PIPELINE ATTACKS:** More than 80 House members sent Attorney General Jeff Sessions [a letter](#) Monday wanting to know what's being done to address recent attacks on pipeline infrastructure around the country. "While we are strong advocates for the First Amendment, violence toward individuals and destruction of property are both illegal and potentially fatal," the letter, led by [Ken Buck](#), said.

**GET YOUR GREAT LAKES PITCH IN:** A bipartisan group of senators, led by [Rob Portman](#) and [Debbie Stabenow](#), sent a letter to OMB Director Mick Mulvaney on Monday asking for \$300 million for the Great Lakes Restoration Initiative in the fiscal 2019 budget resolution. "Now is not the time to scale back our nation's commitment to restore the Great Lakes environment and economy," they wrote. Link [here](#).

**DURBIN FIGHTS FOR... UTAH MONUMENTS:** Sixteen Senate Democrats, led by Minority Whip [Dick Durbin](#), asked Trump in [a letter](#) not to alter the existing boundaries of the Bears Ears and Grand Staircase Escalante national monuments in Utah. "It is clear that any changes to these monuments threaten their important natural, archeological, and cultural resources," they write. The push comes as Zinke is expected to meet later this week with Trump.

**SUPPORT URGED FOR CCS TECHNOLOGY:** A group of unions, environmental advocates, coal companies and others sent a letter to congressional Appropriations leaders Monday urging full support for the DOE Office of Fossil Energy for fiscal 2018. Link [here](#).

**RENEWED PUSH ON ARPA-E LEGISLATION:** A bipartisan quartet — Reps. [Mia Love](#), [Eddie Bernice Johnson](#), [Ryan Costello](#) and [Marcy Kaptur](#) — sent a [dear colleague letter](#) urging support for legislation [H.R. 3681 \(115\)](#) that would reauthorize and allow "reasonable growth" in the ARPA-E program through 2022.

**WORTH NOTING:** A group of deep-pocketed donors gather today at oilman T. Boone Pickens' Mesa Vista ranch to lay out plans to raise money for the Trump-aligned America First Action super PAC ahead of the 2018 and 2020 elections, POLITICO's Alex Isenstadt [reports](#).

**WHO'S IN?** Leaders of the We Are Still In coalition, which is still aiming to hit the U.S. reduction goals of the Paris agreement, are holding a press call today at 11 a.m. to discuss the upcoming Bonn, Germany, climate meetings. Participants include Washington Gov. Jay Inslee.

**REPORT: MARKETS NOT REGULATIONS FOULED COAL PLANTS:** Resources for the Future released [a report](#) Monday finding declining energy consumption and low natural gas prices accounted for much of the decline in coal plant profitability. The stringency of regulations affected emissions levels but had little impact on the balance sheets of plants.

**TAKE A GLANCE!** The Union of Concerned Scientists is out with a [new playbook](#) describing how some companies manipulate the findings of scientists to distort the impacts of their products on public health and the environment. There's also [a PSA](#) from former NFL player Chris Borland.

**NEW TOOL!** The U.S. Chamber's Global Energy Institute and Beveridge & Diamond released a [new tool](#) to track regulatory, judicial and legislative developments across the government.

**LCV ALL-IN FOR NORTHAM:** The Virginia League of Conservation Voters Political Action Committee announced today it's now spent \$3.1 million on the commonwealth's upcoming elections, including Ralph Northam's bid to become governor. That investment includes \$1.1 million of direct contributions to candidates, a \$1.4 million field program and a \$500,000 digital program that includes [a website](#) on Republican Ed Gillespie's environmental record.

**DUNCAN JOINS E&C:** The House Steering Committee picked Rep. [Jeff Duncan](#) for the spot on the Energy and Commerce Committee that opened up with the resignation of former Rep. Tim Murphy. Chairman [Greg Walden](#) said he was confident Duncan would "make an immediate impact on the committee with some of the broadest jurisdiction in Congress."

**TWO MORE JOIN ENERGY COUNCIL:** ClearPath CEO Jay Faison and former Aerospace Corp. CEO Wanda Austin are joining American Energy Innovation Council, whose members also include Bill Gates, Tom Fanning and others.

**HERE'S RICK PERRY WITH A SHARK:** Energy Secretary Rick Perry is in South Africa for Africa Oil Week. On Monday, he tweeted a picture from a speech he delivered with a menacing looking shark in the background. Picture [here](#).

## QUICK HITS

- EPA Looks At Cleanup Alternatives For Lead-Contaminated Indiana Site. [AP](#).
- GOP senators propose wildfire management bill. [The Hill](#).
- Russian Troll Efforts Extended To Standing Rock. [BuzzFeed](#).
- Price-Fixing Inquiry Moves From BMW to Daimler and Volkswagen. [New York Times](#).
- Nicaragua will join Paris climate pact, leaving U.S., Syria isolated. [Reuters](#).
- Small Montana firm lands Puerto Rico's biggest contract to get the power back on. [Washington Post](#).
- China: Where natural gas market could boom next. [USA Today](#).

## HAPPENING TODAY

10:00 a.m. — 12 energy groups host press event to discuss comments on DOE's grid resiliency proposal, K&L Gates LLP, Conference Room 1-B, 1601 K Street, NW

12:45 p.m. — Sen. Cory Booker and Rep. Raul Ruiz hold call to announce environmental justice legislation, RSVP: [Kristin\\_Lynch@booker.senate.gov](mailto:Kristin_Lynch@booker.senate.gov)

1:00 p.m. — Lawmakers host "Half-Earth Day" celebration and conversation with E.O. Wilson, U.S. Capitol Building Visitor Center: Congressional Auditorium and Atrium

2:30 p.m. — "[Reauthorization of the Magnuson-Stevens Fishery Conservation and Management Act: Fisheries Science](#)," Senate Commerce Coast Guard Subcommittee, Russell 253

4:00 p.m. — "[Crude Nation: How Oil Riches Ruined Venezuela](#)," Cato Institute, 1000 Massachusetts Ave. NW

6:00 p.m. — 'Flint' viewing and panel discussion with Rep. Dan Kildee, U.S. Capitol Visitors Center Auditorium

## THAT'S ALL FOR ME!

**\*\* A message from Chevron:** This is a story about energy, safety, and some truly high-flyin' doin'. We're piloting a program that uses drones, HD imaging, and thermal mapping to help keep a close eye on Chevron wells, tanks, and pipelines—all to keep DOERS and what they're doin' safer. Watch the video: <http://politi.co/2gzHlxs> \*\*

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/10/zinke-close-ties-to-scam-pacs-scrutinized-025188>

## Stories from POLITICO Pro

### Zinke boosted fortunes of 'scam PAC' operators [Back](#)

By Ben Lefebvre and Nick Juliano | 10/23/2017 09:48 PM EDT

Interior Secretary Ryan Zinke has directed millions of dollars in political contributions since 2014 to a network of Washington operatives that prominent conservatives have accused of profiting by misleading donors.

Beneficiaries of Zinke's largesse include groups linked to Washington-area political operative Scott Mackenzie, organizer of a Virgin Islands GOP political action committee that hosted the secretary at a [St. Croix fundraiser](#) in March. Before that, when Zinke was a Republican congressman from Montana, his political operation steered significant portions of its spending to a handful of Washington, D.C.-area consulting firms that also have had ties to Mackenzie and his associates.

Zinke has continued this relationship even as other Republicans have recoiled from dealing with Mackenzie, whose critics say he operates "[scam PACs](#)" that raise small-dollar donations from conservative voters but then spend the bulk of the money on consultants and overhead.

The critics include former Virginia Attorney General Ken Cuccinelli, who filed a [suit](#) accusing Mackenzie and other defendants of running a "national fundraising scam" after they gave his 2013 campaign for governor less than a half percent of the money they had raised in his name.

Similarly, Zinke's own leadership PAC also relied heavily on small donors while spending heavily on consultants, in a departure from how most members of Congress operate those kinds of groups.

The details about Zinke's fundraising and spending practices have not been previously reported, nor has his yearslong relationship with Mackenzie's Virgin Islands Republican Party, a group that some Republicans in the Caribbean island chain have accused of misrepresenting itself to donors. POLITICO's analysis of Federal Election Commission filings, plus interviews with campaign finance lawyers and people familiar with the Virgin Islands group's fundraising, offer a deeper picture of the political activism of the retired Navy SEAL who serves in President Donald Trump's Cabinet.

None of the records indicate that Zinke violated the law or received any direct compensation from his association with Mackenzie, the Virgin Islands PAC or its consultants. But one campaign finance expert said the information shows that Zinke was not behaving like a typical politician.

"To say the least, this is highly unusual," said Karl Sandstrom, a former Democratic FEC commissioner who now works at the law firm Perkins Coie.

An Interior Department spokeswoman declined to comment on the assistance Zinke has offered to the Virgin Islands group or his use of political consultants. Mackenzie declined to be interviewed, and officials from the Virgin Islands organization — also known as VIGOP — did not respond to requests for comment.

Zinke is separately facing investigations by Interior's internal watchdog and the independent Office of Special Counsel over his habit of [mixing politics and official business](#).

Legal limits on Zinke's partisan activities have tightened now that he's Interior secretary, and he has cut ties with his PACs since being sworn in. Still, he has kept up appearances at fundraisers and other political events — averaging more than one per month — a pace that is unusual for a Cabinet member. Those include his appearance at the March fundraiser in the Virgin Islands, which occurred during a taxpayer-funded trip less than a month after he became secretary.

Complaints among Republicans about "scam PACS" have been on the rise for years, focusing on groups that target conservative voters as a source for donations. Those complaints have repeatedly focused on Mackenzie, the founder of a number of GOP-leaning PACs that have used slogans such as "Stop Hillary Clinton" to raise money from conservatives — then appeared to do little actual politicking.

Such groups make use of what past FEC leaders have described as a loophole in campaign finance law. The commission declined to take action against one of Mackenzie's Virginia-based PACs, the Conservative StrikeForce, after former Rep. Allen West (R-Fla.) [complained](#) in 2012 that it had been "fraudulent" in raising money from his supporters while falsely implying it would aid his reelection campaign. While the PAC's actions were "[troubling](#)," the commission's attorneys wrote, they didn't violate any laws or rules that the FEC has the power

to enforce.

Cuccinelli made similar criticisms in his 2014 lawsuit, which accused Mackenzie, Conservative StrikeForce and other defendants of using the bulk of the money they had raised in his name to "enrich themselves." The case was eventually [settled](#), with Conservative StrikeForce agreeing to pay Cuccinelli's campaign \$85,000 and turn over its donor lists.

Conservative commentator Erick Erickson [warned](#) campaigns back as far back as 2010 that he might not endorse any Republican candidate who used one Mackenzie-linked consulting firm, then known as Base Connect and now called ForthRight Strategy. Montana Democrats accused Zinke of facilitating a "[political Ponzi scheme](#)" with his connections to Mackenzie-linked firms during his 2014 congressional campaign, though the charges apparently gained little traction.

More recently, Rep. [Will Hurd](#) (R-Texas) — who was angered last year when the Virgin Islands GOP used his photo without his permission on fundraising solicitations — said in a statement to POLITICO that the Virgin Islands group and ForthRight "are preying on seniors in a disgusting attempt to enrich themselves."

Adav Noti, a former FEC associate general counsel who now works for the nonprofit watchdog Campaign Legal Center, said in an interview that he had dealt with the Virgin Islands group and Mackenzie as an FEC official, and in his opinion, "They are a scam-PAC."

"Scott Mackenzie has a number of scam-PACs," Noti said. "He was probably the first, or one of the first, with the idea of bilking people out of money through PACs. People are being defrauded, and that needs to stop."

The FEC is scheduled to decide Thursday whether to fine Mackenzie for [less-serious discrepancies](#) in campaign filings by two other PACs of which he's the treasurer, Freedom's Defense Fund and the Conservative Majority Fund.

None of the criticism has seemed to deter Zinke, who used part of a government-paid trip to the Virgin Islands in March to attend a VIGOP fundraiser, where — as POLITICO [reported](#) in early October — an invitation listed tickets costing as much as \$5,000 a couple, and Zinke's schedule indicated that high-dollar donors had a chance to take photos with him. It was at least the third VIGOP event Zinke had attended there since 2015.

VIGOP, which the FEC classifies as a "non-party" PAC, directed more than a third of its spending during the 2016 election cycle to a handful of Washington-area consulting firms, including ForthRight and at least three other companies that share its address on 15th Street Northwest, according to campaign filings and other documents. Those firms also received more than \$3.2 million during the same period from Zinke's congressional campaign, leadership PAC and a super PAC he founded before running for Congress, federal campaign records show.

Between the 2014 and 2016 elections, Base Connect had renamed itself ForthRight Strategy after a former executive [pleaded guilty](#) to child pornography charges. A number of the firm's clients left, but Zinke's campaign and his newly formed leadership PAC not only stayed with the firm but spent substantially more on it in the next election.

Zinke also publicly endorsed ForthRight's performance in his 2014 congressional race,

offering a testimonial that was displayed on the firm's website until this month, when the watchdog group Campaign for Accountability filed an ethics complaint.

"Your results and personal commitment to Team Zinke were bar none!" the company quoted Zinke as saying on its website. "I greatly value the professional as well as the personal relationship we have developed over many years."

This praise came even though Zinke's campaign appears to have received less than it spent from its relationship with the firm.

ForthRight [says](#) it raised \$1.9 million for Zinke's 2014 race by sending out 1.6 million pieces of mail, attracting nearly 44,000 new donors whose average contribution was \$44. About \$550,000 of that haul went to Zinke's campaign for "voter mail, radio ads, TV ads, get-out-the-vote activities and lawn signs," according to the firm's website. But that was less than the \$608,000 that Zinke's campaign spent on postage and direct mail from Century Data Mailing Service, a firm located at the same 15th Street address as ForthRight, according to FEC records.

In the run-up to last year's election, Zinke's campaign and his leadership PAC, known as SEAL PAC, spent about \$3 million combined on ForthRight Strategy, Direct Support Services and Legacy Lists — all of which operate out of the same office and list ForthRight CEO Kimberly Bellissimo among their executives. (Bellissimo did not respond to POLITICO's requests for comment.)

Special Operations for America, a super PAC that Zinke founded in 2012 before running for office, also paid firms at that address a total of about \$1.8 million during the 2014 and 2016 campaign cycles.

Mackenzie is not listed on ForthRight's website or business filings but was long associated with the firm under its previous names, Base Connect and BMW Direct, both of which [listed him](#) as a staff member [as far back as 2007](#).

Besides sharing an affinity for the same consultants as Mackenzie's VIGOP, Zinke's SEAL PAC has also followed a similar fundraising model: It raised two-thirds of its money from small donors in 2016, then steered only 4 percent of its spending to other campaigns, with almost all the rest going to operating expenses and overhead.

Typically, members of Congress use their leadership PACs to cover expenses that cannot be funded from their campaign accounts and to contribute to fellow politicians, using donations of up to \$5,000 from lobbyists and other PACs. But SEAL PAC relied on donations of less than \$200 for about two-thirds of the \$3 million it collected during the 2016 cycle, according to a review of the donations. The group then spent more than \$2.6 million on overhead and gave just \$118,000 to other congressional campaign committees.

Relying heavily on small-dollar donations is one hallmark of the "scam PAC" play, said Brett Kappel, a partner at the law firm Akerman LLP who specializes in campaign finance, lobbying and government ethics.

"Unfortunately, they generally target the most vulnerable segment of the population with the least disposable income — retired people living on fixed incomes," said Kappel, who declined to discuss specific cases. "Frequently, these are elderly conservative voters who are upset with

the direction of the country."

Lorraine Hutchinson, of Butler, Pa., told POLITICO that these elderly voters included her mother, who she noticed was repeatedly contributing to SEAL PAC and other organizations, though she didn't have the disposable income to spare. Hutchinson said Zinke's PAC was one of the slowest to cease soliciting money when she asked them to stop. At one point, Hutchinson resorted to posting a plea on SEAL PAC's Facebook page.

"It took a great deal of time and effort but I managed to get most of them to stop. The Seal PAC was one of the most persistent," Hutchinson told POLITICO in a Facebook message last week. "I am convinced that these groups knowingly take advantage of the vulnerable elderly and this is a widespread problem without any easy solutions."

Erickson told POLITICO in 2015 that groups that raise political donations without doing much actual politicking are "completely a drain" on the conservative movement, saying they threatened to sap the donors' enthusiasm while achieving no concrete results.

But Bellissimo, the ForthRight CEO, [defended](#) direct-mail fundraising in a 2014 post for The Daily Caller.

Donors who send checks in response to mail solicitations "are some of the most patriotic, conservative, generous, and sophisticated people on the planet. ... They are also 'movement' people," Bellissimo wrote. "They are willing to sacrifice their dollars on a principled conservative even when they know that candidate is an underdog."

Mackenzie has similarly [defended](#) his high operating costs, telling the FEC in response to West's complaint that "fundraising is expensive and getting more so every year."

Bellissimo's firm has played a crucial role in partnering with Mackenzie's Virgin Islands PAC: Several months before Mackenzie filed the VIGOP's initial paperwork with the FEC in December 2013, Virgin Islands Republican Party Chairman John Canegata signed a contract with Base Connect Vice President Timothy Webster making the firm the exclusive fundraiser for the PAC, according to a copy of the confidential document reviewed by POLITICO.

Some Republicans in the Virgin Islands objected to the use of their name in fundraising mailers urging voters to "Stop Hillary Clinton," and Canegata's involvement with Mackenzie has exacerbated divisions within the local party's governing body.

The anti-Clinton pieces, "at best, solicit donations under false pretenses," four members of the Virgin Islands Republican Territorial Committee wrote in a February 2015 internal report, a copy of which was obtained by POLITICO. The members reported that "not a single penny of the funds received through these solicitations have been used for any purpose identifiable to any effort to oppose the election of Hillary Clinton as president."

Bellissimo introduced Zinke to VIGOP in 2015, his first year in Congress, a source familiar with VIGOP's operations told POLITICO. Zinke, his wife Lola and Bellissimo flew to St. Thomas to attend a VIGOP event in November of that year. Photos the VIGOP members posted on Facebook show Zinke and Bellissimo mingling at the Caribbean venue alongside Canegata and Saul Anuzis, a Michigan-based GOP operative who helped raise money for VIGOP. Neither Anuzis nor Canegata responded to requests for comment.

In February 2016, Bellissimo posted a photo of Zinke speaking at the Hay-Adams hotel across from the White House and bragged that she had "the privilege of playing staffer for Congressman Zinke this afternoon." When a friend commented on the Facebook post, saying the then-House freshman should run for president, she replied: "Maybe someday.... Will you help me campaign for him?"

Zinke returned for another VIGOP event at the Ritz-Carlton in St. Thomas less than two weeks after the 2016 election, according to social media posts. Then came his appearance at the VIGOP fundraiser this past March — this time as a member of Trump's Cabinet.

To view online [click here](#).

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## **Trump signs order to end 'crushing attack' of Obama climate legacy [Back](#)**

By Alex Guillén | 03/28/2017 05:08 AM EDT

President Donald Trump ordered his administration to begin dismantling his predecessor's climate change policies on Tuesday with a sweeping directive to end what he called a "crushing attack" on the U.S. economy — by halting efforts to reduce the carbon pollution of electric utilities, oil and gas drillers and coal miners.

The executive order Trump signed represents his biggest blow yet to former President Barack Obama's climate legacy. But it does not go as far as some conservatives would like to dismantle the EPA's authority to regulate greenhouse gases, nor will it begin to separate the U.S. from a landmark international climate accord — two areas of intense disagreement within the administration.

"My administration is putting an end to the war on coal," Trump told an audience at the EPA headquarters signing, where he was joined by a group of coal miners whom he promised would be put back to work quickly.

"We're going to have clean coal. Really clean coal," Trump added. "Together we will create millions of good American jobs, also so many energy jobs, and really lead to unbelievable prosperity."

Democrats argue that Trump is ignoring the risks of climate change for the sake of rewarding supporters in the fossil fuel industry.

"Thanks to this executive order, our future is looking darker, it's looking dirtier and it's looking less prosperous," Sen. [Tom Carper](#) (D-Del) told a press conference. "Today Donald Trump is shirking our nation's responsibilities, disregarding clear science and undoing the significant progress that we've made to ensure we leave a better, more sustainable planet for generations to come."

After last week's embarrassing failure of Trump's attempt to repeal and replace Obama's health care law, the energy executive order offers the president a chance to refocus on another key campaign-trail promise: unleashing the American energy industry. The order comes on the heels of Trump's move to [ease](#) Obama's ambitious vehicle fuel efficiency requirements and his

order to reverse EPA's controversial Waters of the U.S. rule. The president has also recently signed legislation undoing Obama-era rules on Appalachian coal mining and energy companies' payments to foreign governments.

Trump order calls for the EPA to rewrite tough rules that critics said make it virtually impossible to build a new coal-fired power plant, and he instructed the Interior Department to end Obama's moratorium on new coal mines on federal lands, among other steps.

Additionally, the president's "energy independence" executive order also repeals several Obama-era environmental directives aimed at reducing the federal government's own carbon footprint, and it directs agencies to ferret out any additional policies that "result in impediments" to U.S. energy production, a likely reference to restrictions on fracking and offshore drilling. The president also told federal regulators to stop using the "social cost of carbon," which attempts to quantify the effects of climate change, in economic analyses of future rules.

"There is every reason to believe that the federal government will no longer seek to punish American consumers and businesses for using the energy resources that fuel our economy," U.S. Chamber of Commerce President and CEO Thomas J. Donohue said in a statement welcoming the order.

But Trump has not ordered EPA to reconsider the underlying policy that lets it regulate carbon emissions — the 2009 "endangerment finding" in which it declared that greenhouse gas pollution threatens human health and welfare. Nor will he address whether the U.S. will stay in the 2015 Paris climate accord.

"We're happy with it so far and we look forward to the right decisions on Paris and endangerment, but I think those are still to be made and they're a ways down the road," said Myron Ebell, director of the Center for Energy and Environment at the Competitive Enterprise Institute and the former leader of Trump's EPA transition team.

EPA Administrator Scott Pruitt went on national TV earlier this month to [declare](#) that carbon dioxide is not "a primary contributor to the global warming that we see," a statement that is at odds with the conclusions of the vast majority of climate scientists, including those at his own agency. But Pruitt has not followed up on that statement with any effort to reverse the Obama-era endangerment finding — a factor that sources say contributed to last week's [abrupt departure](#) of a Trump appointee from the agency.

On Monday, a writer for Breitbart.com, the site previously run by White House strategist Steve Bannon, suggested that a failure to revoke the endangerment finding would be grounds for Pruitt to resign.

"If Scott Pruitt is not up to that task, then maybe it's about time he did the decent thing and handed over the reins to someone who is," [wrote](#) James Delingpole, a prominent climate skeptic.

The White House has not ruled out later revisiting the endangerment finding, which Trump promised on the campaign trail to review. But environmentalists hope the administration decides that would be too much trouble, given that the policy already survived judicial scrutiny, and that courts are unlikely to support revoking it given the overwhelming scientific data on climate change.

Trump has not nominated anyone to fill key leadership positions below Pruitt and Interior Secretary Ryan Zinke, leaving open the question of how quickly his order will yield any concrete results.

"It's going to be harder if you don't have those positions filled," said David Doniger, director of the climate and clean air program at the Natural Resources Defense Council. "Unless, actually, their intention is never to fill them and work through political operatives who are not accountable."

Trump's advisers are split over whether to withdraw from the Paris climate deal, which Obama joined with a pledge to reduce U.S. emissions at least 26 percent from 2005 levels by 2025. The U.S. would face no penalty for missing that target, but many conservatives nonetheless say Trump should abandon the agreement altogether, as he pledged to do during the campaign.

But more moderate advisers, including Trump's daughter Ivanka and his son-in-law Jared Kushner, fear that pulling out would damage relations with key U.S. allies. Administration officials are now considering a middle-ground [approach](#): Stay in the deal in exchange for more international support for technologies to reduce emissions from fossil fuels.

The order was also silent on a carbon tax, another issue that has become a [flashpoint](#) in disputes between moderates and hardliners in the White House.

Despite the lofty rhetoric coming out of the White House, Tuesday's order will have relatively little immediate effect.

It will take EPA years to rewrite its Clean Power Plan and accompanying rules on future power plants — both of which courts already had frozen while lawsuits play out.

The Trump administration plans to ask federal courts to suspend lawsuits over the EPA climate regulations and send the rules back to the agency to be rewritten or withdrawn. But the D.C. Circuit Court of Appeals, which heard arguments on the Clean Power Plan six months ago, does not have to go along. The appeals court judges could rule any day on the Clean Power Plan, and a separate D.C. Circuit panel has scheduled oral arguments on the future plant rule for April 17.

If EPA will not defend the regulation, environmentalists and states like California and New York have indicated they will step up and do so. And the ultimate fate of EPA's climate authority likely will eventually be decided by the Supreme Court, which ruled in 2007 that the agency had to regulate greenhouse gases if they endanger public health — but did not say how.

Trump's plans for the social cost of carbon are less clear.

The Obama administration estimated that each ton of carbon dioxide imposes \$36 in costs to society to evaluate its climate rules. But Republicans and fossil energy supporters argued it arrived at that figure by counting global benefits while specifying only domestic costs — and they complain the metric was not subjected to a traditional notice-and-comment period before it was employed.

Critics also said the Obama administration used the social cost of carbon to impose stricter rules at EPA, the Energy Department and elsewhere that would be too costly to justify

otherwise. Many environmentalists, meanwhile, complained that the amount was too low.

Whether Trump significantly lowers the cost of carbon or abolishes it altogether, the change could have a serious impact on energy regulations that will play out over a period of years. And it remains unclear how the courts might react. Federal judges have upheld agencies' use of the metric before, but some may be inclined to give deference to the Trump administration over what amounts to a highly technical calculation.

Meanwhile, Trump's order will also lead to the resumption of federal coal leasing. But major coal companies are hardly champing at the bit to sign new leases on federal land, although the Bureau of Land Management could make new tracts available relatively quickly. For example, a spokesman for Peabody Energy, which mines more U.S. coal than anyone else, [told](#) Bloomberg that the company will not need a new lease in Wyoming's Powder River Basin for "approximately a decade."

The Obama administration imposed a moratorium in February 2016 as part of a three-year review of the federal coal program. That followed reports from the Government Accountability Office, Interior's inspector general and a coalition of environmentalists and government spending watchdogs that concluded Interior was undervaluing coal on public lands.

Zinke [hinted](#) earlier this month that he will continue the underlying review, despite lifting the moratorium, to ensure taxpayers get the full value of coal being sold off of federal lands.

It's not clear that the moratorium cost any jobs, particularly since most coal mining is happening on private rather than public lands. The National Mining Association has not calculated the costs of the moratorium so far, but the group [noted](#) that coal mines on federal lands employ 14,000 miners.

*Anthony Adragna and Esther Whieldon contributed to this report.*

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**Trump to roll back climate-focused flood standard** [Back](#)

By Annie Snider | 08/15/2017 12:41 PM EDT

President Donald Trump will roll back a flood standard designed to protect federal investments from stronger storms as part of an executive order set to be signed this afternoon, according to a White House source.

The Federal Flood Risk Management Standard was established under an [executive order](#) issued by President Barack Obama in 2015. It requires that new federally funded projects — from government buildings like Veterans Administrations hospitals to bridges and schools funded by federal grants — be built to withstand the stronger storms and additional flooding projected to occur as the climate changes. It does not apply to the National Flood Insurance Program.

The Obama administration's standard offers multiple options for achieving greater flood protection, but generally requires construction to withstand a 500-year storm. The previous standard, on the books for more than four decades, required construction to take place outside of the 100-year floodplain. The new standard has not actually taken effect yet; each federal agency is tasked with developing its own regulation for implementing the standard, and none have yet been finalized.

Industry groups objected to the standard, arguing it was developed behind closed doors and could greatly increase costs.

Environmental groups have objected to efforts to repeal the standard.

"Ninety percent of all natural disasters in the United States involve flooding. These events claim lives and strain the capacity of government agencies and local communities to adequately respond and provide relief," Laura Lightbody with the Pew Charitable Trusts said in a statement.

**WHAT'S NEXT:** Trump is slated to sign an executive order on infrastructure containing the roll back of the Federal Flood Risk Management standard at 3 p.m. today.

To view online [click here](#).

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**PJM CEO: Perry grid plan 'contrary to law'** [Back](#)

By Darius Dixon | 10/23/2017 02:38 PM EDT

Energy Secretary Rick Perry's proposal to support coal and nuclear power generation is unworkable and may be contrary to law if enacted, according to Andy Ott, CEO of PJM Interconnection.

"Some of the concerns raised by DOE we certainly understand [and] agree with a need for action. However, the DOE's proposed remedy is simply unworkable," Ott told reporters on a conference call this afternoon.

He argued that Perry's plan flew in the face of FERC's core statute and the agency's practice of treating energy sources fairly.

"It's not a uniform proposal across the nation. It seems to be a proposal that's targeted at specific resources, which we think is discriminatory and inconsistent with the Federal Power Act," Ott said. "We believe that it's contrary to law and ... [won't] really solve any problems."

The proposal was discriminatory, he said, because in boosting coal and nuclear power, the rule would create a special group of power sources that are "providing very similar or the same services" to the grid. In addition, Perry's plan was tweaked after its release but before its official publication to stipulate that the rule would apply to power markets that also had capacity markets.

"Certainly, there are generators in non-RTO areas and certainly generators in areas without

capacity markets," Ott said. "The point is, why would they be compensated any differently?"

He added: "I don't know how you incorporate such a proposal without having a significant detrimental impact on markets. "

**WHAT'S NEXT:** FERC is accepting initial comments on the DOE proposal through the end of today.

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**Date:** Thursday, October 05, 2017 5:43:55 AM

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By Anthony Adragna | 10/05/2017 05:41 AM EDT

*With help from Ben Lefebvre and Darius Dixon*

*[Morning Energy](#) will not publish on Monday Oct. 9. Our next [Morning Energy](#) newsletter will publish on Tuesday Oct. 10. Please continue to follow PRO Energy issues [here](#).*

**MIXING PUBLIC LANDS AND POLITICS:** Over the course of his first months in office, Interior Secretary Ryan Zinke has met with big donors or political groups more than a half-dozen times while on official travel, raising questions about the appropriateness of those habits even if they don't cross any legal red lines, Pro's Ben Lefebvre and Esther Whieldon [report](#). GOP donors shelled out up to \$5,000 per couple for a photo with him during a nearly two-hour Virgin Islands Republican Party fundraiser during a stop on an official trip related to the Interior Department's role overseeing the U.S. territory. Tickets for the fundraiser, which was attended by local party members and elected officials, ranged from \$75 per person to as much as \$5,000 per couple.

**Though ethics watchdogs said Zinke's appearance was legal,** they said attending a fundraiser during his first month as secretary is not in line with past administrations' conduct. "It happens on occasion with other Cabinet secretaries, perhaps even a little more often as you get near the election, but it is not a very common practice for Cabinet members to be hopping around from campaign event to campaign event like we're seeing with Zinke," said Craig Holman, government affairs specialist for government watchdog Public Citizen. An Interior spokeswoman said Zinke always follows the law but declined to answer specific questions about his appearance at the Virgin Islands fundraiser, nor would say if he planned to continue raising funds.

**Zinke's not alone:** Obama administration officials had their own struggles mixing official business with politics. A watchdog group requested a probe of whether then-Secretary Ken Salazar had violated the Hatch Act while taking an Obama re-election campaign RV tour of Colorado. The Office of Special Counsel [found](#) HHS Secretary Kathleen Sebelius violated the Hatch Act in 2012, saying she had made "extemporaneous partisan remarks" in North Carolina. Former Interior chief Sally Jewell said she thought Zinke was within his rights, noting she once appeared at a fundraiser for Democratic Sen. [Maria Cantwell](#) that she paid her own way to. "If he had legitimate business while he's on the island, to do a political thing on the side I don't think that is that unusual," Jewell said.

**But some see Zinke's activity** as trying to maintain political contacts so can keep his options available for what to do after he leaves the Trump administration. "I think he's definitely got political aspirations, that that's one of the reasons why he is where he is at right now," said Land Tawney, executive director of Backcountry Hunters and Anglers. "You don't go from being a Montana legislator to a first-term congressman to [Interior] secretary without having ambition." He's widely seen an attractive candidate for Montana's open-seat governor's race in 2020.

**Quotes that keep coming back to ME:** "Put another way, just because something is legal doesn't make it right," OMB director Mick Mulvaney [wrote](#) last week. "So much of what happens around here is based on appearances. If it just appears wrong, don't do it," Senate Energy Chairman [Lisa Murkowski](#) told reporters last week.

**REPORT: PERRY TOOK CHARTER TOO — LAST WEEK:** Energy Secretary Rick Perry took a chartered flight last week from Hazleton Regional Airport in Pennsylvania to the Greater Portsmouth Regional Airport in Ohio one day before HHS Secretary Tom Price resigned last week, Reuters [reports](#), citing "PMH Aviation, the company that runs the Portsmouth airport." Information about the cost of the flight were not available and the agency did not respond to requests for comment. PMH declined to confirm the flight when contacted by ME Wednesday night. But [FlightAware](#) has details of a Sept. 28 trip that appears to match Perry's itinerary that day; his tour of a uranium facility started at 8:30 the following morning. After the tour, Perry [tweeted](#) that he was headed to the Cincinnati/Northern Kentucky International Airport.

**SPEAKING OF TRAVEL:** The Western Values Project told ME it plans to file a [complaint](#) in federal court today complaining Interior has not responded to FOIA requests it filed in June asking the extent that Zinke's wife has accompanied him on official work business. Lola Zinke has accompanied her husband on some official trips, either ceremonial events to which she had been officially invited or on trips on which she has paid her way, Interior spokeswoman Heather Swift told ME. And CNN [reports](#) Interior's inspector general expanded its existing probe on Zinke's non-commercial travel to also include a summer visit to the Vegas Golden Knights hockey team.

**WELCOME TO THURSDAY EVERYBODY!** I'm your host Anthony Adragna, and DOE's Diane Meck was first up to identify Rep. Sala Burton as the lawmaker Nancy Pelosi replaced in Congress. For today: How many — and which — members of Congress replaced their spouses in their seats? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#), and [@POLITICOPro](#).

**"I DID NOT SIGN UP TO GO BLOW UP THE MARKETS":** Recently minted FERC Commissioner Robert Powelson didn't hold back Wednesday making it clear that he's not going to be a rubber stamp on the Energy Department's grid pricing proposal, and warned against politicizing FERC. [According to SNL](#), the audience gathered for a meeting of the Organization of PJM States broke into a standing ovation when the former longtime Pennsylvania regulator declared, "We will not destroy the marketplace." Powelson, a Republican, reportedly said he wouldn't support a rule that undoes the power markets FERC oversees. "When that happens, we're done. I'm done; I don't need this job," he said, according to SNL. "FERC does not do politics. We don't do energy politics," he also said. "I did not sign up to go blow up the markets."

**Something to keep in mind:** Organization of PJM States includes state regulators spanning Illinois to New Jersey and down to North Carolina, and its meetings include not only officials from PJM, the nation's largest power market, but consumer counsels from those states and plenty of power companies. PJM is also the market that would be the most affected by DOE's proposed rule. This is Powelson's crowd.

**We need lots of information:** Late Wednesday, FERC posted 53 questions and other requests for information as it dives into DOE controversial resiliency pricing proposal, Pro's Darius

Dixon [reports](#). The six-page [document](#) splits those questions into categories looking for feedback on rates, the 90-day on-site fuel requirement envisioned by DOE, and how pricing changes would be implemented, among other issues.

**METHANE RULE LIVES — FOR NOW:** A federal court in California [ruled](#) Wednesday that BLM unlawfully postponed key compliance dates for a methane waste rule in June, effectively putting the rule back on the books for now. Pro's Alex Guillén [reports](#). Magistrate Judge Elizabeth Laporte said the agency was too late to delay components of the regulation because its effective date had already passed and therefore should have gone through a round of notice-and-comment rulemaking before suspending any part of the rule. Her decision came the same day Interior [proposed](#) an 18-month delay of the methane waste rule as it works to rewrite it. BLM will accept comments on that proposal for 30 days.

**\*\* A message from Chevron:** When an endangered butterfly was found near a Chevron refinery, we protected the habitat and still plant the only thing they eat—buckwheat. Watch the video: <http://politi.co/2fVfOTm> \*\*

**EPA STRATEGIC PLAN DROPS CLIMATE FOCUS:** EPA's priorities for the next four years would no longer make reference to climate change or rules to reduce carbon emissions under a [draft strategic plan](#), Pro's Alex Guillén [reports](#). The document, which went out to EPA employees Wednesday, instead defines the agency's "core mission" as ensuring clean air, water and land, calls for more "cooperative federalism" and touts the "rule of law and process." Accompanying graphic that went to employees [here](#).

**DEMOCRATS OFFERING CLIMATE METRIC BILL:** Led by Sen. [Michael Bennet](#), eight Senate Democrats today are introducing [a bill](#) — the Transparent Pollution Accounting Act — that would standardize the metric used across the federal government to quantify the cost of climate pollution. The Trump administration suspended use of the existing social cost of carbon earlier this year, prompting the need for a codified value, the Democrats argue.

**WATCH THAT WRAP UP TODAY:** Murkowski wants to have Kevin McIntyre, Trump's pick to chair FERC, and Rich Glick, who serves as general counsel to energy committee Democrats, onto the commission before the chamber adjourns for the Columbus Day recess, Pro's Darius Dixon [reports](#).

**Barrasso: Baran's renom needs a big offset:** If Democrats want to secure a full five-year term for Nuclear Regulatory Commission member Jeff Baran, they're going to have to agree to "a fairly significant, robust [nomination] package for me to agree to allow him through," Sen. [John Barrasso](#) told ME. Democrats have insisted that Baran, a former aide to ex-Rep. Henry Waxman who has been on the commission since 2014, get a new term alongside the confirmations of GOP commission nominees Annie Caputo and David Wright, who were approved by EPW in July.

**Barrasso's comments suggest** that Democratic support for Caputo and Wright likely isn't enough to get him to go along with Baran, especially considering his frustration with objections to EPA enforcement nominee Susan Bodine. Still, there's not much to hang over the Democrats in the near term: It's a Republican administration with plenty of EPA nominees they don't like, and Baran's seat doesn't expire until June.

**ADMINISTRATION SENDS OVER DISASTER FUNDING REQUEST:** Officials formally sent over a request for nearly \$30 billion in disaster relief Wednesday that included

\$12.8 billion for FEMA's disaster relief fund, \$16 billion for the National Flood Insurance Program and \$576.5 million for the forest service's firefighting fund, Pro Budget and Appropriations Brief's Sarah Ferris [reports](#). That came as San Juan's mayor [blasted Trump](#) on Wednesday as the "miscommunicator in chief" and called his visit to the island "insulting."

**Murkowski's focused on immediate relief:** Murkowski expressed concern about the "slow" federal response to Hurricane Maria and said building a more resilient Puerto Rican grid was secondary to getting the lights back on. "When you think about the extent of a disaster like this, we all want to say, 'Okay, let's improve, let's improve the grid here, let's build the Puerto Rican grid of the future,' but first and foremost—we've just gotta try and clean up," she told reporters. An aide said Murkowski planned to visit the island with other lawmakers next week but that those details are still being finalized.

**PHMSA, NOAA PICKS ADVANCE:** The Senate Commerce Committee advanced the nominations of Howard Elliott to run PHMSA and Timothy Gallaudet to be No. 2 at NOAA by voice vote Wednesday. Add them to the ever-increasing backlog of nominees waiting for a Senate floor vote.

**DEMOCRATS SEEK PROBE OF PRUITT'S SPENDING:** Two senior House Transportation Democrats — [Peter DeFazio](#) and [Grace Napolitano](#) — asked EPA's inspector general in [a letter](#) to probe "wasteful" spending by Pruitt on round-the-clock security and a \$25,000 soundproof phone booth. "This culture, which is reflected in travel and lifestyle choices from the president on down, seems to embolden senior, politically appointed officials of the Trump administration to undertake lavish spending of taxpayer dollars for their sole and personal benefit, and not for the benefit of the Americans paying the tab," they write.

**Udall considering private plane rider:** Sen. [Tom Udall](#), top Democrat on Appropriations subcommittee responsible for EPA spending, told ME he was "exploring" some sort of rider barring officials from private plane travel. "What I end up seeing is there's some very wasteful things going on," he said.

**SENIOR E&C MEMBER MURPHY TO RETIRE:** Rep. [Tim Murphy](#), who chairs the Energy and Commerce Subcommittee on Oversight, announced late Wednesday he'll retire at the end of his current term, POLITICO's Rachael Bade, Elena Schneider and John Bresnahan [report](#). The staunchly pro-life Murphy allegedly suggested a mistress get an abortion.

**MINE SAFETY PICK ACKNOWLEDGES FAULTS:** David Zatezalo, Trump's mine safety pick, told a Senate panel Wednesday he was "not proud of the fact" the coal company Rhino Resources he used to run got notices of safety violations, Pro Labor's Ian Kullgren [reports](#). He also said he'd have no trouble working with career staff that issued the notices in 2010 and 2011.

**ZINKE HEADS TO FLORIDA:** Today, the Interior secretary will get a briefing on "infrastructure upgrades and Everglades restoration at Lake Okeechobee." He'll also visit National Park Service sites Friday impacted by recent hurricanes.

**CONSERVATIVES FOR CLEAN ENERGY:** Hundreds are expected to gather today at the Hyatt Regency for the Conservative Clean Energy Summit. Multiple lawmakers are expected to address the gathering, including Sens. [Mike Rounds](#), [Rob Portman](#) and [Lindsey Graham](#), as well as Rep. [Scott W. Taylor](#). More information [here](#).

**Milestone for House climate caucus:** There are now 60 members of the House Climate Solutions Caucus with the additions of Reps. [Pete Aguilar](#) and [Mimi Walters](#).

**PERRY AIDE ADDS MORE CLIENTS:** Jeff Miller, a former adviser to Energy Secretary Rick Perry during his second presidential run, has signed three new clients — including Pacific Gas and Electric, the massive California utility. Miller reported lobbying DOE in the second quarter on behalf of six clients, including AECOM, Lucid Motors (as a subcontractor to Hobart Hallaway & Quayle), the Nuclear Energy Institute, Occidental Petroleum, Southern Company and Valero Energy. He's signed 15 clients since he started lobbying in Washington this year and Perry became DOE chief (h/t [POLITICO Influence](#)).

**END OF A (SHORT) ERA:** The Rogue EPA Twitter account is going on hiatus, it announced Wednesday. "We started this account to be sure the public knew what was happening at EPA. Now, the world sees...It may be time to take a step back and let others carry the torch for a while. Those of us at the helm, here, are tired," a [couple of tweets](#) said.

## QUICK HITS

— Putin Says He'd Drive a Tesla. [Bloomberg](#).

— Interior Department whistleblower resigns, calling Ryan Zinke's leadership a failure. [Washington Post](#).

— Contrary To Original Plan, Atlantic Coast Pipeline May Extend Beyond North Carolina. [WUNC](#).

— Former AG Sorrell Skips Deposition, Sparks War of Words. [Seven Days](#).

— Here's the leaked anti-leak training email sent to DOE staff. [Wired](#).

— Putin says oil cut deal with OPEC could last to end of 2018. [CNBC](#).

— Climate change could nearly triple airplane turbulence in the next decades, study says. [ABC News](#).

## HAPPENING TODAY

9:30 a.m. — CSIS [discussion](#) on the future of electrification, Center for Strategic & International Studies, 1616 Rhode Island Ave NW

9:30 a.m. — Sens. Burr and Cantwell hold press conference on Land and Water Conservation Fund, Senate Swamp

9:30 a.m. — Lawmakers hold press conference to discuss the wildfire threat in the West and potential legislative fixes, HVC 110 Studio B

10:00 a.m. — "[Powering America: Consumer-Oriented Perspectives on Improving the Nation's Electricity Markets](#)," House Energy and Commerce Energy Subcommittee, Rayburn 2123

12:00 p.m. — "[The Growing Role of Liquefied Natural Gas in Latin America](#)," Atlantic Council, 1030 15th ST NW, 12th Floor

12:30 p.m. — "[How Agencies Reverse Policy: Stays, Remands, and Reconsideration](#),"  
Environmental Law Institute, 1101 K Street, NW, President's Room

## **THAT'S ALL FOR ME!**

**\*\* A message from Chevron:** This is a story about DOERS, butterflies, and buckwheat. In '75, the endangered El Segundo Blue butterfly was found near a Chevron refinery. We protected the habitat and planted the only thing they eat—buckwheat. We're still planting and keeping an eye on our littlest neighbor. Watch the video: <http://politi.co/2fVfOTm> \*\*

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/10/zincke-mixing-politics-with-business-draws-scrutiny-024920>

## **Stories from POLITICO Pro**

### **Interior secretary draws flak for mixing politics, official travel [Back](#)**

By Ben Lefebvre and Esther Whieldon | 10/04/2017 07:31 PM EDT

Republican donors paid up to \$5,000 per couple for a photo with Interior Secretary Ryan Zinke at a fundraiser held during a taxpayer-funded trip to the U.S. Virgin Islands, according to documents reviewed by POLITICO — raising questions about his habit of mixing official government business with political activism.

The new details about Zinke's March trip to the Caribbean, including the previously undisclosed invitation to the Virgin Islands Republican Party fundraiser, emerged after weeks of scrutiny of the former Montana GOP congressman's travels. The nearly two-hour event was one of more than a half-dozen times Zinke has met with big donors or political groups while on department-paid trips, Interior travel records and other documents show.

Ethics watchdogs say Zinke is combining politics with his Interior duties so frequently that he risks tripping over the prohibitions against using government resources for partisan activity, even though his appearance at the Virgin Islands event seems to have been legal. Democrats have also seized on the issue, including 26 House members who wrote in a letter Tuesday that Zinke's travels "give the appearance that you are mixing political gatherings and personal destinations with official business."

Zinke has said all his actions have obeyed the law, dismissing concerns about his travel as "a little B.S."

But some ethics advocates say Zinke's attendance at a fundraiser during his first month as secretary is not in line with past administrations' conduct, even if he crossed no legal red lines.

"It happens on occasion with other Cabinet secretaries, perhaps even a little more often as you get near the election, but it is not a very common practice for Cabinet members to be hopping around from campaign event to campaign event like we're seeing with Zinke," said Craig Holman, government affairs specialist for government watchdog Public Citizen.

The secretary is already under investigation by his department's inspector general over his use of taxpayer-funded private planes for some of the trips, and the Justice Department's Office of

Special Counsel is looking into an activist group's allegations that he violated the Hatch Act, the law limiting political activism by federal employees. The White House has cracked down on Cabinet members' travel habits following former HHS Secretary Tom Price's resignation on Friday, which occurred after POLITICO reported on his own expensive flights.

Zinke visited the Virgin Islands from March 30 to April 1 on an official trip related to the Interior Department's role overseeing the U.S. territory. On his first day, following a "veterans meet and greet" and a reception with Gov. Kenneth Mapp, he appeared in his personal capacity at a March fundraiser for the local Republican Party at the patio bar of the Club Comanche Hotel St. Croix, department records show.

Tickets for the fundraiser ranged from \$75 per person to as much as \$5,000 per couple to be an event "Patron," according to Zinke's official calendar and a copy of the invitation. Patrons and members of the host committee, who paid \$1,500 per couple, could get a photo with Zinke at the start of the event, which was attended by local party members and elected officials.

The following day, Zinke took a \$3,150 flight on a private plane, paid for by the department, from St. Croix to official functions on St. Thomas and returned later that evening. Interior Department officials said there was no other way to accommodate his schedule, which included official events on both islands commemorating the 100th anniversary of the Dutch government transferring control of the islands to the United States.

Zinke is allowed to engage in partisan political activity in a "purely personal (not official) capacity," so long as he does not use government resources, according to Interior Department guidelines on the Hatch Act and other federal laws. The invitation to the GOP fundraiser did not identify Zinke by his official title and included a disclaimer that the money is being solicited by the local party and "not by any federal official."

All told, Zinke has spent around \$20,000 for three charter flights as secretary, nowhere near the \$1 million tab Price racked up on non-commercial trips. But he has on numerous occasions attended political receptions, spoken to influential conservative groups or appeared alongside past campaign donors during trips he takes outside of Washington, D.C., for official department business.

In one instance, Zinke gave a motivational speech for a professional hockey team owned by a major campaign contributor that he said was official business — and which required him to charter a \$12,000 flight to Montana for an appearance at the Western Governors Association the next day.

In another case, during a speech to the Western Conservative Summit in Denver, he was [introduced](#) via a recorded voice as the Interior secretary and Zinke proceeded to talk about the agency's priorities. The summit was organized by the Centennial Institute, which bills itself as Colorado Christian University's think tank and is a part of the State Policy Network of organizations that collectively push for conservative state-level legislation.

An Interior spokeswoman said Zinke always follows the law but declined to answer specific questions about his appearance at the Virgin Islands fundraiser, nor say whether he would keep raising political money. The agency also has yet to post Zinke's trip expenses involving any of the political events.

"The Interior Department under the Trump Administration has always and will always work to

ensure all officials follow appropriate rules and regulations when traveling, including seeking commercial options at all times appropriate and feasible, to ensure the efficient use of government resources," spokeswoman Heather Swift said in a statement.

Swift did not respond to questions about whether the department had gotten reimbursement for the political portion of Zinke's three-day Virgin Islands trip, as the head of one watchdog group says it should have.

"Some of this travel is clearly political and that part of the travel should have been paid for by the RNC, NRCC, state political parties, a campaign committee or Zinke personally," said Daniel Stevens, executive director of the Campaign for Accountability.

No payments to the department are listed in the Virgin Islands Republican Party's FEC records.

Zinke is not the first Interior secretary, or Cabinet member, to have his activities questioned.

In 2012, a watchdog group called Cause of Action urged the Office of Special Counsel to investigate whether President Barack Obama's then-Secretary Ken Salazar had violated the Hatch Act while taking an Obama reelection campaign RV tour of Colorado with a couple of lawmakers and the state lieutenant governor. Local organizers of one stop on that tour had billed Salazar on its online events calendar as attending the political rally in his official role. OSC would not say whether its investigation uncovered any problems, but [travel records](#) Interior has posted show that one of Salazar's aides had told the tour's coordinator the schedule "should not refer to (Salazar as) 'secretary.'" Salazar did not respond to a request for comment.

A former Salazar aide, who was not authorized to speak on the record, said the Obama administration generally tried to avoid scheduling political events that coincided with official travel because it was difficult to divvy up what expenses should be reimbursed by a campaign.

The special counsel's office [found](#) Obama HHS Secretary Kathleen Sebelius in violation of the Hatch Act in 2012, saying she had made "extemporaneous partisan remarks" by endorsing a candidate for North Carolina governor during a speech she made in her official capacity. Sebelius tried to scrub the violation by reclassifying the appearance as political and reimbursing the Treasury Department for costs associated with the trip.

Sally Jewell, who was Interior secretary during Obama's second term, said Zinke was within his rights to appear at the fundraiser in the Virgin Islands. Jewell said she once appeared at a fundraiser for Democratic Sen. [Maria Cantwell](#) while in Obama's Cabinet, though she paid her own way to Washington state and was not identified by her official title.

"If he had legitimate business while he's on the island, to do a political thing on the side, I don't think that is that unusual," Jewell said in an interview.

EPA Administrator Scott Pruitt [canceled](#) his scheduled appearance at a fundraiser for the Oklahoma Republican Party in April because an invitation had identified him by his official title and said he would discuss his work at the agency. EPA ethics officials said he [would have been](#) cleared to attend the event if not for that language on the invitation.

Watchdog groups say Zinke's behavior fits a pattern for Trump's Cabinet.

"These government resources have been abused by this administration," said Virginia Canter,

an executive branch ethics counsel for Citizens for Responsibility and Ethics in Washington who previously worked as an ethics official for Presidents George H.W. Bush, George W. Bush and Obama. "To the extent that some of that supports their political ambitions is inconsistent with the intent of this authority."

The Campaign for Accountability [called](#) on Interior's inspector general and the Office of Special Counsel to investigate whether Zinke violated the Hatch Act or department ethics rules with his speech to the hockey team, which the group said appeared to be a favor for a donor. Interior's IG office announced its investigation earlier this week, and OSC told the Campaign for Accountability that it was looking into the group's complaint, according to an email shared with POLITICO. The OSC declined to comment.

Reps. [Raúl Grijalva](#) (D-Ariz.) and [Donald McEachin](#) (D-Va.) have asked Interior's IG to also look into any trips on which the secretary was accompanied by his wife, Lola Zinke, who is chairing the campaign of Montana Republican Troy Downing, a candidate to unseat Democratic Sen. [Jon Tester](#) next year. Swift said Lola Zinke was not in the Virgin Islands and has paid her own way whenever she has traveled with her husband on official trips.

Many who know him see Zinke's travels as an attempt to keep in touch with political contacts as he contemplates what he will do after leaving the Trump administration. Back home, the 55-year-old former Montana congressman is seen as an attractive candidate for the open-seat governor's race in 2020, when Democratic Gov. Steve Bullock will have to step down because of term limits.

"I think he's definitely got political aspirations, that's one of the reasons why he is where he is at right now," said Land Tawney, executive director of Backcountry Hunters and Anglers, a Montana-based sportsman group that supported Zinke's bid for Interior secretary. "You don't go from being a Montana legislator to a first-term congressman to [Interior] secretary without having ambition."

The Virgin Islands trip was Zinke's first interaction with big donors or influential conservative groups during his travel as Interior secretary.

A weeklong trip in May that took Zinke through Montana, Utah and California also offered a chance to squeeze in some political events.

Zinke delivered the keynote speech at the RNC spring meeting on May 11 in Coronado, Calif. Zinke had flown to California the previous night, after several days touring monuments in Utah, and the RNC speech was his only event in the state aside from a meeting earlier that afternoon with Rep. [Amata Radewagen](#), the Republican delegate from American Samoa, and members of the American Tunaboat Association.

The next day, Zinke flew back to Montana where he joined Sen. [Steve Daines](#) (R-Mont.) and Vice President Mike Pence to tour a coal mine on the Crow Indian reservation operated by the Westmoreland Coal Co.

The trip offered Zinke and Pence an opportunity to tout the Trump administration's work to promote new coal mining on federal lands — and it allowed them to make a brief detour to promote Zinke's congressional replacement. That Friday night, Zinke, Pence and Daines attended a political rally for GOP candidate Greg Gianforte, and Zinke attended a get-out-the vote event for the Montana GOP the next day.

Zinke apparently paid for his return trip to Washington out of his own pocket — it was marked "personal travel" on his calendar, a designation not applied to the other flights on that trip.

Gianforte, whose wife is a [major](#) political donor in Montana, won the May 25 special election to take over Zinke's House seat.

Greg and Susan Gianforte donated more than \$10,000 to Zinke's 2016 congressional campaign and another \$10,000 to joint Zinke-Daines PAC, according to [federal](#) records. The couple donated \$5,000 for his earlier run for Congress.

Zinke met with big influencers and donors in June as well.

On June 25, he flew from D.C. to Reno, Nev., where his only scheduled event was a meeting of the Rule of Law Defense Fund, a group of Republican attorneys general that has been linked to the Koch brothers, where he spoke and took questions for about 30 minutes, according to his schedule.

After his remarks, he sat at a dinner table with Montana's attorney general, the government relations specialist for the Venetian Resort Hotel Casino and Las Vegas Sands, and Koch Industries lobbyist Allen Richardson, Interior documents show.

The next day, Zinke flew to Las Vegas for an event on public lands in nearby Pahrump, Nev., and a speech that night to the National Hockey League's Vegas Golden Knights. Bill Foley, the team owner and chairman of Fidelity, introduced Zinke. Foley donated \$7,800 to Zinke's 2014 campaign, while employees and PACs associated with Fidelity and related companies gave another \$180,000. Interior officials said the speech to the NHL team was part of Zinke's official duties, and they pointed to scheduling conflicts it created to justify his use of a \$12,000 private plane to get to a Western Governors Association meeting in Montana the next day.

In July, Zinke spoke to several conservative groups in Colorado during a three-day trip that also included tours of Interior Department facilities in the state. He flew into Denver on July 20 so he could appear that evening at a closed-door reception for the American Legislative Exchange Council, a group of conservative state legislators, lobbyists and industry groups that has pushed for more state control over federal lands.

And over the next two days, he was a featured speaker at a Republican committee roundtable and attended the Western Conservative Summit in Denver.

*Eric Wolff contributed to this report.*

To view online [click here](#).

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**Report: Sebelius violated Hatch Act** [Back](#)

By Jennifer Haberkorn | 09/12/2012 03:13 PM EDT

HHS Secretary Kathleen Sebelius violated the Hatch Act, which prohibits certain political activity, when she made "extemporaneous partisan remarks" during a speech in her official capacity earlier this year, the U.S. Office of Special Counsel said Wednesday.

The office sent an [official report](#) outlining the rare Hatch Act violation and Sebelius's [response](#) to President Barack Obama.

The special counsel's office said it "found no evidence that Secretary Sebelius made any other political statements in her official capacity."

During a speech to the Human Rights Campaign Gala in North Carolina in February, Sebelius said North Carolina Lt. Gov. Walter Dalton "needs to be the next governor of North Carolina." She also outlined the Obama administration's accomplishments so far and said, "One of the imperatives is to make sure that we not only come together here in Charlotte to present the nomination to the president, but we make sure that in November he continues to be president for another four years."

The Office of Special Counsel said she made the political remarks in her capacity as a federal employee and thus violated the Hatch Act. If Sebelius had made those remarks in her personal capacity, they would have been acceptable.

After that appearance, Sebelius had the event reclassified from official to political, and done in her personal capacity, in an attempt to avoid a Hatch Act violation. She and HHS also reimbursed the Treasury Department for all the costs associated with the trip. At least some of the cost was picked by the Democratic National Committee, according to the OSC.

But the OSC said the reclassification doesn't mean the violation didn't occur, particularly because the gala was advertised using Sebelius's HHS title.

"OSC concluded that Secretary Sebelius violated the Hatch Act by making extemporaneous political remarks," OSC Special Counsel Carolyn N. Lerner wrote in a letter to President Barack Obama. "As the upcoming elections approach, this report offers an opportunity to remind federal employees of the complex Hatch Act restrictions."

Hatch Act violations against sitting Cabinet secretaries are relatively rare.

"This particular type of violation, where you have a Cabinet secretary speaking at an event, is pretty uncommon," said Scott Coffina, a former associate counsel in President George W. Bush's White House and a partner at Drinker Biddle & Reath. He said there are "a lot of very garden-variety violations," citing federal employees who forward political emails or put up campaign photos.

Republicans immediately criticized Sebelius, and conservative groups called for her dismissal.

But Sebelius told the OSC that the endorsements of Obama and the government were unscripted and a "mistake." OSC quoted her as saying that she "got a little caught up in the notion that the gains which had been made would clearly not continue without the president's reelection."

Sebelius, in her response, said the ruling was "somewhat unfair" and the use of her title amounted to a "technical and minor" violation. She said that OSC should have concluded that the violation was "corrected" when the event was reclassified as political.

OSC said that by reimbursing the Treasury, she didn't violate rules prohibiting government-funded political events, but it didn't correct the prohibition on making political statements in an official role.

"It is my understanding that the Hatch Act permits Cabinet members to engage in political activities, without regard to location and duty hours, due to the 24-hour nature of our jobs," Sebelius wrote. "I believe that you should have concluded that the consequence of my going 'off script' at an official event was to change the nature of my appearance for cost reimbursement purposes only.

"Keeping the roles straight can be a difficult task, particularly on mixed trips that involve both campaign and official stops on the same day," Sebelius wrote.

Republicans were quick to pounce on Sebelius's violation.

"That the secretary violated federal law in this manner is disturbing, but hardly a surprise," said Antonia Ferrier, spokeswoman for Sen. Orrin Hatch (R-Utah). (The law was named after a different Sen. Hatch: Sen. Carl Hatch of New Mexico.)

"Since almost day one, this administration has had a singular focus on politicking — not governing — that's borne out by the secretary ignoring a strict prohibition on electioneering while working for federal taxpayers," Ferrier said.

House Oversight Committee Chairman Darrell Issa said Obama should carefully consider how to respond to the report.

"As he decides the appropriate consequences for Secretary Sebelius, the president should consider the important leadership role of Cabinet secretaries and the example they must set for the entire executive branch," he said in a statement.

Conservative advocacy groups said the violation warranted her departure.

"This is the most high-profile example of a Hatch Act violation since the act was passed in 1939," said Dan Epstein, executive director of Cause of Action. "Never before has a member of the president's Cabinet been found to have committed a Hatch Act violation. President Obama should immediately fire HHS Secretary Sebelius for her violation of federal law."

Maureen Ferguson and Ashley McGuire of The Catholic Association said most of Sebelius's actions "have advanced the president's political interests" throughout her tenure. "We already know she is willing to violate the First Amendment rights of Americans for political purposes, so why should we be surprised when she bends other laws to score political points?"

*This article first appeared on [POLITICO Pro](#) at 3:10 p.m. on September 12, 2012.*

To view online [click here](#).

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**White House to Cabinet: No private air travel without Kelly's approval [Back](#)**

By Matthew Nussbaum | 09/29/2017 06:57 PM EDT

The White House cracked down on Cabinet officials' use of private planes Friday, telling them chief of staff John Kelly must approve almost all travel on "government-owned, rented, leased, or chartered aircraft," after Health and Human Services Secretary Tom Price [resigned](#) over his own taxpayer-funded flights.

Mick Mulvaney, the director of the Office of Management and Budget, sent out the memo soon after Price's resignation was made public. His exit came after [a series of POLITICO reports](#) about his frequent use of private planes to conduct government — [and sometimes personal](#) — business.

"In light of recent events, the President has asked me to remind the heads of all executive departments and agencies of Administration policies on travel," Mulvaney wrote.

He reminded the department and agency heads that, by regulation, "Government-owned, rented, leased, or chartered aircraft should not be used for travel by Government employees except with specific justification."

"However, beyond the law and formal policy, departments and agencies should recognize that we are public servants," Mulvaney wrote. "Every penny we spend comes from the taxpayer. We thus owe it to the taxpayer to work as hard managing that money wisely as the taxpayer must do to earn it in the first place."

Mulvaney added: "Put another way, just because something is legal doesn't make it right."

Officials should stick to commercial travel "with few exceptions," he wrote.

In the wake of the controversy, other administration officials' travels have come under scrutiny. Interior Secretary Ryan Zinke has used military planes for some trips, [POLITICO reported](#), while EPA Administrator Scott Pruitt and Treasury Secretary Steven Mnuchin have also raised eyebrows with their travel itineraries.

President Donald Trump was livid over the Price scandal and accepted his resignation on Friday.

"We have great secretaries, and we have some that actually own their own planes, so that solves that," Trump told reporters earlier on Friday.

*To view online [click here](#).*

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**FERC floats dozens of questions on DOE pricing proposal [Back](#)**

By Darius Dixon | 10/04/2017 06:52 PM EDT

FERC opened the floodgates tonight for comments on the Energy Department's controversial resiliency pricing proposal, posting 53 questions and other requests for information about the rulemaking.

The [six-page document](#) signed by FERC's director for energy policy and innovation, groups the questions into broader categories looking for feedback on rates, the 90-day on-site fuel requirement envisioned by DOE, and how pricing changes would be implemented, among other issues.

But many of the questions, which are open to anyone seeking to comment before FERC's initial comment deadline of Oct. 23, are directed at the foundation of DOE's proposal.

For example, DOE's 19-page proposal leans heavily on the grid stresses that occurred during the "polar vortex" to press for new regulatory action. But, FERC doesn't treat the premise as a given. "The proposed rule references the events of the 2014 Polar Vortex, citing the event as an example of the need for the proposed reform. Do commenters agree?"

There are also questions directed at how on-site fuel would address power outages triggered by damage to the electric transmission and distribution system, and several questions seeking to define ostensibly basic information about how the 90-day fuel supply concept should be applied.

**WHAT'S NEXT:** FERC's initial comment deadline is Oct. 23, with reply comments due Nov. 7.

To view online [click here](#).

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**Judge says Interior delay of methane waste rule was illegal** [Back](#)

By Alex Guillén | 10/04/2017 07:32 PM EDT

A federal judge [ruled](#) today that the Bureau of Land Management's June postponement of key compliance dates for the methane waste rule was unlawful.

BLM relied on Section 705 of the Administrative Procedure Act to justify the delay. But Magistrate Judge Elizabeth Laporte of the U.S. District Court for Northern California said it was too late because the rule's effective date had already passed. That means BLM should have gone through a round of notice-and-comment rulemaking before suspending any part of the rule, she said.

Coincidentally, the ruling came on the same day that Interior [proposed](#) an 18-month delay of the methane waste rule as it works to rewrite it.

Laporte's ruling acknowledges the pending rulemaking but said it could be months before it is finalized and takes effect, and may not survive its own legal challenge, giving her no reason to pause now.

She vacated the delay and ordered the requirements reinstated. She rejected BLM's arguments that the delay should be kept in place, saying that doing so would create "a free pass for agencies to exceed their statutory authority and ignore their legal obligations under the APA, making a mockery of the statute." And Laporte said any company that misses upcoming

January deadlines because of Interior's delay is in "a problem to some extent of their own making."

Laporte previously used similar legal reasoning to [strike down](#) Interior's delay of a resource valuation rule.

**WHAT'S NEXT:** BLM will take public comment for 30 days on its new proposal to delay the methane waste rule.

To view online [click here](#).

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### **BLM proposes 18-month delay to methane rule** [Back](#)

By Ben Lefebvre | 10/04/2017 09:59 AM EDT

The Interior Department proposed to suspend enforcement of an Obama-era rule on methane emissions for 18 months as it plans to rewrite it, according to a [document](#) to be filed tomorrow in the Federal Register.

"The BLM is currently reviewing the 2016 final rule and wants to avoid imposing temporary or permanent compliance costs on operators for requirements that may be rescinded or significantly revised in the near future," the agency said in the document.

The agency said it is concerned that the final rule analysis "may have underestimated costs and overestimated benefits, and [BLM] is therefore presently reviewing that analysis for potential inaccuracies."

The 2016 rule was intended to require oil and gas developers on federal lands to capture more of the methane that leaked during their operations. The rule went into effect in January 2017 and survived an effort by Congressional Republicans to repeal it.

**WHAT'S NEXT:** BLM will accept public comments on the proposal for 30 days.

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### **Draft EPA strategic plan drops all reference to climate change** [Back](#)

By Alex Guillén | 10/04/2017 04:26 PM EDT

The Trump administration has dropped all mention of climate change or rules to reduce carbon emissions from a strategic plan outlining EPA's priorities for the next four years, according to a draft obtained by POLITICO.

The [draft](#) was circulated around EPA for comment earlier today along with an accompanying

one-page [graphic](#).

The document creates a new framework for EPA's mission that reflects the management style of Administrator Scott Pruitt. It defines EPA's "core mission" as ensuring clean air, water and land. It calls for more "cooperative federalism" to empower state governments. And it touts the "rule of law and process," which is meant to "refocus the Agency on its statutory obligations under the law."

The draft was released to EPA employees just days after Pruitt missed a key statutory deadline to implement the 2015 ozone standard. EPA has offered no update on that issue.

"I believe this draft Plan provides the foundation for a more efficient and effective agency, enabling us to accelerate progress and deliver real, tangible results for the American people," Pruitt wrote in an [email](#) to EPA staff today.

The [previous strategic plan](#) released by the Obama administration in 2014 listed climate change as "goal one," along with broader air quality issues. The new draft plan makes no mention of climate change, though it does address non-climate air issues, as well as a litany of other regulatory, permitting and administrative goals for EPA.

**WHAT'S NEXT:** EPA will publish the draft plan in Thursday's Federal Register and take comments through Oct. 31.

*Lorraine Woellert contributed to this report.*

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**Murkowski pressing to have FERC nominees approved this week** [Back](#)

By Darius Dixon | 10/04/2017 04:17 PM EDT

Sen. [Lisa Murkowski](#) is aiming to have President Donald Trump's two pending FERC nominees confirmed before the Senate flies off for its recess at the end of the week.

"I was talking with our leadership today about it. I want to try to get it shook loose before we take a break," the Alaska Republican, who chairs the Senate Energy and Natural Resources Committee, said of the nominees. The Senate is not scheduled to be in session next week.

Kevin McIntyre, Trump's pick to chair the agency, and Rich Glick, who serves as general counsel to energy committee Democrats, were [approved](#) by Murkowski's committee on a voice vote last month to become FERC members.

Sen. [Maria Cantwell](#), the top Democrat on the energy committee, has said she was "favorably impressed" by McIntyre who, when confirmed by the full Senate with Glick, will bring FERC's leadership board back to full strength for the first time since late 2015.

**WHAT'S NEXT:** The Senate is scheduled to be on recess for the week of Columbus Day and is rarely in session on Friday, suggesting that the FERC nominees could be confirmed in the next day or so.

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**White House seeks nearly \$30B in disaster aid package** [Back](#)

By Sarah Ferris | 10/04/2017 06:13 PM EDT

The White House this afternoon formally requested nearly \$30 billion in emergency funding for its ongoing recovery efforts in hurricane-battered regions like Puerto Rico, Florida and Texas.

In a letter to congressional leaders, the Trump administration asked for \$12.8 billion for FEMA's disaster relief fund, \$16 billion for the National Flood Insurance Program and \$576.5 million for the forest service's firefighting fund.

"We need the help of Congress to stabilize the affected communities and replenish dwindling and depleted funds," Office of Management and Budget chief Mick Mulvaney wrote. He said the money should be classified as "emergency spending," meaning it would not require spending offsets.

House and Senate appropriators immediately released statements in support of the White House's request and pledged to act quickly. House Appropriations Chairman [Rodney Frelinghuysen](#) (R-N.J.) said he would "put legislation forward as soon as possible."

Rep. [Nita Lowey](#), his Democratic counterpart on the panel, said she supported Trump's request for FEMA, but added it needed to go further.

"Congress should add to this request by appropriating funding for flexible Community Development Block Grants; rebuilding coastlines, roads, transit systems, airports, ports, and other infrastructure; small business loans; and repairs to military installations and other federal facilities damaged in the storms," said Lowey, of New York.

The White House's request had previously been [reported](#) by POLITICO.

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**Embattled GOP Rep. Tim Murphy to retire** [Back](#)

By Rachael Bade, Elena Schneider and John Bresnahan | 10/04/2017 02:44 PM EDT

Rep. Tim Murphy of Pennsylvania announced Wednesday that he will retire at the end of his term, after allegations that the married Republican lawmaker, who opposes abortion rights, asked his mistress to terminate a pregnancy.

Murphy admitted several weeks ago to an affair with forensic psychologist Shannon Edwards — news that came to light during the woman's divorce proceedings with her husband.

"After discussions with my family and staff, I have come to the decision that I will not seek reelection to Congress at the end of my current term," Murphy said in his statement. "I plan to spend my remaining months in office continuing my work as the national leader on mental health care reform, as well as issues affecting working families in southwestern Pennsylvania."

Murphy added: "In the coming weeks I will take personal time to seek help as my family and I continue to work through our personal difficulties and seek healing. I ask you to respect our

privacy during this time."

Murphy met privately with Speaker Paul Ryan (R-Wis.) before his retirement announcement, as well as with Pennsylvania GOP Reps. Bill Shuster and Charlie Dent.

A number of top Republicans have said privately that Murphy should retire or resign in light of the scandal.

The Pittsburgh Post-Gazette [reported](#) Tuesday that Murphy suggested Edwards get an abortion during a pregnancy scare, citing leaked text messages between the two.

"And you have zero issue posting your pro-life stance all over the place when you had no issue asking me to abort our unborn child just last week when we thought that was one of the options," Edwards texted to Murphy in late January, according to the Post-Gazette.

Edwards was responding to a Facebook post by Murphy touting his anti-abortion position in Congress. Murphy is a member of the House Pro-Life Caucus and voted Tuesday for legislation to ban abortions after 20 weeks.

The story also highlighted a toxic work environment in Murphy's office, citing a June 8 memo in which his chief of staff, Susan Mosychuk, warned Murphy about mistreating staff. The document, titled "Office Conduct and Behavior: Harassment/Legal Compliance," suggests there was a "pattern of sustained inappropriate behavior."

Mosychuk wrote that the office has experienced 100 percent staff turnover over the past several years and attributed it to the congressman's behavior. She said he often worked staff through the weekends, only to berate them for failing to meet expectations.

Murphy's district leans heavily Republican, backing Donald Trump by almost 20 points in 2016 and Mitt Romney by nearly 17 points in 2012. It is likely to remain in Republican hands.

Indeed, national Democrats scoffed at the idea that Democrats might be able to retake the seat — even if Murphy, crippled from scandal, were to run again. One Democratic consultant called it "completely unwinnable" as an open seat.

"[Murphy] is certainly weaker today than he was yesterday, but it'd be a stretch to say this is a Democratic pickup opportunity," another national Democratic strategist said.

The chairman of the National Republican Congressional Committee, Rep. Steve Stivers of Ohio, likewise said in a statement late Wednesday evening that he was "confident" the district would stay in GOP hands next year.

"While I am extremely disappointed in the circumstances surrounding Congressman Murphy's retirement, I remain confident that PA-18 will remain under Republican control next year," Stivers said. "I look forward to working with the eventual Republican nominee to ensure the district's conservative values are represented in Congress."

Still, Democrats on the ground are more hopeful, pointing to competitive down-ballot results in the district.

"It's a tough district, no doubt about it, but Democrats have been able to keep it close in other races," said Mike Mikus, a longtime Democratic operative in the state. "I think you'll see more

Democrats taking a look at this and considering jumping in now."

A handful of Democrats are already in the race, including Pam Iovino, a Navy veteran and former Veterans Affairs official; Mike Crossey, a former member of the Allegheny County Council; and Bob Solomon, a physician.

But former Rep. Jason Altmire — a centrist Democrat who represented Western Pennsylvania and lost his seat, partially due to redistricting, in 2012 — said "it would have to be the right kind of Democrat" to put the seat in play.

"If you had a social conservative Democrat, it's been proven that a Democrat like that and who fits that mold can win," Altmire said.

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**MSHA nominee: 'I was not proud' of violations notice** [Back](#)

By Ian Kullgren | 10/04/2017 05:55 PM EDT

President Donald Trump's nominee for assistant secretary of Labor for Mine Safety & Health told a Senate committee today that his coal company ignored safety conditions at one of its mines.

David Zatezalo was chairman of Rhino Resources when it received pattern of violation notices in 2010 and 2011, the Charleston Gazette-Mail previously reported. The company was later fined when a wall collapsed, killing a worker.

When questioned by Sen. [Tim Kaine](#) (D-Va.) about the notice, Zatezalo blamed the mine manager.

"The management of that particular group and that particular site was not doing what they should have been doing," Zatezalo said. "I was not proud of the fact that we got designated as a [potential pattern of violations] mine. I did not try to lawyer up and stop anything from happening."

"I replaced that management," he added, "because I wasn't too happy with their performance and hadn't been for sometime."

Zatezalo appeared before the Senate HELP Committee for a confirmation hearing with Cheryl Stanton and Peter Robb, Trump's nominees for Wage and Hour Division administrator and NLRB general counsel, respectively. Few senators showed up to the hearing, though, and [Patty Murray](#) (D-Wash.) complained that the Senate's busy schedule didn't leave enough time to probe as deeply as she would have liked.

Zatezalo assured Kaine that he wouldn't have a problem working with career staff at MSHA who issued the notice to his company.

"They did what they were supposed to do," he said.

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**Date:** Tuesday, October 10, 2017 5:45:28 AM

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By Anthony Adragna | 10/10/2017 05:42 AM EDT

*With help from Alex Guillén and Darius Dixon*

**CLEAN POWER PLAN WALKBACK ARRIVES:** From the heart of coal country in Hazard, Ky. and alongside Senate Majority Leader [Mitch McConnell](#), EPA Administrator Scott Pruitt announced Monday he'd sign a proposed rule today formally kicking off what's expected to be a protracted, years-long regulatory and legal process of withdrawing the Obama-era Clean Power Plan. "The past administration was unapologetic, they were using every bit of power, authority to use the EPA to pick winners and losers on how we pick electricity in this country. That is wrong," Pruitt told the crowd.

POLITICO's Emily Holden and Andrew Restuccia [got the talking points](#) ahead of the announcement, which show President Donald Trump's administration will frame the regulation's repeal as "another step advancing the president's America First strategy." It's worth noting the country is more than halfway toward meeting the rule's goals even though it never formally took effect. New York Attorney General Eric Schneiderman vowed to sue over that action Monday.

**Long haul ahead:** It'll take a ton of time to actually formally remove the Clean Power Plan from the books and to defend those actions in court, Emily [reports](#). So environmentalists and Obama-era EPA leaders say Pruitt seems to be setting himself up to never actually issue a replacement rule limiting carbon emissions from power plants. "Scott Pruitt's politics really does militate against him signing a regulation on greenhouse gas emissions," said Joe Goffman, the lead attorney at EPA when it filed the rule in 2015. But even without the rule, many companies and states are moving away from coal, opting for cheaper natural gas or renewable power.

**Farmers count more:** Pruitt didn't seem too concerned Monday that his schedule includes few meetings with environmental groups. [Speaking](#) at a Kentucky Farm Bureau Monday afternoon, Pruitt said he was asked by reporters earlier about the lack of meetings. "Well, what about those farmers and ranchers in Iowa? What about those farmers and ranchers in North Dakota and Kentucky?" he asked. "Then I sat down and I listened to them about issues that impact them. Do they not count? And the answer is, you count more. Because every single day, what we do impacts you and we have to work together to achieve better outcomes for water and air quality in this country."

**Gina McCarthy's thoughts?** The former EPA administrator who authored the regulation: "They're using stall tactics to defer action, ignoring the courts and the demands of the American people ... They're adding more pollution into our air and threatening public health at a time when the threats of climate change are growing and the costs are growing immeasurably higher on our children and their future."

**Somebody tell Rick Perry:** Pruitt blasted the Obama administration, saying "regulatory power should not be used by any regulatory body to pick winners and losers." Not sure where

he might come down on the latest move by Energy Secretary Rick Perry, who has [asked FERC](#) to write rules to prop up the struggling coal and nuclear sectors.

**WELCOME TO TUESDAY!** I'm your host Anthony Adragna, and I hope everyone had a wonderful Columbus Day holiday! Senate Energy's Patrick McCormick (a fellow alumnus) identified Susan Collins as the first U.S. Senate Youth Program graduate subsequently elected to the Senate. For today: Who's the most recent physician elected to the Senate? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**PERRY RELEASES DEETS ON NON-COMMERCIAL TRAVEL:** Joining the ranks of Trump officials utilizing non-commercial travel arrangements while in office, Perry announced Friday he'd spent as much as \$56,246 during four trips on government-owned or chartered aircraft, Pro's Darius Dixon [reports](#). In [a letter](#) to House Oversight and Government Reform Committee leaders, the former Texas governor detailed the trips:

— A mid-May one-day round trip from Reagan to Olathe, Kan. for DOE's Small Business Forum & Expo that cost an estimated \$35,000,

— A private charter flight on Sept. 28 (one day before HHS Secretary Tom Price [resigned](#) after a [series](#) of POLITICO reports on his lavish private plane usage) from Dulles to Hazleton Regional Airport in Pennsylvania that later continued to the Greater Portsmouth Regional Airport in Ohio at a cost of an estimated \$11,000,

— Use of a DOD plane in May to travel from Idaho Falls, Idaho to Santa Fe, N.M. at an estimated cost of \$7,000, and,

— Use of a Bonneville Power Administration plane in August to fly from Seattle to Richland, Wash., to visit the Hanford nuclear site, which cost an estimated \$3,246

**DOE spokesperson Shaylyn Hynes** said in a statement. "The Secretary travels almost exclusively on commercial aircraft. In the rare instances where government-owned or chartered aircraft have been used, trips were pre-approved by an Ethics officer within the Office of General Counsel."

**Speaking of questionable travel,** EPA's inspector general confirmed Friday it had expanded a prior investigation to include all of Pruitt's travel, Pro's Alex Guillén [reports](#). The watchdog has faced pressure to look into whether Pruitt's non-commercial flights were necessary and appropriate expenses as it's already looking into whether the former Oklahoma attorney general's frequent trips back to his home state were appropriate.

**New probe sought:** Meanwhile, the Campaign Legal Center has asked DOJ's Office of Special Council to investigate whether Interior Secretary Ryan Zinke's appearance at a political fundraiser in the U.S. Virgin Islands while on an official trip ran afoul of the federal law prohibiting federal officials from using government resources to engage in partisan political activity, Pro's Nick Juliano, Ben Lefebvre and Esther Whieldon [report](#). "This activity constitutes impermissible solicitation of political contributions if event organizers conditioned the opportunity to take a photograph with Secretary Zinke on paying a higher fee," Walter Shaub, the Campaign Legal Center's senior director for ethics, [wrote](#), citing POLITICO's [reporting](#).

**Meanwhile,** CNN is reporting that Obama's Interior secretaries had spent \$971,000 on non-commercial air travel over seven years. Read it [here](#).

**DISASTER FUNDING FIGHT ON TAP:** The House is expected this week to consider a massive \$29 billion disaster funding relief package to provide aid to Florida, Texas and Puerto Rico in the aftermath of four consecutive blows from hurricanes. That comes as Puerto Rican Gov. Ricardo Rosselló [asked](#) Congress to provide an additional \$4 billion from various federal programs and agencies to meet the island's "immediate emergency needs."

**Congressional delegation vows support:** A bipartisan, bicameral group of lawmakers toured the devastated territory over the weekend and vowed long-term support to rebuild the island. Multiple lawmakers, including Sens. [Cory Gardner](#) and [Ron Johnson](#), said reconnecting the island's electric grid was their top priority. "If you're a utility CEO and you're listening to this right now, I hope you will contact the Puerto Rico power authority," Gardner said, according to [McClatchy](#). "Come into Puerto Rico. Contact them. Let's make sure we get this grid built."

**Vice President Mike Pence** visited the island on Friday and said the Trump administration would be there for the long haul ahead. "The people of Puerto Rico can be assured that we will be with you every step of the way," he said. "We will see this challenge through." The most recent [government figures](#) show 59.5 percent of residents now have potable drinking water and 15 percent of people have electricity.

**Feud with mayor goes on:** FEMA Administrator Brock Long dismissed the criticism of the federal government's response by San Juan Mayor Carmen Yulín Cruz as "political noise" during a Sunday interview on ABC's "This Week." That comes after Cruz [tweeted](#) Sunday "Increasingly painful to understand [sic] the american people want to help and US Gov does not want to help. WE NEED WATER!" She had previously called Trump's remarks during a visit to the island "insulting."

**Florida seeks more hurricane relief funding:** All of Florida's congressional delegation (except for Rep. [Daniel Webster](#)) signed [a letter](#) Friday seeking nearly an additional \$27 billion in disaster relief as the state recovers from Hurricane Irma.

**BARRASSO GETTING A CHALLENGER?** Erik Prince, the founder of the security contractor Blackwater, is taking a hard look at challenging Senate Environment and Public Works Chairman [John Barrasso](#) for the Republican Senate nomination in deep red Wyoming, the [New York Times](#) and Associated Press [report](#). The brother of Education Secretary Betsy DeVos, Prince, wouldn't challenge Barrasso's conservative bona fides, but would instead go after his close ties to McConnell. Steve Bannon is leading the charge for Prince to run despite his scant ties to Wyoming (he had a residence in Wapiti, Wyo. in the late 1990s and early 2000s).

**\*\* Presented by ExxonMobil:** We're collaborating with FuelCell Energy on a novel idea to use fuel cells to capture carbon at natural gas power plants, and in the process reduce emissions and increase electrical output. This technology could be a game changer in addressing the world's growing need for energy, while also reducing the impact on the environment. [Learn more.](#) \*\*

**JONES ACT WAIVER LAPSES:** The Trump administration declined to renew a Jones Act waiver allowing foreign vessels to load ships at domestic ports for delivery to Puerto Rico, Pro's Ben Lefebvre [reports](#). "We believe that extending the waiver is unnecessary to support

the humanitarian relief efforts on the island," DHS spokesman David Lapan said. "There is an ample supply of Jones Act-qualified vessels to ensure that cargo is able to reach Puerto Rico." Ships previously loaded at U.S. ports now have until Oct. 18 to deliver their cargos.

**BONN MOVE:** Quashing rumors that Pruitt might lead the U.S. delegation to the major international climate change summit in Bonn, Germany next month, the Trump administration has picked the State Department's Thomas Shannon to head up the U.S. delegation, POLITICO's Andrew Restuccia [reports](#). The appointment of Shannon, undersecretary for political affairs at State, comes as the administration has declined to appoint a climate envoy, who would normally lead the trip.

**MOVING ON ANTIQUITIES ACT REFORM:** House Natural Resources Chairman [Rob Bishop](#) released legislation [H.R. 3990 \(115\)](#) Monday revamping the Antiquities Act ahead of a Wednesday markup of the bill. "This legislation provides for accountability in the Act's uses," he said in a statement. "It modernizes the law to restore its intent, allowing for the protection of actual antiquities without disenfranchisement of local voices and perspectives. It standardizes and limits the president's power to reshape monuments. "

**MAIL CALL! CONSERVATIVES URGE TRUMP TO IMPLEMENT RFS REFORMS:** A group of conservative organizations are out with [a letter](#) today urging Trump to revamp the Renewable Fuel Standard by moving its point of obligation, which they describe as a "mandate [that] hinders economic growth and stifles innovation" particularly among smaller companies. "Moving the 'point of obligation' would level the playing field between large oil companies and independent refiners as well as reduce the unfair advantage that the mandate gives large gas station chains over small mom-and-pop gas stations," wrote the groups, including Tea Party Nation and Institute for Liberty. Of course, shifting that obligation to comply with the program had been a major goal of Carl Icahn, the Trump adviser and refinery owner who resigned his unpaid White House position in August amid concerns he was using his influence to help one of his companies.

**Lawmakers write letter of their own:** Pennsylvania Sens. [Bob Casey](#) and [Pat Toomey](#), as well as 12 House members, sent [a letter](#) Trump urging him to revamp the RIN credit program which they said is "undermining the continued viability" of Northeast oil refiners. "We are concerned that current compliance costs and the volatile RIN market may lead to the closure of one or more these merchant refineries, which would have a devastating impact on the regional economy," they wrote.

**WOTUS WATCH AT SCOTUS:** Supreme Court justices hear arguments Wednesday on the relatively simple but ultimately important, question of which court should hear arguments over the waters of the U.S. regulation (and a forthcoming replacement), Pro's Alex Guillén reports in [Energy Regulation Watch](#). At issue is whether Clean Water Act cases like this should start at the district courts or, like many Clean Air Act challenges, skip that step and go to the federal appeals court level.

**WALK, DON'T RUN:** 134 of the the nation's mayors are launching a push today to ensure their citizens live within a 10-minute walk from a park or public green space. "I am proud we're supporting the goal of a 10-minute walk to a quality park for all," New Orleans Mayor Mitch Landrieu said in a statement.

**FERC ASKS COURT FOR LIMITED REHEARING ON STUDY:** FERC [appealed](#) a federal court decision that directed the agency to amend an environmental study for the

Southeast Market Pipelines Project to include an assessment of greenhouse gas emissions from the power plants that may use the fuel. On Friday afternoon, regulators said they plan to comply with the [Aug. 22 ruling](#) but asked that the D.C. Circuit Court of Appeals provide the agency with more time to address the order as well as reconsider their decision to vacate FERC's certificate approving the project.

"Vacatur would revoke the certificates of public convenience and necessity for these pipelines - pipelines that are currently providing natural gas to power plants in Florida," FERC attorneys wrote in their rehearing request. "Without such certificates, the pipelines would have to cease operating, at least temporarily. That outcome risks significant disruption to natural gas and electricity service to Florida consumers." FERC issued a [5-page](#) draft supplemental environmental impact statement on Sept. 27 to start compliance with the court order, and has asked for comments through Nov. 20. The court could respond in the next few weeks.

**ARNOLD'S LIFE AFTER POLITICS:** POLITICO's Edward-Isaac Dove [takes a look](#) at what Arnold Schwarzenegger's been up to in the six years since the Republican terminator left the California governor's mansion and gets this quote on climate change efforts that seems like it could have come from Gov. Jerry Brown. "If the federal government, Republicans and Democrats, and Donald Trump and his whole White House would be smart, they would just copy exactly what we are doing in California," he said.

**ANOTHER ONE BITES THE DUST:** One of Texas' largest coal-fired power plants will permanently close Jan. 4, 2018, the Houston Chronicle [reports](#). Vistra Energy's 1,800 megawatt Monticello power plant will lay off approximately 200 employees with the closure. "This was a difficult decision made after a year of careful analysis," CEO Curt Morgan said.

**STAFFING UP:** Interior Secretary Ryan Zinke formally announced six hires on Friday: Jason Larrabee as principal deputy assistant secretary for Fish and Wildlife and Parks; Austin Ewell as deputy assistant secretary for Water and Science; Brian Steed as deputy director of BLM; Cally Younger as counselor to BLM; Kathleen Benedetto as senior adviser to BLM and Benjamin Cassidy as senior deputy director for Intergovernmental and External Affairs.

**SAD STATE OF AFFAIRS:** EPA's inspector general has launched 70 investigations into a surge of threats against agency employees this year, NBC Washington [reports](#). Patrick Sullivan assistant inspector general for investigations, told the local news station: "I do feel we've prevented acts of violence through our investigations. I feel very confident we have." There's been a rise in threats against Pruitt, the report says.

**But the one that caught ME's eyes** was one that targeted McCarthy. In that case, former EPA employee Barbara Jordan wrote an email that she was outside a hotel and that "i am going to murder those (expletive)... and i hope they drop dead like flies." Jordan has pleaded not guilty.

**MOVERS, SHAKERS:** Two former George W. Bush administration Interior veterans have been named to lead Brownstein Hyatt Farber Schreck's energy practice. Jon Hrobsky worked in the Office of the Secretary and was also deputy director for policy and planning of the U.S. Minerals Management Service. Luke Johnson was former chief of staff for BLM.

## QUICK HITS

— Review of Dakota Access Pipeline to Extend into Spring. [AP](#).

— After Irma, Rubio Vows To Rebuild Everglades National Park 'Stronger Than Ever.' [CBS Miami](#).

— Oil prices stable after OPEC signals possible further action. [Reuters](#).

— Ex-Grassley aide helps his firm makes millions on tax deduction he shepherded in Congress. [Des Moines Register](#).

— Hurricane Nate shuts down about 90% of Gulf of Mexico oil production. [CNBC](#).

— Tony Abbott says climate change is 'probably doing good'. [The Guardian](#).

— In New Rule, Trump EPA Allows Texas Coal Plants to Pollute Even More Than They Already Do. [Texas Observer](#).

## **HAPPENING THIS WEEK**

### **TUESDAY**

9:55 a.m. — NRECA hosts a cybersecurity forum, "Insights on Cybersecurity for Electric Utilities," 4301 Wilson Boulevard, First Floor, Arlington, VA 22203

12:30 p.m. — "[Greening Governance Seminar Series: Open Government for Climate Action](#)," World Resources Institute, 10 G Street NE, Suite 800

3:30 p.m. — "[Party Talks, Trade Dialogue, and the Role of Energy Exports](#)," Atlantic Council, 12th Floor, 1030 15th St. NW

5:00 p.m. — House Rules Committee holds [hearing](#) on Dr. Chris Kirkpatrick Whistleblower Protection Act of 2017, H-313

### **WEDNESDAY**

10:00 a.m. — House Natural Resources Federal Lands Subcommittee holds [hearing](#) on several bills, Longworth 1334

2:00 p.m. — House Natural Resources Committee's Energy and Mineral Resources Subcommittee holds [a hearing](#) on ASTRO Act, Longworth 1334

### **THURSDAY**

8:00 a.m. — Canadian Embassy hosts the 28th annual [Energy Efficiency Forum](#), Canadian Embassy, 501 Pennsylvania Ave NW

9:30 a.m. — "[IEA's Renewable Energy Market Report 2017](#)," Center for Strategic and International Studies, 1616 Rhode Island Avenue, NW

10:00 a.m. — House Natural Resources Water, Power and Oceans Subcommittee holds a legislative [hearing](#) on several bills, Longworth 1334

10:00 a.m. — House Energy and Commerce holds [hearing](#) with DOE Secretary Rick Perry, Rayburn 2123

## FRIDAY

9:00 a.m. — House Natural Resources Energy and Mineral Resources Subcommittee holds [hearing](#) on onshore energy policy discussion draft, Longworth 1334

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*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/10/clean-power-plan-reversal-comes-today-024964>

### Stories from POLITICO Pro

#### Trump's climate rule rollback will focus on 'America First' talking points [Back](#)

By Emily Holden and Andrew Restuccia | 10/07/2017 05:32 PM EDT

The Trump administration plans to highlight its "America First" strategy when unveiling a proposal to roll back the biggest part of former President Barack Obama's climate legacy next week, according to talking points obtained by POLITICO.

An administration official said the final announcement to withdraw the Clean Power Plan — a rule to limit greenhouse gas emissions from coal plants — would probably be made by EPA, not the White House, making the prospect of a Rose Garden speech from the President Donald Trump unlikely.

The official said it's unclear whether EPA will hold an event to make a formal announcement, though multiple sources tracking the issue expect the agency to release its plans on Tuesday.

EPA did not immediately respond to request for comment.

"Repealing the Clean Power Plan is another step advancing the president's America First strategy," guidance from the administration said. The rule was the focal point of the Obama administration's plans to meet its international pledges to curb the carbon emissions that cause climate change.

The lack of a Rose Garden ceremony would give the rule's withdrawal less drama than Trump's June speech outside the White House in which he announced he was exiting the Paris climate agreement — an action he said he took for the "citizens of Pittsburgh, not Paris." Both Trump and EPA administrator Scott Pruitt have discounted man-made climate change, with Trump dismissing it as a "hoax" and Pruitt [questioning](#) carbon dioxide's role.

EPA and the White House will say the regulation was "premised on a novel and expansive view of agency authority." It will also emphasize that the Supreme Court stayed implementation of the rule while a lower court reviewed challenges to the regulation — a stay

the administration will describe as "unprecedented and historic," according to a brief summary.

The talking points say the rule "ignored states' concerns and eroded longstanding and important partnerships that are a necessary part of achieving positive environmental outcomes."

Obama's EPA officials have said they talked frequently with states before, during and after finishing the rule.

The Clean Power Plan called on states to write their own plans to reduce carbon levels, by using less coal power, ramping up natural gas and renewable energy use, and limiting power demand by making electricity systems and consumer use more efficient. States also could have grouped together to form trading systems, and coal-heavy states could have purchased allowances from greener states to keep some of their plants online. The U.S. is already more than halfway to meeting the Clean Power Plan's goals, although the rule never took effect.

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## **Pruitt will take first step to repeal Clean Power Plan but could slow-walk replacement**

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By Emily Holden | 10/06/2017 06:20 PM EDT

EPA chief Scott Pruitt is finally making his first move to rescind Barack Obama's marquee climate change rule — but he may not be done by the time President Donald Trump leaves office.

The agency is preparing to publish a proposal to eliminate the Clean Power Plan and may consider replacing it but will not outline options immediately, according to a [draft](#) obtained by POLITICO on Friday. Given the amount of time and effort it will take just to get the current rule off the books — and then to defend that move in court — environmentalists and Obama-era EPA leaders say Pruitt appears to be setting himself up to never have to issue a replacement rule limiting carbon emissions from power plants.

"They're not committing to doing anything at all," said Sean Donahue, an attorney representing environmental groups that support the Clean Power Plan. "This is not a kind of, 'We have a better way to do it.' This is a, 'We really don't want to do it.'"

Pruitt's moves leave federal climate action facing years in limbo as the world experiences warming that is already threatening the environment and public health, with heat waves, drought, sea-level rise and flooding. The Clean Power Plan was the linchpin of U.S. efforts to reduce emissions that cause those problems under an international deal to slow climate change, which Trump has said the country will exit. Even if Pruitt does eventually issue a new rule, he is expected to tailor it so narrowly that it would not lead to any significant carbon reductions.

Joe Goffman, the lead attorney at EPA when it filed the rule in 2015, said it is clear Pruitt's

strategy is to slow-walk any action to replace the rule, delaying any of the regulations to curb carbon emissions that the Supreme Court called for a decade ago.

"Scott Pruitt's politics really does militate against him signing a regulation on greenhouse gas emissions," he said.

Pruitt, the former Oklahoma attorney general who sued the federal government more than a dozen times, including over the Clean Power Plan, has said he wants to lead public debates on the merits of science linking human activity to the Earth's rapid warming. Critics speculate he is [prepping](#) for a future campaign for Congress or a state-wide office.

EPA has a legal obligation to regulate carbon from power plants, following a 2007 Supreme Court decision and the agency's own declaration that heat-trapping gases endanger public health by causing climate change. But environmental groups can't sue until Pruitt officially withdraws the rule and again if he publishes a replacement. It will be years before the courts settle the issue.

Fossil-fuel trade groups on Friday lauded the proposal. Paul Bailey, president of the American Coalition for Clean Coal Electricity, said the regulation would have increased energy prices while reducing global temperatures a fraction of a degree.

"We are pleased to see EPA repeal this very bad rule," he said.

National Mining Association CEO Hal Quinn said the Clean Power Plan was "an unlawful attempt to transform the nation's power grid." Nixing it would save coal jobs, he argued.

Green groups still must weigh their options, but Donahue indicated they may try one final push to get the D.C. Circuit Court of Appeals to issue its ruling on the Clean Power Plan, which would cement an answer to the legal issues EPA is raising in its repeal effort.

The new draft discounts most of the value that the Obama administration had estimated would come from reducing carbon emissions and air pollutants that cause health problems. It uses the term "climate change" only once.

"That's the problem with this and other things that these guys are doing, is that they do not acknowledge the fundamental health and environmental threats they're charged with protecting people from," Donahue said. "Their whole thing is about rewarding a subset of industry who are their bankrollers."

The Clean Power Plan would have shifted the U.S. away from coal power and toward lower-carbon natural gas and emissions-free renewable power. It still would have secured only a fraction of the emissions cuts the U.S. would need to achieve to comply with its pledge under the Paris climate agreement.

Power-sector emissions are about a third of the country's carbon pollution, and the Clean Power plan aimed to cut them about 15 percent below 2015 levels. Even without the rule, many companies and states are moving away from coal, opting for cheaper natural gas or renewable power.

Goffman said he's optimistic that Trump's moves won't torpedo a global movement away from fossil fuels because countries have already invested political capital in choosing their commitments.

Jeff Holmstead, an EPA deputy under the George W. Bush administration who now represents groups suing against the Clean Power Plan, believes Pruitt will write a replacement rule focused only on coal plants. Holmstead thinks that move will make it hard for a future administration to write different power-sector climate rules.

"The big picture is that if EPA actually does what it's supposed to do under the Clean Air Act, it will push the issue back to Congress," Holmstead said.

EPA's proposal sets the tone for how Pruitt will express his opinions about climate change in regulatory actions.

Joanne Spalding, a climate attorney at the Sierra Club, said the draft shows that "it's completely irrelevant to this administration the harm that these power plants are doing by spewing out all this carbon pollution, and they don't even talk about it."

A replacement rule would be more of a defensive legal maneuver, meant to protect against judges who might require EPA to move forward after federal climate action has languished for more than a decade. A new regulation would probably call on coal plants to run slightly more efficiently, according to arguments EPA laid out in its draft.

"It's basically saying that these dinosaur coal plants that were built in the '60s and '70s decades ago get to operate forever — even though there are all sorts of clean power sources out there that we could be using that are not destroying our health and the planet," Spalding said.

*Alex Guillén contributed to this report.*

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**DOE's Perry pushes FERC to support coal power plants** [Back](#)

By Darius Dixon | 09/29/2017 02:48 PM EDT

The Trump administration on Friday called on FERC to create new rules to protect coal-fired and nuclear power plants that are being squeezed by cheaper natural gas and renewable sources, saying they were "indispensable for economic and national security."

Energy Secretary Rick Perry, who [told miners](#) in Pennsylvania on Thursday that "it's time for coal in this country to be revived," pressed electricity regulators to alter power markets and protect the resilience of the power grid with payments to generators that keep fuel supplies on site, a clear reference to the coal-fired and nuclear power plants.

The proposal, which DOE said gave FERC 60 days to create a final or interim rule, comes just a month after Perry's agency issued a report saying FERC should "expedite" its work with grid operators to ensure the stability of the nation's power network.

"In terms of process, this is a pretty bold move," said Tony Clark, a Republican former FERC commissioner. DOE often conducts studies on issues it believes need attention, he said, but

"actually forwarding to the commission something specific for action is a pretty bold way of moving the issue right up the batting order at FERC."

The new proposal, directed at FERC under a rarely used Section 403 authority of the Department of Energy Organization Act, stops short of specifically seeking market incentives for coal. But it calls for full-cost recovery for power generating units that provide essential power and "ancillary" services — and have a 90-day fuel supply on site in case of natural or man-made disruptions. That would exclude most natural gas power plants, which do not typically keep large fuel inventories on hand and instead receive supplies via pipeline.

Perry's request represents a departure from the two decades of U.S. policy that has trended toward more market-based tools, which has helped natural gas to nearly double its power market share. Renewable energy sources like wind and solar, though still modest when compared to fossil fuels or nuclear power, have also grown quickly as federal incentives helped drive down their costs.

But the growth of renewables and natural gas — combined with tighter pollution controls and weak new demand for electricity — has forced hundreds of old coal-fired power plants into retirement. Nuclear power plants in some parts of the country are also under financial pressure, hurt by negative wholesale power market prices that sometimes require the plant owners to pay to deliver their power supplies.

"If this gets the debate started, then my hat's off," said former FERC Chairman Pat Wood, a friend of Perry and a strong advocate for market-based power systems. "But it's a pretty arresting [thing] to wake up and read. That would never have played in Texas. ... If there is a service to be valued, then a market can value that."

In the [grid study](#) ordered by Perry and released in August, DOE experts pointed to low power prices and cheap natural gas as the single [biggest reason](#) for coal ceding its position as the nation's biggest source of electricity. And that report also called for "reforms" to power markets that would help bolster the electricity network's resilience by easing the financial pressures on many power providers.

In its Friday proposal, DOE cited a spike in demand during the 2014 "polar vortex" that hit much of the U.S., which prompted utilities to run many coal plants that were slated for retirement. Without those plants, as many as 65 million people in the PJM market would have seen their power resources threatened, DOE said.

But the new regulatory pitch from the agency also fueled the growing feud between the gas and coal industries.

Paul Bailey, president and CEO American Coalition for Clean Coal Electricity, commended Perry for "initiating a rulemaking by FERC that will finally value the on-site fuel security provided by the coal fleet."

But the American Petroleum Institute, which also represents natural gas producers, said DOE drew the wrong conclusions from the 2014 event, and that forcing new mandates on the power market wasn't the solution.

"[A]s we review the proposal we are concerned the agency has mischaracterized the lessons learned from past weather-related events and appears to suggest that additional regulation is

the answer where markets have already proven the ability to greatly benefit consumers and give our electric system the flexibility needed to meet constantly, and often rapidly, changing electricity demands," said API Executive Vice President and Chief Strategy Officer Marty Durbin in a statement.

FERC, which has struggled to integrate states' energy policies that aim to boost renewables or support aging nuclear power plants, has long maintained a fuel-neutral stance in the regional markets that it oversees. If it were to follow Perry's directive to create incentives for grid resilience to plants that maintain their own fuel inventories on site, it would be an implicit move at the national level to alter the electricity markets to support the fuels that both Perry and Trump have touted.

Montana regulator Travis Kavulla [suggested](#) on Twitter that rather than deal with the pressing issues facing the grid, "Instead, this reform is sort of the [@ENERGY](#) equivalent of the Oprah "you get a car, and you get a car. And you? A car!" approach."

However, FERC, whose members are appointed by the president and operate as an independent body, isn't obligated to implement the specific policy pushed by Perry. The commission will so be back to operating with a full five members in the coming weeks, with a Republican majority.

"FERC's going to follow its own procedures," said Marc Spitzer, a Republican former FERC commissioner. "It would be a mistake for people to assume that this is going to be some partisan Republican rubber stamp given the way FERC works."

FERC can spend months or years digging into complex issues that underpin the power markets, and its commissioners tend to seek common ground with each other to ensure that its rules are clear and ensure long-lasting regulations that give utilities stability to plan their operations.

"Is someone really going to invest [billions of dollars] when it's a 3-2 vote that partisans and the parties can flip next year? Is that a good forum for investment as opposed to a 5-0 order?" Spitzer said.

FERC declined to say when the agency last received a rulemaking from DOE using Section 403.

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**Energy Department discloses \$56K in Perry travel [Back](#)**

By Darius Dixon | 10/06/2017 07:06 PM EDT

Energy Secretary Rick Perry has racked up as much as \$56,246 in non-commercial air travel since taking office in early March, the Energy Department disclosed Friday in response to congressional questions about Cabinet-level trips.

Political appointees at DOE did not use private non-commercial aircraft, but on four occasions

Perry did fly on government-owned aircraft or chartered aircraft, DOE Deputy General Counsel Eric Fygi [wrote in a letter](#) to the House Oversight and Government Reform Committee. That committee is seeking information about Trump administration officials' travel following the revelations that led to Tom Price's resignation from the job as HHS secretary.

Perry's single biggest expense, according to agency documents submitted to the committee, was a one-day round trip in mid-May from Reagan National Airport near Washington D.C. to Olathe, Kan. for DOE's Small Business Forum & Expo, and included a tour of the DOE Kansas City National Security Campus, which is responsible for manufacturing and procuring non-nuclear components for nuclear weapons.

Joining Perry on that trip were a handful of other agency officials, including National Nuclear Security Administrator Frank Klotz and deputy chief of staff Dan Wilmot. The total cost to taxpayers for using the Federal Aviation Administration's Gulfstream IV plane was an estimated \$35,000.

Perry's second most expensive trip was a private charter flight on Sept. 28 from the Washington Dulles Airport to the Hazleton Regional Airport in Pennsylvania, which later continued to the Greater Portsmouth Regional Airport in Ohio, and was disclosed by a [Reuters report](#) earlier this week. The trip, costing an estimated \$11,000, occurred just a day before Price [resigned](#) after a [series](#) of POLITICO reports of him running up a government travel tab exceeding \$1 million — a figure that dwarfs Perry's apparent billing.

After visiting the coal mine in Pennsylvania and a defunct uranium enrichment facility in Ohio, the DOE documents say Perry planned to "secure commercial transportation for the continuation of his travel out of Ohio."

Perry and his staff also made use of a Defense Department plane in May for travel from Idaho Falls, Idaho, to tour the national lab there, to Santa Fe, N.M., to visit the Los Alamos National Laboratory. The trip continued from Santa Fe to Carlsbad, N.M., to visit the Waste Isolation Pilot Plant, a low-level nuclear waste storage facility. The estimated cost of the trip was \$7,000.

The last trip documented by DOE was for the round-trip use of plane owned by the Bonneville Power Administration, a quasi-independent utility within DOE, to fly from Seattle to Richland, Wash., to visit the Hanford nuclear site in August. The cost of the trip: \$3,246.

The information sent to Capitol Hill did not include trips senior DOE non-career officials took with President Donald Trump and Vice President Mike Pence on government-owned aircraft or trips with officials at other agencies with their own aircraft, such as DoD and DHS.

"This response does not address this travel as such travel arrangements were not made by DOE," Fygi wrote.

"The Department of Energy strictly follows both government-wide and internal DOE travel regulations and policy," DOE spokesperson Shaylyn Hynes said in a statement. "The Secretary travels almost exclusively on commercial aircraft. In the rare instances where government-owned or chartered aircraft have been used, trips were pre-approved by an Ethics officer within the Office of General Counsel."

The White House has backed steep spending cuts across the executive branch, including a roughly 9 percent to DOE for fiscal 2018, a decline of roughly \$2.7 billion compared to current levels.

In the wake of Price's resignation, several other Cabinet-level Trump officials have found their taxpayer spending scrutinized.

Interior Secretary Ryan Zinke has flown on military planes for some trips that also coincided with appearances at fundraising events, raising questions about his habit of mixing official government business with political activism, POLITICO has [reported](#). The EPA Inspector General has also recently [expanded a probe](#) into EPA Administrator Scott Pruitt's travels.

An [investigation](#) into seven military flights taken by Treasury Secretary Steven Mnuchin that cost about \$811,798 ultimately found that the former Goldman Sachs alum had not violated any ethics requirements or other regulations.

The White House began cracking down on Cabinet officials' use of private planes amid Price's resignation, telling them chief of staff John Kelly must approve almost all travel on "government-owned, rented, leased, or chartered aircraft."

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### **Price resigns from HHS after facing fire for travel [Back](#)**

By Dan Diamond, Rachana Pradhan and Adriel Bettelheim | 09/29/2017 04:40 PM EDT

HHS Secretary Tom Price resigned Friday in the face of multiple federal inquiries and growing criticism of his use of private and government planes for travel, at a cost to taxpayers of more than \$1 million since May.

The White House said the former seven-term Georgia congressman, 63, offered his resignation earlier in the day and that President Donald Trump had accepted it.

Price becomes the first Trump administration Cabinet secretary to step down. The White House said Trump asked Deputy Assistant Health Secretary Don Wright to serve as acting secretary of the agency, which has an annual budget \$1.15 trillion and includes the Medicare and Medicaid programs, as well as the FDA, NIH and CDC.

As late as Thursday, Price said he believed he had the president's support. But the tumult surrounding his travel became another distraction for an administration already reeling from the defeat of repeated Senate efforts to repeal Obamacare and criticism for its hurricane relief efforts in Puerto Rico.

Price ran afoul of Trump in part because his actions seemed to symbolize everything the president had inveighed against on the campaign trail by vowing to "drain the swamp." The fallout extended to the entire Cabinet Friday night when the White House [announced](#) that chief of staff John Kelly must approve almost all travel on "government-owned, rented, leased, or chartered aircraft."

Price, in his resignation letter, expressed regret that "recent events" distracted from efforts to overhaul the health care system. "In order for you to move forward without further disruption, I am officially tendering my resignation as the Secretary of Health and Human Services effective 11:59 PM on Friday," he wrote.

Senate Democrats quickly served notice they were preparing for a potential confirmation fight over Price's successor, saying the next HHS secretary must not undermine Obamacare. Under Price, the department cut the law's enrollment period in half and slashed advertising and outreach for the enrollment period starting in November.

"The next HHS secretary must follow the law when it comes to the Affordable Care Act instead of trying to sabotage it," said Senate Minority Leader Chuck Schumer.

"Tom Price's replacement needs to be focused on implementing the law as written by Congress and keeping the president's promise to bring down the high cost of prescription drugs," Senate Finance ranking Democrat Ron Wyden of Oregon said in a statement.

House Speaker Paul Ryan, a close ally, praised Price as a dedicated public servant. "His vision and hard work were vital to the House's success passing our health care legislation," Ryan said in a statement.

POLITICO revealed that Price flew at least 26 times on private aircraft at a cost of hundreds of thousands of dollars, a sharp break with his predecessors' practice. Many of Price's flights were between major cities that offered inexpensive alternatives on commercial airlines, including Nashville, Philadelphia and San Diego.

On some of those trips, Price, an orthopedic surgeon, mixed official business with leisure. He took a government-funded private jet in August to get to St. Simons Island, an exclusive Georgia resort where he and his wife own land, a day and a half before he addressed a medical conference he and his wife have long attended. In June, HHS chartered a private jet to fly Price to Nashville, where he owns a condominium and where his son resides. Price toured a medicine dispensary, spoke to a local health summit organized by a friend and had lunch with his son, an HHS official confirmed.

Price also used military aircraft for multi-national trips to Africa, Europe and Asia, at a cost of more than \$500,000 to taxpayers. The White House said it had approved those trips but not the private jets within the United States.

Price tried to defuse the controversy by promising on Thursday to reimburse the government for the approximately \$52,000 cost of his own seat on his domestic trips. But that wasn't enough to tamp down the scandal, which had [infuriated](#) the president and prompted a bipartisan inquiry from the House Oversight Committee and separate calls for accountability from lawmakers including Republican Sen. Chuck Grassley. The inspector general of Price's own agency is [reviewing](#) if Price complied with federal travel regulations.

The White House put Cabinet officials on notice Friday that it would crack down on use of private planes, telling them chief of staff John Kelly must approve almost all travel on "government-owned, rented, leased, or chartered aircraft."

Mick Mulvaney, director of the Office of Management and Budget, sent out the memo soon after Price's resignation was made public, reminding department and agency heads that, by

regulation, "Government-owned, rented, leased, or chartered aircraft should not be used for travel by Government employees except with specific justification."

The issue of Cabinet members' travel has already extended beyond Price: POLITICO reported Interior Secretary Ryan Zinke and his aides [took several flights](#) on private or military aircraft, including a \$12,000 charter plane to take him to events in his hometown in Montana and private flights in the Caribbean. Zinke dismissed the furor as a "little B.S." during a Friday appearance at the Heritage Foundation.

Price's wife, Betty, accompanied him on the military flights, while other members of the secretary's delegation flew commercially to Europe.

HHS spokeswoman Charmaine Yoest said Price reimbursed the agency for his wife's travel, but declined to elaborate.

White House officials have groused about Price's frequent travels, with one senior White House official saying the HHS secretary was "nowhere to be found" as they mounted a last-ditch unsuccessful push to repeal Obamacare.

Congressional Democrats attacked Price for advocating spending cuts to the health agencies he oversaw and health care programs while spending taxpayer dollars on private jets. "There could not be a clearer statement of the Trump administration's priorities," Sen. Maggie Hassan (D-N.H.) said. Key Democrats overseeing health issues in Congress had formally requested that HHS's inspector general review Price's travel practices.

In June, Price defended a proposed fiscal 2018 budget for HHS that included a \$663,000 cut to the agency's \$4.9 million annual spending on travel, or roughly 15 percent. "The budgeting process is an exercise in reforming our federal programs to make sure they actually work — so they do their job and use tax dollars wisely," Price told the Senate Finance Committee on June 8.

Ethical questions dogged Price even before questions about his travel arose. During his Senate confirmation hearing to helm HHS, Price faced pointed questions about his personal investments in health care companies during his time in Congress. Democrats called on government ethics officials to investigate Price's health care stock trades, following reports that he got a sweetheart deal from a biotech company and invested in Zimmer Biomet, a medical device-maker, just days before writing legislation that would have eased regulations on the sector.

The Senate confirmed Price by a 52-47 margin in February after he maintained full Republican support.

Price carved out a reputation as a staunch fiscal conservative during his decade-plus tenure in the House of Representatives. He generally supported reducing government spending on health care while shifting more of the financial burden onto individuals. Like most conservatives, he's supported privatizing Medicare so that seniors would receive fixed dollar amounts to buy coverage and limiting federal Medicaid spending to give states a lump sum, or block grant, and more control over how they could use it.

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## **Price traveled by private plane at least 24 times [Back](#)**

By Rachana Pradhan and Dan Diamond | 09/21/2017 05:58 PM EDT

Health and Human Services Secretary Tom Price has taken at least 24 flights on private charter planes at taxpayers' expense since early May, according to people with knowledge of his travel plans and a review of HHS documents.

The frequency of the trips underscores how private travel has become the norm — rather than the exception — for the Georgia Republican during his tenure atop the federal health agency, which began in February. The cost of the trips identified by POLITICO exceeds \$300,000, according to a review of federal contracts and similar trip itineraries.

Price's use of private jets represents a sharp departure from his two immediate predecessors, Sylvia Mathews Burwell and Kathleen Sebelius, who flew commercially in the continental United States. HHS officials have said Price uses private jets only when commercial travel is not feasible.

But many of the flights are between large cities with frequent, low-cost airline traffic, such as a trip from Washington to Nashville that the secretary took on June 6 to make a morning event at a medication distributor and an afternoon speech. There are four regular nonstop flights that leave Washington-area airports between 6:59 a.m. and 8:50 a.m. and arrive in Nashville by 9:46 a.m. CT. Sample round-trip fares for those flights were as low as \$202, when booked in advance on Orbitz.com. Price's charter, according to HHS' contract with Classic Air Charter, cost \$17,760.

HHS spokespeople did not respond to questions about specific aspects of Price's travels, including how many charter trips he has taken. Charmaine Yoest, the agency's top spokesperson, said Price's travel for official business "comes from the HHS budget."

In a statement, Yoest said, "The Secretary has taken commercial flights for official business after his confirmation. He has used charter aircraft for official business in order to accommodate his demanding schedule. The week of September 13 was one of those times, as the Secretary was directing the recovery effort for Irma, which had just devastated Florida, while simultaneously directing the ongoing recovery for Hurricane Harvey . . . Some believe the HHS Secretary should be Washington-focused. Dr. Price is focused on hearing from Americans across the country."

Nonetheless, POLITICO identified at least 17 charter flights that took place before the first storm — Hurricane Harvey — hit in late August, and included flights that did not appear to be for urgent HHS public health priorities.

For example, Price took a Learjet-60 from San Diego to the Aspen Ideas Festival — a glamorous conference at the Colorado resort town — that arrived at 3:33 p.m. on Saturday afternoon, June 24, nearly 19 hours before his scheduled panel. That flight likely cost more than \$7,100, according to one charter jet agency estimate.

"If you're going to a conference, you have some [advance] flexibility to book travel" and

shouldn't need last-minute charters, said Walter Shaub, who was the Barack Obama-appointed director of the United States Office of Government Ethics until July. "This shows a complete disregard for the expense to the taxpayer."

Since being confirmed in early February, Price has developed a reputation inside the agency for flying on private charters rather than taking other means of transportation, people inside and outside the Trump administration said.

After a POLITICO [investigation](#) identified five private flights that Price took up and down the East Coast last week, Price took a charter jet to Oklahoma on Tuesday of this week, Sept. 19, where he met with Native American tribes and toured health care facilities by car — although HHS initially explored flying him by charter around the state, two people with knowledge of Price's travels said. "There was a push from political [staff] at HHS to fly him and not drive him to these small communities," said one of the people.

Price's staff cut short his news conference in Oklahoma on Wednesday when reporters raised questions about his use of taxpayer funds, an attendee said.

Price's frequent trips around the country have rankled staff inside the White House, with a senior official saying many trips aren't related to priorities like Obamacare repeal and other items on the president's agenda. While Price has flown to Maine, New Hampshire, Oklahoma and Pennsylvania since last Wednesday, President Donald Trump and Senate Republicans have been frantically rallying support to pass an Obamacare repeal bill by Sept. 30. After that date, the GOP will need 60 Senate votes, not 50, to overturn the 2010 health law.

"No one is quite sure what [Price] is doing," a senior White House official said. "You look at this week, we're doing a last final push trying to get this over the finish line, and he's nowhere to be found."

Many of Price's trips have centered on making announcements related to the use of opioids and holding listening sessions about the epidemic, which Trump labeled a national emergency and continues to contribute to rising death rates from drug abuse. Price has labeled fighting the opioid epidemic one of his top priorities.

But rather than fly commercially to these events, which are scheduled well in advance, Price tends to rent corporate-style jets. Sometimes, he ferries big-name guests along with him. In May, Price and Kellyanne Conway — the White House counselor and former Trump campaign manager who traveled with Price to Philadelphia last week to tour an addiction treatment center — made stops in four different states in the span of two days.

The pair traveled to Lansing, Michigan, and Charleston, West Virginia, for opioid-related meetings in the morning and early afternoon on May 9. That happened to be the same day Trump abruptly fired FBI Director James Comey. On May 10, Conway and Price were in Augusta, Maine, and Concord, New Hampshire, for more opioid-related events.

On July 6, Price again made an opioid-related visit to Chattanooga, Tennessee, where he took a private plane, according to two sources with knowledge of the situation. According to records, HHS signed a \$14,570 charter plane contract for Washington to Tennessee travel with a July 6 effective date.

In June, Price spoke at a physicians association conference in San Diego, where he [vowed](#) to

wring out wasteful spending in the government's health care programs. Getting "value" for spending "is incredibly important," he said.

Price took a private plane to get to the meeting, which was one stop on a five-state sprint of charter travel that cost \$50,420.

*Josh Dawsey and Josh Gerstein contributed to this report.*

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## **EPA watchdog expands investigation into Pruitt's travel [Back](#)**

By Alex Guillén | 10/06/2017 03:26 PM EDT

EPA's inspector general says it is expanding the scope of its previously announced probe into Administrator Scott Pruitt's travel to include all of his travel.

The IG's office already opened an audit of Pruitt's travel to and from Oklahoma following complaints that he spent too much time back in his home state. In recent weeks, Democratic lawmakers and outside groups have called for the IG to look at whether Pruitt's non-commercial flights were necessary and appropriate expenses.

According to a [memo](#) dated Thursday and released today, the significantly expanded scope will consider the "frequency, cost and extent" of Pruitt's travel through Sept. 30, as well as whether agency procedures were followed by Pruitt, his security and his staff, and whether those procedures are properly designed to prevent fraud, waste or abuse.

"To accomplish these objectives, we will review supporting documentation and conduct interviews with management and staff to determine whether the EPA followed applicable policies and practices, and complied with federal requirements," the memo says.

**WHAT'S NEXT:** The investigation is likely to take several months to complete.

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## **Watchdog group requests Hatch Act probe of Zinke's appearance at Virgin Islands [Back](#)**

By Nick Juliano, Ben Lefebvre and Esther Whieldon | 10/06/2017 06:14 PM EDT

A watchdog group is asking the Justice Department's Office of Special Council to open a Hatch Act investigation into Interior Secretary Ryan Zinke after POLITICO [reported](#) he had appeared at a political fundraiser in the U.S. Virgin Islands while on an official trip less than a month after being confirmed.

Donors who gave the Virgin Islands Republican Party between \$1,500 and \$5,000 per couple were invited to get their photos taken with Zinke at the March 30 event, according to a copy of the invitation seen by POLITICO and Zinke's official schedule.

The nonprofit Campaign Legal Center says that activity may have run afoul of the federal law prohibiting federal officials from using government resources to engage in partisan political activity.

"This activity constitutes impermissible solicitation of political contributions if event organizers conditioned the opportunity to take a photograph with Secretary Zinke on paying a higher fee," [writes](#) Walter Shaub, the Campaign Legal Center's senior director for ethics, in a request to the OSC, citing POLITICO's story.

The invitation to the event said donors could get into the event at a St. Croix hotel with a contribution of as little as \$75. Zinke's official schedule from that day said he participated in a photo line with "host committee" members and "patrons" at the event. Those designations were given to donors who gave \$1,500 or \$5,000 per couple, according to the invitation.

Shaub, a former director of the U.S. Office of Government Ethics, asked the OSC to investigate whether lower-paying guests also were allowed into the photo line. "Should OSC determine that this privilege was reserved for host committee members and Patrons, OSC should take action against Secretary Zinke," he writes.

The OSC typically opens an investigation in response to complaints it receives.

Interior officials have said all of Zinke's travel was legal and cleared in advance with ethics officials. A spokeswoman did not immediately respond to a request for comment on the Campaign Legal Center's request.

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**Trump's Interior chief 'hopping around from campaign event to campaign event' [Back](#)**

By Ben Lefebvre and Esther Whieldon | 10/05/2017 05:01 AM EDT

Republican donors paid up to \$5,000 per couple for a photo with Interior Secretary Ryan Zinke at a fundraiser held during a taxpayer-funded trip to the U.S. Virgin Islands, according to documents reviewed by POLITICO — raising questions about his habit of mixing official government business with political activism.

The new details about Zinke's March trip to the Caribbean, including the previously undisclosed invitation to the Virgin Islands Republican Party fundraiser, emerged after weeks of scrutiny of the former Montana GOP congressman's travels. The nearly two-hour event was one of more than a half-dozen times Zinke has met with big donors or political groups while on department-paid trips, Interior travel records and other documents show.

Ethics watchdogs say Zinke is combining politics with his Interior duties so frequently that he risks tripping over the prohibitions against using government resources for partisan activity,

even though his appearance at the Virgin Islands event seems to have been legal. Democrats have also seized on the issue, including 26 House members who wrote in a letter Tuesday that Zinke's travels "give the appearance that you are mixing political gatherings and personal destinations with official business."

Zinke has said all his actions have obeyed the law, dismissing concerns about his travel as "a little BS."

But some ethics advocates say Zinke's attendance at a fundraiser during his first month as secretary is not in line with past administrations' conduct, even if he crossed no legal red lines.

"It happens on occasion with other Cabinet secretaries, perhaps even a little more often as you get near the election, but it is not a very common practice for Cabinet members to be hopping around from campaign event to campaign event like we're seeing with Zinke," said Craig Holman, government affairs specialist for government watchdog Public Citizen.

The secretary is already under investigation by his department's inspector general over his use of taxpayer-funded private planes for some of the trips, and the Justice Department's Office of Special Counsel is looking into an activist group's allegations that he violated the Hatch Act, the law limiting political activism by federal employees. The White House has cracked down on Cabinet members' travel habits following former HHS Secretary Tom Price's resignation on Friday, which occurred after POLITICO reported on his own expensive flights.

Zinke visited the Virgin Islands from March 30 to April 1 on an official trip related to the Interior Department's role overseeing the U.S. territory. On his first day, following a "veterans meet and greet" and a reception with Gov. Kenneth Mapp, he appeared in his personal capacity at a March fundraiser for the local Republican Party at the patio bar of the Club Comanche Hotel St. Croix, department records show.

Tickets for the fundraiser ranged from \$75 per person to as much as \$5,000 per couple to be an event "Patron," according to Zinke's official calendar and a copy of the invitation. Patrons and members of the host committee, who paid \$1,500 per couple, could get a photo with Zinke at the start of the event, which was attended by local party members and elected officials.

The following day, Zinke took a \$3,150 flight on a private plane, paid for by the department, from St. Croix to official functions on St. Thomas and returned later that evening. Interior Department officials said there was no other way to accommodate his schedule, which included official events on both islands commemorating the 100th anniversary of the Dutch government transferring control of the islands to the United States.

Zinke is allowed to engage in partisan political activity in a "purely personal (not official) capacity," so long as he does not use government resources, according to Interior Department guidelines on the Hatch Act and other federal laws. The invitation to the GOP fundraiser did not identify Zinke by his official title and included a disclaimer that the money is being solicited by the local party and "not by any federal official."

All told, Zinke has spent around \$20,000 for three charter flights as secretary, nowhere near the \$1 million tab Price racked up on non-commercial trips. But he has on numerous occasions attended political receptions, spoken to influential conservative groups or appeared alongside past campaign donors during trips has taken outside of Washington, D.C., for official department business.

In one instance, Zinke gave a motivational speech for a professional hockey team owned by a major campaign contributor that he said was official business — and which required him to charter a \$12,000 flight to Montana for an appearance at the Western Governors Association the next day.

In another case, during a speech to the Western Conservative Summit in Denver, he was [introduced](#) via a recorded voice as the Interior secretary and Zinke proceeded to talk about the agency's priorities. The summit was organized by the Centennial Institute, which bills itself as Colorado Christian University's think tank and is a part of the State Policy Network of organizations that collectively push for conservative state-level legislation.

An Interior spokeswoman said Zinke always follows the law but declined to answer specific questions about his appearance at the Virgin Islands fundraiser, nor say whether he would keep raising political money. The agency also has yet to post Zinke's trip expenses involving any of the political events.

"The Interior Department under the Trump Administration has always and will always work to ensure all officials follow appropriate rules and regulations when traveling, including seeking commercial options at all times appropriate and feasible, to ensure the efficient use of government resources," spokeswoman Heather Swift said in a statement.

Swift did not respond to questions about whether the department had gotten reimbursement for the political portion of Zinke's three-day Virgin Islands trip, as the head of one watchdog group says it should have.

"Some of this travel is clearly political and that part of the travel should have been paid for by the RNC, NRCC, state political parties, a campaign committee or Zinke personally," said Daniel Stevens, executive director of the Campaign for Accountability.

No payments to the department are listed in the Virgin Islands Republican Party's FEC records.

Zinke is not the first Interior secretary, or Cabinet member, to have his activities questioned.

In 2012, a watchdog group called Cause of Action urged the Office of Special Counsel to investigate whether President Barack Obama's then- Interior Secretary Ken Salazar had violated the Hatch Act while taking an Obama reelection campaign RV tour of Colorado with a couple of lawmakers and the state lieutenant governor. Local organizers of one stop on that tour had billed Salazar on its online events calendar as attending the political rally in his official role. OSC would not say whether its investigation uncovered any problems, but [travel records](#) Interior has posted show that one of Salazar's aides had told the tour's coordinator the schedule "should not refer to (Salazar as) 'secretary.'" Salazar did not respond to a request for comment.

A former Salazar aide, who was not authorized to speak on the record, said the Obama administration generally tried to avoid scheduling political events that coincided with official travel because it was difficult to divvy up what expenses should be reimbursed by a campaign.

The special counsel's office [found](#) Obama HHS Secretary Kathleen Sebelius in violation of the Hatch Act in 2012, saying she had made "extemporaneous partisan remarks" by endorsing a candidate for North Carolina governor during a speech she made in her official capacity.

Sebelius tried to scrub the violation by reclassifying the appearance as political and reimbursing the Treasury Department for costs associated with the trip.

Sally Jewell, who was Interior secretary during Obama's second term, said Zinke was within his rights to appear at the fundraiser in the Virgin Islands. Jewell said she once appeared at a fundraiser for Democratic Sen. Maria Cantwell while in Obama's Cabinet, though she paid her own way to Washington state and was not identified by her official title.

"If he had legitimate business while he's on the island, to do a political thing on the side, I don't think that is that unusual," Jewell said in an interview.

EPA Administrator Scott Pruitt canceled his scheduled appearance at a fundraiser for the Oklahoma Republican Party in April because an invitation had identified him by his official title and said he would discuss his work at the agency. EPA ethics officials said he would have been cleared to attend the event if not for that language on the invitation.

Watchdog groups say Zinke's behavior fits a pattern for Trump's Cabinet.

"These government resources have been abused by this administration," said Virginia Canter, an executive branch ethics counsel for Citizens for Responsibility and Ethics in Washington who previously worked as an ethics official for Presidents George H.W. Bush, George W. Bush and Obama. "To the extent that some of that supports their political ambitions is inconsistent with the intent of this authority."

The Campaign for Accountability [called](#) on Interior's inspector general and the Office of Special Counsel to investigate whether Zinke violated the Hatch Act or department ethics rules with his speech to the hockey team, which the group said appeared to be a favor for a donor. Interior's IG office announced its investigation earlier this week, and OSC told the Campaign for Accountability that it was looking into the group's complaint, according to an email shared with POLITICO. The OSC declined to comment.

Reps. Raúl Grijalva (D-Ariz.) and Donald McEachin (D-Va.) have asked Interior's IG to also look into any trips on which the secretary was accompanied by his wife, Lola Zinke, who is chairing the campaign of Montana Republican Troy Downing, a candidate to unseat Democratic Sen. Jon Tester next year. Swift said Lola Zinke was not in the Virgin Islands and has paid her own way whenever she has traveled with her husband on official trips.

Many who know him see Zinke's travels as an attempt to keep in touch with political contacts as he contemplates what he will do after leaving the Trump administration. Back home, the 55-year-old former Montana congressman is seen as an attractive candidate for the open-seat governor's race in 2020, when Democratic Gov. Steve Bullock will have to step down because of term limits.

"I think he's definitely got political aspirations; that's one of the reasons why he is where he is at right now," said Land Tawney, executive director of Backcountry Hunters and Anglers, a Montana-based sportsman group that supported Zinke's bid for Interior secretary. "You don't go from being a Montana legislator to a first-term congressman to [Interior] secretary without having ambition."

The Virgin Islands trip was Zinke's first interaction with big donors or influential conservative groups during his travel as Interior secretary.

A weeklong trip in May that took Zinke through Montana, Utah and California also offered a chance to squeeze in some political events.

Zinke delivered the keynote speech at the RNC spring meeting on May 11 in Coronado, Calif. Zinke had flown to California the previous night, after several days touring monuments in Utah, and the RNC speech was his only event in the state aside from a meeting earlier that afternoon with Rep. Amata Radewagen, the Republican delegate from American Samoa, and members of the American Tunaboat Association.

The next day, Zinke flew back to Montana, where he joined Sen. Steve Daines (R-Mont.) and Vice President Mike Pence to tour a coal mine on the Crow Indian reservation operated by the Westmoreland Coal Co.

The trip offered Zinke and Pence an opportunity to tout the Trump administration's work to promote new coal mining on federal lands — and it allowed them to make a brief detour to promote Zinke's congressional replacement. That Friday night, Zinke, Pence and Daines attended a political rally for GOP candidate Greg Gianforte, and Zinke attended a get-out-the vote event for the Montana GOP the next day.

Zinke apparently paid for his return trip to Washington out of his own pocket — it was marked "personal travel" on his calendar, a designation not applied to the other flights on that trip.

Gianforte, whose wife is a [major](#) political donor in Montana, won the May 25 special election to take over Zinke's House seat.

Greg and Susan Gianforte donated more than \$10,000 to Zinke's 2016 congressional campaign and another \$10,000 to a joint Zinke-Daines PAC, according to [federal](#) records. The couple donated \$5,000 for his earlier run for Congress.

Zinke met with big influencers and donors in June as well.

On June 25, he flew from D.C. to Reno, Nev., where his only scheduled event was a meeting of the Rule of Law Defense Fund, a group of Republican attorneys general that has been linked to the Koch brothers, where he spoke and took questions for about 30 minutes, according to his schedule.

After his remarks, he sat at a dinner table with Montana's attorney general, the government relations specialist for the Venetian Resort Hotel Casino and Las Vegas Sands, and Koch Industries lobbyist Allen Richardson, Interior documents show.

The next day, Zinke flew to Las Vegas for an event on public lands in nearby Pahrump, Nev., and a speech that night to the National Hockey League's Vegas Golden Knights. Bill Foley, the team owner and chairman of Fidelity, introduced Zinke. Foley donated \$7,800 to Zinke's 2014 campaign, while employees and PACs associated with Fidelity and related companies gave another \$180,000. Interior officials said the speech to the NHL team was part of Zinke's official duties, and they pointed to scheduling conflicts it created to justify his use of a \$12,000 private plane to get to a Western Governors Association meeting in Montana the next day.

In July, Zinke spoke to several conservative groups in Colorado during a three-day trip that

also included tours of Interior Department facilities in the state. He flew into Denver on July 20 so he could appear that evening at a closed-door reception for the American Legislative Exchange Council, a group of conservative state legislators, lobbyists and industry groups that has pushed for more state control over federal lands.

And over the next two days, he was a featured speaker at a Republican committee roundtable and attended the Western Conservative Summit in Denver.

*Eric Wolff contributed to this report.*

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## **Trump administration does not plan to extend Puerto Rico Jones Act waiver past Sunday [Back](#)**

By Ben Lefebvre | 10/06/2017 03:58 PM EDT

Foreign vessels may soon be barred again from delivering goods from other U.S. ports to disaster-struck Puerto Rico, DHS said today.

The administration does not plan on renewing the Jones Act waiver, DHS spokesman David Lapan said. The 10-day waiver issued last month ends on Sunday, after which foreign vessels will no longer be able to load ships at domestic ports for delivery to the U.S. territory; those ships will have until Oct. 18 to deliver their cargoes.

"We believe that extending the waiver is unnecessary to support the humanitarian relief efforts on the island," Lapan said in an email to POLITICO. "There is an ample supply of Jones Act-qualified vessels to ensure that cargo is able to reach Puerto Rico."

President Trump [authorized](#) a lifting of the Jones Act on Sept. 28 to help deliver fuel and other goods after Hurricane Maria devastated Puerto Rico a week earlier. The island is still recovering from the storm, with electricity only reaching a small fraction of the population.

Rep. [Nydia Velazquez](#) (D-N.Y.) sent a letter to Trump today asking that the waiver be extended for at least a year, her spokesman said, arguing that reinstating it will drive up the cost of shipping supplies to the island.

**WHAT'S NEXT:** The waiver will end Sunday unless another request is received.

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## **State Dept's Shannon to lead U.S. delegation to climate talks [Back](#)**

By Andrew Restuccia | 10/06/2017 07:18 PM EDT

Thomas Shannon, the State Department's undersecretary for political affairs, will lead the U.S. delegation to a major international climate change summit next month in Bonn, Germany, according to an administration official.

The news comes amid swirling rumors that Environmental Protection Agency Administrator Scott Pruitt was angling to lead the delegation, a move that would have made a skeptic of established climate science the face of the United States at the talks.

In previous years, the State Department's climate envoy led the U.S. delegation to the annual gathering. But the Trump administration has declined to fill that position.

The Bonn negotiations are aimed at implementing the 2015 Paris climate change agreement, from which President Donald Trump has said he intends to withdraw.

Neither the White House nor the State Department responded to requests for comment.

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### **D.C. Circuit: FERC must consider GHG emissions tied to gas pipelines [Back](#)**

By Esther Whieldon | 08/22/2017 11:38 AM EDT

The U.S. Court of Appeals for the D.C. Circuit ruled today that FERC must consider the potential greenhouse gas emissions that could result from its 2016 approval of three natural gas pipeline segments in the Southeast, marking a major victory for environmental groups.

The court vacated FERC's approval of the Southeast Market Pipelines Project's three natural gas pipelines now under construction in Alabama, Georgia and Florida, and said the agency must redo the environmental impact statement it used in its decision.

Two of the three judges on court's panel rejected FERC's assertions that it could not know the level of GHG emissions that would result from its projects, specifically from power plants burning the natural gas the pipelines would provide.

"We conclude that at a minimum, FERC should have estimated the amount of power-plant carbon emissions that the pipelines will make possible," the [opinion](#) said, agreeing with the Sierra Club's arguments.

The court in 2016 made a much different ruling when it held FERC did not evaluate the climate change effects of exporting natural gas from LNG terminals since the agency had no legal authority to consider the environmental harm those exports may cause.

But Judge Janice Rogers Brown, a President George W. Bush appointee, dissented and said FERC lacks authority in this case as well, and is not required to consider the downstream emissions. "The truth is that FERC has no control over whether the power plants that will emit these greenhouse gases will come into existence or remain in operation," Brown said.

**WHAT'S NEXT:** FERC will have to rerun its EIS for the pipeline projects.

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## **FERC amends pipeline study to add climate impact** [Back](#)

By Darius Dixon | 09/27/2017 04:31 PM EDT

FERC [announced](#) today that it is amending an environmental study for a natural gas pipeline to meet a federal court's requirement that it include an assessment of greenhouse gas emissions from the power plants that may use the fuel.

The [new 5-page analysis](#) of the Southeast Market Pipelines Project, which consists of three natural gas pipelines under construction in Alabama, Georgia and Florida, conducted by FERC staff says they "would not result in a significant impact on the environment" so long as the developer followed the mitigation measures mentioned in the final 2015 environmental impact statement.

The original EIS didn't include an assessment of carbon dioxide, methane and nitrous oxide emissions associated with use and combustion of the natural gas that would be transported by the project when it was done. Last month, the D.C. Circuit Court of Appeals sided with the Sierra Club and [vacated](#) FERC's approval of the project, saying the agency must redo the EIS it used in its decision.

FERC's move to issue a supplemental EIS on greenhouse gas emissions suggests that it may not appeal the court's decision.

The analysis also states that using the social cost of carbon in its greenhouse gas analysis "is not appropriate for use in any project-level NEPA review."

**WHAT'S NEXT:** FERC has until Oct. 6 to decide whether it will appeal the D.C. Circuit's Aug. 22 ruling, which could require the agency to revisit the EISs it conducted for several pipelines.

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## **The Strange Political Afterlife of Arnold Schwarzenegger** [Back](#)

By Edward-Isaac Dove | 10/06/2017 05:04 AM EDT

MUNICH, Germany—The Governor is off to conduct the band at his favorite beer tent at Oktoberfest. Why? Well, he finished his salty half-chicken, gave the photographers the pose he knew they wanted—the one in which he's holding the giant beer stein and mime-biting the oversize pretzel—and he's not quite ready for dessert.

Oh, but *why*? Because he wants to. The crowd chants his name. He crouches forward, making a show of drawing out the tubas with his fingers. He does a muscleman pose. He pretends to blow a trumpet. In the beer tent, he makes his pecs dance.

Welcome to the strange and wondrous political afterlife of Arnold Schwarzenegger, a rural Austrian kid who parlayed his success as perhaps the greatest bodybuilder of all time into a lucrative career as Hollywood's top action hero, then parlayed *that* into becoming the improbable Republican governor of California for two terms.

Now, six years after leaving Sacramento, he's still reinventing himself—as a kind of globetrotting do-gooder, promoting a handful of causes like fighting climate change and gerrymandering. But mostly, he's having a hell of a good time. Wherever he goes, everybody knows him. Everybody loves him. With a net worth estimated at \$300 million, he zips around the world in private jets and has restaurant owners pick up his tab because they're just so honored he chose to eat there. Constant selfies. He sounds off on whatever he wants, but has no actual responsibility. His perfect day is waking up and not knowing what country he'll eat dinner in.

On this particular Tuesday afternoon, Schwarzenegger is stopping at the Munich Oktoberfest just for fun, part of a whirlwind 10-day European tour that began with inspirational speeches in England, then a jaunt to a factory in Austria to test out the new electric Hummer converted just for him, then to Barcelona for his Arnold Classic bodybuilding tournament, then popping up to San Sebastián, Spain, to premiere the 3-D "Wonders of the Sea" movie from Jean-Michel Cousteau that he narrated and produced. Then here to Munich, for a stop he's been making regularly since he was a young bodybuilder and won a stone-lifting contest (508 German pounds, or about 560 American pounds). The next day, he'll have his assistant scramble a plane for a drop-in at Arnie's Life Museum, the Schwarzenegger shrine in the house where he grew up in the hills outside Graz, Austria. Then, it's back to the U.S. to hear oral arguments in *Gill v. Whitford*, the nonpartisan redistricting case that's become his latest passion, and to L.A. again to host an appreciation dinner for Republicans in the California Legislature who backed his push for a stiffer crackdown on greenhouse gases.

All of a sudden, a guy who just turned 70—in Barcelona, he celebrated the 50th anniversary of winning Mr. Universe, which began his breakthrough—and had seen politics pass him by is ... back. But why? Schwarzenegger is barred from another run for governor and has no interest in the Senate; a certain clause in the Constitution is keeping him out of the White House. He's making movies again, though nothing huge. In a Hillary Clinton presidency, he had been planning to be one of the Republican moderate voices urging his party to find ways to work together. The Schwarzenegger Institute at USC would be hosting after-school program summits and earnest environmental speeches. It would have been his own peculiar form of keeping busy, but with nothing like the urgency he feels now.

Instead, Schwarzenegger is back in the public eye because of what he calls "a disastrous situation"—the Trump presidency. It's the topic he can't escape, even at his news conference in San Sebastián about the oceans documentary. *What do you think of Trump? What do you think people should do about Trump?* In Spain, he deflects. He's there to promote the movie, and he wants the headline to be about Cousteau's film, which he backed because the French oceanographer convinced him that people will be more likely to save the ocean if they fall in love with it.

In the air two days later, flying back from checking in on his museum, he answers: He avoids

talking about Trump in these situations because after all those years of having cameras chase him wherever he goes, he knows how the media work—whatever he says about Trump becomes *the* quote, and he wants to talk about his other causes.

But Schwarzenegger is perfectly happy to blow his way into Trump's spotlight when it suits him—he even keeps a bobblehead of Trump in his kitchen that he used for a [viral video](#) in which he lectured the president about racism. Cameras swarmed his after-school summit at USC this year after he made another video slamming Trump for a budget proposing major cuts, and Trump took time out of the National Prayer Breakfast to swipe at him. Every word he says about environmentalism gets more attention since Trump announced the withdrawal from the Paris global climate accord, and he gets to brag about relative GDP growth on his watch: "If the federal government, Republicans and Democrats, and Donald Trump and his whole White House would be smart, they would just copy exactly what we are doing in California," he said in Spain.

He also gets Trump on a visceral level—like they're twins, say, separated at birth. They are the same age. Both have been global celebrities for decades—Schwarzenegger ever since he first won the Mr. Universe competition at age 20, which he later [said](#) was "my ticket to America, the land of opportunity, where I could become a star and get rich." Each has a history of boasting about his sexual conquests and an instinct for the viral quote—like Schwarzenegger's famous riff comparing pumping iron to orgasms. One man claims never to have had a headache, stomachache or allergy; the other's doctor declared him the fittest man ever to seek the presidency. One was underestimated by political elites because of his Austrian accent and bulging physique; the other due to his outer-borough mannerisms and outrageous statements. And whereas Arnold's fame skyrocketed, thanks to showdowns with Lou Ferrigno and the evil T-1000, Donald has turned his penchant for tabloid-fueled feuds into a governing philosophy.

So doesn't it complicate things to have people ask him about Trump all the time, to have the leader of the free world tweet about his *Celebrity Apprentice* ratings?

Not at all, Schwarzenegger says. "Trump helps me." And maybe, in a way, he's even doing more good than harm. "A lot of times, we crucify Trump for doing certain things, and then in the end, deep down inside, [it's like] 'Well actually, that was helpful,'" he says. "People get more educated because he starts talking about things that no one ever thought about."

Schwarzenegger's father was literally a Nazi, though an investigation by the Simon Wiesenthal Center found no evidence his dad had ever committed any atrocities. The general subject of Nazis is one he usually avoids, but he says he can't understand Trump's reluctance to condemn the white supremacists after violent protests in Charlottesville, Virginia.

"We have seen the history of that kind of behavior. It's not like this is new," he tells me. "This has always gone in the wrong fucking direction in history. I'm not a history buff or anything, but there's one thing I know: that that is not good."

"Last Action Hero!" an American woman in the crowd shouts as he walks off the bandstand.

"Save America, Arnold!" shouts another next to her.

\*\*\*

***Last Action Hero*, Schwarzenegger tells me later**, was a movie he knew was bad as they

were making it. The director said he wanted to make *E.T. That's not going to work*, he remembers saying in his trailer. People come to see an Arnold Schwarzenegger movie, they hear the words "last action hero" and they figure no one else survives and he's shooting his way through.

This is what it's like to hang out with the Governor, who had invited me to tag along with him in Europe because ... well, I'm not exactly sure why. He is bursting with theories and opinions about everything, and enjoys talking about movies, and politics, and culture, and sports, and public policy—and whatever else crosses his mind.

Now we're in the backyard of his childhood home that's been turned into a museum, a two-story yellow house stuffed with memorabilia from his weightlifting and movie careers. For reasons no one can quite explain, the yard is now filled with a collection of giant Transformers sculptures. He wasn't in any of the movies, and he's only seen the first one (it didn't hold him, he says, because it was all explosions and no plot). Nowadays, his tastes run to artier fare, like *Black Swan* or *Dunkirk*—lots of shooting and stuff blowing up, but with a point.

There are three mannequins of him inside, plus the giant flexing bronze outside by the front door. He makes fun of the haircut on the one from his bodybuilding days, now standing in what used to be his parents' bedroom.

"What's it like to have a museum to yourself?" I ask him as he takes a seat at a table set up for us downstairs with glasses of schnapps and a spread of pastries. "I don't think about it," he says. He has a jelly-filled doughnut, and launches into a 10-minute speech about what he learned from the local politicians he admired in Austria as a teenager.

Schwarzenegger speaks in sports metaphors. He says that every policy debate, even health care, has a sweet spot that would make it fly if everyone could just work together to hit it. He also talks in terms of machines and guns, when he's not throwing in the odd reference to Milton Friedman. Certain people have a chip wrong in them, he'll say, or he'll explain the philosophy of how he pursues his causes by imagining how a robot from the future might do it. "It's the shotgun approach versus the rifle approach. This is the rifle approach. Specific target. This is where I go. Let's not spread out and try five different things," he says.

Schwarzenegger throws his money around for what he believes in—"I couldn't tell you a system. It's really a gut reaction kind of thing," he says. He talks about it in \$100,000 chunks. After Charlottesville, the Simon Wiesenthal Center got a chunk, plus all the proceeds from a "Terminate Hate" T-shirt he had made up with red, white and blue flowers sticking out of the barrel in one of his most iconic images, the one of him in the leather jacket and sunglasses. The center's founder, Rabbi Marvin Hier—also famous for delivering the Jewish blessing at Trump's inauguration—questioned whether they should have a gun on an anti-hate T-shirt. *Come on*, Schwarzenegger told him. *It's the Terminator*.

He got involved in after-school programs after visiting schools while working on the president's council on fitness in the 1980s. The Special Olympics taught him the value of government funding. He recycled before he was elected, but only when he was governor did he get interested in actual environmental policy. Infrastructure and immigration stuck with him, and above all, to his surprise, he became attached to the issues of gerrymandering and election reform.

"There were certain things that stuck because I got exposed to it, and then all of a sudden,

something in me found great joy in it," he says.

Schwarzenegger has always been ambitious—he's a firm believer in having a vision of success, and *willing* it to happen, like the first time he bench-pressed 500 pounds—but he got into politics on a whim. He tells the story like this: When he started in movies, Sylvester Stallone was the enemy. Schwarzenegger didn't like him, and didn't like that he was the top box-office draw. He set out to take him down. Twenty years later, he felt like California's then-governor Gray Davis was a jerk to him in a meeting about after-school programs, and suddenly the Terminator became obsessed with knocking him out.

In San Sebastián, over red wine and cheese and bread—after years of fanatic abstemious dieting, he's happy to indulge in some carbs—he whips out his iPad and records a video that he turns into an endorsement on the fly for Rep. Rod Blum, the Iowa Republican who was one of the three dozen members of Congress whom Schwarzenegger called last month, urging them to sign on to an amicus brief in the gerrymandering case. Somewhere over France on the way to Munich the next morning, he tinkers with a statement on an arcane dispute between two warring bodybuilding federations. In Graz the next day, he bats around taking up Prince Albert's offer to have a private jet pick him up for a gala in Monaco celebrating Leonardo DiCaprio and protecting the oceans. Ultimately, he decides not to go. But he was never going to get in a tuxedo for it—"I don't like rules," he explains.

At the Supreme Court on Tuesday for the gerrymandering arguments, he couldn't get around the no cellphone rule. Schwarzenegger loves FaceTime and Snapchat; once, he even pulled out his iPad to record a video in the middle of a papal mass at the Vatican. But he loved seeing the justices in action for the first time, remarking on how they jumped all over the lawyers arguing the case, and each other.

Outside, on the court steps, he rebuts the conservative justices' main argument against killing gerrymandering: that it's a political problem, and not one the courts should adjudicate. "As Einstein said, those who created the problem will not be able to solve it," Schwarzenegger says.

Afterward, at a rally for Common Cause, the good-government group, he explains why of all things, he's made this his cause. In California, he saw gerrymandering lead to the parties running to their respective corners and not getting anything done, and he says the same thing has happened in Washington. "It's time to say, 'Hasta la vista' to gerrymandering. Terminate it!"

The way Schwarzenegger sees it, nothing major has gotten done in America since 2000. Congress has a lower approval rating than herpes, he likes to joke. So that's where he comes in.

"I came to America. I made my money in America. Now, let's fix America," he told me. His adopted country is starting to come apart, he worries, and it's because no one has shown the leadership to bring it together.

"I see down the line a decline, and we get a little bit of a taste of that now. There is a lack of working together. No one sees themselves as a team. It's all about 'Me, me, me.' That's not America," he says. "My biggest fear is: If this plane takes off and the pilot doesn't know where we're going, we'll be flying around and we may crash. Because no one was telling where we're going. Same thing with this."

\*\*\*

**A friend of Schwarzenegger's**, the German bodybuilder-turned-actor Ralf Möller, a towering hulk of a man who played a bruiser in *Gladiator*, tells me at Oktoberfest that he wants me to write that his friend should be secretary of state.

How about that?, I ask Schwarzenegger later.

He responds by rattling off other jobs that might interest him—EPA, Energy. But the State idea clearly intrigues him.

"It's just that if a president asks me, and says, 'Go and step in, you could really move the agenda,' of course, I would do it. We would figure out the rules, figure out what I can do, am I just a puppet in there—'Do I have to ask some schmuck from the White House to go and make a move?'" he says, the misadventures of Rex Tillerson and Jeff Sessions on his mind. "No, I would never do that, because my ego would never allow it. And the country doesn't deserve it."

He says he'd even consider it if the call came in from Trump. His ex-wife's mother, Eunice Kennedy Shriver, he says, taught him, "You never ever turn down a president." (Later, he jokes: "Maybe I can't be in the Cabinet because I fly commercial too much.")

The job he really wants, he knows, is out of reach. "I'd be running in two seconds if I was born in America," he says.

Flying back from his old house to his fancy hotel in Munich in the private jet, having happily obliged the latest airport police officer who slyly slid out his phone for a picture with him, he says he's made his peace with that.

"I can't make myself be angry about it because everything else that I've accomplished is because of America. So how can I complain about the one thing that I can't do? Hello? Look where I'm sitting," he says. "I didn't even dream half of it."

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**To:** [lori\\_mashburn@ios.doi.gov](mailto:lori_mashburn@ios.doi.gov); [POLITICO subscriptions](#)  
**Subject:** Morning Energy, presented by ExxonMobil: Fireworks expected as White, Wheeler head to EPW — Democrats demand EPA officials testify — Reading the leaves on FERC comments  
**Date:** Wednesday, November 08, 2017 5:43:40 AM

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By Anthony Adragna | 11/08/2017 05:41 AM EDT

*With help from Alex Guillén, Esther Whieldon, Darius Dixon and Eric Wolff*

**EPW TAKES UP WHEELER, WHITE NOMS:** The Senate Environment and Public Works Committee will hear from two high-profile environmental nominees today: Andrew Wheeler for deputy EPA administrator and Kathleen Hartnett White to lead the White House's Council on Environmental Quality. White has a long history of controversial statements for Democrats to pull from, including her belief that "carbon dioxide is [not a pollutant](#)," her declaration that those who believe in climate change subscribe to a "[kind of paganism](#)," for "secular elites," and her 2014 blog post arguing [fossil fuels helped end slavery](#) in America.

**But White's biggest liability** may prove to be her position on the Renewable Fuel Standard. As ME wrote last week, Republican Sens. [Deb Fischer](#) and [Joni Ernst are wary of White](#), who in 2013 called for repeal of the "counterproductive and ethically dubious" RFS. A single EPW defection could tank White's nomination, and Ernst proved last month with EPA air nominee William Wehrum that she's willing to walk the walk when defending ethanol.

**Ranking member [Tom Carper](#) summed up** his questions for White to ME: "I just want to ask her, 'Did you really say those things?' And there's a lot of them." Ahead of the hearing, nearly 50 environmental advocates sent [a letter](#) urging the committee to oppose her nomination. "Ms. White is unfit to hold the highest environmental post in the government to advise the president on the most pressing environmental issues our nation faces," the letter, signed by groups such as 350.org, the Natural Resources Defense Council and the Sierra Club, said.

**More familiar face:** Wheeler, meanwhile, is a known quantity for lawmakers who have been around for a while. He worked for Sen. [Jim Inhofe](#) in various capacities until 2009, when he departed as EPW staff director. He's been an attorney and lobbyist at Faegre Baker Daniels ever since, with his most notable client being Murray Energy, whose owner has proven adept at influencing the Trump administration. ME will be watching to see whether lawmakers delve into Wheeler's work with the ethanol group Growth Energy, which was first [reported](#) by POLITICO last month.

**If you go:** The hearing is at 10 a.m. in Dirksen 406.

**BRIDENSTINE GETS COMMITTEE VOTE:** The Senate Commerce Committee [votes](#) on Oklahoma Republican Rep. [Jim Bridenstine](#)'s nomination to run NASA at 9:45 a.m. along with several other nominations. He's faced sharp criticism from Democrats, including ranking member [Bill Nelson](#) who slammed him in the nomination during his confirmation hearing: "NASA is not political. The leader should not be political." The panel also votes on Neil Jacobs' selection for another top NOAA post.

**WELCOME TO WEDNESDAY!** I'm your host Anthony Adragna, and the American Chemistry Council's Jonathan Corley was first to identify Sen. John Hoeven as the past

president of North Dakota's state bank. For today: The father of which senator served three terms of governor of their state before corruption convictions ended their career? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](https://twitter.com/AnthonyAdragna), [@Morning\\_Energy](https://twitter.com/Morning_Energy) and [@POLITICOPro](https://twitter.com/POLITICOPro).

**BIG NIGHT FOR DEMOCRATS:** The League of Conservation Voters' \$4 million investment in Virginia races paid off handsomely as Lt. Gov. Ralph Northam [trounced](#) Republican Ed Gillespie to become the commonwealth's next governor. In New Jersey, Democrat Phil Murphy (also backed by green groups) [decisively beat](#) Lt. Gov. Kim Guadagno for the governorship. In Flint, Mich., Mayor Karen Weaver [survived a recall attempt](#) by a wide margin. And Democrat Manka Dhingra [appeared poised](#) to win a Washington state Senate seat, effectively handing control of the entire state government to her party in a special election that drew millions in outside spending.

**DEMOCRATS: IT'S TIME!** More than 10 months after his confirmation, Senate and House Democrats are officially fed up with EPA Administrator Scott Pruitt's absence from congressional oversight hearings. After calling the lack of agency witnesses "unacceptable" during a Tuesday hearing, Energy and Commerce ranking member [Frank Pallone](#) demanded Chairman [Greg Walden](#) hold oversight hearings on EPA's review and management of chemicals under the revised Toxic Substances Control Act. "The Committee bears a responsibility to the American public to make sure EPA is protecting human health and the environment," he [wrote](#), joined by senior committee Democrats [Paul Tonko](#) and [Diana DeGette](#).

**Not alone:** All 16 Democrats on the House Science Committee sent their [own letter](#) to Chairman [Lamar Smith](#) demanding Pruitt come testify "as soon as possible," pointing out Gina McCarthy came before the full panel just four months after confirmation. "Not only is such oversight routine, but as a public official Administrator Pruitt has an obligation to address his conduct and management of EPA," they wrote.

**And Carper too:** "I wonder what my friend [John Barrasso](#) would have said if Gina McCarthy had refused to come before our committee for months? I wonder what my Republican EPW colleagues would have said if our committee hadn't held a single oversight hearing after a Democratic administration had issued multiple environmental executive orders and was the subject of several ongoing investigations? I heard them push for transparency for eight years, but suddenly there's silence over the last eight months."

**TELL ME HOW YOU REALLY FEEL ABOUT THE DOE RULE (AGAIN!):** Reply comments were due at FERC Tuesday night, and there was no less passion in this set of filings than in the first round two weeks ago. But ME was hard-pressed to see if anyone had really budged from their positions. FirstEnergy's comments started with a refrain that was almost poetic. "This proceeding is not about picking fuel supply winners and losers. This proceeding is not about the reliability of natural gas pipelines... This proceeding is not about the Polar Vortex..." former FERC general counsel Bill Scherman [wrote](#) on the company's behalf. Instead, the company pressed for its own resiliency tariffs that would serve as a Band-Aid until new market rules were crafted. "Simply put, the imminent closure of resilient generation presents a clear and present danger to the Nation," Scherman wrote, echoing the call of Energy Secretary Rick Perry. "If the Commission does not act now, our national security will be put at risk."

**Where FirstEnergy downplayed the usefulness of the 2014 "polar vortex," Murray**

Energy [argued](#) the critics just don't get it. "During the Polar Vortex, the country was relying on an unacceptably high percentage of interruptible gas-fired generation," the company said. There's been too much talk as it is, Murray said, and "FERC appears to have lost its moorings." Murray's filing even refers to an article by House Science Chairman [Lamar Smith](#) to tally how the federal government has repeatedly created energy subsidies with everything from tax policy to R&D funding.

**Among those who tried to find middle ground was PJM itself**, a critic and central target of Perry's plan, [arguing](#) that FERC should approve an alternative proposal that instructs all the grid operators to report back with new pricing or tariff proposals within 180 days. It also suggests creating a new docket aimed at defining resilience.

**SOLAR FOR PUERTO RICO:** The Solar Foundation, along with a host of companies and the Clinton Foundation, is launching an industry-wide push to get the lights back on in Puerto Rico and the U.S. Virgin Islands. Initial priorities will be restoring electricity to two food markets in San Juan and 62 rural medical clinics around the island. More on the project, Solar Saves Lives, available [here](#).

**\*\* Presented by ExxonMobil:** We're collaborating with FuelCell Energy on a novel idea to use fuel cells to capture carbon at natural gas power plants, and in the process reduce emissions and increase electrical output. This technology could be a game changer in addressing the world's growing need for energy, while also reducing the impact on the environment. [Learn more.](#) \*\*

**HYDROPOWER BILL STREAMS ONTO FLOOR:** House lawmakers are expected today to consider [H.R. 3043 \(115\)](#), which would revamp the licensing process for hydropower projects. Ahead of the vote, utility and labor groups sent [a letter](#) encouraging support for what they called "a moderate proposal developed with bipartisan input" and warned "the current regulatory environment is placing hydropower at risk."

**MODERATE CLIMATE REPUBLICAN HEADS FOR THE EXITS:** South Jersey Republican Rep. [Frank LoBiondo](#), one of the few congressional GOPers to land environmental group endorsements in recent years, [will retire](#) from Congress. With LoBiondo and Rep. [Dave Reichert](#) departing at the end of this Congress, Reps. [Chris Smith](#) and [Leonard Lance](#) will be the two remaining House Republicans that backed cap and trade legislation in 2009.

**LET'S KICK AGAIN?** Chatter's already getting louder that Congress may have to consider another kick-the-can extension of government funding by Dec. 8 to keep the lights on, but top Appropriators aren't throwing in the towel yet, Pro Budget & Appropriations Jennifer Scholtes and Sarah Ferris [report](#). "So, hopefully, if we consider one, it will be very, very short," Appropriations Chairman [Rodney Frelinghuysen](#) told them. Others say it's too early to give up. "I don't think we even need to be thinking about a CR," says [Hal Rogers](#), who endured tough spending negotiations many times in his six years of chairing the House Appropriations panel.

**TRUMP RELATIVE MOVES UP AT DOE:** Kyle Yunaska, brother-in-law to Eric Trump, seems to be climbing the ladder at the Energy Department's Energy Policy and Systems Analysis office recently, adding the title of chief of staff to his resume, in addition to his senior adviser role. A DOE source told ME that Sean Cunningham, the head of EPSA, made the announcement in a staff email last week. Yunaska joined DOE early this year as a member

of the "beachhead" team. His sister, Lara, married the president's son in 2014. (Greenwire first reported the move.)

**ZINKE HIRES FORMER NAVY SEALS TO KEY ROLES:** Interior Secretary Ryan Zinke has hired former Navy Seal Mike Argo as deputy chief of staff and former SEAL Captain Rick May to head up the agency's focus on increasing recreation opportunities on public land. Speaking at a webcast honoring veterans event in Interior's Washington headquarters, Zinke, who is himself a former SEAL, said "we're bringing recreation back."

**MARKING ON UP:** Nine bills are on the House Natural Resources Committee [mark up agenda](#) today, but most of the attention will be on the SECURE American Energy Act [H.R. 4239 \(115\)](#). Among other provisions, the bill would give more oil and gas permitting power to the states, create an offshore oil and gas revenue program for East Coast drilling and roll back Obama-era offshore drilling rules. ME hears the measure may be fast-tracked to the floor as quickly as next week. Also of note: [H.R. 2907 \(115\)](#) from Rep. [Scott Tipton](#), which would require an all-of-the-above quadrennial federal onshore energy production strategy.

**PANELS LOOKS AT GEOENGINEERING LATEST:** Two House Science subcommittees today [take a look at](#) the latest technologies and possibilities concerning geoengineering, in which humans attempt to alter the worldwide climate system in effort to avoid human-caused climate change. The committee will hear from experts on reducing the total sunlight hitting the earth and pulling carbon from atmosphere. But ahead of the session, nearly two dozen leading proponents warn the committee in [a letter](#) that geoengineering should not be viewed as a substitute for swift action to curb greenhouse gases that are fueling climate change. "Geoengineering is not a silver bullet, and treating it as one could greatly increase already severe climate change risks," they wrote. The hearing kicks off at 10 a.m. in Rayburn 2318.

**MAIL CALL! DON'T EXPAND CCS CREDITS:** More than 40 environmental groups released [a letter](#) Tuesday urging lawmakers not to include an expansion and extension of the Section 45Q tax credit for carbon capture and sequestration in an emerging tax package. A [second letter](#) warned efforts to subsidize CCS technologies are "false solutions" to climate change and impose significant burdens on communities on the front lines.

**CHANGE COURSE!** Sixty-two members of Congress, led by Rep. [Bill Foster](#), asked Pruitt to reverse a policy instituted last week barring any scientists receiving agency funds from serving on scientific advisory boards. Letter [here](#).

**NOT TO BE LEFT OUT:** Representatives from the hydropower, biomass power, waste-to-energy and biogas industries sent [a letter](#) to the top Republican tax writers asking them to "provide parity and a level playing field for all renewable energy technologies" as they work on the tax package. HR1 "would extend the same tax treatment to fiber-optic solar energy, fuel cells and small wind energy property that is afforded solar technology under current law," they write. "However, the bill fails to provide equal treatment for hydropower, biomass power, waste-to-energy and biogas."

**COMMERCE SET TO DO ITS BIODIESEL DUTY:** The Commerce Department is expected to announce a final decision on its countervailing duties and anti-dumping cases against Argentine and Indonesian imports of biodiesel. Commerce has already started collecting the duty after making a preliminary determination that both countries were undercutting U.S. biodiesel.

## **EPA SEEKS REMAND OF PARTS OF COAL ASH RULE AHEAD OF**

**ARGUMENTS:** EPA on Tuesday [asked](#) the D.C. Circuit Court of Appeals to remand key parts of the coal ash rule to the agency for reconsideration ahead of Nov. 20 oral arguments that could see the case put on ice. The court in September said it would not put the case on hold indefinitely while EPA [reconsiders](#) the rule, though it did [order](#) attorneys for all sides to be prepared to discuss abeyance at arguments. In a new motion, EPA asks that five specific parts of the rule be remanded without being vacated, meaning they would remain in place while EPA reworks them. Because it is reconsidering the rule, EPA argued, its attorneys "will likely be unable to represent EPA's present position on these issues at oral argument."

Four of the provisions are related to challenges brought by industry groups: rules for temporary coal ash piles; EPA's rules for inactive ponds; a lack of a risk-based compliance option; and a provision dealing with large piles of coal ash intended for "beneficial use" in products like wallboard. The fifth provision, dealing with regulation of legacy ponds, was raised by environmental groups. The industry challengers had no problem with the remand request, but greens plan to object to their provision being remanded.

**APPROVED:** The California State Water Resources Control Board green lighted a 10-year plan for adding new wildlife habitat and curbing toxic dust from the Salton Sea lake in Southern California, Pro's Esther Whieldon [reports](#).

**PERRY SPEAKS... ON TAX OVERHAUL:** Even as he attends meetings this week in Paris, Energy Secretary Rick Perry released [an op-ed](#) in Syracuse, N.Y.'s local paper Tuesday strongly backing Republican tax overhaul efforts. "Americans deserve a low tax climate and responsible regulation to spur the economic and energy revolution we have been waiting for," the former Texas governor wrote.

**NOT MINCING WORDS:** Actor Alec Baldwin didn't hold back on his dislike of Pruitt during [an interview](#) with *Entertainment Weekly*. "He's done more damage to one department than anyone in American history," Baldwin, who plays Trump on SNL, said. "It's like being in a vegetarian restaurant and the chef decides he's only gonna cook steak, to insist everyone eat a meal that's abhorrent to them."

## **QUICK HITS**

- Severe air pollution declared public health emergency in Delhi, India. [ABC News](#).
- France backpedals on pledge to cut reliance on nuclear power. [AP](#).
- Fresh From Deluge, Miami Weighs Bonds to Gird for Climate Change. [Bloomberg](#).
- Kinder Morgan Canada denied expedited appeal for oil pipeline. [Reuters](#).
- GOP tax bill would end deduction for wildfire and earthquake victims — but not recent hurricane victims. [Los Angeles Times](#).

## **HAPPENING TODAY**

9:45 a.m. — Senate Commerce Committee holds [vote](#) on the Bridenstine nomination and others, Dirksen 106

10:00 a.m. — The House Science Committee's Energy Subcommittee and Environment Subcommittee hold a [joint hearing](#) on "Geoengineering: Innovation, Research, and Technology," Rayburn 2318

10:00 a.m. — [Markup](#) on Offshore-Onshore Energy Bill, 8 Additional Measures, House Natural Resources Committee, 1324 Longworth

10:00 a.m. — Senate Environment and Public Works Committee holds [hearing](#) on White and Wheeler nominations, Dirken 406

10:30 a.m. — API hosts press call on latest efforts to reform the Renewable Fuel Standard, RSVP: [press@api.org](mailto:press@api.org)

12:15 p.m. — EPW Democrats hold press conference on environmental nominees, Senate Swamp

2:00 p.m. — Rep. Keith Ellison hosts [briefing](#) on zero waste and environmental justice, Cannon 122

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<https://www.politicopro.com/tipsheets/morning-energy/2017/11/fireworks-expected-as-white-wheeler-head-to-epw-025437>

## Stories from POLITICO Pro

### EPA deputy nominee Wheeler represented ethanol group [Back](#)

By Alex Guillén | 10/18/2017 03:47 PM EDT

Andrew Wheeler, the nominee for EPA deputy administrator, worked for the ethanol group Growth Energy this year, according to his financial disclosure documents.

Wheeler, an attorney at Faegre Baker Daniels, was previously known to lobby for coal producer Murray Energy, among several other companies, as revealed in lobbying disclosures. But his [financial disclosure](#) shows Wheeler provided "strategic advice and counseling" rather than lobbying services to Growth Energy.

Growth Energy hired FBD for lobbying earlier this year, according to [records](#), but Wheeler was never named on those disclosures.

"We hired Faegre Baker Daniels for lobbying and consultant help on renewable fuels issues. Andrew Wheeler has not lobbied on our behalf but has provided consultant services," Growth Energy spokeswoman Jenni Roberson said in an email. Wheeler did not return a request for comment today.

Growth Energy was one of the groups that successfully sued EPA over its 2014-2016 Renewable Fuel Standard volumes. It has also opposed EPA Administrator Scott Pruitt's recent move to potentially weaken biodiesel requirements, a proposal that has angered several key corn state Republican senators and threatened to hold up several other EPA nominees.

The financial disclosure shows Wheeler also provided advice and counsel, but not lobbying work, to International Paper, Archer Daniels Midland and General Mills. Previously reported lobbying clients included Xcel Energy, Bear Head LNG and Energy Fuels Resources.

**WHAT'S NEXT:** Wheeler was nominated earlier this month and has yet to have a nomination hearing in the Senate.

To view online [click here](#).

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**Northam beats Gillespie in Virginia governor's race** [Back](#)

By Gabriel Debenedetti | 11/07/2017 05:59 PM EDT

Democrat Ralph Northam was elected governor of Virginia on Tuesday in a sweeping victory that defied the conventional wisdom of a tightening race.

The lieutenant governor's victory joins Democrat Phil Murphy's win in New Jersey's gubernatorial race to hand Democrats new hope in the Donald Trump era.

After a bruising race against former Republican National Committee chairman Ed Gillespie, Northam outran Hillary Clinton in a state she carried by 5 points while losing the presidency in November 2016. A series of late-campaign controversies hitting Northam had Republicans cautiously optimistic that Gillespie could close the gap and pull off an upset, but Democrats rode a wave of anti-Trump backlash and satisfaction with outgoing Gov. Terry McAuliffe's administration.

"It was said that the eyes of the nation are now on the commonwealth," Northam said in his victory speech. "Today, Virginians have answered and spoken. Virginians have told us to end the divisiveness, that we will not condone hatred and bigotry, and to end the politics that have torn this country apart."

Murphy, a former U.S. ambassador, defeated Kim Guadagno, New Jersey's lieutenant governor, to replace unpopular Republican Gov. Chris Christie. Murphy led the race from the start by double digits.

The pair of off-year governors races is traditionally read as a bellwether for the next year's midterm elections, but this year the results — particularly in Virginia — are also likely to be read as referenda on the state of each party's national well-being in the age of Trump.

Democrats had eyed the race nervously, as an opportunity to both demonstrate political momentum and help the party dig out from a historic low in terms of governorships. Democrats currently have just 15 compared to Republicans' 34 (Alaska Gov. Bill Walker is an

independent), so party officials had for months seen flipping the New Jersey seat and retaining Virginia's as top priorities. Come January, they will hold 16.

"This was a vote for an inclusive Virginia," said former Rep. Tom Perriello, who lost to Northam in the primary but went on to endorse him and help lead his party's charge in the House of Delegates, where Democrats on Tuesday elected the first Latina members of the House of Delegates and a transgender candidate. "Gillespie went all-in on an identity politics agenda, and we rejected it."

Near tears with excitement, Perriello sounded a bullish note on his party's future.

"We're seeing the Prop 187 of Virginia, and probably of America," he said, referring to the famous California ballot proposition targeting illegal immigration that helped Republicans win in 1994 but has been credited with turning state voters against the Republican Party ever since.

Gillespie sought to strike a balance between engaging moderates with talk of jobs and taxes and firing up his base by running ads on illegal immigration and sanctuary cities — which don't exist in Virginia — and cultural touchstones like Confederate monuments and NFL anthem protests. Gillespie did not initially home in on those subjects, but they became a bigger part of his campaign after he nearly lost the June Republican primary to Trump's former Virginia campaign chairman.

Trump, who tweeted in support of Gillespie before the election, quickly turned on him after the race was called.

"Ed Gillespie worked hard but did not embrace me or what I stand for," Trump [tweeted](#), before referencing Republican special election wins earlier this year. "Don't forget, Republicans won 4 out of 4 House seats, and with the economy doing record numbers, we will continue to win, even bigger than before!"

Democratic turnout in Virginia's primary skyrocketed from previous years' levels. Party leaders including former President Barack Obama and Vice President Joe Biden swooped into the state to back Northam in the final month.

"The initial goal was for Democrats to nationalize the race and make it about the president; our initial goal was to localize the race and make it about Virginia," Virginia Republican Party chairman John Whitbeck said before Tuesday's vote. "If we win, it will say that a mainstream conservative like Ed Gillespie can win in an era of uncertainty. What it says about the Democrats is they have a lot of soul-searching to do: I don't think they know what their message is, their agenda is."

Though Trump loomed over the race, Gillespie did not actually appear with him in Virginia — the first time in years a sitting president did not cross the Potomac River to campaign in the governor's race. "Ralph Northam will allow crime to be rampant in Virginia. He's weak on crime, weak on our GREAT VETS, Anti-Second Amendment and has been horrible on Virginia economy," Trump tweeted during his Asia trip on Tuesday. Gillespie appeared multiple times with Vice President Mike Pence, who is more popular among conservatives and perceived as less likely to fire up Democrats who can't stand the president.

In New Jersey, Murphy was heavily favored in large part because of the unpopularity of Christie. Guadagno, Christie's deputy, tried tacking away from Christie, but the former

presidential candidate's abysmal 14 percent approval rating — according to a late October Suffolk poll — proved to be a serious drag on his hoped-for successor.

While Guadagno tried tarnishing Murphy's image by painting him in ads as soft on illegal immigration, Murphy — a former Goldman Sachs executive and Democratic National Committee finance chairman — relied heavily on support from local and national-level Democrats to pad his comfortable margin.

In Virginia, Democrats also aimed to peel back the GOP advantage in the state legislature. The party hopes that Northam's win, combined with continued down-ballot gains, will put Democrats in position to exert more influence over the next round of political map-drawing in Virginia at the end of this decade.

Democrats also won the closely watched mayoral races in Manchester, New Hampshire, and St. Petersburg, Florida.

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### **LoBiondo to retire from Congress [Back](#)**

By Elena Schneider | 11/07/2017 02:51 PM EDT

New Jersey Rep. [Frank LoBiondo](#), a senior Republican on the Armed Services Committee, will not run for reelection in 2018, he announced Tuesday.

LoBiondo cited committee term-limits for his departure, but the 12-term incumbent also took parting shots at partisan gridlock in Congress.

"There is no longer middle ground to honestly debate issues and put forward solutions," LoBiondo said in a statement. "... Those of us who came to Congress to change Washington for the better through good governance are now the outliers. In legislating, we previously fought against allowing the perfect to become the enemy of the good. Today a vocal and obstinate minority within both parties has hijacked good legislation in pursuit of no legislation.

LoBiondo said that his decision isn't "electoral" and that he was "very confident voters would again reelect me" in 2018 had he decided to run for reelection.

The decision opens a battleground district in southern New Jersey that LoBiondo has held easily since 1994. New Jersey's 2nd District backed President Donald Trump with 50.6 percent of the vote to Hillary Clinton's 46 percent in 2016. But former President Barack Obama also won the seat twice with between 53 and 54 percent of the vote.

Harry Hurley, a New Jersey talk radio host, [first reported](#) the news of LoBiondo's retirement.

LoBiondo raised \$117,000 in the last fundraising quarter, among the lowest totals reported by House Republican incumbents, sparking speculation that he would retire instead of running for reelection. Though the district has 147,000 registered Democrats to 132,000 registered Republicans, LoBiondo has managed to easily and consistently win reelection thanks in part to

strong labor ties.

National Democrats have actively recruited state Sen. Jeff Van Drew, a conservative-leaning Democrat, in years past, but he's declined to run. Democrat Tanzie Youngblood, a retired teacher, already launched her bid to challenge LoBiondo in July. Democrats also floated retired judge Ray Batten as a potential candidate for the district.

Republican operatives in the state floated two potential GOP candidates to replace LoBiondo: State Assemblyman Chris Brown, who's on the ballot for a state Senate seat on Tuesday, and former Atlantic County Sheriff Frank Balles.

LoBiondo's retirement adds another major opportunity for Democrats to pick up a House seat in New Jersey. Already, two normally well-entrenched New Jersey GOP incumbents in the northern half of the state, [Rodney Frelinghuysen](#) and [Leonard Lance](#), have attracted several credible Democratic challengers who are raising substantial amounts of campaign cash.

LoBiondo, a member of the moderate Tuesday Group caucus, is the latest in a string of what Rep. [Charlie Dent](#) (R-Pa.) called "governing-wing" Republicans who have opted against running for reelection in 2018. Dent, Florida Rep. [Ileana Ros-Lehtinen](#), Washington Rep. [Dave Reichert](#) and Michigan Rep. [Dave Trott](#) have all announced their plans for retirement.

*Matt Friedman, Jake Sherman and Alex Isenstadt contributed to this report.*

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**Pruitt to reconsider parts of 2015 coal ash rule** [Back](#)

By Alex Guillén | 09/14/2017 04:15 PM EDT

EPA will reconsider key portions of the 2015 coal ash rule, according to a [letter](#) from Administrator Scott Pruitt to industry officials released by Earthjustice.

Two petitions were filed in May by AES Puerto Rico and the Utility Solid Waste Activities Group, an umbrella group whose members include the Edison Electric Institute, National Rural Electric Cooperative Association, American Public Power Association and more than a hundred utilities and related companies.

Pruitt's letter does not specify which parts of the rule he plans to reconsider, but both USWAG and AES identified specific issues with the regulation.

[USWAG's petition](#) asked that pending deadlines be pushed back and called for the rule to be changed in the wake of a December 2016 law changing the enforcement scheme in order to accommodate new management options based on site-specific risk analyses rather than the original "burdensome, inflexible, and often impracticable requirements." USWAG also argued that various executive orders from President Donald Trump dealing with regulations justify cracking the rule open.

[AES' petition](#) focused on requirements for how power plants store their coal ash piles before

they are moved off site to be disposed of or to make products such as concrete and wallboard.

Oral arguments at the D.C. Circuit Court of Appeals over the rule are currently scheduled for Oct. 17, but EPA is likely to ask the case be put on hold while it reconsiders the rule.

**WHAT'S NEXT:** Pruitt will initiate a formal reconsideration process. Any actual changes to the rule will have to go through public comment and will be open to legal challenge.

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### **Court delays coal ash arguments to November [Back](#)**

By Alex Guillén | 09/27/2017 04:54 PM EDT

The D.C. Circuit Court of Appeals today [granted a one-month delay](#) in arguments over EPA's 2015 coal ash rule following Administrator Scott Pruitt's [decision to reconsider](#) key parts of the regulation.

Arguments had been scheduled for Oct. 17, but a three-judge panel ordered them delayed until Nov. 20.

The judges ordered EPA to reveal by Nov. 15 which portions of the rule will be reconsidered "and setting forth with specificity the timeline for reconsideration." In addition, all sides, including industry and environmental challengers, are supposed to file new briefs by Oct. 11 addressing whether the new [state-based coal ash permitting program](#) that passed Congress as part of the Water Infrastructure Improvements for the Nation Act at the end of 2016 affect the broader lawsuit at all. And the court told attorneys to be ready at arguments to discuss whether a longer delay in the lawsuit is appropriate, opening up the possibility of further delay.

The court set 90 minutes' worth of arguments in total, split into four sections: Three dealing with various legal and technical challenges to the rule and one on whether the case should be delayed longer.

The case will be heard by Judges Karen LeCraft Henderson, a George H.W. Bush appointee, and two Obama appointees, Judges Patricia Millett and Cornelia Pillard.

**WHAT'S NEXT:** The parties must submit briefs regarding the permitting program by Oct. 11. Oral argument is scheduled for Nov. 20.

To view online [click here](#).

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### **California board approves 10-year Salton Sea water mitigation plan [Back](#)**

By Esther Whieldon | 11/07/2017 06:31 PM EDT

The California State Water Resources Control Board today approved the state's 10-year plan for adding new wildlife habitat and curbing toxic dust from the Salton Sea lake in Southern California.

The plan addresses expectations the 350-square-mile lake will shrink by one-third as the Imperial Irrigation District, other water users and states continue cutting back on water usage amid diminishing Colorado River supplies.

The lake is an ecological haven for migratory birds, but its receding shoreline is polluted with chemicals from farming irrigation drainage, and the resulting dust from the dry lake bed has caused asthma problems in nearby communities.

The plan is also key to Imperial agreeing to a voluntary water conservation compact among lower Colorado River basin states to preserve water levels at Lake Mead, the river's most important reservoir. Under a deal that expires this year, Imperial has been putting extra water into the Salton Sea in exchange for the state's pledge to install mitigation projects — a commitment California has failed to meet. Imperial has been reluctant to agree to further water cuts without assurances the state will actually act.

The plan outlines the state acreage goals for habitat creation and dust suppression, requires it to come up with a long-term mitigation plan for the Salton Sea by 2022, and would have board staff create a correction plan if the state falls more than 20 percent short of any annual goal.

**WHAT'S NEXT:** Californians will vote on a ballot measure in June 2018 to issue \$200 million in bonds for Salton Sea projects.

To view online [click here](#).

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By Anthony Adragna | 10/12/2017 05:41 AM EDT

*With help from Eric Wolff and Esther Whieldon*

**PERRY STEPS INTO E&C HOTSEAT:** Energy Secretary Rick Perry makes his much-anticipated [debut](#) before the House Energy and Commerce Energy Subcommittee today at 10 a.m. and several members are planning to press him on his [grid resilience proposal](#), which would benefit coal-fired and nuclear power plants. "I have many concerns with this proposal, starting with the fact that this is chiefly a policy matter that should be left to Congress and the states," ranking member [Frank Pallone](#) will say in his opening remarks. "You are distorting the market, damaging the environment, and delivering preferential treatment to favored industries."

Pallone plans to send a letter seeking more information on Perry's process in developing the proposal — but don't expect criticism of Perry's plan to be a purely one-party affair: Texas Republican Rep. [Pete Olson](#) last week said he was concerned because DOE's proposal "appears to be picking winners and losers" and a normally friendly face, Rep. [Joe Barton](#), declined to discuss his planned line of questioning.

**But some panel members are expected to be big fans:** West Virginia Rep. [David McKinley](#) told ME he'll be "very supportive" of Perry's request of FERC, and he scoffed at criticism that the plan was unfairly playing favorites by propping up the struggling nuclear and coal sectors. "It's an insurance policy that we never have a blackout in this country. Isn't there some value in that?" he asked. "I don't think it's picking winners and losers at all." ME would look for Reps. [Morgan Griffith](#) and [Bill Johnson](#) to also be big backers of the proposal.

**Perry response:** According to [a copy](#) of his opening statement, Perry will stress that his request of FERC is just a "first step" in a conversation while at the same time emphasizing he'll take whatever action necessary to protect the U.S. grid's resiliency. "I will not sit idly by when I see a threat to that reliability, or a reasonable course of action that is within my authority to mitigate it," he plans to say.

**What else what else?** At least three other issues seem likely to crop up throughout the hearing:

—Democrats will ask Perry for guarantees and additional information concerning more than [\\$56,000 in non-commercial travel](#) he took since coming into office. Pallone will ask DOE's inspector general in a letter today to probe his non-commercial travel habits.

—Questions from both parties about DOE's next move in restarting the Yucca Mountain program. Remember Sen. [Dean Heller](#) lifted his hold on DOE Deputy Dan Brouillette's confirmation after unspecified progress on the matter, but we haven't heard much since then.

—Why the agency conditionally [approved](#) a \$3.7 billion increase in federal loan guarantees for the troubled, over-budget Vogtle nuclear project in Georgia and whether it intends to further wade into similar nuclear matters.

**If you go:** Perry settles into the witness chair at 10 a.m. in Rayburn 2123. More [here](#).

**WELCOME TO THURSDAY!** I'm your host Anthony Adragna, and EPA's Aaron Ringel was first up to identify Strom Thurmond as the only senator ever reelected in their 90s. For today: Who is the only chemist currently serving in Congress? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](https://twitter.com/AnthonyAdragna), [@Morning\\_Energy](https://twitter.com/Morning_Energy) and [@POLITICOPro](https://twitter.com/POLITICOPro).

**FUNDAMENTAL GHG REGULATORY AUTHORITY PONDERED:** EPA plans to question whether it even has the authority to regulate greenhouse gas emissions from power plants and how states might craft their own plans to upgrade coal plants as it ponders a replacement to the Clean Power Plan, Pro's Emily Holden [reports](#), citing excerpts of a draft notice. The agency continues to mull "whether it is appropriate to propose a rule," and must "ascertain the scope of legal authority that Congress conferred to EPA" before proceeding. In the document — an advanced notice of proposed rulemaking in Washington speak — EPA calls itself as "a creature of statute," and notes that the Clean Air Act delegates air pollution control to states and local governments. Pros [learned](#) the document went over to OMB for review earlier Wednesday.

**CAN ALREADY SMELL THOSE JET FUMES:** Two days after posting the measure, the House is expected today to clear a \$36.5 billion emergency funding package [H.R. 2266 \(115\)](#) for hurricane and wildfire relief and recovery. Senate consideration will have to wait until next week, at least. "We think it's critical that we pass this legislation this week to give the people in California the support they need to fight these fires, to help the victims, and also to help the communities still recovering and dealing with the humanitarian problems with the hurricanes," Speaker [Paul Ryan](#) said on Wednesday.

**Energy bill clears House:** Lawmakers cleared by voice vote legislation [S. 190 \(115\)](#) that exempts certain equipment that needs to remain on at all times from energy use restrictions for an additional six years. "Devices like home security alarms or fire detection need to be on 24/7," Olson said on the floor. "But, the 2007 energy law on energy efficiency standards for external power supplies did not allow for this." It now moves to the White House, after having already passed the Senate.

**ACCUWEATHER CEO TAPPED FOR NOAA CHIEF:** Trump announced late Wednesday his selection of Barry Myers, CEO of weather-forecasting firm AccuWeather, to lead NOAA, POLITICO's Henry C. Jackson [reports](#). CEO since 2007, Myers would take over one of the key agencies in conducting climate research and assessing climate change if confirmed by the Senate. An attorney by training, Myers significant business background fits the mold of many other picks for officials in Trump's administration.

**\*\* Presented by ExxonMobil:** We're collaborating with FuelCell Energy on a novel idea to use fuel cells to capture carbon at natural gas power plants, and in the process reduce emissions and increase electrical output. This technology could be a game changer in addressing the world's growing need for energy, while also reducing the impact on the environment. [Learn more.](#) \*\*

**HOUSE PANEL PASSES ANTIQUITIES ACT BILL:** The House Natural Resources Committee on Wednesday passed, on a vote of 23-17, Chairman [Rob Bishop's](#) bill [H.R. 3990 \(115\)](#) that would require a federal environmental review process and approval from local officials to designate any monument bigger than 640 acres in size and block the creation of

new marine national monuments "with no archeological or historic sites in need of protection." The committee rejected [a resolution](#) by Rep. [Raul Grijalva](#) that aimed to have Zinke disclose more information about his review of existing national monument designations.

**Bishop defended his bill to ME:** "If I was going back to the old mantra of just doing away with the Antiquities Act, [the criticisms] still wouldn't hurt my feelings. We're not doing that. What we're doing is coming up what I think is a moderate, rationale way of establishing process so it's not about any president, it's not about any monument."

**But greens and public lands advocates bashed it:** "This bill upends a century of the Antiquities Act being successfully used by Republican and Democratic presidents to protect some of the most iconic and loved parks and public lands in our country," [The Coalition to Protect America's National Parks](#) said in a statement. "And this is being done to allow development of these lands that belong to all Americans for the benefit of private companies and individuals."

**SENATORS: 'FULLY IMPLEMENT' RUSSIA ENERGY SANCTIONS:** Sens. [John McCain](#) and [Ben Cardin](#) urged Trump in a Wednesday [letter](#) to "fully implement" sanctions on companies that engage in Russian energy projects, POLITICO's Elana Schor [reports](#). "The administration must also clearly communicate to energy companies in the U.S. and around the world that it will aggressively enforce all mandatory energy sanctions laid out in the law," the bipartisan duo wrote.

**TAKING A FIRM STANCE:** Senate Minority Leader [Chuck Schumer](#) and environmental advocates are holding an event today at 2:30 p.m. at a Lower East Side community garden "denouncing the polluter takeover of the EPA and the Republican assault on the agency's budget," according to an advisory.

**ZINKE'S FUNDRAISING ACTIVITIES DRAW MIXED REACTION:** Bishop told ME Wednesday the types of fundraising Zinke's done on official Interior trips has "always been done" and that he wasn't too worried about the revelations. "It's a game that's being played," the Utah congressman said. "I don't take it too seriously." But that's not the unanimous feeling: New Hampshire Democratic Sen. [Maggie Hassan](#) [tweeted](#) Wednesday Zinke's mixing of fundraising with official business, [revealed by POLITICO](#), "needs to be investigated."

**Richard Painter**, chief ethics adviser to George W. Bush, [tweeted](#) Zinke's attendance of a Montana fundraiser while on official travel was a "Hatch Act violation."

**EPA AIR ADVISER PICKED:** David Harlow, a lawyer with expertise in the Clean Air Act most recently with Hunton & Williams, has joined EPA in an advisory role to the Office of Air and Radiation, Pro's Eric Wolff [reports](#), citing multiple sources familiar with the move. His role will most closely resemble that of Joe Goffman, who was senior counsel to the Air Office during the Obama administration. The agency did not respond to requests for comment.

**AND THE FIRST SOLAR SHALL BE LAST:** After months of remaining mum on a solar trade tariff case, thin film solar producer First Solar waded into the fray Wednesday with a filing to the U.S. International Trade Commission arguing that tariffs would be a good idea. The position is a boost for Suniva and Solar World, who won a unanimous injury determination from the ITC last month. "My overarching point is that the Commission should reject the notion that [crystalline silicon photovoltaic] industry must be left to die so that the downstream solar industry may live," writes Mark Widmar, CEO of First Solar. "I firmly

believe the commission can design an effective remedy that allows solar demand to continue to flourish."

**Tariffs wouldn't affect First Solar's supplies:** The Solar Energy Industries Association, of which First Solar is a member, has repeatedly pointed out to reporters and the commission that thin film products are not covered by the case. So if the commission recommends a strict remedy to the president, First Solar could see its competition from much the rest of the sector wane.

**EPA MOVES ON HARVEY-IMPACTED SUPERFUND SITE:** EPA announced Wednesday it approved a plan that would see the removal of tons of dioxins from the Houston-area San Jacinto Waste Pits Superfund site that sustained damage and leaked material in the aftermath of Hurricane Harvey. "EPA is prioritizing Superfund clean-up by making decisions in a decisive, timely manner," EPA Administrator Scott Pruitt said in a statement. Cleaning up the site, which was first added to the National Priorities List in 2008, will cost an estimated \$115 million.

**Houston-area Democratic Rep. Gene Green** thanked EPA for the decision but [said](#): "We will be monitoring the remediation process closely and call on the EPA to move as quickly as possible before more damage is done."

**YIKES:** There are reports of Puerto Ricans drinking from wells located on Superfund sites on the island, EPA said Wednesday. In a statement, the agency said it "advises against tampering with sealed and locked wells or drinking from these wells." According to [government data](#), just 64 percent of residents have access to potable drinking water and less than 11 percent of the island has electricity.

**McKINLEY UPBEAT ON COAL EFFORTS:** McKinley says the Trump administration has already made significant progress on 11 of the 14 priority areas to boost coal he presented to Vice President Mike Pence last year. "[Trump] has done a lot of things, but we're not trying to play favorites," he told ME. "Just give us a level playing field." Developed in consultation with the Congressional Coal Caucus, McKinley's [memo](#) calls for rolling back Obama administration climate change efforts and several EPA regulations. He now hopes the administration can work on boosting U.S. coal exports globally, where he says there's "voracious appetite."

**MAIL CALL! LAWMAKERS WANT BRISTOL BAY PROTECTED:** More than 40 congressional Democrats, led by Sen. [Maria Cantwell](#) and Rep. [Jared Huffman](#), sent [a letter](#) to Trump urging him not to loosen protections on Bristol Bay in Alaska that would enable construction of the Pebble Mine. "The EPA's plan to reverse clean water safeguards is egregious and inconsistent with science, and frankly, inconsistent with basic logic," they wrote in a letter.

**TWIN LETTERS OPPOSE ANWR IN BUDGET:** A collection of [90 professional athletes](#) and [90 outdoor companies and recreation organizations](#) sent separate letters to Congress opposing efforts to opening ANWR to oil drilling in the budget process.

**REPORT: INTERNAL CARBON PRICING UP BIG:** The number of companies setting an internal carbon price into operations has increased eightfold over the last four years, according to [a report](#) out today from CDP. It concludes a full 75 percent of the energy and utilities sectors' market cap now include an internal carbon price into their operations.

**HAPPY BIRTHDAY DOE!** Both [Perry](#) and Deputy Secretary [Dan Brouillette](#) tweeted pictures of a massive cake and birthday celebration DOE held Wednesday.

**FOR YOUR VIEWING PLEASURE:** Watch PBS' entire episode of "Frontline" on Pruitt [here](#).

## QUICK HITS

- BNP Paribas to Stop Financing Shale, Oil Sands Projects. [Wall Street Journal](#).
- O'Halleran hedges bets on climate change action. [Arizona Daily Sun](#).
- Report: Key changes needed to prevent fiery rail crashes. [AP](#).
- Coal Operator Plans to Idle Western Kentucky Mine. [AP](#).
- Most US oil executives see prices below \$60 per barrel through 2018. [Reuters](#).
- 10 Weeks, 10 Hurricanes, and a 124-Year-Old Record Is Matched. [New York Times](#).

## HAPPENING TODAY

8:00 a.m. — Canadian Embassy hosts the 28th annual [Energy Efficiency Forum](#), Canadian Embassy, 501 Pennsylvania Ave NW

9:30 a.m. — "[IEA's Renewable Energy Market Report 2017](#)," Center for Strategic and International Studies, 1616 Rhode Island Avenue, NW

10:00 a.m. — House Natural Resources Water, Power and Oceans Subcommittee holds a legislative [hearing](#) on several bills, Longworth 1334

10:00 a.m. — House Energy and Commerce holds [hearing](#) with DOE Secretary Rick Perry, Rayburn 2123

## THAT'S ALL FOR ME!

**\*\*Presented by ExxonMobil:** Energy is fundamental to modern life and drives economic prosperity - in small communities across America and around the world. We need a range of solutions to meet growing energy demand while reducing emissions to address the risk of climate change. Visit the Energy Factor to learn more about some of the bold ideas and next-generation technologies we're working on to meet this challenge: [EnergyFactor.com](#) \*\*

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/10/lawmakers-to-grill-perry-on-grid-resiliency-plan-025010>

## Stories from POLITICO Pro

**DOE grid proposal sparks more questions than answers** [Back](#)

By Darius Dixon | 10/03/2017 01:36 PM EDT

Energy Secretary Rick Perry has [prodded](#) federal regulators to rescue economically ailing coal and nuclear plants in the name of "economic and national security."

But several industry players and experts argue that the Energy Department's proposal resembles a back-of-the-envelope sketch more than a regulation, and Capitol Hill is starting to get dragged into the scuffle.

Members of the House Energy and Commerce Committee are expected to get an earful about the rule Tuesday during a hearing scheduled before the release of the new rulemaking, as well as later in the week. And [Marc Veasey](#) (D-Texas), on the Science Committee, suggested that DOE may be "redefining grid resiliency to accomplish a political agenda."

The 19-page proposal DOE sent to FERC last week, which directs competitive electricity markets to dole out cash to power plants with 90 days of fuel on-site, raised eyebrows from the moment people looked at the sparse page count. Washington lawyers and policy wonks have been tossing and turning over big gaps in the plan, not to mention a list of unanswered questions about how the regulatory procedure might unfold, where the payments DOE is demanding actually get implemented in the real world, and why Perry put his chips into on-site fuel.

"I'm sympathetic with the 'hurry up and fix something'" attitude, said former FERC Chairman Pat Wood, a Republican who is a strong advocate for markets. "But this is such a draconian way of fixing it that I'm assuming it's put out there to be a lightning rod to get people off their ass and get to focusing on proper solutions to this."

He added: "Everything in our society has a shelf-life and then it goes into retirement."

Even basic issues about how DOE's 60-day timeframe for FERC to take "final action" lines up with routine federal administrative law are unclear, and have already [sparked outrage](#) from a range of energy trade associations that don't usually work together.

Still, late Monday FERC announced that it would take comments on DOE's pitch [for just three weeks](#), even before DOE officially published its proposal in the Federal Register.

Nevertheless, the proposal was hailed as a bold, decisive and proactive measure by the nuclear and coal-fired power industries and their allies.

After speaking with more than a half-dozen experts and reviewing documents, here are the biggest questions DOE plopped in FERC's lap:

### **How does this process even work?**

DOE used Section 403 of the Department of Energy Organization Act to initiate a rulemaking at FERC and directed regulators to take "final action" on the new proposal within 60 days of its publication. No one disputes Perry's right to utilize the process, but few fully understand how it works because the section so rarely tapped — DOE hasn't invoked it in 30 years and has used it fewer than a half-dozen times. Although FERC has already requested comments, Section 403 doesn't define "final action" and while it states that Energy secretaries can set "reasonable time limits," another phrase up for debate.

Analysts at ClearView Energy Partners argued that FERC would put Perry's proposal on the fast-track but takes DOE's timeline with a grain of salt. "We view the aggressive timeline

mostly as an indication of where DOE wants this on FERC's near term priority list than as a true drop-dead date," ClearView analysts wrote in a note to clients.

In a separate letter Perry sent to the commissioners to push his proposal, he said the short countdown clock was necessary because FERC was not doing enough to deal with the "crisis" facing the sector.

"He uses the word 'crisis.' No one believes that," one former FERC official said. "It also asserts ... that every single inflexible coal and nuclear plant is needed for reliability. Those are two huge leaps. But everything is built on that foundation. If either of those, or both of those, are proven incorrect there's no basis for FERC to act."

### **How does DOE's plan mesh with the markets?**

The most vexing issue looming over DOE's proposal is who pays the power plants for having 90 days of fuel and how does the pricing mechanism get factored into existing wholesale energy markets. DOE offers one page of regulatory text for FERC to adopt but doesn't suggest a way for issuing the payments, which "shall" include "operating and fuel expenses, costs of capital and debt, and a fair return on equity and investment."

The pricing mechanism "is, to me, the biggest question mark," said former FERC Commissioner Tony Clark, who echoed just about everyone interviewed for this story. "It dumps it all on FERC. They can try to come up with something out of thin air but the mechanism is not defined in the rule, which is really the whole name of the game."

DOE's proposal, as written, would make all nuclear plants and many coal plants eligible for payments. But should those payments come out of electricity markets, or capacity markets — which generators bid into in exchange for being available when grid operators call on them — or something else? DOE doesn't say.

"If they did decide to define 90 days of fuel supply, for whatever reason, as a valuable attribute to the market, then they would need to figure out what the mechanism is and think about whether there's a semi-market-friendly way to do that," Clark said.

Miles Farmer, a staff attorney for the Natural Resources Defense Council, went so far as to say that the plan has too many plot holes to be considered a proposed rule.

"FERC could not simply enact this," Farmer said. "There are no rules for how the plants would be bidding into the market, or not. There are no rules for how one would evaluate whether these payments ever sunset. Are we talking about infinite subsidies forever?"

There's already a process for power plants to delay a retirement on the electric grid if they're needed for reliability. How should those processes overlap? Regions that have capacity markets have also instituted stiff penalties on plants that promised to deliver but don't follow through. But the plan envisioned by DOE doesn't explain whether a power plant should still get paid if it ever falls short of the 90-day rule or can't operate.

ClearView chose a diplomatic approach: "[W]e would not be surprised if the RTOs and ISOs themselves find accommodation of this proposal difficult or problematic."

### **Why focus on on-site fuel storage?**

DOE's proposal says power plants eligible for the new payments must offer some essential energy services and "have a 90-day fuel supply on site in the event of supply disruptions caused by emergencies, extreme weather, or natural or man-made disasters." But 90 days is never explained in the 19-page document and, [according](#) to Paul Bailey, CEO of the American Coalition for Clean Coal Electricity, the nation's coal fleet maintains enough on-site fuel supplies to power their plants 73 to 82 days, on average. Those figures line up with [data](#) at the Energy Information Administration.

Another complicating factor for Perry's "grid resiliency pricing rule" is that FERC doesn't have a set definition for what resiliency means in technical terms.

Perry emphasizes the grid stress triggered by the 2014 "polar vortex" to defend the urgency of his new plan. But even there, it's unclear why 90 days was necessary when most outages on the mainland U.S. don't last half that time. Several experts point out that having fuel on-site isn't a panacea for disruptions.

While nuclear plants don't need to swap out their fuel for 18 months or more, some reactors in Florida along the path of Hurricane Irma [shut down](#), including because of a problem with a valve. Last week, Platts highlighted a case where NRG Energy told state regulators in Texas that Hurricane Harvey dumped so much water that stocks of coal at its W.A. Parish power plant were so "saturated with rainwater that coal was unable to be delivered into the silos" and [switched to natural gas](#).

Even with the polar vortex, API's Marty Durbin argues to lawmakers that deliveries cut off during the 2014 cold spell weren't directly weather-related but instead a result of economic decisions made by generators who had customers with "interruptible" contracts.

"I come from an era when major policy and initiatives, including notices of proposed rulemaking, were usually done in 300- or 500-page documents. This looks pretty spare," said former FERC Chairman Jim Hoecker, who served under the Clinton administration. "I'm not sure that the threat that the secretary is alluding to here is imminent. It might be. They just need to explain themselves.

He added: "What they're going to find is that having a different philosophy doesn't relieve the responsibility to testify it."

*To view online [click here](#).*

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**Energy Department discloses \$56K in Perry travel [Back](#)**

By Darius Dixon | 10/06/2017 07:06 PM EDT

Energy Secretary Rick Perry has racked up as much as \$56,246 in non-commercial air travel since taking office in early March, the Energy Department disclosed Friday in response to congressional questions about Cabinet-level trips.

Political appointees at DOE did not use private non-commercial aircraft, but on four occasions Perry did fly on government-owned aircraft or chartered aircraft, DOE Deputy General

Counsel Eric Fygi [wrote in a letter](#) to the House Oversight and Government Reform Committee. That committee is seeking information about Trump administration officials' travel following the revelations that led to Tom Price's resignation from the job as HHS secretary.

Perry's single biggest expense, according to agency documents submitted to the committee, was a one-day round trip in mid-May from Reagan National Airport near Washington D.C. to Olathe, Kan. for DOE's Small Business Forum & Expo, and included a tour of the DOE Kansas City National Security Campus, which is responsible for manufacturing and procuring non-nuclear components for nuclear weapons.

Joining Perry on that trip were a handful of other agency officials, including National Nuclear Security Administrator Frank Klotz and deputy chief of staff Dan Wilmot. The total cost to taxpayers for using the Federal Aviation Administration's Gulfstream IV plane was an estimated \$35,000.

Perry's second most expensive trip was a private charter flight on Sept. 28 from the Washington Dulles Airport to the Hazleton Regional Airport in Pennsylvania, which later continued to the Greater Portsmouth Regional Airport in Ohio, and was disclosed by a [Reuters report](#) earlier this week. The trip, costing an estimated \$11,000, occurred just a day before Price [resigned](#) after a [series](#) of POLITICO reports of him running up a government travel tab exceeding \$1 million — a figure that dwarfs Perry's apparent billing.

After visiting the coal mine in Pennsylvania and a defunct uranium enrichment facility in Ohio, the DOE documents say Perry planned to "secure commercial transportation for the continuation of his travel out of Ohio."

Perry and his staff also made use of a Defense Department plane in May for travel from Idaho Falls, Idaho, to tour the national lab there, to Santa Fe, N.M., to visit the Los Alamos National Laboratory. The trip continued from Santa Fe to Carlsbad, N.M., to visit the Waste Isolation Pilot Plant, a low-level nuclear waste storage facility. The estimated cost of the trip was \$7,000.

The last trip documented by DOE was for the round-trip use of plane owned by the Bonneville Power Administration, a quasi-independent utility within DOE, to fly from Seattle to Richland, Wash., to visit the Hanford nuclear site in August. The cost of the trip: \$3,246.

The information sent to Capitol Hill did not include trips senior DOE non-career officials took with President Donald Trump and Vice President Mike Pence on government-owned aircraft or trips with officials at other agencies with their own aircraft, such as DoD and DHS.

"This response does not address this travel as such travel arrangements were not made by DOE," Fygi wrote.

"The Department of Energy strictly follows both government-wide and internal DOE travel regulations and policy," DOE spokesperson Shaylyn Hynes said in a statement. "The Secretary travels almost exclusively on commercial aircraft. In the rare instances where government-owned or chartered aircraft have been used, trips were pre-approved by an Ethics officer within the Office of General Counsel."

The White House has backed steep spending cuts across the executive branch, including a

roughly 9 percent to DOE for fiscal 2018, a decline of roughly \$2.7 billion compared to current levels.

In the wake of Price's resignation, several other Cabinet-level Trump officials have found their taxpayer spending scrutinized.

Interior Secretary Ryan Zinke has flown on military planes for some trips that also coincided with appearances at fundraising events, raising questions about his habit of mixing official government business with political activism, POLITICO has [reported](#). The EPA Inspector General has also recently [expanded a probe](#) into EPA Administrator Scott Pruitt's travels.

An [investigation](#) into seven military flights taken by Treasury Secretary Steven Mnuchin that cost about \$811,798 ultimately found that the former Goldman Sachs alum had not violated any ethics requirements or other regulations.

The White House began cracking down on Cabinet officials' use of private planes amid Price's resignation, telling them chief of staff John Kelly must approve almost all travel on "government-owned, rented, leased, or chartered aircraft."

*To view online [click here](#).*

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## **DOE approves big boost for Vogtle loan guarantees [Back](#)**

By Darius Dixon | 09/29/2017 11:08 AM EDT

The Energy Department has conditionally approved a \$3.7 billion increase in the federal loan guarantees for the over-budget Vogtle nuclear project in Georgia, the agency announced this morning.

DOE had already approved \$8.33 billion for the two-reactor project under the Obama administration. Now, Energy Secretary Rick Perry is primed to offer an additional \$1.67 billion to Southern Co.'s Georgia Power, \$1.6 billion to Oglethorpe Power Corp. and \$415 million to the Municipal Electric Authority of Georgia.

The Energy Department had originally extended loan guarantees for \$3.4 billion to Georgia Power, \$3.1 billion to Oglethorpe and \$1.8 billion to MEAG.

**WHAT'S NEXT:** The new DOE loan guarantees are conditional and the firms will not be able to access the financing until they are finalized. It's unclear how long it will take to finalize.

*To view online [click here](#).*

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## **EPA draft questions greenhouse gas authority, ponders state rules for coal plants [Back](#)**

By Emily Holden | 10/11/2017 11:13 PM EDT

EPA's proposal to consider a replacement to the Clean Power Plan will question whether the agency has authority to regulate greenhouse gases from power plants, and how it should let states write their own plans to upgrade coal plants, according to excerpts of the draft notice obtained by POLITICO.

The 34-page EPA document is currently under review by the White House and other agencies, and administration officials have said it will be released in a few weeks.

Any replacement EPA might propose is expected to achieve modest greenhouse gas reductions, especially compared to the Obama administration rule, which sought to shrink carbon dioxide levels from the power sector by 32 percent from 2005 levels by 2030.

Some conservatives are lobbying EPA Administrator Scott Pruitt to forego a replacement and instead challenge the legal finding that requires the agency to regulate emissions. The draft may leave that option open.

EPA is still considering "whether it is appropriate to propose a rule," and must "ascertain the scope of legal authority that Congress conferred to EPA," before determining how best to implement a policy, according to the document.

On Tuesday, EPA proposed to [withdraw](#) the Obama-era power plant standards, arguing they exceeded the agency's authority by pushing electricity companies away from coal and toward natural gas and renewable power.

In the advanced notice of proposed rulemaking, or ANPR, EPA refers to itself as "a creature of statute," and notes that the Clean Air Act delegates air pollution control to states and local governments.

"States will have the primary role in deciding who gets regulated and the scope of that regulation," the document says. "While the CAA is a source of authority, it is also a source of carefully crafted limitations, which this agency must and will respect."

The agency interprets Section 111 of the Clean Air Act, the part used to write the Clean Power Plan, as requiring EPA to rely on a demonstrated system for curbing greenhouse gas emissions and to consider the costs of achieving those reductions and any "non-air quality" health effects. In Tuesday's draft withdrawal of the Clean Power Plan, EPA discounted many of the health benefits the Obama administration had cited in 2015 from cutting air pollutants other than carbon dioxide.

"Each state then develops a plan with its own legally enforceable emission standards to implement the emission guidelines, with flexibility to accommodate the State's particular needs and circumstances," the draft ANPR explains.

The ANPR asks for feedback on "several technologies and equipment upgrades—as well as good operating and maintenance practices," that coal plants could pursue to reduce emissions. The draft also considers in detail whether making those changes would trigger a "new source review," which would require plants to obtain air pollution permits. It covers ways that coal plant operators could avoid those reviews.

To view online [click here](#).

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## **White House reviewing proposal to consider Clean Power Plan replacement [Back](#)**

By Emily Holden | 10/11/2017 03:48 PM EDT

The White House is reviewing EPA's advance proposal to consider a replacement to the Obama administration's climate standards for power plants, according to a [notice](#) that the Office of Management and Budget received the document Tuesday.

EPA officially proposed to [revoke](#) the Clean Power Plan Tuesday. On a call with conservative interests, administration officials said a proposal about a replacement could be issued in the next few weeks, as POLITICO [reported](#).

The agency argued in moving to withdraw the regulation that Obama's EPA illegally set requirements that would have required companies to shift away from coal-fired power plants and use more natural gas and renewable power for electricity. EPA argued it only has authority to regulate coal plants directly.

Officials on the call also suggested the agency is considering letting states set their own standards for coal plants.

The document OMB received is called "State Guidelines for Greenhouse Gas Emissions from Existing Electric Utility Generating Units."

Any replacement rule would likely require coal plants to run more efficiently but is not expected to significantly reduce power-sector carbon dioxide emissions that cause climate change.

EPA has said it has not yet decided whether to pursue a replacement, although a Supreme Court ruling and endangerment finding written by the agency require it to address greenhouse gas emissions from power plants. Some conservatives want Administrator Scott Pruitt to [fight](#) that endangerment finding.

To view online [click here](#).

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## **Trump nominates AccuWeather CEO to lead key climate agency [Back](#)**

By Henry C. Jackson | 10/11/2017 10:42 PM EDT

President Donald Trump has nominated the CEO of AccuWeather to run the National Oceanic and Atmospheric Administration, a key agency in conducting climate research and assessing climate change.

Barry Myers has served since 2007 as CEO of AccuWeather, a media company in State College, Pennsylvania, that provides worldwide weather predictions. He graduated from Penn State with a degree in business and received a law degree from Boston University, but has no science training.

In a news release, the White House called him "one of the world's leading authorities on the use of weather information." Trump has nominated him to serve as the Commerce Department's under secretary for oceans and atmosphere, which oversees NOAA.

At AccuWeather, Myers has led a global expansion of the company. His significant private-sector experience fits with many of the other high-profile Trump administration appointees.

NOAA has a vast portfolio that includes the nation's weather forecasts and projecting climate change. The agency oversees the National Weather Service and a vast array of research. It also has responsibility for protecting coastal areas and oceans.

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**McCain, Cardin urge Trump to get tough with Moscow** [Back](#)

By Elana Schor | 09/29/2017 04:12 PM EDT

Two senior senators are urging President Donald Trump to fully use the new authority to punish Russia that lawmakers overwhelmingly granted him last month.

Sens. John McCain (R-Ariz.) and Ben Cardin (D-Md.) [wrote to Trump](#) on the eve of a key deadline in the Russia sanctions bill, which [won](#) lopsided bipartisan support in Congress and forced the president to get tougher on Moscow over its election meddling. That legislation requires the administration to identify by Friday individuals linked to Russian defense and intelligence operations who could be subject to new penalties.

McCain and Cardin urged Trump to meet the deadline in a way that "expansively defines these actors to ensure that the perpetrators of the attack on our democracy last year — the defense and intelligence sectors — are sanctioned appropriately."

"We are very concerned that Russia may attempt to work around sanctions by funneling the arms trade through companies not included in the administration's guidance," the senators added.

Beyond that deadline, McCain and Cardin pressed Trump to "fully implement" another section of the sanctions measure that adds new penalties for companies connected to Russian oil and gas projects. They also asked Trump to nudge European allies to coordinate their sanctions in line with the U.S. system, asking for a briefing from the State and Treasury Departments.

And the duo also delivered a broader warning to Trump that lawmakers would take advantage of the popular sanctions bill's authority to force a congressional review of any decision to ease or end sanctions against Russia.

"As you know, the law provides for Congress to review any administration determination to remove sanctions designations on individuals or entities," McCain and Cardin wrote. "Based on the overwhelming Congressional support for enacting this law, and that provision in particular, Congress will undoubtedly take that role seriously."

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### **Zinke's travels: Ski resort and Alaskan steakhouse** [Back](#)

By Esther Whieldon and Ben Lefebvre | 10/10/2017 07:32 PM EDT

Interior Secretary Ryan Zinke has attended at least two additional political fundraisers while traveling for official business, including a weekend ski getaway less than three weeks after he was sworn in that donors paid up to \$3,000 to attend, according to sources and documents reviewed by POLITICO.

Zinke's previously undisclosed attendance at the events adds to scrutiny he is facing over his habit of mixing political activities with official business when traveling outside of Washington, D.C., and to questions over travel expenses incurred by members of President Donald Trump's Cabinet. In addition to the fundraisers, Zinke has held at least a half-dozen other events with big donors or influential conservative organizations while on official trips.

Zinke, a former Montana congressman who became secretary March 1, started his fundraising appearances even before attending a March 30 Virgin Islands Republican Party fundraiser in St. Croix that POLITICO [reported](#) last week, at which donors paid up to \$5,000 per couple for a photo with him. The Office of Special Counsel, which is investigating Zinke's use of travel and political activities in office, has been asked by a watchdog group to look into his appearance there.

In the first of the newly disclosed appearances, Zinke attended a mid-March fundraiser at a ski resort in Big Sky, Montana, organized by committees affiliated with Republican Sen. [Steve Daines](#), according to two attendees who saw him there. And in May, Zinke briefly stopped by a fundraiser for GOP Rep. Don Young at a steakhouse in Anchorage, Alaska, a spokesman for Young's campaign told POLITICO.

All three fundraisers occurred on trips that Zinke took for official Interior Department business. The Hatch Act and other federal laws allow Cabinet secretaries to participate in partisan political activities only if they do so on their own time and do not use any governmental resources. Federal Election Commission records for the campaign committees do not list any reimbursement payments to Interior for the events.

"Both law and common sense tell us that taxpayer resources are supposed to be used when you're doing the taxpayers' business [but] are not supposed to be used to help candidates get elected," said Brendan Fischer of the nonprofit watchdog organization Campaign Legal Center.

An Interior Department spokeswoman did not respond to specific questions about Zinke's attendance at the events nor whether the campaigns reimbursed Interior for any of his travel

expenses, but she said ethics officials sign off on the secretary's trips and all of them comply with the law.

"The Interior Department under the Trump Administration has always and will always work to ensure all officials follow appropriate rules and regulations when traveling, including seeking commercial options at all times appropriate and feasible, to ensure the efficient use of government resources," Interior spokeswoman Heather Swift said in a statement.

Other guests attending the Montana fundraiser included Sens. John Hoeven (R-N.D.) and Lisa Murkowski (R-Alaska), according to an invitation to the March 17-19 event [posted by a local political blog](#) earlier that month. Donors were asked to contribute \$3,000 if they were attending on behalf of a political action committee or \$1,500 for an individual. Another invitation for events that weekend obtained by POLITICO sought donations as low as \$500 to attend two dinners for Daines.

Hoeven hosted his own reception Friday night before the Daines dinner and a lunch Saturday, according to a campaign invitation obtained by POLITICO, which also informed guests that they could purchase "discounted ski lift tickets" at the resort.

Zinke was not named on the invitations, but his official schedule lists him as attending a "welcoming reception" for Daines on Friday night, spending "personal time with Senator Murkowski" at Big Sky Resort on Saturday and attending a "reception & dinner" for Daines that evening.

Two sources who attended the Daines fundraiser recalled seeing Zinke there. One of the sources, a lobbyist, said Zinke attended the Friday night social and the breakfast buffet the next day. The lobbyist said that when Daines introduced Zinke, the Montana senator mentioned that Zinke was the state's first Cabinet secretary.

The Hatch Act bars Zinke from taking part in political events while acting in his official role as Interior secretary, which includes being identified by his title in invitations. But Richard Painter, a University of Minnesota professor and former White House chief ethics lawyer under President George W. Bush, said Daines referring to Zinke's Cabinet position doesn't appear to violate the law.

Zinke "should take reasonable steps to make sure people aren't using his official title" and not use the title himself at political events, Painter said. "But I don't know that he has an obligation to jump in and tell the senator he can't do that."

The secretary spent most of the day that Friday touring Yellowstone National Park, which the Interior Department manages through the National Park Service. He did not have any other official events listed on his schedule for Saturday and flew back to Washington, D.C., on Sunday.

A [report](#) posted by Interior on Zinke's March travel expenses shows that he claimed 75 percent of his per diem that Friday and did not claim any lodging or reimbursements over that weekend, which he took as personal days off. He did fly home on official taxpayer-funded travel, however.

The Young fundraiser occurred May 31, when Zinke was in Anchorage for a speech to the Alaska Oil and Gas Association's annual conference, where he signed a secretarial order for an

updated assessment of how much oil exists in part of the Arctic National Wildlife Refuge. The invitation to the reception, a copy of which was obtained by political blog [Must Read Alaska](#) and shared with POLITICO, does not list Zinke as a special guest, nor does it say how much donors had to contribute to attend.

FEC records for the Alaskans for Don Young campaign committee show it received \$9,800 in campaign contributions from individuals and political action committees on that day.

Young's campaign spokesman, Matt Shuckerow, said in an email that Zinke made "only very brief remarks" at the event, and that the campaign did not confirm his attendance in advance and did not require guests to pay to attend. "Not only did the campaign seek out the guidance of the Interior Department's ethics personnel prior to the event, it took concerted efforts to follow their strict guidance," Shuckerow said. He did not say whether the campaign reimbursed the Interior Department for any costs associated with Zinke's trip.

Zinke's calendar for that day includes a brief stop at Sullivan's Steakhouse in Anchorage, the same venue listed on the invitation, for a "Rep. Don Young Reception." Later that night, Zinke went to dinner with representatives of sportsmen's groups, according to his schedule.

The Anchorage stop came in the middle of a weeklong trip that included the use of a military plane to fly from Washington, D.C., to Norway, Greenland and then Alaska. Interior paid for Zinke and three Interior staff members to take the flight. Zinke's wife, Lola, also accompanied him on the trip but reimbursed the government for the cost of her seat, Interior has said.

In both of the newly disclosed appearances, Zinke did not pose for photos with high-dollar donors, as had been the case with the Virgin Islands Republican Party fundraiser. POLITICO's report on Zinke's appearance in that photo line led Walter Shaub, a former director of the U.S. Office of Government Ethics who is now with the Campaign Legal Center, to ask the Office of Special Counsel to open [a Hatch Act investigation](#). The OSC typically opens investigations in response to complaints it receives, but a spokesman declined to comment on the status of Shaub's request.

Still, some watchdogs question whether Zinke is focused enough on his day job given how much attention he has paid to politics.

"There's always the risk that a high-level government official spending more time involved in political events may not be attending to their official duties," said Nick Schwellenbach, director of investigations at Project On Government Oversight.

*To view online [click here](#).*

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**EPA hires industry lawyer as adviser to air office** [Back](#)

By Eric Wolff | 10/11/2017 05:12 PM EDT

EPA has hired David Harlow, a lawyer with expertise in the Clean Air Act, to serve in an advisory role to the Office of Air and Radiation, EPA sources tell POLITICO.

EPA's press office did not respond to a request for comment, but agency sources say Harlow's role will most closely resemble that of Joe Goffman, who was senior counsel to the Air Office during the Obama administration. Should Bill Wehrum be confirmed to serve as the assistant administrator to the office, Harlow will report to him, sources said.

Harlow, like Wehrum, most recently worked at Hunton & Williams where he advised and representing the power and paper industries in enforcement and permitting cases. His biographical webpage for the firm has been removed, but a [cached](#) version says he helped utilities with new source permit cases and he defended wood pulp and paper mills from Clean Air Act enforcement. Court [documents](#) show that he worked with William Brownell representing the Utility Air Regulatory Group, an informal group of electric utilities who have sued the EPA over regulations many times.

EPA did not respond to a request for comment on Harlow's hiring.

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**Date:** Wednesday, October 11, 2017 5:42:58 AM

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By Anthony Adragna | 10/11/2017 05:40 AM EDT

*With help from Alex Guillén and Emily Holden*

**LONG CARBON RULE BATTLE LIES AHEAD:** President Donald Trump's administration sought to frame Tuesday's [move to rescind the Obama-era Clean Power Plan](#) as fulfilling a campaign process, but it really just kicked off what's likely to be an arduous and lengthy legal and regulatory process that may ultimately result in a replacement rule with very modest reductions in the emissions that fuel climate change. "This is the beginning of the process to carry out the president's promise to make sure that we do our job at the agency within the bounds of the law and don't declare war on certain sections of our economy," EPA Administrator Scott Pruitt said on "Fox News," his only public appearance Tuesday to discuss his proposed rule.

**Many state officials, environmental advocates, businesses and reporters** were left wondering why they hadn't received any sort of briefing or additional background before or after the proposal's release — especially since senior agency officials had a closed phone call Tuesday morning with conservative organizations where they took questions from groups like the Heartland Institute and State Policy Network, as Pro's Emily Holden [reports](#). Clint Woods, the director of the Association of Air Pollution Control Agencies, which represents mostly conservative state air agencies, said his members got a heads up on timing but would be "looking forward to more engagement prior to major announcements in the future."

Joe Goffman, EPA general counsel when the Clean Power Plan was proposed and finalized, said the agency typically had background conversations with all of those groups when rolling out a major proposal. "We thought that it was an elementary part of our obligation to present information to state governments, to the affected industry, often very broadly defined, and to environmental advocacy groups," Goffman said. A phone call between the administrator and reporters, and a briefing on the Hill for lawmakers was also customary, he said. Pruitt has accused Obama's EPA of not conducting enough outreach or listening enough to states, which Goffman said is "demonstrably false." The agency did not respond to questions about its outreach on the rollback.

**ICYMI:** Here's links to EPA's [fact sheet](#), [proposal](#) and [regulatory impact analysis](#).

**Five things:** Pro's Alex Guillén and Eric Wolff [take a look at](#) five of the biggest policy changes the Trump administration has made to try to prop up the prospects of fossil fuels. 1) Killing the crown jewel of Obama's climate change legacy by axing the Clean Power Plan, 2) A push to shore up coal's place in the nation's electricity marketplace, 3) The likelihood of trade barriers on imported solar products, 4) Tapping the brakes on tightened mileage standards that Obama had imposed for cars sold from 2022 to 2025 and 5) Actions designed to make federal lands more amenable to fossil fuel development.

**Push to shutter coal plants gets another jolt:** Former New York Mayor Michael Bloomberg is at the Sierra Club's HQ this morning at 11:45 a.m. where he'll announce "an increased

commitment" to shutter the U.S. coal fleet even amid the repeal of the Clean Power Plan. That comes as the Union of Concerned Scientists released [an analysis](#) finding 21 percent of the nation's coal fleet uneconomic and an additional 18 percent already slated for retirement or conversion to natural gas.

**Quotable:** California Senate leader (and potential Sen. [Dianne Feinstein](#) primary challenger) Kevin de Lèon not mincing words on the withdrawal: "Washington's utter failure to confront the existential threat of climate change will go down among the most shameful chapters in US history," he [tweeted](#).

**Here's where we are:** EPA started the process to roll back the signature Obama-era effort to combat climate change even as the U.S. is reeling from back to back to back to back hits from hurricanes and ferocious wildfires slam California. Assuming a [disaster aid package](#) eventually clears Congress as expected, lawmakers will have spent more than \$50 billion responding to the natural disasters already, and House Majority Leader [Kevin McCarthy](#) said last week "I do not believe this will be the last of the supplementals." Three weeks after Hurricane Maria slammed into Puerto Rico, 84 percent of the island still lacks electricity and 36 percent of residents still don't have potable water, according to [official figures](#).

**TIMELY TELEVISION VIEWING:** "Frontline" titles its episode tonight "War on the EPA," as the PBS show focuses on Pruitt's rise from an anti-EPA crusader as Oklahoma attorney general to running the agency. Trailer for the episode [here](#).

**WE'RE ROLLING RIGHT THROUGH THE MIDDLE OF THE WEEK!** I'm your host Anthony Adragna, and Independent Petroleum Association of America's Neal Kirby was first to identify Sen. [Bill Cassidy](#) as our most recent physician elected to the Senate. For today: Who is the only senator to win a reelection race in their 90s? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#), and [@POLITICOPro](#).

**SKI RESORTS, ALASKAN STEAKHOUSE, OH MY!** Interior Secretary Ryan Zinke attended at least two additional political fundraisers during trips he took for official Interior business, Pro's Esther Whieldon and Ben Lefebvre [scoop](#). Federal law permits Cabinet officials to participate in partisan political activities on their own time and without using any federal resources, but FEC records don't list any reimbursement payments to Interior for the events. "Both law and common sense tell us that taxpayer resources are supposed to be used when you're doing the taxpayers' business [but] are not supposed to be used to help candidates get elected," said Brendan Fischer of the nonprofit watchdog organization Campaign Legal Center.

The two events were:

— A mid-March fundraiser at a ski resort in Big Sky, Mont., organized by committees affiliated with Republican Sen. [Steve Daines](#). Donors were asked to contribute \$3,000 if they were attending on behalf of a political action committee or \$1,500 for an individual. Also in attendance: Sen. [John Hoeven](#) and Senate Energy Chairman [Lisa Murkowski](#). He didn't charge for lodging or his per diem for part of the trip.

— A May 31 fundraiser for Alaskan Rep. [Don Young](#) where a Young campaign spokesman, Matt Shuckerow, said the secretary made "only very brief remarks." He said the campaign "took concerted efforts to follow" strict guidance from Interior's ethics personnel.

**Interior's response:** Spokeswoman Heather Swift said ethics officials signed off on all trips and they all complied with the law. "The Interior Department under the Trump Administration has always and will always work to ensure all officials follow appropriate rules and regulations when traveling, including seeking commercial options at all times appropriate and feasible, to ensure the efficient use of government resources," she said.

**NOT PLEASED:** Amid weeks of reporting on non-commercial travel and other troubling behavior from Cabinet officials, the acting head of the Office of Governmental Ethics issued [a memo](#) warning he is "deeply concerned" by recent actions. Among the suggestions is "modeling a 'Should I do it?' mentality versus a 'Can I do it?' mentality" in their actions. "It is essential to the success of our republic that citizens can trust that your decisions and the decisions made by your agency are motivated by the public good and not by personal interests," David Apol wrote.

**THE WOTUS WITH THE MOSTEST:** The Supreme Court today will take up a wonky but important question central to federal water law: Should challenges to the Obama administration's Waters of the U.S. rule go through a district court first or straight to an appellate venue? Of course, the Trump administration is working to repeal WOTUS in the coming months and says it will issue a rewritten version early next year. But this venue question is all but guaranteed to apply again, meaning SCOTUS guidance could prove useful.

**What you need to know:** The Clean Water Act says that most CWA regulations and actions should be challenged first at the district level, but it lists seven exceptions that would go straight to a circuit court. Two are in play here: one regarding rules affecting effluent limitation guidelines, and one for any action approving or denying discharge permits. The Trump administration argues both exceptions apply, and the suits should go to a circuit court first. Various challengers, led by the National Association of Manufacturers, want it to go through district courts first.

**History brief:** After the rule was released, lawsuits were filed in both district and circuit courts throughout the country. After some district-level proceedings that led to a stay of WOTUS in 13 states only, the circuit-level cases were consolidated into one mega-case before the 6th Circuit, which then issued a nationwide injunction. The 6th Circuit then issued a complicated 1-1-1 ruling that concluded that it should indeed hear the challenge first. One judge said both exceptions apply, one said only one exception applies and the third said neither applies and the challenges should first go through district courts.

**Why it matters:** This isn't entirely an esoteric spat. Supporters of district-first litigation argue the Clean Water Act gives more time to challenge regulations that go to lower courts first. It also means challengers can pick the district court where they want to sue, whereas circuit-first challenges would be randomly consolidated. Meanwhile, those who want circuit-first review argue that it provides more certainty and helps avoid patchwork problems — such as the 13-state WOTUS freeze.

**EPICALLY BUSY DAY AT HOUSE NATURAL RESOURCES:** The panel is slated to convene two separate hearings Wednesday to examine controversial measures on offshore drilling and the Antiquities Act:

— At 2 p.m., the Energy and Mineral Resources Subcommittee considers [a draft](#) of the Accessing Strategic Resources Offshore Act, which would expand offshore revenue sharing program to additional states; prevent future presidents from withdrawing sections of the outer

continental shelf from drilling or designating marine sanctuaries; and repeal certain Obama-era rules on Arctic drilling, among other things. Witnesses include former Senate Energy Chairwoman Mary Landrieu.

— The full committee then gathers at 4 p.m. to mark up Chairman [Rob Bishop](#)'s long-awaited effort to overhaul the Antiquities Act. The bill, [H.R. 3990 \(115\)](#), would require a federal environmental review process to designate any monument more than 640 acres in size, require the sign off from local officials on new large monuments and prohibit marine national monuments "with no archeological or historic sites in need of protection." Committee members will also consider [a resolution](#) requiring Zinke to disclose more information about his review of existing national monument designations.

**\*\* Presented by ExxonMobil:** We're collaborating with FuelCell Energy on a novel idea to use fuel cells to capture carbon at natural gas power plants, and in the process reduce emissions and increase electrical output. This technology could be a game changer in addressing the world's growing need for energy, while also reducing the impact on the environment. [Learn more.](#) \*\*

**A NEW DISASTER EMERGES — CALIFORNIA WILDFIRES:** Trump declared a major disaster in California Tuesday as wildfires have forced the evacuations of tens of thousands, cost at least 17 lives to date and caused billions in damage. "We are with you, our prayers are with you, and we will be with you every day until we put the fires out and stand with these families to rebuild these communities," Vice President Mike Pence said alongside McCarthy and Rep. [Jeff Denham](#) after a briefing Tuesday. Separately, California Sen. [Kamala Harris](#) and Feinstein asked Trump in [a letter](#) to take all steps to release federal aid "as soon as possible."

**Ryan heading to Puerto Rico Friday:** According to [multiple reports](#), Speaker [Paul Ryan](#) heads to Puerto Rico Friday along with [Cathy McMorris Rodgers](#), the fourth-highest House Republican; Appropriations Chairman [Rodney Frelinghuysen](#); top Appropriations Democrat [Nita Lowey](#) and Puerto Rico Resident Commissioner [Jenniffer González](#). That comes as the Financial Oversight and Management Board for Puerto Rico hired Williams & Jensen to lobby the federal government on disaster relief and recovery efforts (h/t [POLITICO Influence](#)). The White House late Tuesday asked for an additional \$4.9 billion in emergency hurricane aid to help Puerto Rico as part of a disaster funding package the House is still expected to consider this week, Pro Budget and Appropriation's Sarah Ferris [reports](#).

**ON THE HOUSE FLOOR:** Lawmakers today are slated to consider a bill of interest to ME fans. The Power And Security Systems Act [S. 190 \(115\)](#) would extend energy efficiency standards exemptions for external power devices and is slated to be considered under suspension of the rules, requiring two-thirds support for passage.

**PROTESTING PERRY'S PUSH AT FERC:** The Nuclear Information and Resource Service and allied organizations are greeting FERC employees today at 8:45 a.m. to protest Perry's push for new rules that "properly value" the coal and nuclear sectors. That comes as National Rural Electric Cooperative Association CEO Jim Matheson sent Perry [a letter](#) thanking him for "jumpstarting a conversation" about the nation's electric markets.

**DRINKING WATER UTILITIES ENTER FARM BILL FRAY:** The American Water Works Association wants Congress to include provisions and funding to better protect drinking water sources from agricultural runoff, Pro Ag's Jenny Hopkinson [reports](#). The group is also pushing for "robust overall funding" for the conservation title — keeping it at \$6

billion, if not adding to the current allotment.

**FROM THE DEPARTMENT OF WHERE ARE THEY NOW:** With his red sweater, coal plant worker Ken Bone rose to national attention as an undecided voter during last year's presidential race but he's since become quite critical of the Trump administration, [CNN reports](#). "Almost anybody who is currently a Democrat in the Senate, I think I would probably vote for over Trump," he said.

**DEPARTMENT OF AWKWARD TIMING:** Perry gave an interview to the American Gas Association's magazine that prominently features a picture of the secretary with disgraced Rep. [Tim Murphy](#). Read his interview [here](#).

**MOVER, SHAKER:** Keith Maley has started as director of PR at the Trust for Public Land. He previously was director of regional media in the Obama White House (h/t [Playbook](#)).

Liam Donovan has joined Bracewell's Policy Resolution Group as a lobbyist specializing in tax, infrastructure, energy and other issues. He comes from the Associated Builders and Contractors where he was as senior director of legislative and political affairs.

**Amy Graham** is starting next week as communications director for Sen. [Todd Young](#). She most recently worked as senior communications adviser and deputy associate administrator at the EPA (h/t [Playbook](#)).

## QUICK HITS

— Hillary Clinton at UC Davis: Climate change a factor in Northern California wildfires. [First Coast News](#).

— IMF tells rich nations that greater urgency needed on climate change. [The Guardian](#).

— Foster Friess confirms interest in primarying 'hero' John Barrasso. [Washington Examiner](#).

— Colonial partners with Enterprise for fuel exports from Beaumont terminal. [Reuters](#).

— Despite some opposition from Los Angeles, giant Southern California water agency approves Delta tunnels project. [Sacramento Bee](#).

— Lake Erie algal bloom cleanup falling short of 40 percent phosphorus reduction goal. [Cleveland.com](#).

## HAPPENING TODAY

8:45 a.m. — The Nuclear Information and Resource Service and allied organizations protest Perry's planned rules to benefit coal and nuclear sectors, FERC, 888 First Street NE

10:00 a.m. — House Natural Resources Federal Lands Subcommittee holds [hearing](#) on several bills, Longworth 1334

11:45 a.m. — Michael Bloomberg and other environmental advocates announce "new investment" to retire U.S. coal fleet, Sierra Club, 50 F St NW

12:00 p.m. — Reps. Bishop and Gosar discuss legislation revamping the Antiquities Act,

contact: [katie.schoettler@mail.house.gov](mailto:katie.schoettler@mail.house.gov)

2:00 p.m. — House Natural Resources Committee's Energy and Mineral Resources Subcommittee holds [a hearing](#) on ASTRO Act, Longworth 1334

4:00 p.m. — House Natural Resources holds [markup](#) of Chairman Bishop's Antiquities Act reform, Longworth 1334

## THAT'S ALL FOR ME!

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*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/10/reading-the-tea-leaves-on-clean-power-plan-repeal-024987>

## Stories from POLITICO Pro

### Trump administration takes ax to climate rule [Back](#)

By Emily Holden | 10/10/2017 02:16 PM EDT

The Trump administration officially moved to kill the Obama-era climate change rule for power plants Tuesday, fulfilling a campaign pledge but setting off what is expected to be a bitter legal battle between the EPA and several states, health and environmental groups.

EPA Administrator Scott Pruitt signed an agency [proposal](#) to repeal the Clean Power Plan, which would have sped the nation's shift away from coal-burning power plants and toward renewable power and natural gas, which emits less planet-warming carbon dioxide. Less than a third of U.S. emissions come from the power sector, and the rule aimed to shrink them to about 15 percent below 2015 levels by 2030.

Pruitt, the former Oklahoma attorney general who sued Obama's EPA over the rule, claims that it would have cost \$33 billion and is illegal because it pushed for a transition away from coal rather than directly limiting emissions from coal plants. EPA released a photo of Pruitt signing the document but did not hold a public event.

EPA is exploring writing a replacement that would let states set their own standards to require coal plants to run more efficiently, or burn less coal while producing the same amount of power. That would likely achieve few emissions reductions.

"The Obama administration pushed the bounds of their authority so far with the CPP that the Supreme Court issued a historic stay of the rule, preventing its devastating effects to be imposed on the American people while the rule is being challenged in court," Pruitt said in a press release. "We are committed to righting the wrongs of the Obama administration by cleaning the regulatory slate. Any replacement rule will be done carefully, properly, and with humility, by listening to all those affected by the rule."

The Trump administration has hailed the withdrawal as a victory for coal, but market experts say the outlook for the fuel is still dim.

"Withdrawing the Clean Power Plan won't clear the deck for new coal generation. The economics of natural gas and renewables are more favorable, now and in our future scenarios," Bloomberg New Energy Finance Policy Editor Steph Munro said.

During President Barack Obama's two terms, the fracking boom turned the U.S. into a natural gas super power, cutting the cost of the fuel by 75 percent and leading to a boom in natural gas-power generation, which tripled between 2009 and 2016, according to the U.S. Energy Information Administration.

Wind power also surged under Obama, tripling in capacity, while solar power grew from virtually zero to become the leading source of new power generation in 2016.

Jim Matheson, CEO of the National Rural Electric Cooperative Association, said the withdrawal will give cooperatives, which are owned by customers rather than investors, flexibility to decide when to take coal plants offline. Those co-ops got 62 percent of their power from coal in 2016, compared to 71 percent just two years before, he said.

Still, Matheson wants EPA to write a replacement rule to provide business certainty to the utilities, although he acknowledged that process could take years.

"To the extent we can have a level of clarity over time about what the playing field looks like, that matters," he said. Many electricity companies believe that if Pruitt's EPA can write a replacement rule, it will be more difficult for a future administration to challenge than if he takes no action at all. Critics have contended that Pruitt plans to [slow-walk](#) the process.

Conservative groups praised the repeal, with lobbying group Americans for Prosperity saying it would prevent "dramatically higher" energy costs.

Health advocates say Trump's EPA is vastly overstating the costs of the rule while ignoring the impacts of climate change and other pollutants that come from coal plants, especially by declining [to count](#) the benefits of reducing those emissions in an analysis of the Clean Power Plan.

When EPA finalized the Clean Power Plan, the agency estimated that by 2030 it would annually prevent 3,600 premature deaths, 90,000 childhood asthma attacks and 1,700 heart attacks.

"These are not insignificant benefits, health effects," said Paul Billings, senior vice president of advocacy at the American Lung Association. "I don't necessarily agree with the dollar amount they place on the cost of a human life, but it does create a basis for doing comparisons across rules ... to translate those health effects into dollars costs."

More than half of states sued to stop the Clean Power Plan, and the Supreme Court in early 2016 stayed its implementation while a lower court considered the challenge.

EPA has been asking the court to withhold its decision about whether the rule was legal until the agency has had a chance to withdraw it and explore an alternative.

Tim Profeta, director of Duke University's Nicholas Institute for Environmental Policy

Solutions, said EPA is nixing the rule now to keep the court from issuing a decision.

"The court should decide the case that it has before it in order to clear up any dispute over the extent of EPA's authority to regulate greenhouse gas emissions from power plants," Profeta said.

Since Trump's election, 14 green-leaning states have banded together as part of the Climate Alliance and said they will aim to curb emissions even without the federal government.

"We will push ahead and work with states that share our belief in science and the imperative to combat global warming," California Gov. Jerry Brown said.

Washington Gov. Jay Inslee added that "Washington state is already feeling the harmful and costly effects of climate change — in more devastating wildfire seasons, strained water resources, increasingly acidic coastal waters, and more. And we are taking action to respond."

Inslee argued that "the United States Supreme Court has ruled on three separate occasions that the EPA has a responsibility, under the Clean Air Act and other federal laws, to protect American communities from harmful carbon pollution."

The Supreme Court in 2007 ruled that EPA would have authority to regulate carbon if the agency found it to be a danger to public health. EPA subsequently decided that carbon is a pollutant. For Pruitt to avoid climate regulations outright, he would have to fight that finding, which many legal experts say is a losing battle.

*Eric Wolff contributed to this report*

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**EPA lays out options for replacement to Clean Power Plan** [Back](#)

By Emily Holden | 10/10/2017 02:06 PM EDT

EPA is considering allowing states to set their own efficiency standards for coal-fired power plants to replace the Obama administration climate regulation that would have imposed stricter pollution limits across the electricity sector, senior agency officials said during a conference call with conservative groups Tuesday.

EPA Administrator Scott Pruitt has long argued that the Obama-era Clean Power Plan, which he proposed to withdraw Tuesday, was agency overreach because it set state carbon goals that would have forced a shift away from coal and toward natural gas and renewable power, rather than requiring changes solely at individual coal plants.

A [proposal](#) issued Tuesday raised the possibility of a coal plant-focused replacement, but the comments on the phone call give a clearer indication of what EPA is considering as a replacement.

EPA is proposing to return to its "traditional view of scope and authority" under the law, one

administration official said on the call, "which means we are going out to the facility and setting source-by-source specific standards.

"EPA has authority to set up a process. It is then the states that take that process and based on their source-by-source analysis and respective localized environmental characteristics set standards that are actually feasible and achievable," the official said on the call that POLITICO monitored.

That would "ensure that states can still make the decision to keep a diverse fuel supply," according to the official.

EPA plans to issue an advance notice of proposed rulemaking in a few weeks to take comment on crafting the replacement to the Clean Power Plan, officials said. EPA will also hold a public hearing and take comments for 60 days after the proposal signed Tuesday is published in the Federal Register, according to officials on Tuesday's call.

Another administration official described the Clean Power Plan as a "novel and expansive view of agency authority" that would have cost consumers \$33 billion and forced companies to shut down coal plants.

"Repealing the Clean Power Plan is another step advancing the president's America First strategy and is an example of President [Donald] Trump keeping his promises to the American people," the official said, hewing to [talking points](#) acquired by POLITICO on Oct. 7.

The officials on the conference call with more than a dozen participants heard from climate science opponents who urged the administration to convince Americans that, contrary to mainstream research, carbon dioxide does not cause global warming. And they called on EPA to fight the legal finding that requires it to write a replacement rule and regulate emissions.

"Eventually we really need to move to get rid of the endangerment ruling of the Supreme Court," said Jay Lehr, science director for the Heartland Institute, which argues that human activity does not affect the climate. "I think in order to do this in everything EPA does and the president does, we need to begin laying the groundwork for the American public to understand that carbon dioxide is not a contaminant. It is in fact why we live on this planet, it is a breath of life, it has no endangering aspects."

One official suggested Lehr file that idea as a comment in response to the agency's upcoming notice about replacing the Clean Power Plan.

"That will be especially beneficial for us to consider as we move forward," the official said.

Another questioner from Heartland, research fellow Sterling Burnett, suggested the Obama rule might have cost even more than the \$33 billion that Pruitt's EPA is contending, although that figure has been criticized as too high by former EPA officials and think tanks.

Burnett also urged EPA not to allow states like California to set higher climate standards than the federal government. The administration officials encouraged him to submit that idea to the agency in the comment-gathering period.

The official also noted that EPA's cost estimates were "interim" figures that might be adjusted.

A third administration official added that "if any stakeholders out there feel that the figures

presented in this proposal do not adequately reflect costs for one reason or another, that would be a very good thing I think to submit in comment because that may shape the analysis that's attached with any final action we may take on this proposed repeal."

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## 5 big things Trump is doing to reverse Obama's climate policies [Back](#)

By Alex Guillén and Eric Wolff | 10/10/2017 08:34 PM EDT

The Trump administration is gutting President Barack Obama's climate legacy with a series of moves designed to favor the fossil fuel industry while punishing solar and wind energy producers — and [Tuesday's proposal to repeal](#) an Environmental Protection Agency rule on power plants is just the most visible.

President Donald Trump's agencies have also taken steps toward buttressing coal's historically dominant role in the electricity markets, protecting it from rising competition from cleaner sources like natural gas and wind. The administration has opened the door to rolling back the stricter fuel-efficiency standards for cars and trucks that are due to take effect in 2022. And Trump's Interior Department is loosening Obama's limits on fossil fuel production on federal lands, while potentially clamping down on leases for wind and solar projects.

Also waiting in the wings is an upcoming trade decision that would allow Trump to sharply increase the cost of solar installations in the U.S. — eroding sun-powered electricity's ability to compete just as it weans itself off federal subsidies.

Trump's supporters say the steps are needed to protect jobs and American energy dominance. But clean-energy advocates say the actions imperil the planet's future.

"In the midst of flood and fire, our federal government is resolutely deciding to cover its eyes," said climate activist Bill McKibben, referring to the intense hurricanes and Western wildfires that have ravaged the U.S. "History will judge few things more harshly."

Here are five of the biggest U.S. energy policy shifts taking place under Trump:

### 1) Killing the power plant rule

The Clean Power Plan that the EPA is moving to revoke was the crown jewel of Obama's climate change legacy — representing the first time the U.S. had gone after the climate-warming pollution that's belched out of coal-fired power plants' smokestacks. EPA Administrator Scott Pruitt — a former Oklahoma attorney general who had sued to block the regulation — [signed the paperwork](#) Tuesday to begin the long process of withdrawing the rule, fulfilling a Trump campaign promise.

The power plant rule sought to capitalize on the U.S. electric industry's shift away from coal and toward natural gas and renewables. The Obama EPA had estimated the rule would cut the power sector's carbon dioxide emissions 32 percent below 2005 levels by 2030. (The U.S. is

already more than halfway to that goal even without the rule.)

"This is a policy that the world wants and that makes sense because of market forces and a policy the world needs because, hello, we're seeing climate change effects on people every day," said Janet McCabe, Obama's former EPA air chief.

EPA's new repeal proposal echoes the coal industry's arguments — and Pruitt's previous legal filings — in contending that the Obama administration overstepped its authority.

Pruitt's agency is considering a potential replacement rule, but one that would yield much smaller emissions cuts. If that effort succeeds, a future Democratic administration could find itself barred from imposing significant regulations on greenhouse gases from other major polluting industries.

## **2) Securing coal's place in the markets**

Energy Secretary Rick Perry issued a surprise directive last month aimed at altering the nation's electricity markets by giving an economic advantage to power plants that keep large fuel supplies on site — a move clearly aimed at helping the coal industry ward off increasingly stiff competition. (It would also benefit nuclear power, another economically struggling sector.)

Coal is the nation's most abundant power-plant fuel, but a combination of environmental regulations, huge surges in natural gas and wind-energy production and slumping demand for electricity have prompted power companies to [shutter](#) many coal-burning plants in the past decade. As recently as 2007, coal fueled more than half the electric power sector's net electricity generation — but as of this summer, that had fallen to less than a third.

Green-energy supporters say simple economics are spelling coal's demise — but Perry has argued that the trend puts the "resiliency" of the nation's power grid at risk, endangering national and economic security. His plan, if enacted by the independent Federal Energy Regulatory Commission, would insulate coal and nuclear power plants from the low power prices that have put dozens of older plants into retirement.

DOE's proposal, according to one Montana utility regulator, would be "the largest change to electricity regulation in decades."

Critics say the rule could heap billions of dollars in additional energy costs on homes and businesses without a guarantee that they wouldn't lose power when the next hurricane rips out their power lines or a polar vortex freezes the pile of coal at a power plant.

But that decision will ultimately fall to the five commissioners of FERC, an agency made up largely of technocrats that has long sought to safeguard the energy markets. The markets aren't perfect, but Perry's rule is "a draconian way of fixing it," said Pat Wood, a former FERC chief who was appointed by President George W. Bush.

## **3) Launching a solar trade war?**

A vote by a federal trade panel last month will allow Trump to impose tariffs or a quota on imported solar panels that make up the vast majority of the fast-growing U.S. renewables

market — if he chooses to.

The decision by the U.S. International Trade Commission agreed with bankrupt solar manufacturers Suniva and SolarWorld that the low-cost imports had harmed U.S.-based producers. Now, people following the case expect that Trump will slap trade barriers on the imported solar equipment, which is largely produced by Chinese-based companies at factories across Asia.

Those barriers would help the small number of U.S.-based solar manufacturers that remain in existence but could send costs skyrocketing and hurt the much larger solar installation industry. It would also threaten to end the U.S. solar boom, which saw the technology become the country's biggest source of new power generation last year for the first time ever.

With the help of federal subsidies, which will be fully phased out by 2020, the solar industry has slashed costs far faster than predicted and grown more rapidly than expected. But the production of cells and panels has shifted to countries like Malaysia, Vietnam and South Korea.

The ITC will send its recommendations for trade remedies to Trump by Nov. 13 — though the White House can ultimately implement any barrier it chooses. That has solar installers and project developers in a panic, and many are [stockpiling panels](#) ahead of possible tariffs. The Solar Energy Industries Association is predicting up to 88,000 job losses, or nearly a third of the U.S. sector. And if domestic manufacturing ramps over the next year, 2018 is [likely to see supply shortfalls and price spikes](#) as production fails to catch even reduced demand.

## **4) Hitting the brakes on fuel economy**

Trump announced in March that EPA would reconsider the tightened mileage standards that Obama had imposed for cars sold from 2022 to 2025, a move the former president's agencies had said would lift the average to about 50 miles per gallon. Trump's agency is expected to roll back the requirements.

In a review hastened to completion just before Obama left office, then-EPA chief Gina McCarthy affirmed that the aggressive mileage standard was feasible.

Trump's decision to review the target came amid pressure from U.S. automakers to cut back the standards, but it could backfire. The Clean Air Act includes an exception for California to set its own mileage standards, and if EPA changes the requirements, it won't affect California or the 11 other states that follow the Golden State's lead. For automakers, it opens up the nightmare scenario of producing cars for two different U.S. standards.

## **5) Opening federal lands to fossil fuels**

Trump's Interior Department is seeking to boost oil, gas and coal production by taking a hatchet to Obama-era regulations that govern fossil fuel production on public land. One of the biggest moves so far would reverse Obama's tightened restrictions on leaks of planet-warming methane from drilling wells, pipelines and other infrastructure.

Interior also said it would postpone and rewrite a controversial Obama administration rule that requires drillers to publicly disclose the chemicals they used to frack wells on federal land,

among other things.

Interior also has scuttled a review that probably would likely have increased the royalties that coal companies must pay to mine on federal land. And in August, Interior Secretary Ryan Zinke recommended that Trump shrink the size of several national monuments in Utah, Oregon and Nevada, a move that would potentially open them up for drilling or mining. Zinke is aiming to lift restrictions on grazing, mining, fishing and timber harvesting at those and a handful of other monuments.

Besides fighting against previous rules, Interior is trying to take steps it says will increase oil production off the Alaskan coasts and in the long-protected Arctic National Wildlife Refuge.

*Darius Dixon, Ben Lefebvre, Emily Holden and Esther Whieldon contributed to this report.*

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**Zinke's travels: Ski resort and Alaskan steakhouse** [Back](#)

By Esther Whieldon and Ben Lefebvre | 10/10/2017 07:32 PM EDT

Interior Secretary Ryan Zinke has attended at least two additional political fundraisers while traveling for official business, including a weekend ski getaway less than three weeks after he was sworn in that donors paid up to \$3,000 to attend, according to sources and documents reviewed by POLITICO.

Zinke's previously undisclosed attendance at the events adds to scrutiny he is facing over his habit of mixing political activities with official business when traveling outside of Washington, D.C., and to questions over travel expenses incurred by members of President Donald Trump's Cabinet. In addition to the fundraisers, Zinke has held at least a half-dozen other events with big donors or influential conservative organizations while on official trips.

Zinke, a former Montana congressman who became secretary March 1, started his fundraising appearances even before attending a March 30 Virgin Islands Republican Party fundraiser in St. Croix that POLITICO [reported](#) last week, at which donors paid up to \$5,000 per couple for a photo with him. The Justice Department's Office of Special Counsel, which is investigating Zinke's use of travel and political activities in office, has been asked by a watchdog group to look into his appearance there.

In the first of the newly disclosed appearances, Zinke attended a mid-March fundraiser at a ski resort in Big Sky, Montana, organized by committees affiliated with Republican Sen. [Steve Daines](#), according to two attendees who saw him there. And in May, Zinke briefly stopped by a fundraiser for GOP Rep. Don Young at a steakhouse in Anchorage, Alaska, a spokesman for Young's campaign told POLITICO.

All three fundraisers occurred on trips that Zinke took for official Interior Department business. The Hatch Act and other federal laws allow Cabinet secretaries to participate in partisan political activities only if they do so on their own time and do not use any governmental resources. Federal Election Commission records for the campaign committees

do not list any reimbursement payments to Interior for the events.

"Both law and common sense tell us that taxpayer resources are supposed to be used when you're doing the taxpayers' business [but] are not supposed to be used to help candidates get elected," said Brendan Fischer of the nonprofit watchdog organization Campaign Legal Center.

An Interior Department spokeswoman did not respond to specific questions about Zinke's attendance at the events nor whether the campaigns reimbursed Interior for any of his travel expenses, but she said ethics officials sign off on the secretary's trips and all of them comply with the law.

"The Interior Department under the Trump Administration has always and will always work to ensure all officials follow appropriate rules and regulations when traveling, including seeking commercial options at all times appropriate and feasible, to ensure the efficient use of government resources," Interior spokeswoman Heather Swift said in a statement.

Other guests attending the Montana fundraiser included Sens. John Hoeven (R-N.D.) and Lisa Murkowski (R-Alaska), according to an invitation to the March 17-19 event [posted by a local political blog](#) earlier that month. Donors were asked to contribute \$3,000 if they were attending on behalf of a political action committee or \$1,500 for an individual. Another invitation for events that weekend obtained by POLITICO sought donations as low as \$500 to attend two dinners for Daines.

Hoeven hosted his own reception Friday night before the Daines dinner and a lunch Saturday, according to a campaign invitation obtained by POLITICO, which also informed guests that they could purchase "discounted ski lift tickets" at the resort.

Zinke was not named on the invitations, but his official schedule lists him as attending a "welcoming reception" for Daines on Friday night, spending "personal time with Senator Murkowski" at Big Sky Resort on Saturday and attending a "reception & dinner" for Daines that evening.

Two sources who attended the Daines fundraiser recalled seeing Zinke there. One of the sources, a lobbyist, said Zinke attended the Friday night social and the breakfast buffet the next day. The lobbyist said that when Daines introduced Zinke, the Montana senator mentioned that Zinke was the state's first Cabinet secretary.

The Hatch Act bars Zinke from taking part in political events while acting in his official role as Interior secretary, which includes being identified by his title in invitations. But Richard Painter, a University of Minnesota professor and former White House chief ethics lawyer under President George W. Bush, said Daines referring to Zinke's Cabinet position doesn't appear to violate the law.

Zinke "should take reasonable steps to make sure people aren't using his official title" and not use the title himself at political events, Painter said. "But I don't know that he has an obligation to jump in and tell the senator he can't do that."

The secretary spent most of the day that Friday touring Yellowstone National Park, which the Interior Department manages through the National Park Service. He did not have any other official events listed on his schedule for Saturday and flew back to Washington, D.C., on

Sunday.

A [report](#) posted by Interior on Zinke's March travel expenses shows that he claimed 75 percent of his per diem that Friday and did not claim any lodging or reimbursements over that weekend, which he took as personal days off. He did fly home on official taxpayer-funded travel, however.

The Young fundraiser occurred May 31, when Zinke was in Anchorage for a speech to the Alaska Oil and Gas Association's annual conference, where he signed a secretarial order for an updated assessment of how much oil exists in part of the Arctic National Wildlife Refuge. The invitation to the reception, a copy of which was obtained by political blog [Must Read Alaska](#) and shared with POLITICO, does not list Zinke as a special guest, nor does it say how much donors had to contribute to attend.

FEC records for the Alaskans for Don Young campaign committee show it received \$9,800 in campaign contributions from individuals and political action committees on that day.

Young's campaign spokesman, Matt Shuckerow, said in an email that Zinke made "only very brief remarks" at the event, and that the campaign did not confirm his attendance in advance and did not require guests to pay to attend. "Not only did the campaign seek out the guidance of the Interior Department's ethics personnel prior to the event, it took concerted efforts to follow their strict guidance," Shuckerow said. He did not say whether the campaign reimbursed the Interior Department for any costs associated with Zinke's trip.

Zinke's calendar for that day includes a brief stop at Sullivan's Steakhouse in Anchorage, the same venue listed on the invitation, for a "Rep. Don Young Reception." Later that night, Zinke went to dinner with representatives of sportsmen's groups, according to his schedule.

The Anchorage stop came in the middle of a weeklong trip that included the use of a military plane to fly from Washington, D.C., to Norway, Greenland and then Alaska. Interior paid for Zinke and three Interior staff members to take the flight. Zinke's wife, Lola, also accompanied him on the trip but reimbursed the government for the cost of her seat, Interior has said.

In both of the newly disclosed appearances, Zinke did not pose for photos with high-dollar donors, as had been the case with the Virgin Islands Republican Party fundraiser. POLITICO's report on Zinke's appearance in that photo line led Walter Shaub, a former director of the U.S. Office of Government Ethics who is now with the Campaign Legal Center, to ask the Office of Special Counsel to open [a Hatch Act investigation](#). The OSC typically opens investigations in response to complaints it receives, but a spokesman declined to comment on the status of Shaub's request.

Still, some watchdogs question whether Zinke is focused enough on his day job given how much attention he has paid to politics.

"There's always the risk that a high-level government official spending more time involved in political events may not be attending to their official duties," said Nick Schwellenbach, director of investigations at Project On Government Oversight.

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## **White House seeks \$4.9B to shore up Puerto Rico finances** [Back](#)

By Sarah Ferris | 10/10/2017 07:11 PM EDT

The Trump administration today sought an additional \$4.9 billion in emergency hurricane aid to stave off what Puerto Rico's governor recently warned could become a fiscal catastrophe.

The OMB sent a formal request to House leadership this afternoon, revising its most recent recovery package request to nearly \$35 billion.

The extra \$4.9 billion would "address the immediate liquidity issue that Puerto Rico is having," OMB spokesman John Czwartacki told POLITICO. It would allow the island government to make its payroll and fund pensions amid its worst natural disaster in decades.

The White House's request exceeds the \$4 billion request from Puerto Rico Gov. Ricardo Rosselló last week, though it would be delivered in the form of a loan, rather than a grant.

In his letter to the White House, Rosselló warned that Puerto Rico's government needed an immediate cash infusion.

"In addition to the immediate humanitarian crisis, Puerto Rico is on the brink of a massive liquidity crisis that will intensify in the immediate future," the governor [wrote](#) to the White House.

The loan funds would likely be added to the storm recovery package that the House is expected to approve this week.

The House Appropriations Committee has received and is reviewing the request, a GOP aide confirmed.

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## **Drinking water utilities push for farm bill water protections** [Back](#)

By Jenny Hopkinson | 10/10/2017 07:17 PM EDT

The American Water Works Association — a group representing drinking water utilities — is urging lawmakers to include in the next farm bill provisions and funding to better protect drinking water sources from agricultural runoff.

Tracy Mehan, AWWA's executive director of government affairs, said the group is getting more involved in the farm bill process than in years past in light of high-profile instances of utilities' source water being contaminated by nitrate and other agriculture-related pollutants — including the Des Moines Water Works' unsuccessful challenge of upstream counties over farm runoff and the algal bloom that shut down Toledo's water supply in 2014.

AWWA is asking lawmakers to include "robust overall funding" for the conservation title — keeping it at \$6 billion, if not adding to the current allotment. The group also wants farm bill conservation programs to prioritize protection of drinking water, increase benefits to farmers for practices that safeguard source water, and ensure at least 10 percent of conservation funds are devoted to water-quality efforts.

"We need to sensitize USDA and the relevant committees to the importance of public health" and the issues that arise from farm runoff and chemicals that make their way into bodies of water, Mehan said. For example, nitrogen, a key ingredient in fertilizer, can cause developmental problems and pose cancer risks if present at high levels in drinking water. [A report](#) earlier this year from the Environmental Working Group found the contaminant to be present in the drinking water of 218 million Americans.

While conservation programs already address water-quality issues, Mehan said AWWA's focus is to get more resources and reporting aimed at potable water sources. "We assume that a lot of the money that they are spending already is probably useful and could be legitimately categorized as [being spent on] source water protection; we would just like to be more specific and track it," Mehan said of his group's requests.

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By Anthony Adragna | 10/13/2017 05:40 AM EDT

*With help from Alex Guillén*

**DIRE SITUATION IN PUERTO RICO GETTING HELP:** Amid the latest controversy over President Donald Trump's tweets about the devastation in Puerto Rico, Congress is stressing its commitment to helping the nearly 3.5 million U.S. citizens still in dire need of assistance. Speaker [Paul Ryan](#) leads a bipartisan delegation to tour the devastated island today, a day after the House [overwhelmingly passed](#) a bill [H.R. 2266 \(115\)](#) that would aid Florida, Texas, Puerto Rico, the U.S. Virgin Islands and other sites of recent severe weather. All 69 lawmakers [voting against the bill](#) were Republicans. Senate leaders plan to take up the measure once they finish work on a budget resolution.

**Meanwhile, the administration sought to walk back** Trump's suggestions he might [pull the plug on aid](#) to the island. "Our country will stand with those American cities in Puerto Rico until the job is done," Chief of Staff John Kelly said in a press conference. And a FEMA spokeswoman, Eileen Lainez, [tweeted](#): ".@fema will be w/Puerto Rico, USVI, every state, territory impacted by a disaster every day, supporting throughout their response & recovery."

**Democrats condemned Trump's comments:** "Mr. President, do not send a message to any American that we will turn our backs on them. That is not fair; it's not right; and you ought to correct the statement you made this morning," House Minority Whip [Steny Hoyer](#) said on the floor. The island's governor, Ricardo Rossello, took a more measured tone: "The U.S. citizens in Puerto Rico are requesting the support that any of our fellow citizens would receive across our Nation," he [tweeted](#). Meanwhile, two House Democrats — [Nydia Velazquez](#) and [Bennie Thompson](#) — [asked DHS](#) to investigate whether the death toll of 45 currently associated with Hurricane Maria is far lower than the actual toll.

**Situation on the ground:** Amid reports residents were trying to drink from wells on Superfund sites, EPA said in a status update that it sent crews to Dorado, Caguas, and San Germán to post signs and attempt to ensure water truck deliveries to those neighborhoods. More than three weeks after the hurricane arrived, 83 percent of the island lacks electricity and 36 percent of residents lack potable drinking water, according to [government figures](#).

**Meanwhile, California continues to battle wildfires** that have devastated wine country and claimed at least 29 lives. Smoke from the fires has resulted in the production of as much as pollution in two days as all of the state's cars produce in a year, according to [USA Today](#), and the Bay Area has experienced its [worst air quality week](#) in recorded history.

**TGIF EVERYBODY!** I'm your host Anthony Adragna, and FERC's Joe McClelland was first to identify Rep. [John Moolenaar](#) as the only chemist currently serving in Congress. For today: Who is the tallest U.S. senator in history? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#), and [@POLITICOPro](#).

**WHAT ARE YOU THINKING?** A rising chorus of conservative voices are accusing Energy Secretary Rick Perry of betraying free market principles that have long been a GOP hallmark as he presses FERC to fast-track a new regulation that would directly benefit coal and nuclear power plants, Pro's Darius Dixon [reports](#). "This is inconsistent with a longstanding policy of fiscal responsibility and open markets that have always been espoused by what I thought of as the Republican Party. I'm not sure that we're in the same place today," said former Republican FERC commissioner Nora Mead Brownell, adding that Perry's plan "undoes 20 to 25 years of really hard work."

**Republicans have long bashed** the Obama administration's Clean Power Plan as an example of the government picking winners and losers, but many conservatives are finding it hard to celebrate that regulation's rescission this week as Perry plots a new government intervention. "There is no free market, but you don't fight intervention with intervention," said Tom Pyle, president of the pro-market Institute for Energy Research who led Trump's DOE transition team. "He's recognized the symptoms but he's not proposing the right cure."

**Perry defended his proposal Thursday** before a House Energy and Commerce Subcommittee, arguing the federal government had provided financial support to various sectors for a long time and that power markets were never really fair. "We have subsidized the energy industry for a long time. I, frankly, don't have a problem with that," he said. Asked about the cost of his proposal on consumers, Perry also shot back that the issue was crucial for the nation's security: "What's the cost of freedom? What does it cost to build a system to keep America free?"

**WHITE ON SCHEDULE:** The White House announced late Thursday night that Kathleen Hartnett White, an outspoken critic of climate change science, will be nominated as chair of the Council on Environmental Quality. That shouldn't shock Pros who recall the April [story](#) from POLITICO's Alex Guillén and Andrew Restuccia previewing her nomination. Expect White to have one of the more contentious nominations of the year as Senate Democrats assail her longtime attacks on climate change science. "Carbon dioxide is not a pollutant," White wrote in an op-ed last year, a major departure from established climate science. She also called for a government commission to review climate science, something Pruitt is carrying out at EPA. ME would also not be surprised if Democrats bring up the 2014 piece in which White argued fossil fuels helped end slavery.

**Plus:** The White House said Alex Beehler will be nominated to be assistant secretary of the Army for energy, installations and environment. Beehler, a senior Defense Department official during the Bush administration, now runs his own energy consultancy. He worked at Koch Industries from 2000 to 2003 as director of environmental and regulatory affairs, according to his [LinkedIn profile](#).

**NOAA PICK CAUSES A STORM:** Barry Myers' push to place restrictions on the information on the National Weather Service releases as CEO of AccuWeather is raising concerns for how he'd approach such matters as the head of NOAA, POLITICO's Andrew Restuccia [reports](#). "There seems to be a huge conflict of interest considering his business background and belief system," Daniel Sobien, the president of the National Weather Service Employees Organization, said. Sens. [Bill Nelson](#) and [Brian Schatz](#) are among the Democrats who've also expressed concerns with the pick.

**HOUSE READY FOR A PRUITT APPEARANCE:** Energy and Commerce Republicans are getting antsy for EPA Administrator Scott Pruitt to make his first appearance before their

committee. "There's a lot of interest in him coming," Rep. [John Shimkus](#), who chairs the Environment Subcommittee, tells ME. "[Chairman [Greg Walden](#)] is now convinced that it's time the administrator try to make time for us in his schedule." A committee aide said the panel was "currently working" to determine Pruitt's availability, a standard line for the last month.

**CONGRESS TO GOVERNOR: DID YOU LIE UNDER OATH?** The top House Oversight Republican and Democrat formally asked Michigan Gov. Rick Snyder in [a letter](#) Thursday whether he lied to them under oath about when he learned of an outbreak of Legionnaires' disease connected to the Flint water crisis. "If necessary, you may also choose to amend or supplement your testimony," [Trey Gowdy](#) and [Elijah Cummings](#) wrote. But Snyder shot back with his [own letter](#) shortly afterward defending his testimony as "truthful."

**EXPANDED WHISTLEBLOWER PROTECTIONS PASS:** The House unanimously — by a 420-0 vote — sent legislation [S. 585 \(115\)](#) expanding whistleblower protections for federal workers to the White House. It would also provide training to employees so they're aware of their rights. The chamber [rejected a push](#) from Democrats to expand the measure to include employees who call out superiors for "improper use of air transportation" after the resignation of former HHS Secretary Tom Price.

**CASE STUDY IN WATER INFRASTRUCTURE WOES:** Dilapidated infrastructure has forced the closure of a key lock on the Ohio River in southern Illinois that's led to a 57-mile backup of 51 towboats and 564 barges waiting to pass, Pro's Eric Wolff and Tanya Snyder [report](#). The closure of Lock 52 highlights the need for the major cash infusion that Trump promised during a speech along the banks of the same river earlier this year. Deb Calhoun, a spokeswoman for the Waterways Council, said the advocacy group for water infrastructure would "hold the administration's feet to the fire," noting "the president said we need to fix it."

**Situational awareness:** Eric and Tanya note Trump himself hasn't spoken much about his infrastructure package recently — and that the fall timeline for Congress to craft a legislative infrastructure package has slipped away.

**BACK IN THE DEEP SOUTH:** Pruitt was in Mississippi Thursday where he met with Gov. Phil Bryant and held a roundtable to discuss the agency's recent proposal to pull back the Obama-era Waters of the U.S. regulation. "Our job at EPA is not to look at folks in Mississippi as adversaries, but as partners," Pruitt said in a statement. ME would note Pruitt does not appear to have held anything resembling this type of meeting in either the Northeast or Pacific Northwest to date.

**MAIL CALL! THEY FOUND SOME BEEF:** Four top House Democrats — [Peter DeFazio](#), [Betty McCollum](#), [Frank Pallone](#) and [Elijah Cummings](#) — sent [a letter](#) Thursday asking GAO to investigate whether EPA violated the Antideficiency Act and other federal laws when Pruitt appeared in National Cattleman's Beef Association video urging members' to speak up as the agency considered whether to repeal WOTUS. "We request that GAO provide a legal opinion that addresses whether the Administrator's appearance in the promotional NCBA video in connection with the hyperlinked material on the NCBA website complies with the relevant limitations on the use of appropriated funds for lobbying and publicity or propaganda purposes and the Antideficiency Act," they wrote.

**CONCERNED OVER SCIENTIFIC INTEGRITY:** Two senior House Science Republicans — [Lamar Smith](#) and [Andy Biggs](#) — sent [a letter](#) to Pruitt on Thursday seeking a

briefing, documents and other information about EPA's Integrated Risk Information System program, which establishes a federal database of the risks of various chemicals. "The Committee is concerned about persistent issues regarding the difficulty to correct IRIS assessments that appear to use low-quality science to justify results," they wrote.

**\*\* Presented by ExxonMobil:** We're collaborating with FuelCell Energy on a novel idea to use fuel cells to capture carbon at natural gas power plants, and in the process reduce emissions and increase electrical output. This technology could be a game changer in addressing the world's growing need for energy, while also reducing the impact on the environment. [Learn more.](#) \*\*

**FROM THE DEPARTMENT OF GOOD LUCK WITH THAT:** Sen. [Dianne Feinstein](#) sent [a letter](#) to Pruitt Thursday asking him to reconsider his move to rescind the Clean Power Plan. "Your decision to begin repealing the Clean Power Plan not only endangers the lives of Americans, it also undermines America's international credibility," she wrote.

**GAMEPLAN FOR TACKLING SEXUAL HARASSMENT:** Interior Secretary Ryan Zinke and National Park Service acting Director Mike Reynolds will today announce a strategy for eliminating sexual harassment, discrimination and intimidation during an all-employee meeting at the Grand Canyon National Park. Zinke's opening remarks will be public, though an employee question and answer session will be closed.

**DEMOCRATIC CONSERVATION GROUP LAUNCHES:** A new grassroots organization, [Democratic Conservation Alliance](#), launches today with the goal of electing and defending Democratic politicians who will fight against anti-conservation policies. "On behalf of America's public land owners, the Democratic Conservation Alliance will help kick anti-park politicians out of office and replace them with champions of conservation who will make Teddy Roosevelt proud," Matt Lee-Ashley, a board member, said in a statement.

**AU REVOIR?** All fossil fuel powered vehicles would be off the streets of Paris by 2030 under a plan the city unveiled Thursday, POLITICO Europe's Marion Sollety [reports](#). "The target is by no means written as a 'ban' by 2030 in the climate plan, but rather as a trajectory which seems both credible and tenable," a press release said. Mayor Anne Hidalgo wants diesel cars off the street by 2024 and gasoline cars gone by 2030.

**COULD BE INTERESTING:** Harvard's T.H. Chan School of Public Health examines public and private sector responses to climate change today at noon with a panel featuring former EPA chief Gina McCarthy and Washington Gov. Jay Inslee. Watch [here](#).

**MOVERS, SHAKERS:** Jennifer Y. Brown is leaving her role as chief of staff for the House Science, Space and Technology Committee. The panel's current deputy chief of staff, Mark Marin, will replace her.

**GOT PLANS FOR UNITED NATIONS FOOD DAY?** Celebrate on Monday with our Pro Agriculture colleagues, who are hosting a high-level conversation on the future of the global food supply. The event, "Greening the Food Supply: Carrots and Sticks that Work," will explore success stories in sustainable agriculture and consider the challenges involved in achieving a sustainable global food supply. Eastern Market is the place: North Hall, 225 7th St., SE. The time is 11:30 a.m. RSVP: [here](#).

**QUICK HITS**

- The Grandfather Of Alt-Science. [FiveThirtyEight](#).
- Grassley says public could sway EPA rules. [Iowa Farmer Today](#).
- The U.S. solar industry's new growth region: Trump country. [Reuters](#).
- Canada aligning with U.K. to fight global growth in coal-fired electricity. [CBC](#).
- North Dakota landowners' lawsuit against pipeline dismissed. [AP](#).
- Oil Prices Fall on Concerns Over Rising U.S. Production. [Wall Street Journal](#).
- Where's Zinke? The Interior secretary's special flag offers clues. [Washington Post](#).

## HAPPENING TODAY

9 a.m. — House Natural Resources Energy and Mineral Resources Subcommittee holds [hearing](#) on onshore energy policy discussion draft, Longworth 1334

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**\*\*Presented by ExxonMobil:** Energy is fundamental to modern life and drives economic prosperity - in small communities across America and around the world. We need a range of solutions to meet growing energy demand while reducing emissions to address the risk of climate change. Visit the Energy Factor to learn more about some of the bold ideas and next-generation technologies we're working on to meet this challenge: [EnergyFactor.com](#) \*\*

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/10/ryan-heads-to-puerto-rico-amid-latest-trump-dustup-025030>

## Stories from POLITICO Pro

### House passes second massive disaster package [Back](#)

By Sarah Ferris | 10/12/2017 03:29 PM EDT

The House overwhelmingly passed a \$36.5 billion emergency funding package Thursday intended to aid hurricane recovery in Puerto Rico and several mainland states, as well as wildfire response efforts in California.

In approving (353-69) their second tranche of hurricane aid in less than five weeks, House lawmakers agreed to the largest disaster package since Hurricane Sandy. But members from both parties describe the latest infusion as a down payment for a much more costly and comprehensive response.

"We've had some incredible tragedies and natural disasters," House Appropriations Chairman [Rodney Frelinghuysen](#) (R-N.J.) said on the House floor Thursday. "We must act quickly to make sure the federal government fulfills its duties to millions of people in need."

The legislation ([H.R. 2266 \(115\)](#)) now heads to the Senate, where leaders plan to take it up once the chamber has finished work on a budget resolution.

In the wake of three deadly hurricanes that pounded the U.S. this season, the aid bill would send another \$18.7 billion to replenish the Federal Emergency Management Agency's disaster relief fund. That money is used for urgent recovery efforts like power restoration and debris removal, as well as individual needs like housing and child care assistance.

The measure also includes \$4.9 billion in loans to help Puerto Rico's government make payroll for emergency services like police and fire departments.

The federal government has declared a dozen major disasters since August, from the hurricane-battered Florida coastline to California wine country.

More than three weeks after Hurricane Maria hit, Puerto Rico and the U.S. Virgin Islands are still reeling from their most devastating disaster in decades and could remain largely without power through the end of the year.

The bill mostly mirrors the White House's [request](#), including a contentious \$16 billion to partially wipe out the National Flood Insurance Program's debt.

Several House Republicans, particularly on the Financial Services Committee, [balked](#) at the idea of backing a longtime Democratic priority. Other conservatives, fueled by criticism from groups like [Heritage Action](#) and [Club for Growth](#), condemned the idea of including a flood program "bailout" in an emergency spending bill without reforms to help reach long-term solvency.

The GOP opposition was not enough to endanger the bill, however. Leadership ultimately fast-tracked the legislation, using a process for non-controversial bills that requires the support of two-thirds of those voting to achieve passage.

Hours before the House began debate, the disaster relief bill took on fresh urgency as President Donald Trump [threatened](#) to pull back federal resources from Puerto Rico. "We cannot keep FEMA, the Military & the First Responders, who have been amazing (under the most difficult circumstances) in P.R. forever!" he [tweeted](#).

Using their debate time to condemn those remarks, several House Democrats were warned by the presiding officer not to barrage the president on the floor of the House.

"Mr. President, do not send a message to any American that we will turn our backs on them," the House's No. 2 Democrat, Rep. [Steny Hoyer](#) (D-Md.), said before the passage vote. "That is not fair, that is not right, and you ought to correct the statement you made."

Rep. [Nita Lowey](#) (D-N.Y.), the top Democrat on the House Appropriations Committee, called the president's outburst "reckless" at a time when "Americans are suffering and simply trying to survive." And Rep. [Debbie Wasserman Schultz](#) (D-Fla.) accused Trump of "indifference and soft bigotry."

Congress has already [enacted](#) \$15 billion in emergency aid for hurricane-battered states like Florida and Texas — a bill ([H.R. 601 \(115\)](#)) signed more than a week before Maria made landfall in Puerto Rico.

Democrats have for weeks demanded another cash infusion for the Caribbean territory, where the Trump administration has been accused of responding too slowly.

GOP leaders [initially argued](#) that manpower — not cash — was FEMA's most essential resource in the immediate wake of Maria. And a formal funding request was not expected until mid-to-late October.

But as public pressure mounted, the White House ultimately sped up its timeline and submitted a request last week.

Adding to that wish list on Tuesday, the Trump administration [called for](#) \$4.9 billion to stave off what Puerto Rico Gov. Ricardo Rosselló warned could become a "liquidity crisis."

Lawmakers from both parties, including the full 38-member Texas delegation, have pressed for funding beyond FEMA aid and debt relief for the flood insurance program. Local lawmakers say they desperately need cash for other rebuilding tools, like the Community Development Block Grant program and the Army Corps of Engineers.

House appropriators have said those programs will likely see boosts in a future aid package, while the current bill is intended for the most urgent, life-saving efforts.

"This is the second step. This is not going to be the last one. We are going to need a lot of more help in the coming months," Resident Commissioner [Jenniffer González-Colón](#), who represents Puerto Rico, said on the floor. "It will take a lot of resources, a lot of money and a lot of commitment of U.S. citizens like we are."

*To view online [click here](#).*

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## **Trump sparks new backlash after threatening Puerto Rico aid [Back](#)**

By Matthew Nussbaum and Louis Nelson | 10/12/2017 07:57 AM EDT

President Donald Trump on Thursday suggested that U.S. citizens on the hurricane-ravaged island of Puerto Rico shouldn't get used to assistance from the federal government — a statement that sparked new outrage and left the White House on the defensive.

"Electric and all infrastructure was disaster before hurricanes," Trump wrote on Twitter in a series of posts. "Congress to decide how much to spend. We cannot keep FEMA, the Military & the First Responders, who have been amazing (under the most difficult circumstances) in P.R. forever!"

Trump has come under fire for appearing to blame Puerto Rico for neglecting its infrastructure and financial health in recent years, while sparring with local officials and initially giving the U.S. territory less attention than hurricane victims in Texas and Florida.

The tweets on Thursday — which landed as nearly 90 percent of the island was still without power and nearly 40 percent of residents lack access to clean drinking water — particularly touched a nerve.

"It is not that you do not get it; you are incapable of fulfilling the moral imperative to help the people of PR. Shame on you.![sic]" Carmen Yulín Cruz, the mayor of San Juan, wrote on

Twitter. In recent weeks, she has been a target of severe criticism from Trump, who dismissed her and other critics as "politically motivated ingrates."

Puerto Rico's governor, Ricardo Rosselló, sought a less fiery path, writing on Twitter: "The U.S. citizens in Puerto Rico are requesting the support that any of our fellow citizens would receive across our Nation."

House Minority Leader Nancy Pelosi (D-Calif.) said at a news conference that Trump's broadside "is heartbreaking and it lacks knowledge."

Two other Democrats, Reps. Nydia Velazquez (D-N.Y.) and Bennie Thompson (D-Miss.), even asked the Department of Homeland Security to investigate the possible underreporting of deaths caused by Hurricane Maria in Puerto Rico.

The concern was not contained to Democrats. House Speaker Paul Ryan echoed Trump's comment that the island needs fiscal reforms, but suggested now was not the time for that debate.

"At the moment, and it's why I'm going down there tomorrow, there's a humanitarian crisis that needs to be attended to and this is an area where the federal government has a responsibility, and we're acting on it," Ryan said.

The White House sought to clean up the comments later on Thursday, with chief of staff John Kelly telling reporters later that "the U.S. military and FEMA can't be there forever."

"The minute you go anywhere as a first responder, and this would apply certainly to the military, you are trying very hard to work yourself out of a job," Kelly said during a surprise appearance at the White House briefing, adding that FEMA and the military can be withdrawn "hopefully sooner rather than later."

He said he had spoken with Rosselló earlier Thursday and that the White House enjoys a "great relationship" with the governor. "Our country will stand with those American cities in Puerto Rico until the job is done," Kelly added.

The White House also released a statement from press secretary Sarah Sanders on Thursday afternoon.

"Our job in any disaster affected location is to help the community respond and recover from that disaster. We continue to do so with the full force of the U.S. government and its resources in Texas, Florida, Puerto Rico and the US Virgin Islands and other affected areas," Sanders said. "Successful recoveries do not last forever; they should be as swift as possible to help people resume their normal lives. We are committed to helping Puerto Rico. Our Administration is working with Governor Rossello and Congress to identify the best fiscally responsible path forward."

And a White House official stressed that Puerto Rico's debt crisis would be addressed independently of the disaster relief process.

Trump's morning warning came after White House officials had stressed for weeks their intention to work with Puerto Rico throughout the recovery process. And Trump himself had said last month that "we will not rest ... until the people of Puerto Rico are safe."

"These are great people. We want them to be safe and sound and secure, and we will be there every day until that happens," Trump said at a manufacturing event on Sept. 29.

Puerto Rico has struggled with the devastation from a particularly heavy hurricane season, one that included a direct hit from Hurricane Maria late last month that devastated large swaths of the island. The official death toll from the storm has risen to 45, CNN reported Wednesday, and at least 113 people are unaccounted for.

Reports of desperation are piling up, including from federal government officials. The Environmental Protection Agency on Wednesday warned Puerto Rican residents against breaking into industrial waste sites in search of drinking water. And The New York Times reported that medical care remains a challenge on the island, with just 43 of the island's 72 open hospitals currently operating with power.

Still, Trump has asserted that his administration's handling of the storm has been a great success, and he has rejected any criticism of the effort as "fake news."

Even as the president has continued to rail against the territory, Congress on Thursday moved forward on hurricane relief funds, which the White House has also advocated for.

The U.S. House passed a \$36.5 billion aid package, much of it targeted at Puerto Rico, by a vote of 353-69. The legislation marks the largest disaster package since the one provided for Hurricane Sandy victims in 2013.

The money would replenish the Federal Emergency Management Agency's coffers by roughly \$18 billion, which lawmakers say is enough to last for several more weeks. That includes \$4.9 billion in emergency loans to ensure the cash-strapped island government can pay its workers and other debts.

But GOP leaders have been clear that another installment of aid will be needed before the end of this year. Emergency responders from all federal agencies, from FEMA to the Defense Department, have been going quickly through their cash reserves in Puerto Rico's worst disaster in decades.

And Democrats are saying that Trump's rhetoric is not helping.

"The President of the United States' most solemn duty is to protect the safety and the security of the American people. By suggesting he might abdicate this responsibility for our fellow citizens in Puerto Rico, Mr. Trump has called into question his ability to lead," Velázquez said in a statement.

*Sarah Ferris, Colin Wilhelm, Rachael Bade and Heather Caygle contributed to this report.*

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**Conservatives fret Perry's grid rule runs counter to market goals** [Back](#)

By Darius Dixon | 10/12/2017 05:24 PM EDT

Energy Secretary Rick Perry hardened his position Thursday calling for changes to electricity markets to support coal-fired power plants, even as a rising chorus of conservative voices accused him of abandoning the free market principles that have been a cornerstone of the Republican Party.

Testifying before a House Energy and Commerce subcommittee, Perry rejected the notion that power markets were fair, and he pointed to financial support that has been doled out to other energy sources for years.

"I don't think that you have this perfect free-market world," Perry told lawmakers. "We subsidize a lot of different energy sources. We subsidize wind energy. We subsidize ethanol. We subsidize solar. We subsidize oil and gas. The question is how do you make it as fair as you can?"

Perry's proposal, made public late last month, directed FERC to fast-track a new regulation in power markets overseen by the agency that would allow full cost recovery for power plants that keep 90 days' worth of fuel on-site, a threshold that would only include coal and nuclear power plants.

"We have subsidized the energy industry for a long time. I, frankly, don't have a problem with that," he said.

Perry's plan quickly drew opposition from the renewable energy industry and many power generators, as well as the oil and natural gas sector, which has been the biggest competitor for coal in recent years. Market advocates have also criticized Perry, saying that he has turned his back on the market mechanisms that have been at the heart of Republican economic policies — and that his home state of Texas implemented under former Gov. George W. Bush.

"This is inconsistent with a longstanding policy of fiscal responsibility and open markets that have always been espoused by what I thought of as the Republican Party. I'm not sure that we're in the same place today," said former Republican FERC commissioner Nora Mead Brownell. "This doesn't feel like draining the swamp to me. It feels like the swamp is expanding and oozing, and now is tinged with coal dust."

Perry's proposal "undoes 20 to 25 years of really hard work," she said.

Republican Rob Powelson, a new FERC commissioner, told a gathering of state regulators last week that he didn't "sign up to blow up the markets," according to S&P Global Market Intelligence. He later added in an email to POLITICO that the agency was "looking to address some of these market issues but not looking to [undo] the organized markets by picking winners and losers or creating moral hazards in the marketplace."

Critics contend that if FERC adopted Perry's proposal, the electricity markets that dictate prices for tens of millions of Americans from New Jersey to Illinois would be fundamentally altered to anchor coal and nuclear plants to the electric grid at great cost without a clear guarantee that they wouldn't lose power when the next natural disaster swings through.

But Perry has cast the issue as critical for ensuring the security of the country.

"What's the cost of freedom? What does it cost to build a system to keep America free?" Perry asked Rep. [Paul Tonko](#) (D-N.Y.), who had pressed him on whether DOE had considered how

much his recent proposal to aid coal and nuclear power might cost consumers.

Coal is the nation's most abundant power-plant fuel, but a combination of environmental regulations, huge surges in natural gas and renewable-energy production and slumping demand for electricity have prompted power companies to [shutter](#) many coal-burning plants over the past decade. As recently as 2007, coal provided more than half the electric power sector's net electricity generation — but as of this summer, that share had fallen to less than a third.

Still, other members of the administration are still using free-market arguments to attack former President Barack Obama's climate change policies. At a Monday event in Kentucky's coal country with Senate Majority Leader [Mitch McConnell](#), EPA chief Scott Pruitt stuck to complaints Republicans have long used to bash the Obama EPA's Clean Power Plan, decrying it as something that "really was about picking winners and losers."

But for many conservatives, it's hard to savor the victory of dismantling Obama's Clean Power Plan when the Trump administration is standing up a new government intervention.

"It certainly came out of left field for me," Nick Loris, an energy and environment fellow for The Heritage Foundation, said of Perry's proposal. "When I think about what 'all of the above' energy looks like, it shouldn't mean subsidize all of the above. And this DOE regulation is pushing us down that pathway, and not to limited government."

Loris was also unhappy with DOE's recent decision to increase federal loan guarantees for over-budget Vogtle nuclear reactors in Georgia by \$3.7 billion.

"For an administration that is intent on wanting to drain the swamp, this is certainly not helping," Loris said.

Perry, who President Donald Trump [has pressed](#) to keep Ohio coal-fired power plants open, has said he was interested in a "conversation" about how to increase the resilience of the grid, but he emphasized on Thursday it was imperative that FERC take quick action.

"We can have a conversation and I think [FERC] must move. I think they must act. We've kicked this can down the road," he told lawmakers.

But some conservatives say even though U.S. energy markets are far from perfect, Perry's approach is the wrong one.

"There is no free market, but you don't fight intervention with intervention," said Tom Pyle, president of the pro-market Institute for Energy Research who led Trump's DOE transition team. "He's recognized the symptoms but he's not proposing the right cure."

Other critics pointed to the irony of a Texan seeking to undermine the power markets, since the Lone Star state runs perhaps the most free-wheeling electricity system in the country.

"If you've just joined the conversation today, I think you'd be knocked over by the irony of a Republican — indeed a Texas Republican — advocating for getting in the way of market competition and directly imposing a winner-picking outcome," said Joe Goffman, a senior EPA air adviser under Obama.

"To say that there's no free market in electricity is so beside the point as to border on the

disingenuous," he added. "Nobody's arguing that there's a free market. What people are arguing for is an unrigged market."

Even other conservatives find Perry's position particularly awkward.

"There's no free market for electricity, but the one example you could find that might actually call that into question is the state of Texas," said Travis Kavulla, a Republican who is a vice chairman of Montana's utility regulator. "It's certainly dissonant with both his reputation, but also the policies of his state, which is really unique among the states and has an extremely vibrant and competitive wholesale and retail market for electricity."

Perry had the power to fast-track the issue but the proposal's fate decision will ultimately fall to five commissioners at FERC, an agency made up largely of technocrats that has long sought to safeguard the energy markets. But a DOE official said that the proposal was not shared with federal regulators before it was filed but also emphasized that DOE expects — and is almost counting on — FERC to make major changes to the proposal.

"It is impossible to actually foresee this being implemented as-written," Kavulla said. "It's inconceivable that FERC would adopt this. In some ways, this is just DOE lighting a firecracker and throwing it in FERC's direction and saying, 'These coal people have really been on our case. Do something about it!'"

To view online [click here](#).

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**Trump eyes climate skeptic for key White House environmental post** [Back](#)

By Alex Guillén and Andrew Restuccia | 04/12/2017 06:00 PM EDT

President Donald Trump may tap a vocal critic of climate change science to serve as the highest-ranking environmental official in the White House.

Kathleen Hartnett White, who says carbon emissions are harmless and should not be regulated, is a top contender to run the Council on Environmental Quality, the White House's in-house environmental policy shop, sources close to the administration told POLITICO.

White House officials brought White in for an interview late last month, according to a person familiar with the hiring process, and Trump met with White at Trump Tower in November when she was under consideration to lead the Environmental Protection Agency.

Adding White to the administration would be a major win for Steve Bannon, Trump's chief strategist, and other hard-line conservatives in the White House, who have been feuding behind the scenes for weeks with the more moderate forces in the West Wing over issues like climate change. And her nomination could appease Trump's climate skeptic supporters, who have [criticized](#) EPA Administrator Scott Pruitt for hesitating to revisit his agency's conclusion that global warming threatens public health.

Trump administration officials are divided over whether White is the best person for the job, and they are also considering other candidates to lead CEQ, sources said. A White House

spokeswoman declined to comment, saying, "We will let you know when we have an announcement."

Like Pruitt, the former Oklahoma attorney general and fossil fuel ally, White would be another voice from a large oil and gas producing state in charge of climate change and environmental policy.

White is a former chairwoman of the Texas Commission on Environmental Quality who now works for a conservative think tank in the Lone Star State. Energy Secretary Rick Perry, a former Texas governor, is said to be advocating on White's candidacy behind the scenes.

Tapping White would only deepen environmentalists' fears that the new administration will implement a wholesale reversal of former President Barack Obama's approach to climate change as a serious, long-term threat to the environment and national security.

White sat on Trump's economic advisory council during his campaign and since 2008 has worked at the Austin-based conservative think tank Texas Public Policy Foundation, which has received funding from Koch Industries, ExxonMobil, Chevron, ConocoPhillips, Devon Energy and other energy companies and utilities. White, who was a registered lobbyist with the group [until Nov. 29](#), has long been a major voice in the niche industry of public figures who question climate science data or downplay the risks of global warming.

"Carbon dioxide is not a pollutant, and carbon is certainly not a poison. Carbon is the chemical basis of all life on earth. Our bones and blood are made out of carbon," White wrote in a [June op-ed](#). She added that CO<sub>2</sub> is the "gas of life" because it is a nutrient used by plants — an argument frequently raised by climate skeptics that most scientists say [distracts](#) from the climate-changing components of the gas.

White's position contrasts sharply with established climate science. In its [most recent comprehensive report](#), the United Nations' Intergovernmental Panel on Climate Change, the leading scientific body on global warming, concluded that the Earth is warming because of human-generated emissions — and that time is running short to stave off the worst risks of climate change, including increased temperatures, more extreme weather, sea level rise and ocean acidification.

Similar findings have been reached by U.S. authorities, including EPA, NASA and NOAA — all agencies that would be subject to guidance White would issue as CEQ chair, if she were confirmed by the Senate.

In an interview with POLITICO in September, White proposed establishing a "blue ribbon commission" to relitigate climate science, underscoring her unorthodox belief that the science showing human-induced climate change is unsettled.

The commission, she said, would develop an "alternative scientific methodology" to the IPCC, whose usefulness she said has "reached its peak."

If nominated, White would likely be an advocate within the administration of reopening the foundation of Obama's climate change agenda: EPA's 2009 "endangerment finding," a scientific conclusion that greenhouse gases constitute a threat to public health or welfare.

Trump told an industry-backed think tank last year that he will "review" the endangerment

finding, a potentially difficult task given the scientific consensus on the issue. Any withdrawal of the finding would be challenged by environmentalists in court.

Pruitt has so far declined to reopen the endangerment finding, a decision that has [infuriated](#) some of Trump's conservative supporters.

White would be able to play a key role in shaping the Trump administration's overall approach to climate change, and she has been clear that she does not think the issue should be addressed by EPA. In 2015, she [argued](#) that Obama's rules to limit carbon emissions from power plants marked "an unprecedented expansion of federal administrative power" with "no measurable climate benefits." And last May, she [urged](#) House Speaker Paul Ryan to pass a bill that would block EPA from regulating carbon dioxide, methane, hydrofluorocarbons or other greenhouse gases.

At CEQ, White could direct other agencies to turn their attention away from climate change, and she would be in charge of implementing recent executive orders on energy development and regulatory streamlining. Last month, Trump ordered the council to revoke recently issued guidance directing all federal agencies to consider climate change when they conduct environmental reviews under the National Environmental Policy Act, a decision that would be difficult to challenge in court. And in January, the president told CEQ to come up with a plan to expedite environmental reviews for major infrastructure projects.

While environmentalists have long accused GOP officials of dragging their feet on climate change, White is by far the most outspoken critic of the underlying science — and the most ardent defender of fossil fuels — that Trump has considered to serve in his administration.

In a 2014 [blog post](#), White took aim at [an article](#) in The Nation by MSNBC host Chris Hayes, whose "recommendation to avert global warming, like most warmist policies, toys with the greatest advance made by mankind," she wrote. In White's view, there is a connection between "the abolition of slavery and humanity's first widespread use of energy from fossil fuels." The rise of coal and oil, she argued, provided economic incentive to end the practice of slavery in the U.S. and elsewhere. (One critic [fired back](#) that the industrial revolution actually "exacerbated" slavery by increasing the demands for slave-produced goods such as cotton.)

Putting a permanent CEQ chair in place would also raise the question of where Trump wants decision-making on environmental issues to happen — in the White House or at agencies.

The Obama administration shifted major environmental responsibilities from CEQ to EPA and some other agencies as it sought aggressive action on climate change. It remains unclear whether Trump's CEQ will continue in that vein or have a greater role in policymaking, though outside Republicans have encouraged Trump aides to grant the council wide latitude.

The council was run from 2015 through the end of Obama's term by Christy Goldfuss, an unconfirmed managing director. Obama never nominated a replacement for his first CEQ chair, Nancy Sutley, who left in 2014.

White's criticisms of Obama environmental regulations go beyond climate change.

She [said](#) in 2015 that EPA's Waters of the U.S. rule, which determines which bodies of water are subject to federal oversight, "is about amending the definitions of well understood words into tortured versions of themselves so that the EPA can seize control of dry land where water

may flow after heavy rains."

She also [criticized](#) the new ozone standard of 70 parts per billion, calling the rule's scientific conclusions "a statistical house of cards" and predicting it "may be the straw that breaks the back of our struggling economy."

White, who received her bachelor's and master's degrees from Stanford University, was a commissioner at the Texas Commission on Environmental Quality from 2001 to 2007, serving as chairman for the last four years of that term. She previously sat on the Texas Water Development Board.

Environmentalists do give White some credit for advances made during her tenure at TCEQ.

Luke Metzger, director of Environment Texas, told POLITICO that she helped implement a legislative order to create an online reporting system for major emissions events, which is still used by green activists to track noncompliance by major energy companies. Metzger also credited her with a "slightly improved" enforcement policy, though he noted that she blocked an effort by a fellow TCEQ commissioner in 2006 to boost penalties.

In 2008, White joined the Texas Public Policy Foundation, where she directs its Armstrong Center for Energy & the Environment.

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**Trump's pick for NOAA chief causes a storm** [Back](#)

By Andrew Restuccia | 10/12/2017 07:52 PM EDT

As a top executive at AccuWeather, Barry Myers has pushed for limits on the kinds of products that the National Weather Service offers to the public, saying they offered unfair competition to his industry.

Now, President Donald Trump's nomination of Myers to lead the weather service's parent agency could allow him to make those kinds of restrictions mandatory — to the benefit of his family-run forecasting company.

The AccuWeather CEO's nomination to head the National Oceanic and Atmospheric Administration is stirring criticism from people who worry he would hobble the weather service, which provoked an industry backlash more than a decade ago by making hour-by-hour forecasts, cellphone alerts and other consumer-friendly data widely available online. A [bill](#) that Myers supported 12 years ago, sponsored by then-Sen. Rick Santorum, would have prohibited the agency from competing with private providers in most circumstances.

Myers, who has served as a NOAA adviser, has more recently [spoken of cooperation](#) with the agency, including industry's advocacy for Congress to fund its budget. But his critics expressed misgivings nonetheless.

"I fear that he'll do irreparable harm to an agency whose primary mission is to save lives," said

Daniel Sobien, the president of the National Weather Service Employees Organization, which strongly opposes Myers' nomination. "There seems to be a huge conflict of interest considering his business background and belief system."

Sen. [Brian Schatz](#) (D-Hawaii) agreed, calling Myers a "questionable" choice.

"As the CEO of AccuWeather, Barry Myers views NOAA as a direct competitor that provides high-quality forecasts for free," Schatz said in a statement Thursday. He added that "Mr. Myers will have to work very hard to persuade me that he will run NOAA for the public good."

Myers' defenders say they hope he'll use his long experience running a major weather enterprise to modernize NOAA, which also oversees fisheries, marine sanctuaries, endangered species, climate research, satellite data and its own [uniformed officer corps](#).

"In past decade, AccuWeather has embraced 'Big Data' and become an advertising & digital innovation behemoth under Myers' leadership," wrote Ryan Maue, the chief operations officer at the website Weather.us, in a [post](#) on Twitter. Maue separately told POLITICO: "I expect Myers to bring that same vision to NOAA and enhance collaboration with the private sector especially in the role of space-based remote sensing and satellites."

Myers did not return a call to his office Thursday, and a lobbyist who works with AccuWeather did not respond to emails seeking comment.

Myers, whose brother Joel founded AccuWeather in 1962, would join a roster of other business leaders whom Trump has installed atop his agencies — many of them bringing considerable potential conflicts of interest to the job. He has degrees in law and business, not the science and math degrees that Bush's and President Barack Obama's NOAA chiefs had.

Richard Painter, who served as the top ethics official for President George W. Bush, said Myers can probably meet the legal requirements to separate himself from his business. But, he added: "The appearances are awful. He should recuse from any matter that could have a financial impact on the company. And he should sell the stock."

Myers indeed "will be liquidating all of his private sector holdings," said a spokesman for NOAA's parent agency, the Commerce Department, adding that he'll "be subject to the same ethics and recusal requirements as any federal official."

The spokesman also rejected suggestions that Myers would clamp down on the weather service's public offerings. He said Commerce Secretary Wilbur Ross, who chose Myers for the job, "sees the provision of timely, accurate data to the public as one of the Department's core missions. This includes weather data provided by the NWS, so there is no risk that Myers will restrict NWS provision of data to the public."

"Myers has also been a strong proponent of free and open weather data to the public," the spokesman added.

But in 2005, Myers supported Santorum's [widely panned bill](#), which would have prohibited the weather service from offering a product or service "that is or could be provided by the private sector" — a provision that would have benefited companies like AccuWeather.

The bill made some exceptions, including information needed to protect life and property, but

weather entrepreneurs, hobbyists, airline pilots and open-government advocates said it would have choked off a wealth of data that the National Weather Service had begun making widely available. The legislation would have countered a [2004 policy change](#) by the Bush administration that had eased restrictions on the weather service's ability to offer new products and services.

"It is not an easy prospect for a business to attract advertisers, subscribers, or investors when the government is providing similar products and services for free," Santorum [said](#) when introducing his bill. Critics, including Sen. [Bill Nelson](#) (D-Fla.), noted that taxpayers had already paid for the weather service's data.

Myers [told](#) The Palm Beach Post at the time that he wanted the weather service to return to its "core mission ... which is protecting other people's lives and property," rather than spending "hundreds of millions of dollars a year, every day, producing forecasts of 'warm and sunny.'"

"We work hard every day competing with other companies and we also have to compete with the government," he [told](#) ABC News a month later.

Myers had donated \$1,000 to Santorum's Senate campaign in 2004 and 2005, though the executive also has a track record of donating to both Democratic and Republican politicians, including Trump, Hillary Clinton and Mitt Romney. Santorum and Myers are both prominent alumni of Penn State University, and AccuWeather is based near the school's main campus in State College, Pa.

Santorum's bill went nowhere, however — an outcome that Maue said turned out to be "the best thing that could have happened for Accuweather as they were on the ground floor of the digital/smart phone App revolution for weather apps."

More recently, Myers [testified](#) to the House Science Committee last year about the need for "embracing free and open data in all situations," while maintaining that "the best public facing forecasts and information comes from the weather industry." Still, he said government, industry and academia each bring their own strengths to the relationship, adding that "NWS need not do everything to keep Americans safe. Others can share the load."

Myers estimated that cooperation among the federal government, the private weather industry and academic researchers had saved 1 million to 2 million lives since the late 1950s.

But Sobien, the union chief, expressed skepticism about the kind of partnership Myers envisions.

"In the past, he has supported proposals that essentially made it so the National Weather Service's only function was to provide data to companies like AccuWeather who would then repackage that data and sell them," Sobien said.

AccuWeather, which says its forecasts appear on more than 200 major television stations, 900 radio stations and 180,000 websites, has also been aggressive over the years in criticizing the weather service for what it sees as its shortcomings. Among other incidents, the company complained that the weather service had [underestimated the strength](#) of Hurricane Claudette before it hit Texas in 2003, and it said the federal agency was late to issue warnings about a [2015 tornado in Oklahoma](#).

As recently as February, AccuWeather's website [highlighted an incident](#) in which some of NOAA's weather data suffered a "significant outage," while noting that "AccuWeather-produced services remained available and reliable."

AccuWeather's sharp-elbowed approach also extends to [competition](#) with its rival The Weather Channel, which it [replaced](#) two years ago on Verizon's FiOS television lineup. AccuWeather's website has also inspired [eye-rolling](#) among some in the weather community by offering 90-day forecasts, which one meteorologist blogging for the American Geophysical Union [dismissed](#) as "scientifically indefensible" and "even worse than the Farmer's Almanac."

Members of the small community of weather watchers, who never forgot AccuWeather's support for Santorum's bill, contend it will be nearly impossible for Myers to fully eliminate his conflicts of interest.

Myers' brother Joel still serves as the company's president and chairman of the board. Their brother Evan is the chief operating officer.

"His family owns the business and he knows the decisions he makes are going to affect the business for years and potentially decades to come," said Andrew Rosenberg, director of the Union of Concerned Scientists' Center for Science and Democracy. He added, "My biggest concern is not that somebody has a business background, but do they genuinely recognize that a job in government is a fundamentally different one from managing and running a private business for profit."

Others are reserving judgment.

David Titley, a former NOAA official during the Obama administration, said he prefers not to comment on personnel decisions. "We will all have to wait & see in what direction Barry wants to take NOAA," he said in an email.

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**Dems move to shield whistleblowers who report pricey travel [Back](#)**

By Kyle Cheney | 10/12/2017 03:08 PM EDT

House Democrats on Thursday sought to expand whistleblower protections for federal workers who call out superiors for "improper use of air transportation," following the mounting questions about Trump administration officials' use of expensive forms of travel.

Lawmakers offered the proposal as part of a debate over broader whistleblower protection. It was rejected by Republicans, as expected, but forced GOP lawmakers to vote on an issue that has drawn increasing scrutiny, as several Trump Cabinet members have faced criticism for regular use of chartered or military jets.

Health and Human Services Secretary Tom Price resigned last month after a POLITICO investigation revealed he took hundreds of thousands of dollars' worth of chartered flights, sometimes to go short distances. And other Cabinet members — including Treasury Secretary

Steve Mnuchin and Interior Secretary Ryan Zinke — have faced questions about expensive travel at taxpayer expense.

A bill under consideration — the Chris Kirkpatrick Whistleblower Protection Act — would prohibit federal employees from accessing medical records of job applicants or subordinates and includes punishment for supervisors who retaliate against whistleblowers. The bill also offers more training to supervisors about whistleblower protections.

Democrats offered their proposal as a "motion to recommit," which would have sent the bill back to the House Committee on Oversight and Government Reform to be changed to include their proposed amendment.

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## **Ohio River jam highlights absence of Trump's infrastructure plan [Back](#)**

By Eric Wolff and Tanya Snyder | 10/12/2017 06:59 PM EDT

Shipments of coal and grain are paralyzed at a critical chokepoint on the Ohio River due to dilapidated infrastructure, highlighting the need for the kind of major capital investment that President Donald Trump promised, in a speech along the banks of the same river, three months ago.

Lock 52 on the Ohio River in southern Illinois closed Oct. 9 because its infrastructure is too decrepit to function effectively in high water, and it could be several more days before the U.S. Army Corps of Engineers reopens it. The closure has created a 57-mile backup of 51 towboats and 564 barges waiting to pass, according to the Waterways Council, an advocacy group for water infrastructure.

Trump visited this key inland waterway in June, emphasizing the importance of waterways and promising investment. But Trump's fiscal 2018 budget proposal called for cuts to civil works spending. And his campaign promise of \$1 trillion for infrastructure is so far unrealized, even as the New Deal-era locks and dams on the Ohio River degrade and unscheduled delays balloon.

That's left commodities producers, who depend on waterways for bulk transportation, in the lurch. In 2015, companies shipped 575 million tons of commodities worth \$302 billion via waterways. Of that total, coal makes up the largest single industry at 23 percent, with grains following at 15 percent.

Waterways infrastructure, much of which was built in the 1920s and 1930s and some as part of President Franklin Roosevelt's public works programs, is long past its expected lifespan. The Waterways Council says unscheduled delays have grown by 700 percent over the last decade. The closure of a single lock on the Mississippi River during harvest season could cost \$933 million, according to a University of Tennessee [study](#).

Carol Labashosky, a spokeswoman for the Louisville district of the Army Corps of Engineers, said having to close Lock 52 isn't unique historically, but there have been frequent intermittent

closures at this lock as well as another one downriver throughout September and October. "This fall we've had quite a few closures," Labashosky said. "Some of them have only been a couple of days or one day, but this is a lengthy delay."

Labashosky said they'll reopen the lock "as soon as the river cooperates," which she estimated would happen Friday or Saturday. Others are betting on Oct. 15 or 16.

Industries reliant on waterways are looking to Trump's promises of infrastructure investment to help modernize and update the locks and dams. The Waterways Council agrees. Deb Calhoun, a spokeswoman for the group, said they want to "hold the administration's feet to the fire.

"The president said we need to fix it," she said.

In June, Trump [spoke](#) on the banks of the Ohio River, in front of a barge filled with West Virginia coal, to proclaim that "America must have the best, fastest and most reliable infrastructure anywhere in the world." Noting the "dilapidated system of locks and dams that are more than half a century old" and the "\$8.7 billion maintenance backlog that is only getting bigger and getting worse," Trump declared: "We cannot accept these conditions any longer."

But in May the administration released a fiscal 2018 budget that proposed to cut the Corps' civil works budget by about 17 percent. The amount proposed would fund only a small number of the 25 congressionally authorized priority projects, which have a combined portfolio value of \$8.8 billion.

Calhoun said they are "trying to move forward and not stop and go backwards," and observed that the budget came out when Trump was "pretty new on the job."

Trump's budget did address the urgent bottleneck at Locks and Dams 52 and 53. Though it proposed to shut down work on four ongoing Corps waterways projects, it requested \$26 million out of the Inland Waterways Trust Fund for the Olmsted Locks and Dam project, which was supposed to solve the problems at Locks and Dams 52 and 53 years ago, but has been mired in delays due to a misguided attempt at a new dam-building method.

The Olmsted project, authorized in 1988, was supposed to be finished in 10 years for \$775 million. The Corps claims it will be done next summer, nearly 30 years later — with a final cost close to \$3 billion.

For the remainder of the 25 projects Congress wants to see built, industries are waiting on the infrastructure package Trump promised during the campaign.

Trump himself hasn't spoken much about his infrastructure package since proposing that \$1 trillion in spending could be leveraged by \$200 billion from the federal government. In fact, he has since indicated he may be souring on public-private partnerships, which administration officials and Republican lawmakers had long said would fund 80 percent of the plan. The battle over health care has pushed back the promised tax overhaul, which is not expected to be quick business either. The fall timeline for Congress to craft a legislative infrastructure package has slipped away, and no one knows to when.

Ohio-based coal producer Murray Energy depends on inland waterways to move its product,

and is calling for more spending.

"We certainly support President Trump's commitment to rebuild America's infrastructure, particularly the locks and dams along the Ohio, Monongahela and Mississippi Rivers," spokesman Gary Broadbent told POLITICO.

Even if the Olmsted Locks and Dam opens on time next summer, the project won't be finished until 2022, when the existing Lock 52 and 53 are finally pulled out of the river.

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**Date:** Thursday, November 09, 2017 5:44:04 AM

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By Anthony Adragna | 11/09/2017 05:41 AM EDT

*With help from Emily Holden and Eric Wolff*

**HELP'S ON THE WAY:** The Senate is expected to confirm William Wehrum today at 11:30 a.m. to run EPA's air office, sending Administrator Scott Pruitt a key, if controversial, lieutenant as he embarks on a sweeping agenda to roll back a host of Obama-era air regulations. Barring any huge surprises (the cloture vote was [along party-lines](#)), Wehrum is expected to receive unanimous Republican backing and universal Democratic opposition.

**Al Franken** made a candid hot mic comment during the cloture vote. Watch [here](#).

**Pressure to testify ramps up:** With help on the way to the agency, look for Congress to further lean on Pruitt to return for oversight hearings. House Energy and Commerce Environment Subcommittee Chairman [John Shimkus](#) told reporters he's personally told Pruitt within the past two weeks that he needs to appear before the committee. "I know that I said, 'You know you're eventually going to have to come before the committee, and the sooner you do it the better,'" he said. "He was quiet." House Science Chairman [Lamar Smith](#) said in [a letter](#) his staff was working on finding "a mutually convenient time" for Pruitt to come. From ME's perspective, Hill Republicans may have to do more than nicely ask for Pruitt to appear.

**Speaking of Pruitt,** a tipster tells ME they spotted the administrator in first class on a flight from D.C. to Detroit on Wednesday morning. An agency spokeswoman wouldn't say where he was going or what he was doing once he arrived.

**Hey, EPA:** That's not how this works. Pruitt is a Cabinet official, not a private citizen. His responsibilities include testifying before Congress regularly, and the public has a right to know where he is on a given day. Unlike Pruitt, other Cabinet officials — including Secretary of State Rex Tillerson, Defense Secretary Jim Mattis, Agriculture Secretary Sonny Perdue, Commerce Secretary Wilbur Ross (even President Donald Trump himself) — regularly provide their daily schedules in advance.

**So where is he today?** Pruitt's [slated](#) to meet with the American Chemistry Council's board of directors for 2-1/2 hours on Kiawah Island, S.C.

**IF IT'S THURSDAY, ME'S HERE FOR YOU!** I'm your host Anthony Adragna, and EPA deputy nominee Andrew Wheeler was first (on the morning of his confirmation hearing!) to identify that Sen. Shelley Moore Capito's father, Arch Moore, served three terms as West Virginia governor before legal troubles ended his career. For today: Which former lawmaker left the House to become a public works commissioner? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**ANWR LEGISLATION RELEASED:** Senate Energy Chairman [Lisa Murkowski](#) released a

four-page reconciliation [package](#) late Wednesday that would open Arctic National Wildlife Refuge in Alaska to oil and gas drilling. According to the CBO, the measure would net \$1.092 billion over the 10-year budget while limiting development to 2,000 acres of federal land. The release allows the committee to move on to [a markup](#) on Nov. 15. Efforts to open ANWR to drilling are staunchly opposed by Democrats, including Ranking Member [Maria Cantwell](#), and environmental advocates. Remember instructions in the budget resolution, [H. Con. Res. 71](#), require Murkowski's committee to raise \$1 billion in revenue over the next decade.

**Hot docs:** Text of the chairman's mark [here](#). Summary of the mark [here](#). Map of the area under consideration [here](#).

**NEW EAST V. WEST BEEF:** Energy Secretary Rick Perry's grid resiliency push to boost the coal and nuclear sectors is casting a brighter light on the ever-expanding divide between the coal industry's Appalachian mines and Wyoming's Powder River Basin, Pro's Alex Guillén [reports](#). And though the Trump administration has paid close attention to boosting the fortunes of Appalachia in its early months, experts say the industry's future appears brighter out West. "The industry recognizes it's just a fact of geology and Mother Nature and economics," said analyst Michael Dudas of Vertical Research Partners. "Over the past decades, the mix has certainly gone away from Appalachia towards the Powder River Basin."

**Eastern and Western coal states** have been on different trajectories for decades, with 56 percent of U.S. coal production in 2015 coming from the Western region and just 25 percent from Appalachia. Western coal is easier to access and reserves are so abundant that companies were able to absorb an Obama-era moratorium on new leases largely unfazed. "In the grand scheme of things, economically, we're the better bet for a utility," Travis Deti, executive director of the Wyoming Mining Association, said.

**But the nostalgia factor:** Appalachia is the nation's sole producer of metallurgical coal, high-grade fuel used to make steel and other metals and is better-positioned to export its coal. But beyond those factors, it continues to occupy an overwhelming cultural and political presence in parts of the country. "Our advantage is we have the best coal miners in the world and we got probably some of the best coal in the world right here. The Lord blessed us in that standpoint," Bill Raney, president of the West Virginia Coal Association, said.

**NUCLEAR WASTE BILL HITS NEW HURDLE:** A dispute between Shimkus and House Appropriators over how money from the Nuclear Waste Fund is spent must be resolved before a [bipartisan](#) nuclear waste bill can hit the floor, Pro's Darius Dixon [reports](#). At issue is mandatory spending in the Shimkus bill that would go to operating costs related to Yucca Mountain and additional payments through a "benefits agreement" with the state of Nevada. Current law has Congress dole out monies from the fund during the annual appropriations process and lawmakers on that panel don't want to cede that power. "My frustration is that we are serious but the appropriators, right now, are still wedded to a year-to-year process," Shimkus told Darius.

**It's a pile-on!** Even if the bill gets out of the House, there's been little appetite to move on the issue in the Senate where leadership doesn't want to put vulnerable Nevada Republican Sen. [Dean Heller](#) in a tough spot. "Senate Republicans have made it clear they don't want to move forward on Yucca Mountain because it could hurt Sen. Heller," a senior Senate aide said. Heller said in an interview — with a smile — he'd been pushing Majority Leader [Mitch McConnell](#) to keep Yucca funding out of the next spending package. "I think we'll get there," he added.

**\*\* Presented by ExxonMobil:** We're collaborating with FuelCell Energy on a novel idea to use fuel cells to capture carbon at natural gas power plants, and in the process reduce emissions and increase electrical output. This technology could be a game changer in addressing the world's growing need for energy, while also reducing the impact on the environment. [Learn more.](#) \*\*

**HOW ABOUT A MEETING?** The Senate's number two Democrat has [no plans](#) to lift his hold on multiple Interior nominees until Secretary Ryan Zinke meets with his office about his review of national monument designations, your ME host [reports](#). "A meeting, how about that for a radical idea?" Sen. [Dick Durbin](#) told ME when asked what it would take to lift the holds. "We asked the secretary to meet with us and he won't do it." Zinke demanded the senators "lift the random and senseless holds" in [a tweet](#) late Wednesday.

**ROUGH WATERS FOR CORPS NOMINEE?** Rickey Dale "R.D." James, Trump's pick to run the Army Corps of Engineers, is likely to face scrutiny today before the Armed Services Committee over what critics say are his conflicts of interests, Pro's Alex Guillén [reports](#). His thousands of acres of valuable Missouri farmland lie within the New Madrid floodway, a relief-valve channel that can be used to divert floodwaters from the Mississippi and Ohio rivers. James, a long-time member of the powerful Mississippi River Commission, has admitted to being conflicted about flooding the area because of his ties there. "I could not displace from my mind what the decision would mean to my friends and neighbors," James [told](#) the Defense Media Network in 2012.

**His defenders** include both of Mississippi's senators — [Thad Cochran](#) and [Roger Wicker](#) — and major waterways groups. Once he clears the Armed Services Committee, he will go through another hearing and vote before the Senate Environment and Public Works Committee. The [session](#) gavel in at 10 a.m. in Dirksen G-50.

**OLD KING COAL:** Michael Bloomberg and Bloomberg Philanthropies today will [announce](#) a \$50 million cash infusion to launch the Europe Beyond Coal campaign to reduce the continent's dependence on coal energy. Done in partnership with the European Climate Foundation and a sister campaign on ongoing U.S efforts, both groups plan a Nov. 11 event on the sidelines of the UN's COP23 to discuss their new push.

**Taking stock:** As the climate confab in Bonn continues, a [new analysis](#) from Data-Driven Yale finds nearly 15,000 subnational and non-state actors have set close to 100,000 goals to curb climate change. The researchers synthesized information from 17 platforms and organizations, finding that more than 7,000 cities representing 17 percent of the world's population have climate targets. Most (5,831) are in Europe, and 554 are in North America. The study identified climate commitments from about 6,225 companies and investors with \$36.5 trillion in revenue, and from 34 of the world's 57 largest banks, as well as 700 U.S. colleges and universities

**HYDROPOWERING THROUGH:** The House voted 257 to 166 on Wednesday to approve the Hydropower Policy Modernization Act [H.R. 3043 \(115\)](#) revamping the permitting process for hydropower projects. "This bill won't change outcomes or environmental standards. Instead, it will speed up the relicensing process and save time and money," bill sponsor Rep. [Cathy McMorris Rodgers](#) said in a statement. Twenty-six Democrats backed the measure, while three Republicans voted against it.

**BISHOP'S 'DISAPPOINTED' BY PREPA'S ABSENCE:** House Natural Resources Chairman [Rob Bishop](#) told ME he's "disappointed" but not surprised the head of Puerto Rico's utility backed out of a congressional hearing earlier this week. "They would have had to face all the questions about Whitefish, so I kind of understand why they didn't necessarily want to be there," he said. "If we're trying to solve the problem, spending a lot of time on Whitefish would be fun but not necessarily essential with moving forward."

**FIGURE IT OUT:** Democratic Sens. [Sheldon Whitehouse](#) and [Michael Bennet](#) asked FERC in a Wednesday [letter](#) to reverse course and include the social cost of carbon as part of its review of pipeline projects. They included a point-by-point rebuttal of a recent draft FERC analysis in which the commission said it would not include the figure estimating societal costs of carbon pollution in its analyses.

**ATLANTIC SUNRISE CAN PROCEED:** A three-judge panel of the D.C. Circuit denied a request Wednesday from community and environmental groups to halt construction of the Atlantic Sunrise natural gas pipeline while a broader challenge to FERC approval of the project proceeds, Pro's Darius Dixon [reports](#). "Petitioners have not satisfied the stringent requirements for a stay pending court review," the court said in [its order](#).

**MAIL CALL! THANKS, MR. PRESIDENT!** A group of advanced biofuel producers, including ethanol giants Archer Daniels Midland and POET, sent a [letter](#) to Trump thanking him for past support of the ethanol industry and asking him to make sure advanced biofuel volumes are raised from proposed levels. "Mr. President, we very much appreciate your ongoing commitment to the biofuels industry and the Americans who work every day to produce biofuels and other bio-based, agricultural products," the letter says.

**Hey, House, lay off our wind tax credit:** Rhode Island Gov. Gina Raimondo and South Dakota Gov. Dennis Daugaard are asking House tax writers to lay off changes to the wind tax credit. In a [letter](#) to Ways & Means Chairman [Kevin Brady](#) and ranking member [Richard Neal](#), the pair, who are also the current and past chairmen of the Governors Wind and Solar Energy Coalition, say the bill should drop its provisions that change how wind projects qualify and that eliminate an inflation adjustment. Fifteen House members, led by Rep. [David Young](#), made a similar plea in their [own letter](#) Wednesday.

**Not sold:** A group of 17 environmental and public health groups sent a [letter](#) to the House on Wednesday strongly opposing the chamber's tax package, [H.R. 1 \(115\)](#). "The plan puts at risk our clean energy future by preserving tax breaks for dirty energy sources while slashing them for cleaner forms of energy," the letter, signed by groups like the Center for Biological Diversity, Sierra Club and Oil Change International, says. "And if the tax plan itself weren't harmful enough, it is also being packaged in the Senate with unrelated, controversial legislation that hands over the pristine and sacred Arctic National Wildlife Refuge to exploitation by Big Oil."

**Energy research can be fun(ded)!** A group of business leaders sent a [letter](#) to top House and Senate appropriators urging robust energy research funding. "Ensuring America stays at the forefront of global energy technology research is both an economic and security imperative," the letter, signed by leaders including Southern Co's Tom Fanning, ClearPath's Jay Faison and the U.S. Chamber's Thomas Donohue, says.

**GOOD YEAR FOR PARKS:** The Trust for Public Land ran the numbers and voters around the country approved \$1.5 billion in local and state ballot measures for parks and conservation.

Twenty-six of the 30 local park and open space measures passed. "At a time when Americans seem to be increasingly divided, one thing we all agree on is that we love our parks, whatever our political party," Will Rogers, the group's president, said in a statement.

**TAKE A GLANCE!** Energy In Depth, a research program of the Independent Petroleum Association of America, is launching [a website](#) today pushing back on claims made by the #ExxonKnew campaign.

## QUICK HITS

- How Coal Giant Peabody's Ideas Ended Up in Trump's Coal Study. [Bloomberg](#).
- Coal-fired plant shifted \$1bn offshore while pocketing \$117m from Australian taxpayers. [The Guardian](#).
- End may be nearing for Diablo Canyon nuclear plant. [San Francisco Chronicle](#).
- Shell Enchilada oil platform in Gulf of Mexico shut after fire. [Reuters](#).
- Homeland nominee questions human role in climate change. [AP](#).
- California Gov. Jerry Brown delivers a blunt climate change message in Germany. [Los Angeles Times](#).

## HAPPENING TODAY

9:15 a.m. — "[Heavy-Duty Innovation: Energy, Automation & Tech in the Trucking Sector](#)," Securing America's Future Energy, The Loft at 600 F, 600 F Street Northwest

9:30 a.m. — ITC hearing on countervailing and anti-dumping duty investigations into Argentine and Indonesian biodiesel, 500 E St., SW

9:30 a.m. — "[What Lessons Can Be Learned from Power Africa?](#)" Center for Strategic and International Studies, 1616 Rhode Island Avenue, NW

10:00 a.m. — Various nomination [hearing](#), including head of the Army Corps of Engineers, Senate Armed Services Committee, Dirksen G-50

10:15 a.m. — "[H.R.\\_\\_\\_\\_, Farm Regulatory Certainty Act](#)," House Energy and Commerce Environment Subcommittee, Rayburn 2322

11:00 a.m. — FERC Chairman Neil Chatterjee holds discussion with Platts reporters and other credentialed press, S&P Global Platts Washington office, 1200 G St., NW, Ste. 1000

## THAT'S ALL FOR ME!

**\*\*Presented by ExxonMobil:** Energy is fundamental to modern life and drives economic prosperity - in small communities across America and around the world. We need a range of solutions to meet growing energy demand while reducing emissions to address the risk of climate change. Visit the Energy Factor to learn more about some of the bold ideas and next-generation technologies we're working on to meet this challenge: [EnergyFactor.com](#) \*\*

To view online:

<https://www.politicopro.com/tipsheets/morning-energy/2017/11/senate-expected-to-send-pruitt-an-air-chief-today-025463>

## Stories from POLITICO Pro

### Wehrum clears cloture hurdle [Back](#)

By Anthony Adragna | 11/08/2017 05:30 PM EDT

The Senate invoked cloture on William Wehrum's nomination to run EPA's air office, leaving just one final vote until Administrator Scott Pruitt lands his first lieutenant.

The vote was 49-46 along party lines.

It's been an arduous process for Wehrum, a veteran of the George W. Bush Office of Air and Radiation in EPA. A vote in the Senate Environment and Public Works Committee was [briefly delayed](#) due to Republican concerns over the agency's plans for the Renewable Fuel Standard.

Democrats and environmental groups oppose his selection. During his confirmation hearing, Wehrum said the degree that human activity drives climate change remains an "[open question](#)," contradicting mainstream science.

**WHAT'S NEXT:** A final vote on the nomination is likely sometime on Thursday.

To view online [click here](#).

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### Nuclear waste bill clears House committee with bipartisan backing [Back](#)

By Darius Dixon | 06/28/2017 12:05 PM EDT

The House Energy and Commerce Committee approved nuclear waste reform legislation this morning on a bipartisan 49-4 vote, facing only a handful of Democratic holdouts.

The bill, H.R. 3053, sponsored by E&C Environment Subcommittee Chairman [John Shimkus](#), would make the first changes in 30 years to the Nuclear Waste Policy Act, which names Yucca Mountain as the nation's sole waste repository.

The committee agreed to a compromise [manager's amendment](#) that would let DOE open one interim storage facility while regulators continue to work on a permanent repository. That eliminated most of the [Democratic objections](#) to a draft version of the bill that would have barred such work until the Nuclear Regulatory Commission issued a decision on Yucca Mountain.

Yucca Mountain supporters have been concerned that a storage site would take the pressure off of approving a repository. Meanwhile, lawmakers have been anxious to move the waste building up at defunct nuclear power plants in their states.

Another [bipartisan amendment](#), also approved on a voice vote, removed the bill's original language impacting Nevada's water rights and air permitting. The amendment would also increase Yucca's capacity from 70,000 metric tons to 110,000 metric tons.

The bill also authorizes payments to host states and limits work on any defense waste-only repository.

New Jersey Rep. [Frank Pallone](#), the top Democrat on E&C, said that the bill was "a delicate and difficult negotiation, but I believe we have arrived at a very good compromise."

**WHAT'S NEXT:** Shimkus has said he expects the bill to get a vote by the full House before the August recess, but GOP leaders have not yet scheduled floor time for the bill.

To view online [click here](#).

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**Shimkus: Nuclear waste bill mired in dispute with appropriators** [Back](#)

By Darius Dixon | 11/08/2017 06:10 PM EDT

Rep. [John Shimkus](#) is in the midst of a face-off with members of the powerful Appropriations Committee over language in his [bipartisan](#) nuclear waste bill that would limit their say in how money from the Nuclear Waste Fund is spent.

The Illinois Republican's bill, [H.R. 3053](#), would authorize the Energy Department to open one interim storage facility while regulators review plans to permanently house it at Yucca Mountain, which would be expanded in size. But the measure also sets aside mandatory spending from the fund, an account amassed from fees on nuclear-generated electricity that was [valued](#) at \$46 billion last year.

Mandatory spending in the Shimkus bill includes operating costs related to Yucca Mountain and additional payments through a "benefits agreement" with the state of Nevada. Under existing law, Congress spends money from the fund through annual appropriations bills, a process that allowed Democrats to block required regulatory reviews of Yucca Mountain for the last several years.

"We want to be able to send a signal to not just DOE to move forward and that there's going to be some consistent funding, but we also want to send a signal to the state of Nevada that if there's going to be an agreement on benefits that that's not at the whim of a year-to-year process," Shimkus told POLITICO on Wednesday. "My frustration is that we are serious but the appropriators, right now, are still wedded to a year-to-year process."

GOP leadership "wants us to resolve this conflict" before bringing the bill to the floor, Shimkus said.

Given the fund's \$46 billion value last year, Shimkus' bill would permit DOE to spend at least \$500 million annually for the construction and operation of a Yucca Mountain facility as well as payments to Nevada for hosting "without further appropriation."

Shimkus said the negotiations with appropriators over his bill are separate from the omnibus spending bill lawmakers need to address next month, making it difficult to estimate when the conflict might be resolved.

The showdown is only the latest hurdle for long-suffering nuclear advocates who want the U.S. to establish a permanent waste repository.

Even if Shimkus and the appropriators resolve their differences on his bill, the Senate has shown little appetite this year for addressing a permanent nuclear waste repository, despite the retirement of former Democratic Leader Harry Reid, Yucca Mountain's No. 1 foe. Nevada Republican [Dean Heller](#), who faces one of the toughest reelection fights next year, has become the biggest roadblock in the upper chamber. The House included \$150 million to restart Yucca in its fiscal 2018 spending bill for the Energy Department and the Nuclear Regulatory Commission, but the Senate did not follow suit and seems unlikely to go along with including the funds in an omnibus.

"Senate Republicans have made it clear they don't want to move forward on Yucca Mountain because it could hurt Sen. Heller," a senior Senate aide said.

Sen. [Lamar Alexander](#) (R-Tenn.), who chairs the appropriations subcommittee with jurisdiction over Yucca, acknowledged in a recent interview that Heller is "a well-respected, influential U.S. senator, so his views will be paid attention to by lots of senators," but that it was too soon to tell how a final deal would shake out.

Heller himself wouldn't say whether he'd secured any assurances from Senate Majority Leader [Mitch McConnell](#) to keep new Yucca funds out of the next spending law. "I keep urging it," he said with a smile. "I think we'll get there."

The Senate is "not passionate about this," said Tim Peckinpaugh, a partner at K&L Gates, a law firm that was involved with the lawsuits that sued to force the federal government to continue work on the Yucca Mountain application. "I don't see a John Shimkus in the Senate," he said. "He has passion and incredible persistence on this issue. But I do see broad-based support. I'm convinced that if there's an up-or-down vote in the Senate, it would pass by big numbers — more than 60 — and I think both sides know that, quite frankly."

Simply looking at the map of where the commercial and defense nuclear waste destined for a site like Yucca Mountain currently sits, logical supporters of the new funding would include members of the Senate Democratic leadership like Sens. [Chuck Schumer](#) of New York, [Dick Durbin](#) of Illinois and [Patty Murray](#) of Washington.

But Sen. [Catherine Cortez Masto](#) (D-Nev.), like Heller, opposes Yucca in line with the rest of her state's congressional delegation. And she's convinced that Schumer, the Senate minority leader, won't support new cash for the project next month.

"I don't anticipate that there's going to be any funding," she said. "I've talked to my leadership about it. ... Sen. Schumer is opposed to it."

*To view online [click here](#).*

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## **Durbin freezes Interior nominees over monument review [Back](#)**

By Anthony Adragna | 11/08/2017 04:17 PM EDT

Senate Minority Whip [Dick Durbin](#) said in [a letter](#) today that he's placed a hold on multiple Interior nominees until the agency responds to an earlier October letter concerning his review of national monument designations.

"I remain hopeful that a meeting can be scheduled in the near future to discuss these important issues," he wrote to Micah Chambers, acting director of Interior's Office of Congressional and Legislative Affairs. "Please let the Secretary know that while my colleagues and I await his scheduling decision, my holds on Department of Interior nominees will continue."

In that previously unreleased October [letter](#), Sens. [Tom Udall](#), [Martin Heinrich](#) and [Jeff Merkley](#) and Durbin asked Zinke to meet with Durbin's office to explain his recommendations to shrink several national monuments created under the Antiquities Act by prior administrations.

They also requested maps, documentation and justifications for those recommendations and called for his report to be released publicly.

Zinke sent a letter earlier today to Senate leadership demanding "[immediate action](#)" on multiple Interior nominations that have been held up for months.

**WHAT'S NEXT:** Durbin said his hold on the nominees will continue until Zinke agrees to a meeting.

To view online [click here](#).

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## **Army Corps nominee to face scrutiny over Mississippi River project [Back](#)**

By Alex Guillén | 11/08/2017 06:36 PM EDT

President Donald Trump's pick to run the Army Corps of Engineers, Rickey Dale "R.D." James, is likely to draw some scrutiny on Thursday over what critics complain is his conflict of interest over a controversial Mississippi River flood control project.

James, a civil engineer by training, was recommended to Trump by Sens. [Thad Cochran](#) (R-Miss.) and [Roger Wicker](#) (R-Miss.) to head the agency with a \$6 billion budget that takes the lead on major water infrastructure projects across the U.S.

The pair were impressed by James' 36 years sitting on the Mississippi River Commission, which along with the Corps oversees water projects on the nation's biggest river and its many tributaries.

"He has been a friend to Mississippi in terms of supporting projects and policies to improve navigation and flood control in our state," Cochran said in a statement.

Cochran chairs the Appropriations Committee and thus exercises great power over the Army Corps' budget, while Wicker is a senior member of the Armed Services Committee, which will host Thursday's hearing.

Major waterway groups are pleased as well.

"Given his tenure on the Mississippi River Commission, he really has an in-depth knowledge of the Corps of Engineers and the importance of investing in infrastructure," said Amy Larson of the National Waterways Conference.

But James' critics say he used his position on the powerful commission to protect his own interests, which include thousands of acres of valuable Missouri farmland sitting inside a controversial floodway.

"He has a long history of advocating for environmentally devastating and costly projects that benefit a handful of special interests," said Melissa Samet, a water attorney at the National Wildlife Federation. "And a lot of that advocacy has been carried out despite what we see as a clear conflict of interest with his position at the Mississippi River Commission."

James and his wife own New Madrid farmland worth between \$2.5 million and \$11 million, according to his [financial disclosure](#). Some of that land is rented out via a family limited partnership. If confirmed to the Army Corps post, James has promised to hand over control of the farmland and a company he owns to his son, although he will still receive crop rent income.

James' farmland lies squarely within the New Madrid floodway, a relief-valve channel that can be used to divert floodwaters from the Mississippi and Ohio rivers. But using the floodway — as has happened twice in the last 90 years — means damaging James' farm and the land of other politically powerful landholders.

Following the most recent flooding in 2011, the Army Corps delayed blowing out a levee that would activate the floodway, and the state even sued in an attempt to stop it, despite rising flood levels in Cairo, Ill., up the Mississippi River. James, who consulted on the decision, said he had been conflicted about flooding the Missouri farmland because of his family's holdings.

"My family's land lies within the floodway, and I could not displace from my mind what the decision would mean to my friends and neighbors," James [told](#) the Defense Media Network in 2012.

The political battle over whether to replace that levee, which would protect the land owned by James and other farm owners but leave small Illinois towns at risk of flooding in the future, continues to this day.

James will likely also find himself at the center of budget battles between the White House, which has proposed a steep 16 percent spending cut in the Army Corps' budget to \$5 billion, and lawmakers who are desperate to fund more major civil works projects in their states.

The Senate budget package calls for a small boost to \$6.2 billion, slightly above the \$6.16 billion sought by the House. It is unclear whether those increases will survive whatever spending deal Congress eventually strikes, but the Army Corps' funding is unlikely to decrease from fiscal 2017.

Larson said James' personal experiences with Corps projects means he is well placed to pressure the White House to maintain or increase project funding. "Given his position, he understands that we need additional funds for investments in the nation's infrastructure," she said.

And James will play a major role in helping EPA rewrite its Waters of the U.S. regulation, which will determine the waterways that fall under federal jurisdiction. EPA has indicated it will not propose a new version of the Obama rule until early next year.

Once James clears the Armed Services Committee, he will go through another hearing and vote before the Senate Environment and Public Works Committee.

In addition to the farm, James manages a Missouri cotton gin and grain elevator company. His term on the Mississippi River Commission is the group's second-longest tenure, and he was most recently reappointed by former President Barack Obama in January.

James has given more than \$21,000 to federal candidates since the 1990s, according to FEC records. Most of that money went to Missouri lawmakers, including former Sen. Jim Talent and former Rep. Jo Ann Emerson, both Republicans, and Rep. Marion Berry, a Democrat from Arkansas' 1st Congressional District. The only presidential campaign he gave to was Rudy Giuliani in 2007.

James and his wife report owning stocks in the utilities Dominion Energy and American Electric Power, natural gas company Spectra Energy and oil giant Shell.

To view online [click here](#).

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## Appeals court denies stay on Atlantic Sunrise pipeline construction [Back](#)

By Darius Dixon | 11/08/2017 06:22 PM EDT

A federal court panel today denied a request from community and environmental groups to halt construction of the Atlantic Sunrise natural gas pipeline while those organizations challenge FERC's approval of the project.

"Petitioners have not satisfied the stringent requirements for a stay pending court review," a three-judge panel of the D.C. Circuit Court of Appeals said in the [order](#).

The panel [instituted](#) an administrative stay on Monday while it weighed whether to grant the full stay, which would've been in place until the lawsuit, *Allegheny Defense Project, et al v. FERC*, 17-1098, was resolved.

**WHAT'S NEXT:** The court still needs to establish the briefing schedule for the lawsuit and has not decided when or whether to hold oral arguments.

To view online [click here](#).

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**Date:** Friday, November 10, 2017 5:44:45 AM

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By Anthony Adragna | 11/10/2017 05:41 AM EDT

*With help from Eric Wolff, Alex Guillén, Adam Behsudi, Esther Whieldon and Ben Lefebvre*

**[AT LAST MY TAX IS COMPLETE AGAIN!](#)** Senate tax writers waited until 9 p.m. Thursday to roll out their [tax bill](#), and here's what jumped out to ME's bleary-eyes:

— **The big stuff everyone gets:** The Senate bill, like the House bill, cuts the corporate tax rate to 20 percent, something pretty much all the energy companies will like. And the bill provides a temporary ability to use 100 percent expensing of capital, a boon to capital-intensive energy industries like oil, natural gas, coal mining, and even renewables, though solar companies have an interaction between the Investment Tax Credit and expensing that may cause unpleasant side-effects.

— **Oil gets a change to treatment of foreign income:** ME noticed that oil comes up several times in the tax bill, but the one that jumped out was the oil industry got a \$4 billion boost from a change to the treatment of refining and pipeline operations overseas in the Senate bill, the same as it got in the House bill. An industry source told ME earlier in the week that the change actually has little impact on bottom lines, since it mostly changes in what tax year foreign subsidiaries transfer money up to parent companies. The source was baffled as to why the Joint Committee on Taxation gave it a score in the House version, and will no doubt still be baffled at the score in the Senate version.

— **Utilities keep their exception to the interest deduction changes.** The Senate bill cuts the amount of interest businesses can deduct, but utilities, who favor the provision much more than 100 percent expensing, get a carveout.

— **No home for the orphans:** Senate tax writers opted not to deal with a slew of expired energy tax credits that found homes in the House bill. Nothing for fuel cells, small wind, microturbines, or even the nuclear tax credit extension. And there appeared to be nothing related to a carbon capture and sequestration credit [pushed](#) by a bipartisan group.

— **Then again, windies can becalmed:** The senators also did not include the changes the House made to Production Tax Credit. Iowa Sen. [Chuck Grassley](#) has said the House bill didn't need to make its changes, since the PTC was already going to phase out under a 2015 agreement. "The Senate tax reform bill keeps a promise to America's more than 100,000 wind energy workers and restores the confidence of businesses pouring billions of dollars into rural America," Tom Kiernan, CEO of the American Wind Energy Association, said in a statement.

— **Charged up for EVs:** The Senate did not follow the House lead on electric vehicles, either. While the House wiped out a \$7,500 tax credit, the Senate bill is silent.

**Environmental groups are already trashing the effort.** "The GOP is once again trying to redirect taxpayer money to the super-rich and super-polluting fossil fuel industry — and they expect us to pay for it by giving up our healthcare, our safety, and our children's future," Janet

Redman, U.S. policy director for Oil Change International, said in one typical statement.

**Bigger picture:** There are massive differences between the House and Senate versions of the tax overhaul that signal hard bargaining lies ahead, POLITICO's tax gurus Aaron Lorenzo, Brian Faler and Bernie Becker [report](#). Their take: "Reconciling the House and Senate plans and getting sign-off from Trump is likely to be daunting." Score of the Senate proposal [here](#).

**IT'S THE END OF THE WEEK AS WE KNOW IT!** I'm your host Anthony Adragna, and the Renewable Fuels Association's Rachel Gantz was first to pick Rep. Candice Miller as the congresswoman turned public works commissioner. Your end-of-the-week puzzler: Which powerful governing body out West has two former members of Congress among its five slots? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**CLIMATE HAWKS LAND IN BONN:** Five Democratic senators — [Ben Cardin](#), [Ed Markey](#), [Sheldon Whitehouse](#), [Brian Schatz](#) and [Jeff Merkley](#) — are on the ground at the Bonn climate talks this weekend and will hold a call today at 12:30 p.m. to discuss their goals. But their message is clear: "We're not all nuts," Whitehouse told ME.

**Still in it to win it:** On Saturday, California Gov. Jerry Brown and former NYC Mayor Michael Bloomberg will unveil America's Pledge with a report detailing the scope of the actions planned by non-federal entities to fight climate change. Joining them to reiterate U.S. commitment to aggressive climate action: Cardin, UNFCCC Executive Secretary Patricia Espinosa, COP23 President and Fijian Prime Minister Frank Bainimarama and Pittsburgh Mayor Bill Peduto, among others.

**Big spenders:** The World Resources Institute announced Thursday a private cash infusion of \$2.1 billion in private funds to help restore degraded lands in Latin America and the Caribbean. "With more than \$2 billion of investments earmarked for Latin America alone, restoration is a climate solution that works and is a great investment," Walter Vergara, coordinator of the new push, said in a statement. More information [here](#).

**\*\* Presented by ExxonMobil:** We're collaborating with FuelCell Energy on a novel idea to use fuel cells to capture carbon at natural gas power plants, and in the process reduce emissions and increase electrical output. This technology could be a game changer in addressing the world's growing need for energy, while also reducing the impact on the environment. [Learn more.](#) \*\*

**WHEN HE'S NOT WRITING OP-EDS:** Energy Secretary Rick Perry, back from a trip to Paris this week, will headline a "roundtable discussion" in Houston on Monday afternoon on behalf of America First Policies, the pro-Trump political nonprofit, Campaign Pro's Maggie Severns [reports](#). America First has been quiet much of the year but is now pushing to give a jolt to its fundraising and reassert its close ties to President Donald Trump. But Texas businessman Roy Bailey, who has deep ties to group, said Perry won't be there looking to raise funds. "It's a nice opportunity for people to understand what's going on at the Energy Department," Bailey said.

**Remember:** Interior Secretary Ryan Zinke has generated controversy and several investigations over [his habit](#) of mixing political activities with official government business.

**CORNSTATERS NOT ALL SOLD ON WHITE:** Kathleen Harnett White, Trump's pick to

chair the Council on Environmental Quality, will need the support of all the Midwesterners on the Senate Environment committee if she's going to advance, and it looks like she still has some work to do on that front. Despite disavowing her previously staunch opposition to the Renewable Fuel Standard thanks to "new data" from Sen. [Joni Ernst](#), White doesn't yet have Ernst's backing. "We're still debating that one," Ernst told ME. Veteran ME readers know the Iowa Republican extracted concessions from EPA on the RFS before backing new agency air chief Bill Wehrum.

Nebraska's [Deb Fischer](#) is also "still debating" White's nomination, and she is still looking for more information on how White would do her job. The CEQ chair doesn't have a regulatory role on RFS, but she would offer advice to Trump. "If you look at the questioning I had, I was looking at also how she would present options to the president," Fischer told ME. "That's going to be her job, not necessarily on the RFS, but where she gets her data from, how she prepares that and what kind of facts she has. We'll see how it shakes out."

**Rounds a tentative yes:** [Mike Rounds](#) of South Dakota said he's not totally on board, but, "I would lean yes as opposed to no." He thought she answered his questions well. "What I wanted to make sure people understood is that the RFS in its current form is the minimum we can do," he said.

**PRUITT ADDRESSES ANTI-CLIMATE ACTION CONFERENCE:** EPA Administrator Scott Pruitt delivered a two-minute video address to a conference in Houston sponsored by the Heartland Institute, the group that opposes action to fight climate change. "I want to say to you at the Heartland Institute, thanks for what you're doing to advance energy, thanks for what you're doing to advance natural resources," Pruitt said. "There's great optimism across the country and I pray you feel that in Houston, Texas."

**PAUSED FURTHER:** A federal appeals court once again ordered lawsuits over the Obama administration's Clean Power Plan held [in abeyance](#) for another 60 days, until Jan. 8, Pro's Alex Guillén [reports](#). The D.C. Circuit ordered EPA to file status updates on its CPP repeal effort every 30 days.

**BLUNT MESSAGE FOR BARRASSO:** Whitehouse told ME he understands why Pruitt might not want to testify before the Senate EPW committee but that Chairman [John Barrasso](#) should not let him off. "There's a point where oversight becomes a responsibility irrespective of your loyalties," he said. "I think there will be really awkward questions for him and I think the farther he stays away from a forum where he has to tell the truth, the happier he is."

**DOURSON REALLY IN TROUBLE?** If a vote came up today, ranking member [Tom Carper](#) told reporters, Michael Dourson, Trump's pick to run EPA's chemicals office, wouldn't have the necessary votes. "Privately, in my conversations with a number of Republicans, they have expressed deep concerns," he said. "We're going to make sure at the end of the day that he does not have the votes." And North Carolina's [Thom Tillis](#) confirmed Wednesday he's not yet ready to back Dourson: "We've heard the concerns and we're working on getting the background information."

**ZINKE SAYS HE'S READY TO MEET WITH DURBIN:** Interior Secretary Ryan Zinke said in a [letter](#) Thursday said he would be "happy to meet ... to discuss any issue" involving the agency with Senate Minority Whip [Dick Durbin](#) who has put the confirmation of multiple Interior nominees on hold until he gets a meeting with the secretary to discuss his review of several dozen national monument designations. Zinke pointed out that he talked with a number

of Democrats prior to sending the report to the White House in late August and also with Sen. [Tom Udall](#) in mid-September on the New Mexico Organ Mountains-Desert Peaks and Rio Grande Del Norte monuments. In a [tweet](#) Thursday, Zinke said he'd be "happy to talk monuments and nominees. Call anytime, Dick."

**MORE INFORMATION SOUGHT ON PERRY'S PLAN:** Four environmental groups — the Sierra Club, Earthjustice, the Environmental Defense Fund and the Natural Resources Defense Council — filed FOIA requests with [Energy](#) and [FERC](#) seeking information on the development of Energy Secretary Rick Perry's grid resiliency proposal to FERC. "It's outrageous that there is so little transparency at DOE that we have to repeatedly file these Freedom of Information Act requests instead of Rick Perry simply allowing the public and energy stakeholders to inform the policy making process," the Sierra Club's Mary Anne Hitt said in a statement.

**HERE'S SOMETHING:** The compromise version of the National Defense Authorization Act would require the Pentagon to rank the top 10 installations in each military branch's that are the most vulnerable to the effects of climate change over the next two decades, Pro Defense's Connor O'Brien [reports](#). Conservatives sought to take out the provision during House floor debate earlier this year, but Democrats and moderate Republicans teamed up to leave it in.

**ZINKE DENIES IMPROPRIETY IN WHITEFISH DEALINGS:** During an interview with Fox News late Thursday, Zinke denied playing any role in his son landing a job with controversial Whitefish Energy — "he got a job by himself" — and said he had no role in the Montana-based company getting a now-cancelled contract to repair Puerto Rico's electric grid. "I didn't have any influence, didn't have any knowledge of the contract. Puerto Rico is not under Interior. And those elitists that would think from being a small town somehow is a crime, shame on ya," he said.

**MAIL CALL! CONSERVATIVES ENDORSE 'BIGGER' MONUMENT REVIEW:** Twenty-four House Republicans sent [a letter](#) to Trump Thursday urging him to "think big and act bigger" as he mulls final recommendations about what to do to a host of prior national monument designations. It recommends the outright rescission of several monuments and significant downsizing of others. "We ask that you take these recommendations to heart and that you not be deterred by a few vocal special-interests groups from finishing what you set out to accomplish with this review," they wrote.

**Democrats to GAO: Expand adviser probe:** Ten members of the Senate Democratic caucus, led by Whitehouse, asked GAO in a Thursday [letter](#) to expand its existing probe into EPA scientific advisory appointments to evaluate Pruitt's new order barring scientists who receive grants from serving on advisory boards. "When a policy, like this one, does not on its face address the problem it purports to solve it should get exacting scrutiny to determine what in fact its true purpose is," they wrote.

**How about that coal memo?** Frustrated by the lack of response from the White House and EPA, Whitehouse [demanded](#) Murray Energy head Bob Murray turn over a copy of the three-page "action plan" he gave to the administration. The document became a [major focus](#) of Andrew Wheeler's nomination hearing to be EPA deputy administrator on Wednesday.

**Think of us:** The Petroleum Marketers Association of America sent a letter to Barrasso on Thursday asking him to urge the Trump administration "to reduce the ethanol mandate given that the [underground storage tank] system compatibility issues present severe economic harm

to small businesses" as senators discuss the RFS with administration officials. Link [here](#).

**ETHANOL, GRAINS PRODUCERS WANT BRAZIL PUNISHED:** U.S. ethanol and grains producers are urging the U.S. Trade Representative to suspend Brazil's tariff benefits under the Generalized System of Preferences, which grants tariff relief on imports from developing countries, because of complaints that the South American country has put in place a restrictive quota on ethanol imports. "Brazil's decision to engage in protectionist trade measures as a result of a short-term and market-oriented deficit against the largest agriculturally related product imported from the U.S. is not in keeping with the spirit of the GSP program," the Renewable Fuels Association, Growth Energy and the U.S. Grains Council wrote in a [letter](#) to Lighthizer on Thursday.

**SKEPTICISM OVER CBO'S ANWR ESTIMATE:** Count Taxpayers for Common Sense among the deep skeptics that Senate Energy Chairman [Lisa Murkowski](#)'s proposal to open ANWR would generate more than \$1 billion in revenue over the next decade, as the Congressional Budget Office estimated it would. The non-partisan group forecasts that oil and gas companies would have to bid at levels 10 times higher than historic norms to meet the \$1 billion CBO estimates would flow into federal coffers. "If Congress were to enact legislation that opened up the 1002 Area to oil and gas leasing, it is unlikely — near to the point of impossibility — that such leasing would generate the amount of revenue to the Treasury that the CBO predicts," the group's new [fact sheet](#) states. It released a second fact sheet outlining [a series of other options](#) to raise revenue through federally-owned natural resources.

**California's dirty secret?** The Center for Biological Diversity released a report finding three-quarters of California's oil is as harmful to the environment as Canadian tar sands. Link [here](#).

**High stakes in the desert:** Failing to keep the Navajo Generating Station open could put at risk the reliability of Arizona's electric grid and the regional power supply, according to [a study](#) funded by coal giant Peabody Energy. Among the cities potentially hardest hit include Phoenix, Scottsdale, Tucson and Flagstaff, according to the study. Summary link [here](#).

**NO FUN!** Amid [reports](#) the National Park Service is considering closing the National Mall to softball and frisbee games permanently, the Sierra Club's DC-based softball team, the Conservation Laborers Against Wrong, vowed a fight. "Maybe the hundreds of Congressional Republican staffers who play organized softball every summer will let Zinke and Trump know there is nothing to drill or mine for underneath the Mall," the team's coach Lauren Lantry quipped.

**BLOWN AWAY?** Facebook co-founder Mark Zuckerberg visited an Oklahoma wind farm where he said "it's clear that wind and renewables are the future." Full post [here](#).

## QUICK HITS

— Millions Of Puerto Ricans Just Lost Power Again After A Line Repaired By Whitefish Energy Failed. [BuzzFeed](#).

— With Christie Out, New Jersey Poised To Rejoin New England In Climate Pact. [WNPR](#).

— As China Moves To Other Energy Sources, Its Coal Region Struggles To Adapt. [NPR](#).

— Oil prices rise on supply cuts and political tensions in Saudi Arabia. [Reuters](#).

— One of the World's Biggest Miners Is About to Go Coal-Free. [Bloomberg](#).

— FitzPatrick Nuclear Power Plant experiences leak within facility. [WSKG](#).

## HAPPENING TODAY

9:00 a.m. — The Andlinger Center for Energy and the Environment and Princeton E-affiliates Partnership hosts [annual meeting](#) with EDF's Fred Krupp keynoting, Maeder Hall, 86 Olden Street, Princeton University, Princeton, NJ

12:30 p.m. — U.S. Senators to Hold Press Phone Call from Major UN Climate Conference in Germany, RSVP: [Sean\\_Bartlett@foreign.senate.gov](mailto:Sean_Bartlett@foreign.senate.gov)

## THAT'S ALL FOR ME!

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*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/11/tax-reform-senate-energy-watchers-watch-bill-025483>

## Stories from POLITICO Pro

### Senate GOP's tax bill points to nasty fight ahead [Back](#)

By Bernie Becker, Brian Faler and Aaron Lorenzo | 11/09/2017 11:49 AM EDT

Yawning divisions have emerged between the House, Senate and White House over tax reform, raising doubts about whether Republicans will be able to achieve their most important political and policy priority before the end of the year.

The Senate and House are split on some key issues, including the top tax rate and the timing of the corporate tax cut, and also at odds with President Donald Trump in many areas. Hard bargaining, battles between GOP factions and an onslaught of lobbying are the gauntlets Republicans will have to run to get legislation to Trump's desk by the end of the year — and into their mailers and ads for the 2018 elections.

If one thing unifies Republicans and makes the job easier than it might appear, it's the fear that they will have nothing to take into those contests after the failure of another marquee effort, repealing and replacing Obamacare. House Speaker Paul Ryan and other GOP leaders used the drubbing the party took in Tuesday's election in Virginia as a warning to the rank and file: Pass tax reform or face the wrath of Republican voters.

"We are going to conference," Ryan told reporters Thursday, after the Senate unveiled its long-awaited plan and House tax writers advanced theirs to the House floor. "Yes, the Senate bill is going to be different than the House bill because that's the legislative process."

The House Ways and Means Committee approved its bill on a party-line 24-16 vote, and

House Majority Leader Kevin McCarthy said the full House would vote on it next week. The Senate Finance Committee will start working on its bill next week, maybe as early as Monday.

One of the first differences to emerge was the Senate's plan to delay slashing the corporate tax rate to 20 percent from 35 percent until 2019. The House wants to cut the tax immediately, and has the White House on its side.

Cutting the corporate rate is the centerpiece of the GOP plan to lower tax rates and spur faster economic growth. But the Senate is trying to limit the revenue impact to allow a bill to pass with just 51 votes and avoid a possible Democratic filibuster.

In another break with Trump, neither the Senate bill or the House bill includes a repeal of the Obamacare individual mandate requiring Americans to have health insurance. But Senate Republicans are still considering a repeal to help cover the cost of making some tax cuts permanent.

GOP leaders are talking with rank-and-file members to assess whether they have the necessary 50 votes to scrap the least popular part of Obamacare.

"I'd sure like to do that," said Sen. Roger Wicker (R-Miss.) "I think we're counting votes. It sure gives us a lot more flexibility."

Trump has pushed for repealing the mandate, along with conservative senators and House members. But many lawmakers said reopening the health care debate would just make passing the tax bill harder.

The Senate plan would set a top individual tax rate of 38.5 percent, compared to the House's 39.6 percent for annual income above \$1 million, and keep deductions for people with high medical bills and for student loan interest that the House wants to discard.

It would completely eliminate a federal deduction for state and local taxes, while the House had to mollify a group of GOP lawmakers from high-tax blue states by keeping the deduction for property taxes, up to \$10,000.

The Senate kept the maximum mortgage deduction at the interest on loans up to \$1 million. The House would cut it to \$500,000.

The House targeted the estate tax — a favorite foil of conservative Republicans — for elimination in 2025, after doubling the current exemptions to about \$11 million for individuals and \$22 million for married couples. The Senate is proposing only to double the exemptions.

The House proposed expanding the child tax credit to \$1,600 per child from \$1,000. The Senate set the increase at \$1,650.

But that is still too low for some senators who want a \$2,000-per-child credit because they worry some middle-income people could otherwise see their taxes go up under the plan — and they have an ally in Ivanka Trump. "While we are glad to see an increase to the child tax credit, like the House bill, it is simply not enough for working families," Marco Rubio (R-Fla.) and Mike Lee (R-Utah), the main champions of the issue in the Senate, said in a joint statement.

On another hot-button issue, the treatment of "pass-through" businesses that pay individual tax

rates, the Senate would set a top rate of 30 percent, while owners of those businesses have been clamoring for parity with corporations. The House is offering a super-low 9 percent rate on the first \$75,000 those businesses earn, which attracted praise from the powerful National Federation of Independent Business, which had panned the House bill last week.

Both bills would shift the U.S. to a "territorial" tax system that would largely shield offshore corporate income from U.S. taxation. But they parted ways on a mechanism to discourage more companies from moving abroad to take advantage of the change.

As the first details were trickling out about the Senate plan, Ways and Means Chairman Kevin Brady (R-Texas) unveiled a new round of changes to the House GOP's plan.

Their tax plan had ballooned beyond their budget, allowing them to cut taxes by no more than \$1.5 trillion, after Republicans earlier this week gutted a plan to crack down on international tax avoidance hated by the Koch brothers and a number of multinational corporations.

The revisions include hundreds of billions of dollars in new revenue aimed at filling that budget hole. Republicans did it in part by taking back much of the money — \$87 billion — they had lost when they watered down those overseas tax avoidance provisions.

Another \$70 billion would come from charging companies more in a one-time tax on their overseas earnings. Under the new plan, they'd pay 14 percent on their liquid assets and 7 percent on illiquid ones like factories overseas. That's up from 12 percent and 5 percent, respectively, under the previous proposal.

House lawmakers want to raise another \$20 billion by requiring people claiming the popular child tax credit to provide a Social Security number for their child, a provision long sought by Republicans aimed at preventing undocumented immigrants from taking the break.

Delaying their plans to repeal the estate tax by another year saved them \$21.5 billion. They'd raise another \$109 billion from companies tapping a long-standing break for research and development expenses.

Other House provisions would expand a tax on private university endowments and impose a surtax on life insurance companies.

The plan also would allow organizations such as charities and churches to engage in political speech without risking their tax-exempt status, and it restored a tax break for adopting children that had been on the chopping block.

Senate Finance Committee aides said the panel was still working to make its bill compliant with the chamber's budget rules, which don't allow the tax bill to add to deficits outside the 10-year budget window.

Given the GOP's slim majority in the Senate and the danger of a repeat of their Obamacare fiasco, some House Republicans were resigned to more or less having to defer to the Senate.

"I look at it more as a priority of process and procedure over substance," said Rep. Dennis Ross (R-Fla.). "While there are some very good things, don't get me wrong, substantively in our bill, I think the canvas will probably be painted in its final stage in the Senate once we give them the vehicle."

*Ben White, Josh Dawsey, Colin Wilhelm, Seung Min Kim, Elana Schor and Jennifer Haberkorn contributed to this report.*

To view online [click here](#).

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## **Perry to headline Texas event for pro-Trump outside group** [Back](#)

By Maggie Severns | 11/10/2017 05:01 AM EDT

Energy Secretary Rick Perry will attend an event in Texas next week put on by America First Policies, the pro-Trump political nonprofit, according to an invitation obtained by POLITICO.

The invitation, which was sent to a Republican donor, says that Perry will headline a "roundtable discussion" in Houston on Monday afternoon. Details of the event's location will be available only to those who RSVP shortly before the event, the invitation said.

Perry's trip to Texas comes at an auspicious moment for America First Policies and its affiliated super PAC, America First Action. The organization is working to lock in support from donors and establish itself as a center of gravity for pro-Trump activity with close ties to the Trump administration.

America First was silent for much of this year, prompting some to question what role, if any, it would play for President Donald Trump, but organizers are working to reinvigorate the group's fundraising and reassert America First's close ties to the president. The group aims to [spend](#) \$100 million promoting tax reform and supporting 2018 candidates in the next year. Leaders of the group have convened at the White House in recent weeks, and with donors at a Texas ranch owned by megadonor T. Boone Pickens. Donald Trump Jr. was present at the ranch to signal his support.

Perry has deep ties to both the energy industry and donors in Texas, which helped power his two presidential runs. But Perry will not be in Houston asking for funds, said Texas businessman Roy Bailey, who is deeply involved in America First Policies. "It's a nice opportunity for people to understand what's going on at the Energy Department," Bailey said.

An Energy Department employee did not return a request for comment. Perry was in France this week meeting with energy leaders from other countries.

America First is ramping up activity as other high-profile Republican operatives and donors are accelerating pro-Trump outside efforts of their own.

Future45, which supported Trump during the 2016 elections with funding from casino billionaire Sheldon Adelson and the Ricketts family, [announced](#) a project that will spend in the tens of millions of dollars promoting tax reform earlier this month. Great America PAC, which is affiliated with Steve Bannon, began endorsing 2018 candidates in recent days.

Great America PAC's support for Roy Moore broke from Trump's support for Sen. [Luther Strange](#) in Alabama. America First plans to give unwavering support to Trump's agenda, which Bailey said could be a differentiator from other groups.

"We're not second-guessing anything; we're totally confident in [Trump's] ability to lead this nation and we're supporting him and the vice president," Bailey said.

To view online [click here](#).

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## **Trump's Interior chief 'hopping around from campaign event to campaign event' [Back](#)**

By Ben Lefebvre and Esther Whieldon | 10/05/2017 05:01 AM EDT

Republican donors paid up to \$5,000 per couple for a photo with Interior Secretary Ryan Zinke at a fundraiser held during a taxpayer-funded trip to the U.S. Virgin Islands, according to documents reviewed by POLITICO — raising questions about his habit of mixing official government business with political activism.

The new details about Zinke's March trip to the Caribbean, including the previously undisclosed invitation to the Virgin Islands Republican Party fundraiser, emerged after weeks of scrutiny of the former Montana GOP congressman's travels. The nearly two-hour event was one of more than a half-dozen times Zinke has met with big donors or political groups while on department-paid trips, Interior travel records and other documents show.

Ethics watchdogs say Zinke is combining politics with his Interior duties so frequently that he risks tripping over the prohibitions against using government resources for partisan activity, even though his appearance at the Virgin Islands event seems to have been legal. Democrats have also seized on the issue, including 26 House members who wrote in a letter Tuesday that Zinke's travels "give the appearance that you are mixing political gatherings and personal destinations with official business."

Zinke has said all his actions have obeyed the law, dismissing concerns about his travel as "a little BS."

But some ethics advocates say Zinke's attendance at a fundraiser during his first month as secretary is not in line with past administrations' conduct, even if he crossed no legal red lines.

"It happens on occasion with other Cabinet secretaries, perhaps even a little more often as you get near the election, but it is not a very common practice for Cabinet members to be hopping around from campaign event to campaign event like we're seeing with Zinke," said Craig Holman, government affairs specialist for government watchdog Public Citizen.

The secretary is already under investigation by his department's inspector general over his use of taxpayer-funded private planes for some of the trips, and the Office of Special Counsel is looking into an activist group's allegations that he violated the Hatch Act, the law limiting political activism by federal employees. The White House has cracked down on Cabinet members' travel habits following former HHS Secretary Tom Price's resignation on Friday, which occurred after POLITICO reported on his own expensive flights.

Zinke visited the Virgin Islands from March 30 to April 1 on an official trip related to the Interior Department's role overseeing the U.S. territory. On his first day, following a "veterans

meet and greet" and a reception with Gov. Kenneth Mapp, he appeared in his personal capacity at a March fundraiser for the local Republican Party at the patio bar of the Club Comanche Hotel St. Croix, department records show.

Tickets for the fundraiser ranged from \$75 per person to as much as \$5,000 per couple to be an event "Patron," according to Zinke's official calendar and a copy of the invitation. Patrons and members of the host committee, who paid \$1,500 per couple, could get a photo with Zinke at the start of the event, which was attended by local party members and elected officials.

The following day, Zinke took a \$3,150 flight on a private plane, paid for by the department, from St. Croix to official functions on St. Thomas and returned later that evening. Interior Department officials said there was no other way to accommodate his schedule, which included official events on both islands commemorating the 100th anniversary of the Dutch government transferring control of the islands to the United States.

Zinke is allowed to engage in partisan political activity in a "purely personal (not official) capacity," so long as he does not use government resources, according to Interior Department guidelines on the Hatch Act and other federal laws. The invitation to the GOP fundraiser did not identify Zinke by his official title and included a disclaimer that the money is being solicited by the local party and "not by any federal official."

All told, Zinke has spent around \$20,000 for three charter flights as secretary, nowhere near the \$1 million tab Price racked up on non-commercial trips. But he has on numerous occasions attended political receptions, spoken to influential conservative groups or appeared alongside past campaign donors during trips has taken outside of Washington, D.C., for official department business.

In one instance, Zinke gave a motivational speech for a professional hockey team owned by a major campaign contributor that he said was official business — and which required him to charter a \$12,000 flight to Montana for an appearance at the Western Governors Association the next day.

In another case, during a speech to the Western Conservative Summit in Denver, he was [introduced](#) via a recorded voice as the Interior secretary and Zinke proceeded to talk about the agency's priorities. The summit was organized by the Centennial Institute, which bills itself as Colorado Christian University's think tank and is a part of the State Policy Network of organizations that collectively push for conservative state-level legislation.

An Interior spokeswoman said Zinke always follows the law but declined to answer specific questions about his appearance at the Virgin Islands fundraiser, nor say whether he would keep raising political money. The agency also has yet to post Zinke's trip expenses involving any of the political events.

"The Interior Department under the Trump Administration has always and will always work to ensure all officials follow appropriate rules and regulations when traveling, including seeking commercial options at all times appropriate and feasible, to ensure the efficient use of government resources," spokeswoman Heather Swift said in a statement.

Swift did not respond to questions about whether the department had gotten reimbursement for the political portion of Zinke's three-day Virgin Islands trip, as the head of one watchdog group says it should have.

"Some of this travel is clearly political and that part of the travel should have been paid for by the RNC, NRCC, state political parties, a campaign committee or Zinke personally," said Daniel Stevens, executive director of the Campaign for Accountability.

No payments to the department are listed in the Virgin Islands Republican Party's FEC records.

Zinke is not the first Interior secretary, or Cabinet member, to have his activities questioned.

In 2012, a watchdog group called Cause of Action urged the Office of Special Counsel to investigate whether President Barack Obama's then- Interior Secretary Ken Salazar had violated the Hatch Act while taking an Obama reelection campaign RV tour of Colorado with a couple of lawmakers and the state lieutenant governor. Local organizers of one stop on that tour had billed Salazar on its online events calendar as attending the political rally in his official role. OSC would not say whether its investigation uncovered any problems, but [travel records](#) Interior has posted show that one of Salazar's aides had told the tour's coordinator the schedule "should not refer to (Salazar as) 'secretary.'" Salazar did not respond to a request for comment.

A former Salazar aide, who was not authorized to speak on the record, said the Obama administration generally tried to avoid scheduling political events that coincided with official travel because it was difficult to divvy up what expenses should be reimbursed by a campaign.

The special counsel's office [found](#) Obama HHS Secretary Kathleen Sebelius in violation of the Hatch Act in 2012, saying she had made "extemporaneous partisan remarks" by endorsing a candidate for North Carolina governor during a speech she made in her official capacity. Sebelius tried to scrub the violation by reclassifying the appearance as political and reimbursing the Treasury Department for costs associated with the trip.

Sally Jewell, who was Interior secretary during Obama's second term, said Zinke was within his rights to appear at the fundraiser in the Virgin Islands. Jewell said she once appeared at a fundraiser for Democratic Sen. Maria Cantwell while in Obama's Cabinet, though she paid her own way to Washington state and was not identified by her official title.

"If he had legitimate business while he's on the island, to do a political thing on the side, I don't think that is that unusual," Jewell said in an interview.

EPA Administrator Scott Pruitt canceled his scheduled appearance at a fundraiser for the Oklahoma Republican Party in April because an invitation had identified him by his official title and said he would discuss his work at the agency. EPA ethics officials said he would have been cleared to attend the event if not for that language on the invitation.

Watchdog groups say Zinke's behavior fits a pattern for Trump's Cabinet.

"These government resources have been abused by this administration," said Virginia Canter, an executive branch ethics counsel for Citizens for Responsibility and Ethics in Washington who previously worked as an ethics official for Presidents George H.W. Bush, George W. Bush and Obama. "To the extent that some of that supports their political ambitions is inconsistent with the intent of this authority."

The Campaign for Accountability [called](#) on Interior's inspector general and the Office of

Special Counsel to investigate whether Zinke violated the Hatch Act or department ethics rules with his speech to the hockey team, which the group said appeared to be a favor for a donor. Interior's IG office announced its investigation earlier this week, and OSC told the Campaign for Accountability that it was looking into the group's complaint, according to an email shared with POLITICO. The OSC declined to comment.

Reps. Raúl Grijalva (D-Ariz.) and Donald McEachin (D-Va.) have asked Interior's IG to also look into any trips on which the secretary was accompanied by his wife, Lola Zinke, who is chairing the campaign of Montana Republican Troy Downing, a candidate to unseat Democratic Sen. Jon Tester next year. Swift said Lola Zinke was not in the Virgin Islands and has paid her own way whenever she has traveled with her husband on official trips.

Many who know him see Zinke's travels as an attempt to keep in touch with political contacts as he contemplates what he will do after leaving the Trump administration. Back home, the 55-year-old former Montana congressman is seen as an attractive candidate for the open-seat governor's race in 2020, when Democratic Gov. Steve Bullock will have to step down because of term limits.

"I think he's definitely got political aspirations; that's one of the reasons why he is where he is at right now," said Land Tawney, executive director of Backcountry Hunters and Anglers, a Montana-based sportsman group that supported Zinke's bid for Interior secretary. "You don't go from being a Montana legislator to a first-term congressman to [Interior] secretary without having ambition."

The Virgin Islands trip was Zinke's first interaction with big donors or influential conservative groups during his travel as Interior secretary.

A weeklong trip in May that took Zinke through Montana, Utah and California also offered a chance to squeeze in some political events.

Zinke delivered the keynote speech at the RNC spring meeting on May 11 in Coronado, Calif. Zinke had flown to California the previous night, after several days touring monuments in Utah, and the RNC speech was his only event in the state aside from a meeting earlier that afternoon with Rep. Amata Radewagen, the Republican delegate from American Samoa, and members of the American Tunaboat Association.

The next day, Zinke flew back to Montana, where he joined Sen. Steve Daines (R-Mont.) and Vice President Mike Pence to tour a coal mine on the Crow Indian reservation operated by the Westmoreland Coal Co.

The trip offered Zinke and Pence an opportunity to tout the Trump administration's work to promote new coal mining on federal lands — and it allowed them to make a brief detour to promote Zinke's congressional replacement. That Friday night, Zinke, Pence and Daines attended a political rally for GOP candidate Greg Gianforte, and Zinke attended a get-out-the vote event for the Montana GOP the next day.

Zinke apparently paid for his return trip to Washington out of his own pocket — it was marked "personal travel" on his calendar, a designation not applied to the other flights on that trip.

Gianforte, whose wife is a [major](#) political donor in Montana, won the May 25 special election

to take over Zinke's House seat.

Greg and Susan Gianforte donated more than \$10,000 to Zinke's 2016 congressional campaign and another \$10,000 to a joint Zinke-Daines PAC, according to [federal](#) records. The couple donated \$5,000 for his earlier run for Congress.

Zinke met with big influencers and donors in June as well.

On June 25, he flew from D.C. to Reno, Nev., where his only scheduled event was a meeting of the Rule of Law Defense Fund, a group of Republican attorneys general that has been linked to the Koch brothers, where he spoke and took questions for about 30 minutes, according to his schedule.

After his remarks, he sat at a dinner table with Montana's attorney general, the government relations specialist for the Venetian Resort Hotel Casino and Las Vegas Sands, and Koch Industries lobbyist Allen Richardson, Interior documents show.

The next day, Zinke flew to Las Vegas for an event on public lands in nearby Pahrump, Nev., and a speech that night to the National Hockey League's Vegas Golden Knights. Bill Foley, the team owner and chairman of Fidelity, introduced Zinke. Foley donated \$7,800 to Zinke's 2014 campaign, while employees and PACs associated with Fidelity and related companies gave another \$180,000. Interior officials said the speech to the NHL team was part of Zinke's official duties, and they pointed to scheduling conflicts it created to justify his use of a \$12,000 private plane to get to a Western Governors Association meeting in Montana the next day.

In July, Zinke spoke to several conservative groups in Colorado during a three-day trip that also included tours of Interior Department facilities in the state. He flew into Denver on July 20 so he could appear that evening at a closed-door reception for the American Legislative Exchange Council, a group of conservative state legislators, lobbyists and industry groups that has pushed for more state control over federal lands.

And over the next two days, he was a featured speaker at a Republican committee roundtable and attended the Western Conservative Summit in Denver.

*Eric Wolff contributed to this report.*

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**Court again freezes Clean Power Plan litigation for 60 days** [Back](#)

By Alex Guillén | 11/09/2017 04:55 PM EDT

The D.C. Circuit Court of Appeals today once again placed the lawsuits over the Obama administration's Clean Power Plan [in abeyance](#) for another 60 days, until Jan. 8.

The court's single-page order did not include any sort of note such as the one included in the court's previous 60-day abeyance order on Aug. 8. In that order, two of the judges attached a

stern [note](#) saying EPA was skirting its statutory duty to regulate greenhouse gases.

EPA last month released its proposed repeal, and will take public comment through Jan. 16. The agency has yet to release its advance notice of proposed rulemaking seeking suggestions on whether and how to craft a narrower replacement regulation.

**WHAT'S NEXT:** The court ordered EPA to file status updates on its CPP repeal effort every 30 days.

To view online [click here](#).

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### **Final defense policy bill would require Pentagon climate change study** [Back](#)

By Connor O'Brien | 11/09/2017 04:04 PM EDT

The Pentagon would be required to detail threats posed by climate change to military installations under to the compromise version of the National Defense Authorization Act, [H.R. 2810 \(115\)](#), released today.

The legislation calls on the Pentagon to rank the 10 most vulnerable installations within each service to the effects of climate change over the next two decades — including from rising sea levels, flooding, drought and wildfires — and outline steps to mitigate any damage.

The report would be due within a year of the bill's enactment.

The climate change study was included in the House version of the defense policy bill, and the Senate accepted the provision in a joint conference committee.

Conservatives attempted to strip the provision during House floor debate in July, but Democrats and moderate Republicans [joined to preserve](#) the study requirement.

To view online [click here](#).

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### **Wheeler attended Murray meetings on DOE coal aid but says he didn't write company's pitch** [Back](#)

By Alex Guillén | 11/08/2017 01:08 PM EDT

Andrew Wheeler, the nominee for EPA deputy administrator, says he represented Murray Energy in meetings with Energy Department and congressional officials to support Trump administration efforts to prop up ailing coal-fired power plants.

Wheeler, who counted Murray among his clients as a lobbyist at Faegre Baker Daniels, faced numerous questions at his confirmation hearing today over his work for the company, which

would be one of the [main beneficiaries](#) of DOE's proposed grid rule, and its CEO Bob Murray, a top supporter of President Donald Trump. Wheeler said he attended a Murray Energy meeting at DOE where the grid proposal was discussed several months ago, as well as a meeting on Capitol Hill on the subject. He said he de-registered as a lobbyist in August.

Sen. [Sheldon Whitehouse](#) pressed Wheeler over Murray's comments in a recent PBS Frontline documentary. The CEO said he gave Trump "an action plan" outlining coal policies to pursue, including eliminating the Clean Power Plan.

"I did not work on that and I do not have a copy of that memo," Wheeler told Whitehouse at the Senate Environment and Public Works Committee hearing.

Wheeler said Murray gave him a copy to read in December or January. "I looked at it and handed it back to him, I don't have it," Wheeler said, adding that he did not recall any specifics.

Whitehouse said he hopes to get a copy of the plan with the help of EPW Chairman [John Barrasso](#) (R-Wyo.) now that Wheeler confirmed its existence.

**WHAT'S NEXT:** The committee will likely vote on Wheeler's nomination in the coming weeks.

To view online [click here](#).

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By Anthony Adragna | 11/06/2017 05:40 AM EDT

*With help from Eric Wolff and Kalina Oroschakoff*

**BONN JOUR!** Starting today, international negotiators gather in Bonn for the COP23 — the first U.N. climate summit to be chaired by a small island nation, Fiji. It's also the first meeting after President Donald Trump announced his intention to pull the U.S. out of the landmark Paris accord in June. Let's take a quick look at what to expect between now and the conference's end on Nov. 17:

—**The U.S. question:** An open question remains how much the U.S. decision to withdraw from the Paris accord will be a distraction to the nitty gritty work of filling out the details of the 2015 pact. The Trump administration [opted to send](#) longtime diplomat Thomas Shannon as the delegation's lead in Bonn rather than a cabinet member, suggesting a low-key role on the sidelines. But U.S. officials are expected to tout the benefits of nuclear energy and fossil fuels in combating emissions, according to the [New York Times](#). Meanwhile, a high-profile delegation of U.S. governors, mayors, private sector leaders and others are traveling the conference as a signal that much of the country remains committed to aggressive climate action.

—**Loss and damage:** Fiji, backed by other vulnerable island countries, is keen to focus attention on the loss and damage already linked to climate change (think, hurricanes, floods and rising sea levels). Many island nations are raising pressure on negotiators, especially from wealthy nations, to tackle loss and damage issues such as funding, risk preparedness, weather forecasting and new insurance proposals. This, compounded by a number of high-profile weather events this year, will make it one of the more challenging discussions at the summit, according to Camilla Born from the environmental think tank E3G.

—**Working out the rules:** Another challenge will be to advance work on rules to make sure countries meet the Paris agreement's goals ahead of next year's COP24 — when parties said they would sign off on the rulebook underpinning the deal. A thorny discussion here will be around setting a common and transparent monitoring and reporting system that ensures emissions reductions can be compared across countries. It's a sensitive issue with emerging economies such as China, long wary of letting outsiders glance their domestic books, but a priority for the EU, which wants to make sure everyone pulls their weight. The battle could therefore be over whether it will be a bifurcated system, setting different guidelines for developed and developing countries, or universal.

—**Assessing progress:** Negotiators will also have to work out how the first stock-take of national progress toward achieving climate pledges will play out next year. The idea behind the 2018 meeting is to pave the way for countries to increase their emissions reduction targets in 2020, when parties are for the first time required to communicate renewed (and ideally strengthened) commitments, as set out under the Paris deal. The outgoing Moroccan COP22 presidency and the incoming Fijian presidency have published a [joint document](#) outlining their vision for the meeting.

—**Who's coming?** According to [the UNFCCC](#), close to 20 world leaders, including French President Emmanuel Macron and German Chancellor Angela Merkel, are slated to attend. Also expected to participate: Arnold Schwarzenegger, UN Secretary-General António Guterres, Paris Mayor Anne Hidalgo, California Governor Jerry Brown, UN Special Envoy Michael Bloomberg and several U.S. lawmakers, including Sens. [Sheldon Whitehouse](#) and [Brian Schatz](#). EPA Administrator Scott Pruitt [won't attend](#), though other agency staff will.

**ICYMI:** POLITICO Europe's Kalina Oroschakoff and Pro's Emily Holden's seven people to watch during the summit [here](#).

**WELCOME TO MONDAY!** I'm your host Anthony Adragna, and Hunton & Williams' Joe Stanko was first to identify Laika as the first dog in space 60 years ago. For today: Which current senator is a former shoe store owner? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**NEXT STEP IN WOTUS UNWIND:** EPA and the Army Corps of Engineers sent a proposed rule delaying the effective date of the Waters of the U.S. Rule to the White House for review, a move designed to give the administration more time to design its own version, Pro's Eric Wolff [reports](#). An agency spokeswoman said the action would "amend the effective date associated with the 2015 Clean Water Rule to give the agencies time to consider the two-step process proposing to rescind and revise the 2015 rule." The new proposed rule is separate from any rule intended to replace WOTUS. The agency declined to say when the new effective date would be or if it would make any other tweaks to the regulation.

**DEMOCRATS TALK DISASTER RELIEF PRIORITIES:** Thirty members of the Senate Democratic caucus sent [a letter](#) Friday to OMB Director Mick Mulvaney outlining their priorities for a third disaster supplemental spending package expected to be requested by the administration later this month. "We can invest in technology, conservation and infrastructure that will mitigate further damage and make our communities more resilient," they wrote. Particular requests include "specific legislative language" concerning electric grid reconstruction in Puerto Rico and the U.S. Virgin Islands, as well as "further investments" in NOAA's weather infrastructure and forecasting capabilities.

**High-profile visitors:** House Transportation Chairman [Bill Shuster](#) and Ranking Member [Peter DeFazio](#), Senate Energy Chairman [Lisa Murkowski](#) and Senate EPW Ranking Member [Tom Carper](#) were among those lawmakers visiting Puerto Rico this weekend, according to [local media](#). Also along: Sen. [Kamala Harris](#), Sen. [Bill Cassidy](#), Sen. [Al Franken](#) and Rep. [Garret Graves](#).

**Let's reschedule:** House Homeland Security ranking member [Bennie Thompson](#) wrote to Chairman [Michael McCaul](#) asking for the panel to reschedule a hearing on hurricane response and recovery that was suddenly shelved last week. Link to letter [here](#).

**QUITE THE PUBLIC PITCH:** Tweeting at 2:49 a.m. in Hawaii, Trump [asked](#) Saudi Arabia to list shares of its biggest oil company on the New York Stock Exchange. "Would very much appreciate Saudi Arabia doing their IPO of Aramco with the New York Stock Exchange. Important to the United States!" he [wrote](#). That comes as Saudi Arabia moves toward an offering of shares of its state-run oil company — the world's largest energy company — on international markets. He later told reporters aboard Air Force One: "They're not looking at it,

but I want them to strongly consider the New York Stock Exchange or NASDAQ, or frankly anybody else located in this country, but those are the big two... I just spoke to the king a little while ago, and they will consider it."

**ANOTHER INVESTIGATION ARRIVES:** GAO agreed last week to probe whether Pruitt's appearance in an August [video](#) from National Cattlemen's Beef Association violated laws "on the use of appropriated funds for lobbying and publicity or propaganda purposes and the Antideficiency Act," Pro's Alex Guillén [reports](#). House Democrats asked GAO to begin the investigation.

**TEAM ETHANOL FIRES BACK:** If Trump watches the ads on Fox & Friends, then he's getting an earful on the Renewable Fuels Standard these days. Starting today and through the Nov. 20, Fuels America, an umbrella group of ethanol producers and trade associations, will be running an [ad](#) reminding Trump of his promises to farmers and accusing oil refiners of demanding a taxpayer funded bailout. The refiners had the inverse ad up during Fox & Friends last week.

**Ticking clock:** EPA's final RFS rule went to the White House for review last week, and Pruitt has promised to release it by the statutory Nov. 30 deadline.

**\*\* Presented by ExxonMobil:** We're collaborating with FuelCell Energy on a novel idea to use fuel cells to capture carbon at natural gas power plants, and in the process reduce emissions and increase electrical output. This technology could be a game changer in addressing the world's growing need for energy, while also reducing the impact on the environment. [Learn more.](#) \*\*

**HIT THE FLOOR!** House lawmakers this week are expected to vote on the Hydropower Policy Modernization Act [H.R. 3043 \(115\)](#), which aims to speed the regulatory approval process for hydropower projects. And they're also expected to consider compromise legislation [H.R. 2874 \(115\)](#) overhauling the National Flood Insurance Program to impose new penalties on homeowners with repeat flooding, though with softer consequences than originally floated.

**MEGA HOUSE ENERGY PACKAGE GETS MARKUP:** The House Natural Resources Committee is expected Wednesday to [mark up](#) a broad new energy package [H.R. 4239 \(115\)](#) on Wednesday after its introduction on Friday, Pro's Ben Lefebvre [reports](#). Among other provisions, the SECURE American Energy Act would roll back Obama-era offshore drilling rules, create an offshore oil and gas revenue program for East Coast drilling and give more oil and gas permitting power to the states.

**CLIMATE REPORT AT ODDS WITH TRUMP STANCE:** Even as the White House stuck with its line the climate "has changed and is always changing," scientists from the 13 agencies who worked on the [National Climate Assessment](#) that concluded human activity is driving climate change said they saw no effort from the administration to meddle in their work, Pro's Emily Holden [reports](#).

**In response, Paul Bledsoe,** who helped release the first national climate assessment while at the Clinton White House in 2000, emails his take: "The White House clearly judged that the firestorm over delaying or suppressing the report release, especially ahead of the Bonn climate talks, would be greater than from the findings themselves."

**NEW TACTIC IN CLIMATE FIGHT:** Speaking at the Vatican over the weekend, California Gov. Jerry Brown asked the Catholic Church to throw its weight behind his efforts to undermine Trump's climate rollbacks abroad, POLITICO California's David Siders [reports](#). Brown urged religious establishments to help "awaken the world" to efforts to reduce greenhouse gas emissions and described the president's rejection of mainstream climate science as a "lie within a lie."

**PRINCE OF WYOMING?** Blackwater founder Erik Prince tells [NBC News](#) he's still "mulling" a challenge to Wyoming Sen. [John Barrasso](#). "They have been in the wilderness for eight years, saying oh, if only we had a Republican president and now they have one," he said. "[They're] kind of out of excuses." One fact of note: Barrasso has received just 5.5 percent of his total \$2.4 million haul of itemized individual contributions since the start of 2013 from Wyoming. There's no public polling on how the theoretical Barrasso v. Prince matchup would go.

**MAIL CALL! TIME OUT!** Two top Energy and Commerce Committee Democrats — [Frank Pallone](#) and [Bobby Rush](#) — sent [a letter](#) asking that [a hearing](#) slated for Tuesday on two bills making significant changes to the Energy Star programs and efficiency standards for ceiling fans be postponed until witnesses from EPA and DOE are available. "These bills would make substantial changes to the popular Energy Star Program and efficiency standards for ceiling fans, and should not be rushed through the Committee process without adequate input from the agencies tasked with executing these potential changes," they wrote to Chairman [Greg Walden](#) and Energy Subcommittee Chairman [Fred Upton](#).

**DEMOCRATS TO PRUITT: WITHDRAW SCIENCE ADVISER POLICY:** Six senior House Democrats on the Science and Energy and Commerce committees [asked](#) Pruitt to withdraw his "biased, harmful" policy barring scientists who receive agency grants from serving on scientific advisory panels. "We advise you to follow [Federal Advisory Committee Act] regulations and policy in selecting qualified individuals to serve on EPA's science advisory committees just as previous administrations led by both parties have done. Anything less is a great disservice to the public interest," they wrote.

**CALIFORNIA TALLIES WILDFIRE NEEDS:** Golden State bigwigs, including Brown, Sens. [Dianne Feinstein](#) and [Kamala Harris](#) and 39 California House members, sent a letter to Trump Friday asking for \$7.4 billion in federal funds to help the state recover from devastating wildfires. Letter link [here](#).

**MORE TIME NEEDED:** A bicameral group of 81 Democrats, led by Sens. [Maria Cantwell](#) and [Tom Udall](#) and Reps. [Jared Polis](#) and [Raúl Grijalva](#), asked Interior Secretary Ryan Zinke in [a letter](#) released Friday to extend the public comment period on its proposed repeal of BLM's methane waste rule from 30 to 90 days and to offer public hearings in the Western U.S. "The American people deserve to get a proper return on this natural gas resource, and any attempt to roll back this rule would represent a giveaway to industry polluters," they wrote.

**THIS TIME IT'S PERSONAL:** In light of U.S. Forest Service recommendations to potentially allow new uranium mining near the Grand Canyon, House Natural Resources Ranking Member [Raúl Grijalva](#) wrote Chairman [Rob Bishop](#) [a letter](#) to ask for a hearing on his bill [H.R. 360 \(115\)](#) to create a national monument in the area. Grijalva separately [asked](#) Agriculture Secretary Sonny Perdue for his rationale behind the recommendation and whether the public would have the opportunity to comment.

**NEW PHASE OF KEYSTONE FIGHT:** Volunteers with Bold Nebraska went door-to-door in the five Nebraska Public Service Commissioners home districts to raise concerns about the use of eminent domain and environmental concerns surrounding the Keystone XL pipeline. The Nebraska regulators expect to make a final decision on the pipeline permit by the end of the year.

**ADS URGE NO DRILLING IN ANWR:** The League of Conservation voters is targeting Republican Reps. [Bruce Poliquin](#) and [Darrell Issa](#) with ads (sample [here](#)) urging them not to support opening ANWR to drilling. It's part of an ongoing \$200,000 campaign.

**NO REAL RUSH ON METHANE:** EPA is now all-but-certain not to take any final action on the Obama-era 2016 methane regulation targeting emissions rule for new oil and gas wells until the next year, Pro's Alex Guillén reports in [Energy Regulation Watch](#). That comes as the agency issued [a notice](#) last week floated the idea (offered by the American Petroleum Institute) to implement longer phase-in periods for key requirements of the rule rather than seeking an outright stay.

**MOVER, SHAKER:** Katie Waldman leaves her post as press secretary for Montana Sen. [Steve Daines](#) this Thursday for a "new opportunity."

## QUICK HITS

— Donald Trump accused of obstructing satellite research into climate change. [The Guardian](#).

— To make coal plants in southern Illinois competitive, Dynegy seeks lawmakers' help. [St. Louis Post-Dispatch](#).

— In the Country Where Coal Is King, a Battle With the EU Looms. [Bloomberg](#).

— Contractor wasted millions on unnecessary supplies for S.C.'s failed nuclear reactors. [Post and Courier](#).

— Ohio city refuses to give up fight against gas pipeline. [AP](#).

— Wyoming's quiet governor faces a brash Interior Secretary, with a bird in the balance. [Casper Star-Tribune](#).

## HAPPENING THIS WEEK

### MONDAY

9:00 a.m. — "[The New Eurasia Energy Landscape](#)," German Marshall Fund, 1744 R Street NW

12:00 p.m. — House Ways and Means [markup](#) of GOP tax overhaul bill, 1100 Longworth

5:00 p.m. — House of Representatives Committee on Rules meeting on Hydropower Policy Modernization Act of 2017, H-313

### TUESDAY

10:00 a.m. — House Energy and Commerce Committee [hearing](#) on energy bills, House

Energy and Commerce Energy Subcommittee, Rayburn 2123

10:00 a.m. — "[Examining Challenges in Puerto Rico's Recovery and the Role of the Financial Oversight and Management Board](#)," House Natural Resources Committee, Longworth 1324

2:00 p.m. — "[Legislative Hearing on Discussion Draft Legislation to Overhaul Federal Lands Energy Policy](#)," House Natural Resources Energy and Mineral Resources Subcommittee, Longworth 1324

5:00 p.m. — "[Re-energizing Nuclear Security](#)," The Stimson Center, 1211 Connecticut Ave, NW, 8th Floor

### WEDNESDAY

9:45 a.m. — Senate Commerce Committee holds [vote](#) on the Bridenstine nomination and others, Dirksen 106

10:00 a.m. — The House Science Committee's Energy Subcommittee and Environment Subcommittee hold a [joint hearing](#) on "Geoengineering: Innovation, Research, and Technology," Rayburn 2318

10:00 a.m. — [Markup](#) on Offshore-Onshore Energy Bill, 8 Additional Measures, House Natural Resources Committee, 1324 Longworth

10:00 a.m. — Senate Environment and Public Works Committee holds [hearing](#) on White and Wheeler nominations, Dirksen 406

### THURSDAY

9:15 a.m. — "[Heavy-Duty Innovation: Energy, Automation & Tech in the Trucking Sector](#)," Securing America's Future Energy, The Loft at 600 F, 600 F Street Northwest

9:30 a.m. — ITC hearing on countervailing and anti-dumping duty investigations into Argentine and Indonesian biodiesel, 500 E St., SW

9:30 a.m. — "[What Lessons Can Be Learned from Power Africa?](#)" Center for Strategic and International Studies, 1616 Rhode Island Avenue, NW

10:15 a.m. — "[H.R. \\_\\_\\_\\_, Farm Regulatory Certainty Act](#)," House Energy and Commerce Environment Subcommittee, Rayburn 2322

11:00 a.m. — FERC Chairman Neil Chatterjee holds discussion with Platts reporters and other credentialed press, S&P Global Platts Washington office, 1200 G St., NW, Ste. 1000

### THAT'S ALL FOR ME!

**\*\*Presented by ExxonMobil:** Energy is fundamental to modern life and drives economic prosperity - in small communities across America and around the world. We need a range of solutions to meet growing energy demand while reducing emissions to address the risk of climate change. Visit the Energy Factor to learn more about some of the bold ideas and next-generation technologies we're working on to meet this challenge: [EnergyFactor.com](#) \*\*

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/11/what-to-watch-for-as-bonn-climate-talks-kick-off-025389>

## **Stories from POLITICO Pro**

### **State Dept's Shannon to lead U.S. delegation to climate talks [Back](#)**

By Andrew Restuccia | 10/06/2017 07:18 PM EDT

Thomas Shannon, the State Department's undersecretary for political affairs, will lead the U.S. delegation to a major international climate change summit next month in Bonn, Germany, according to an administration official.

The news comes amid swirling rumors that Environmental Protection Agency Administrator Scott Pruitt was angling to lead the delegation, a move that would have made a skeptic of established climate science the face of the United States at the talks.

In previous years, the State Department's climate envoy led the U.S. delegation to the annual gathering. But the Trump administration has declined to fill that position.

The Bonn negotiations are aimed at implementing the 2015 Paris climate change agreement, from which President Donald Trump has said he intends to withdraw.

Neither the White House nor the State Department responded to requests for comment.

*To view online [click here.](#)*

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### **EPA, Army Corps seek delay to WOTUS start date [Back](#)**

By Eric Wolff | 11/03/2017 05:48 PM EDT

The EPA and the Army Corps of Engineers sent to the White House a proposed rule on Friday delaying the effective date of the Waters of the United States regulation to give the administration more time to craft a new version of rule, according to an agency spokeswoman.

EPA declined to specify the new effective date for the regulation, also called the Clean Water Rule. Nor would it say if the proposed rule would make other changes. The notice will appear on the OMB's website this morning.

"In order to provide regulatory certainty, EPA and the Department of the Army have sent a proposed rule to the Office of Management and Budget for interagency review that would amend the effective date associated with the 2015 Clean Water Rule to give the agencies time to consider the two-step process proposing to rescind and revise the 2015 rule," the spokeswoman said.

In June, EPA proposed a repeal of the rule, which aimed to clarify which waters fall under federal jurisdiction. The comment period closed in September with 190,000 comments filed.

The proposed rule is separate from any rule intended to replace WOTUS.

"The agency is also in the process of holding listening sessions with states, tribes and stakeholders as we work to develop a proposed step 2 rule that would revise the definition of 'waters of the United States,'" the spokeswoman said.

The current rule was stayed by the 6th Circuit in some states last year.

**WHAT'S NEXT:** OMB will send the proposed rule back to EPA for release and publication in the Federal Register.

To view online [click here](#).

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**Trump urges Saudi Arabia to list state oil company on N.Y. stock exchange** [Back](#)

By POLITICO Staff | 11/04/2017 09:58 AM EDT

President Donald Trump on Saturday urged Saudi Arabia to list shares of its biggest oil company on the New York Stock Exchange.

"Would very much appreciate Saudi Arabia doing their IPO of Aramco with the New York Stock Exchange. Important to the United States!" Trump tweeted shortly before he was due to leave Hawaii on the first leg of a 13-day trip to Asia.

Saudi Arabia is preparing to sell shares of its state-run oil company — the world's largest energy company — on international markets.

Saudi Prince Mohammed has said the initial public offering of about \$100 billion could value the company at some \$2 trillion, according to Reuters.

In an on-the-record meeting with reporters aboard Air Force One later Saturday, Trump clarified: "Aramco is going public. It will be perhaps the biggest going public ever. It's the Saudi Arabian oil company and it will be just about the biggest ever.

"And I want them to consider, because right now they're not looking at it, because of litigation, risk and other risk, which is very sad, they're not looking at it, but I want them to strongly consider the New York Stock Exchange or NASDAQ, or frankly anybody else located in this country, but those are the big two

"I just spoke to the King a little while ago, and they will consider it."

The Trump administration has been working hard to strengthen ties with Saudi Arabia.

Trump in August described his relationship with King Salman of Saudi Arabia as "very great," calling him "a friend of mine."

Trump's son-in-law and senior adviser Jared Kushner made an unannounced visit to Saudi Arabia at the end of October — his third trip to the country this year. He was accompanied by

deputy national security adviser Dina Powell and Middle East envoy Jason Greenblatt.

Kushner is tasked with leading the administration's efforts to achieve peace in the Middle East. The White House would not say who Kushner met with on his visit.

In August, Trump offered to personally mediate a dispute between Saudi Arabia, Qatar and other Arab countries centered around alleged support of terrorism.

"I was telling the emir before that if I can help between UAE and Saudi Arabia ... if I can help mediate between Qatar and, in particular, the UAE and Saudi Arabia, I would be willing to do so," he said at the time.

Trump visited Saudi Arabia with a large White House entourage in May, committing the United States to a deeper alliance with the "sacred land."

As a presidential candidate, Trump had previously accused the Muslim-majority kingdom of complicity in the World Trade Center attacks of Sept. 11, 2001.

*To view online [click here.](#)*

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## **GAO to review Pruitt appearance in beef group's anti-WOTUS video [Back](#)**

By Alex Guillén | 11/03/2017 06:22 PM EDT

The Government Accountability Office will investigate EPA Administrator Scott Pruitt's appearance in an industry group's video calling for public comments in favor of repealing the Waters of the U.S. rule, according to a [letter](#) released today by House Democrats.

Rep. [Peter DeFazio](#) (D-Ore.) asked GAO to investigate whether Pruitt's actions violated laws "on the use of appropriated funds for lobbying and publicity or propaganda purposes and the Antideficiency Act," according to the letter, dated Oct. 31.

The [video](#) was posted on Aug. 16 by the National Cattlemen's Beef Association, a major critic of the Obama-era WOTUS regulation. It includes an interview in which Pruitt discusses his criticisms of the rule, along with text urging viewers to submit pre-written comments via the NCBA's website.

The video quickly drew criticisms from environmental groups. EPA at the time [said](#) Pruitt sought "engagement with all stakeholders, especially those who felt their voices were ignored by the previous Administration."

GAO previously dinged the Obama-era EPA in 2015 when it [concluded](#) the agency's use of a "Thunderclap" social media campaign promoting the WOTUS rule amounted to "covert propaganda."

**WHAT'S NEXT:** GAO's letter does not specify how long the inquiry will take.

*To view online [click here.](#)*

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## House Natural Resources Committee unveils new energy bill [Back](#)

By Ben Lefebvre | 11/03/2017 03:34 PM EDT

House lawmakers today unveiled a new [energy bill](#) that would roll back Obama-era offshore drilling rules, create an offshore oil and gas revenue program for East Coast drilling and give more oil and gas permitting power to the states.

Majority Whip [Steve Scalise](#) (R-La.) introduced the bill, with House Natural Resource Committee Chairman Rep. [Rob Bishop](#) (R-Utah) and Texas Democratic Reps. [Henry Cuellar](#) and [Vicente Gonzalez](#). The bill is expected to move through the committee next week and hit the House floor "in the near future," committee spokesman Parish Braden said.

Among the bill's provisions is a directive to create an offshore oil and gas revenue program for states along the Atlantic coast and Alaska, where the Interior Department is [exploring](#) opening more of the waters for offshore oil drilling.

The bill would also require Congress to approve any future removals of offshore acres from lease sales or establishment of new marine sanctuaries, an apparent response to the Obama administration's [last-minute removal](#) of some Alaska and Atlantic waters from development.

Onshore, the bill would also allow states to oversee drilling plans on federal land within their borders.

The bill calls on Interior to hold a lease sale for wind power projects off the California coast within one year of the bill's passage. Interior would also conduct feasibility studies for wind lease sales off the coasts of Hawaii, Puerto Rico, the U.S. Virgin Islands and Guam, with results due in six months and possible sales within a year of the bill's passing.

**WHAT'S NEXT:** The House Natural Resources Committee expects to take up the bill next week.

To view online [click here](#).

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## New U.S. climate report at odds with Trump policy [Back](#)

By Emily Holden | 11/03/2017 05:10 PM EDT

A sweeping new U.S. government [report](#) concludes that humans have pushed global temperatures to the highest level seen by modern civilization, defying the Trump administration's pronouncements that climate change is a hoax or based on unsettled science.

The report, produced by 13 agencies as part of the congressionally required National Climate Assessment, reinforced years of research that shows human activity was the main reason

temperatures have soared in the past century — and they are likely to keep climbing, boosting sea levels and threatening environmental disasters.

The report contradicts President Donald Trump's rejection of climate science, his plan to withdraw the U.S. from a global pact to fight climate change and his moves to unwind a slate of policies put in place under former President Barack Obama to reduce greenhouse gas emissions.

"Foremost, we conclude based on extensive evidence, that it is extremely likely that human activities are the dominant causes of global warming," said David Fahey, one of the lead authors. "For the warming over the last century, there is no convincing alternative explanation for the warming observed."

However, the White House stuck to its stance that climate "has changed and is always changing," and it pointed to portions of the report about the uncertainty around the Earth's sensitivity to greenhouse gas emissions.

White House spokesman Raj Shah said in a statement that the Trump administration "supports rigorous scientific analysis and debate," and the U.S. will continue to promote access to "affordable and reliable energy needed to grow economically," support technology and infrastructure that reduce emissions and "enable us to address future risks, including climate related risks."

Fahey, a scientist at the National Oceanic and Atmospheric Administration, told reporters on a conference call that he saw no attempt to influence the report by the Trump administration.

"I'm quite confident to say there's been no political interference in the scientific messages of this report," Fahey said.

Virginia Burkett, an Interior Department climate scientist and chair of the subcommittee on Global Change Research, emphasized that the report steered clear of recommending any policies to deal with climate change, saying it was limited to "strictly the science."

EPA Administrator Scott Pruitt, who said he did not believe that man-made emissions were the main cause of climate change and has moved to eliminate Obama's rules curbing carbon dioxide pollution from power plants, did not comment on the report.

The report was reviewed by scientists at the National Academies, released for public comment and screened by federal agencies under both the Obama and Trump administrations.

Juanita Constible, a special projects director at the Natural Resources Defense Council, said in a blog post the report confirms what many other previous studies had shown.

"It's essential that our federal leaders in Congress and the Executive Branch take seriously the dire conclusions from the painstaking and authoritative work in the [the report] — and more importantly, to urgently act on the findings," Constible wrote.

Bob Kopp, a climate scientist at Rutgers University and a report contributor, said the findings "reaffirmed that climate change is real, that humans are the dominant cause of warming, and that it is having an effect in the U.S. And those effects will grow more severe as long as we continue to emit carbon dioxide into the atmosphere."

Sea levels are expected to rise one to four feet by the end of the century and could swell by up to eight feet if emissions of greenhouse gases continue to rise, the Climate Science Special Report says.

Episodes of heavy rainfall are becoming more frequent and intense, and heat waves will become more common. Kopp said the report also shows the U.S. can expect more compounded extreme weather events, like the multiple hurricanes and wildfires that occurred this summer.

Annual global average temperatures are expected to rise by 2.5 degrees Fahrenheit by 2050. And although the growth in global carbon dioxide emissions is slowing, that trend is moving too slowly to keep temperatures below a dangerous tipping point of 3.6 degrees, or 2.0 degrees Celsius, above pre-industrial levels that would see more devastating impacts, the scientists found.

The report is the most comprehensive study since the last National Climate Assessment was published three years ago and the Intergovernmental Panel on Climate Change published its physical science report four years ago, Kopp said.

The U.S. Global Change Research Program, which coordinates the assessment, also released a draft of a second [volume](#), which examines impacts on public health and the environment, and a draft of a [report](#) on changes in carbon levels.

The report about how climate change impacts Americans, which will undergo public comment, notes that "Americans are responding to rapid changes affecting their everyday lives and livelihoods," because of climate change.

Reservoir managers in the Colorado River Basin are adjusting to lower water levels, cities along the Gulf and Atlantic Coasts are seeing more flooding and storm surge from rising seas and heavier rains. Farms in the Midwest are adopting new crop management strategies, and communities in the western U.S. face more wildfires, it notes.

Some risks are already unavoidable while others could be reversed if greenhouse gas emissions decline, according to the report.

"Climate change puts many things Americans care about at risk, both now and in the future, and risks will intensify without action," the report says.

*Eric Wolff contributed to this report.*

To view online [click here](#).

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**Jerry Brown's holy war on Donald Trump** [Back](#)

By David Siders | 11/05/2017 07:12 AM EDT

VATICAN CITY — California has opened a new front in its war on Donald Trump — the Vatican, where Gov. Jerry Brown on Saturday sought to enlist the Catholic Church in his

effort to undermine the president's climate policies abroad.

Brown, addressing a somber gathering of scientists, politicians and religious leaders here, rebuked Trump's rejection of mainstream climate science as a "lie within a lie," urging religious establishments to help "awaken the world" to efforts to reduce greenhouse gas emissions.

The conspicuous repudiation of the president, in this center of Christendom on the eve of this week's international climate talks in Bonn, Germany, served to underscore Brown's role as one of the most prominent figures in the anti-Trump resistance. But it also highlighted California's deep antipathy toward the president on a global stage, allying the nation's most populous state with the international community against the backdrop of simmering tension between the White House and Pope Francis on climate change.

The pope, who did not appear at the conference, implicitly criticized the president in October for withdrawing from the Paris climate agreement, a decision that weighed heavily over the gathering.

Brown wasn't the only Californian emphasizing the American divide over global warming — or the state's determination to blaze its own trail on the issue. Rallying the same audience the previous day, California Democratic state Senate leader Kevin de León cast California's leaders — and not, explicitly, Washington's — as the "faithful stewards of God's creation."

Daniel Kammen, the University of California, Berkeley, professor who resigned noisily from his role as science envoy to the State Department in August, called Trump's election America's "existential crisis" and encouraged efforts to impeach him. And California Democratic Congressman Scott Peters said the relatively large proportion of U.S. Congress members who are Catholic is "one reason why Pope Francis' commitment to making environmental stewardship a priority of his papacy has such a potential to affect American climate policy."

The meeting, hosted by the Pontifical Academy of Sciences, preceded two weeks of climate talks in Bonn, where Brown and leaders of other Democratic states will seek to persuade the world's nations that wide swaths of the United States remain committed to the Paris agreement. Trump's withdrawal from the pact has cast a cloud over the upcoming gathering in Germany.

Still, California's Democratic governor minimized the significance of Trump's withdrawal from the accord, saying the decision helped focus public attention on the issue.

In comparison to worldwide efforts to address climate change, Brown said, "The Trump factor is very small, very small indeed."

Instead, Brown called for a fundamental transformation of people's way of life.

"It's not just a light rinse," Brown said. "We need a total, I might say brainwashing. We need to wash our brains out and see a very different kind of world."

Yet the Catholic Church's ability to move American public opinion on climate change remains in doubt. For one thing, relations between Trump and the spiritual leader of America's more than 50 million Catholics remain cool after Pope Francis criticized Trump on issues ranging from climate change to immigration to refugee resettlement.

"The state of relations between the pope and Trump is not good and has never been good," longtime Vatican analyst Iacopo Scaramuzzi said in an email. "They are openly at odds on almost every point, from personal style of life to issues as climate change or migrations, from attitude towards China, Iran or Cuba to the concept of 'people' and 'populism.'"

While the pope's encyclical on the environment served as an inspiration for negotiations in Paris two years ago, many climate activists hoped lobbying by a popular religious figure might also nudge public opinion on climate among conservatives in the United States. There is little evidence that has happened.

Following the encyclical's release and the pope's 2015 U.S. tour, researchers at the Yale Project on Climate Change Communication found a short-term increase in the number of Americans who said climate change was a "moral," "social justice" or "poverty" issue. Soon after, however, they found public opinion returned to pre-encyclical levels.

"It was him coming to the United States, where he got 24-7, wall-to-wall coverage .... we saw a significant impact on public opinion," said Anthony Leiserowitz, director of the Yale Project on Climate Change Communication. "We also found that six months later, that effect had faded away."

Bob Inglis, a former Republican congressman whose progressive views on climate change contributed to his defeat in a South Carolina primary in 2010, said of the pope's encyclical, "I do acknowledge that it hasn't exactly — it hasn't yet turned into the barn burner that I had hoped that it might have been."

For conservatives, Francis may be an imperfect messenger, controversial for his relatively progressive views not only on climate, but on marriage and immigration. The pope and Trump traded jabs during the presidential campaign last year about Trump's proposal to build a wall along the U.S.-Mexico border, and Trump announced his withdrawal from the Paris climate agreement just days after a visit in which the pope handed him a copy of his encyclical, *Laudato Si*.

"I've got a Catholic friend in Congress who will go nameless, who told me that, and he was only halfway joking, that he thinks this pope is the anti-Christ," Inglis said. "There's a contingent of American Catholics who really think that the pope has left the reservation."

Inglis said he is optimistic for the long-term effect of the pope's advocacy on climate change, as the issue is taught in local parishes and other religious organizations. Climate activist Bill McKibben said the Catholic Church is "one of those bureaucracies through which things work their way kind of slowly," and he said its effects will likely percolate for years.

But Francis is also suffering in America from a problem that he shares with Trump: a declining base. Though about 1 in 5 American adults are still affiliated with the Catholic Church, their numbers are in decline. A survey last month from the Pew Research Center found a majority of U.S. adults do not think it is necessary to believe in God to be moral. And regardless of religious affiliation, climate change has failed in recent elections to register a top level of concern for most voters.

Jim Nicholson, the former secretary of Veterans Affairs and Republican National Committee chairman who served as ambassador to the Holy See under George W. Bush, said Trump's relationship with the Vatican "got off to a ragged start" but has improved steadily and is now

"pretty good." He cited Trump's nomination of Callista Gingrich, the wife of former House Speaker Newt Gingrich, to be ambassador to the Holy See.

"There are obvious differences on some subjects, like climate and immigration and the death penalty, always. But there's an awful lot of alignment in values — religious freedom and trafficking and life," he said.

Trump has said he is withdrawing from the Paris agreement because it puts the United States "at a very, very big economic disadvantage." But he heartened many religious leaders with his appointment of Neil Gorsuch to the U.S. Supreme Court and his opposition to funding for nongovernment organizations that perform abortions.

For many religious voters, said Mitch Hescoc, president of the Evangelical Environmental Network, matters such as abortion and Supreme Court nominations carry more weight at the ballot box than climate change.

"The problem is that [climate change] is not on the radar screen of the reasons they vote yet at this point in time," Hescoc said. "That's my job, is to help them to see why it is as important as being pro-life. Our No. 1 message is that climate change is a pro-life issue."

Climate experts stewed throughout the Vatican meeting over global climate projections they described as "horrific," "terrifying" and "depressing."

Brown, who left the Vatican for an 80-minute meeting with Arturo Sosa, the superior general of the Jesuits, said Saturday night that he is "going around enlisting allies" in the battle over climate change.

"What it all comes down to is we've got to act sooner, and we have to act more decisively, and that's not happening," Brown said. "There's real horror in store for us if we don't take action."

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**Date:** Monday, October 16, 2017 5:43:57 AM

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By Anthony Adragna | 10/16/2017 05:40 AM EDT

*With help from Eric Wolff, Alex Guillén, Sara Stefanini and Darius Dixon*

**FERC APPROVES CONTROVERSIAL GAS PROJECTS:** FERC [gave its blessing](#) late Friday to two contentious pipelines that would carry gas out of the Marcellus shale formation in West Virginia. The 2-1 approval came over the objections of Commissioner Cheryl LaFleur, who said the Atlantic Coast and Mountain Valley pipeline projects were not in the public interest. Atlantic Coast would run through Virginia's Shenandoah Valley on its way to North Carolina, while Mountain Valley would end in southern Virginia. At the heart of LaFleur's 5-page dissent is concern about the footprints and redundant elements of the 900 miles of new gas infrastructure, which she believed could've been reined in in order to limit their collective environmental impacts. Although Atlantic Coast has documented demand for all of its capacity, MVP could only account for 13 percent of its capacity, she wrote.

**LaFleur's dissent highlighted two alternative approaches** requested by FERC staff that they ultimately dismissed because of how much of a design overhaul they would require, significantly upsetting proposed schedules. One option would've shaved 173 miles off the collective 900 miles, and avoided the Monongahela National Forest and the George Washington National Forest while reducing the number of crossings of the famous Appalachian Trail and Blue Ridge Parkway. The second alternative — a single, larger pipeline — would essentially remove all the environmental impacts associated with the Mountain Valley project. "[T]he decision before the Commission is simply whether to approve or reject these projects, which will be in place for decades. Given the environmental impacts and possible superior alternatives, approving these two pipeline projects on this record is not a decision I can support," she wrote. LaFleur, who doesn't seem to have voted against a natural gas project approval since a controversial compressor station decision in 2012, [went to Twitter](#) Friday night to say that her dissent "was a very difficult decision."

**It's an issue in the Virginia governor's race:** Republican nominee Ed Gillespie said in a Saturday [statement](#) he was "glad" for FERC's decision and called on Democratic nominee Ralph Northam to voice support for the projects. According to [The Roanoke Times](#), Northam did not take a firm stance on the pipeline Saturday, noting the Army Corps of Engineers and Virginia's Department of Environmental Quality must still sign off on them. Elana Schor [wrote](#) about the dicey politics of the Atlantic Coast pipeline in 2015, when Virginia Republicans were fighting the project's route.

**More pipeline drama in New York:** FERC's approval of both projects came the same day New York lobbed a new test of the authority that states have to block natural gas pipelines, when Gov. Andrew Cuomo's administration challenged the commission's decision to overrule a state denial of a water quality permit for the 7.8-mile Millennium Valley Lateral project, POLITICO New York's Marie J. French [reports](#).

**And out of Europe:** Russian gas giant Gazprom didn't think it would have much trouble

expanding the Nord Stream pipeline, but those beliefs are being severely challenged, POLITICO Europe's Anca Gurzu [reports](#). And Trump administration officials went to Brussels last week to reiterate U.S. opposition to the project.

**AND WE'RE ROLLING INTO A NEW WEEK!** I'm your host Anthony Adragna, and Duke Energy's Michael Sewell was first to pick Sen. Luther Strange as the tallest in U.S. history. For today: Which two-term congressman did Paul Ryan succeed as representative of Wisconsin's 1st? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**NEW MEMBERS OF THE INNER CIRCLE:** A conservative Texas think tank that had close ties to Energy Secretary Rick Perry while he served as Texas governor has now seen three members of its staff selected for energy and environmental posts in President Donald Trump's administration, Pro's Ben Lefebvre [reports](#). The latest addition from the Texas Public Policy Foundation is Kathleen Hartnett White, Trump's controversial nominee to lead the White House's Council on Environmental Quality. Sometimes viewed as too far right even among Texas GOPers, the think tank has already landed staff in important roles overseeing oil and gas rules and federal enforcement of environmental standards.

**Brian Roberts, a University of Texas professor** specializing in political institutions and interest groups, said the group's rise appears reflective of the mutual disdain between Trump and D.C.-establishment Republicans that's forced the administration to look outside traditional GOP channels to fill political slots across the federal government. "Texas is a very large state that's been under Republican control for a generation, so it hardly seems far-fetched that there might be some conservative policy talent here," Roberts said. "Couple that with the fact that the Trump administration is going out of its way to avoid 'establishment' talent — those most likely to be resting comfortably in D.C.-area think tanks — it makes even more sense that we find them fishing for talent outside the swamp."

**Other TPPF veterans in Trump slots:** Susan Combs, who is [awaiting](#) Senate approval to become Interior's assistant secretary for Policy, Management, and Budget, and Doug Domenech, tapped to be Interior's assistant secretary of Insular Areas.

**Sen. John Barrasso called White**, an "excellent choice" in a statement to ME. "She deserves full and fair committee consideration, followed by a Senate vote," the Environment and Public Works Committee chairman said.

**ON THE PRESIDENT'S MIND:** Trump shot back at a New York Times [story](#) examining his struggles at implementing a host of campaign promises by largely touting his accomplishments in the energy arena. "The Failing [@nytimes](#), in a story by Peter Baker, should have mentioned the rapid terminations by me of TPP & The Paris Accord & the fast.....approvals of The Keystone XL & Dakota Access pipelines. Also, look at the recent EPA cancelations & our great new Supreme Court Justice!" he [tweeted](#). ME would just note Trump merely kicked off the multi-year process of withdrawing from Paris and those EPA "cancelations" must still go through the formal rulemaking process and survive vigorous legal challenges.

**OIL RIG EXPLODES IN LAKE PONTCHARTRAIN:** One person is missing and six others are injured after an oil rig reportedly owned by Clovelly Oil Co. exploded in Lake Pontchartrain, La. shortly after 7 p.m. Sunday, The New Orleans Advocate [reports](#). Video [footage](#) filmed shortly afterward showed the platform still on fire. The Coast Guard and local

police are [reportedly](#) responding to the scene.

**KING COVE ROAD COMING?** Turns out Interior's been working quietly behind-the-scenes on a land swap that would enable the construction of a [long-sought one-lane gravel road](#) from the isolated southwestern Alaska village of King Cove through the Izembek National Wildlife Refuge, The Washington Post [reports](#). Opponents of the road fear it would harm the habitats of a variety of animals and potentially endanger other wildlife refuges throughout the country. The proposal would turn federal land over to King Cove Corporation that would enable construction of a road through the refuge that could be connected to roads on both sides. This has long been a pet project of Senate Energy Chairman [Lisa Murkowski](#) and briefly delayed the confirmation of Obama-era Interior chief Sally Jewell.

**FEINSTEIN GETS A CHALLENGER:** California state Senate leader Kevin de León, who ushered ambitious climate legislation and an extension of the state's cap and trade program through his chamber, announced a primary bid against Sen. [Dianne Feinstein](#), POLITICO California's David Siders [reports](#). "California needs a senator who will stand up and fight for Medicare for All, one that prioritizes the fight against climate change, that will protect Dreamers and our economic prosperity," he said in an interview.

**NEW PUSH TO FILL POLITICAL VACANCIES:** Even as his boss has repeatedly voiced comfort leaving hundreds of high-level political appointments vacant, White House Chief of Staff John Kelly has granted Cabinet officials new autonomy to select top political appointees, POLITICO's Nancy Cook [reports](#), citing 10 interviews with White House officials and advisers close to the administration. According to the Partnership for Public Service, the Senate has confirmed to date roughly 142 political appointees out of the 602 key jobs throughout the government.

— **Four EPA nominees**, including the highly controversial picks of Michael Dourson as chemicals chief and William Wehrum as lead air official, get votes Wednesday in the Senate Environment and Public Works Committee, Pro's Alex Guillén [reports](#). Also on the to-do list are the nominations of David Ross to head the water office, Matthew Leopold to be general counsel and Jeff Baran's re-nomination to the NRC, which Barrasso called a "[big ask](#)" even if packaged with two GOP selections.

**PROBE SOUGHT INTO SUPERFUND DRINKING WATER:** In light of reports some Puerto Ricans were drinking water from Superfund sites out of desperation, Homeland Security Ranking Member [Bennie Thompson asked](#) DHS to investigate whether that behavior was occurring and what could be done to stop it. Nearly one month after the storm, just 15 percent of the island has electricity and 31 percent of people still lack potable drinking water, according to [government figures](#).

**MICROBREWED LNG WITH A SIDE OF AVOCADO TOAST:** Today is the last day to comment on the Energy Department's [proposal](#) to setup a special application process for the export of small batches of liquefied natural gas to countries that are not part of free trade agreements with the United States. According to its Federal Register notice, DOE wants to ease approvals for applications to export LNG in quantities up to 140 million cubic feet per day, so long as they don't require an environmental impact statement or an environmental assessment under the National Environmental Policy Act. The agency expects that the small-scale shipments will serve LNG customers in the Caribbean, as well as Central and South America. A few weeks after issuing this NOPR, DOE [approved](#) small-scale LNG exports to the Caribbean from a site in Florida.

**FOR YOUR VIEWING PLEASURE:** House Natural Resources Chairman [Rob Bishop](#)'s full half-hour interview with C-Span's "Newsmakers" is available [here](#). He said Interior Secretary Ryan Zinke has "exceeded my expectations" so far. Other topics included wildfires, Antiquities Act and Puerto Rico, among others.

**BIPARTISAN GROUP BASHES BIODIESEL CUTS:** A bipartisan group of at least 25 senators — led by [Heidi Heitkamp](#), [Roy Blunt](#), [Patty Murray](#) and [Chuck Grassley](#) — are today sending EPA Administrator Scott Pruitt a letter urging him to reverse course on proposed cuts the advanced biofuel volume for 2018 and his intention to hold biomass-based diesel volume stagnant for 2019. "The industry is poised for growth, in accordance with the intent of the law, if EPA sends the market signals with increased volumes. Reducing volumes and especially those RVOs that were previously finalized is disruptive, unprecedented, and very troubling," the letter said.

**ME FIRST — RFA REPORT SAYS RIN PRICES DON'T HURT GAS PRICES:** The Renewable Fuels Association is out with a [report](#) today arguing that a jump in prices for credits under the Renewable Fuel Standard had little impact on gas prices. The report is an attempt to rebuff arguments from oil refiners that volatility in the market for Renewable Identification Numbers drive up gas prices, and thus EPA should act to reduce those costs. "This analysis demonstrates that EPA's efforts will have no impact on consumer gasoline prices," RFA CEO Bob Dinneen said in a statement. "If finalized, however, these proposals will have a decidedly negative impact on the U.S. ethanol industry by artificially cannibalizing demand."

**EPA FOUND A CARBON RULE IT CAN LIKE:** Sure EPA is proposing to roll back the Clean Power Plan, but that doesn't mean all carbon rules are off the table: The agency is even now working on a rule to regulate carbon from jet engines, Pro's Eric Wolff [reports](#). The rule would implement an agreement struck by the International Civil Aviation Organization to increase jet efficiency and thereby reduce carbon emissions on international flights. The rule is crucial for Boeing, which needs federal agencies to certify its engines before it can sell aircraft overseas in 2020, when the agreement takes effect. "For Boeing, GE and Pratt and Whitney, it's critical," said Daniel Rutherford, marine and aviation program director for ICCT. "If they want to sell aircraft after 2020, they need this rule."

**A good sign for HFCs agreement?** The ICAO agreement had the strong backing of industry, much as does an amendment to the Montreal Protocol to reduce use of global warming hydrofluorocarbons. "Without reading too much into it, the administration's pending carbon emission rule for aircraft could be a positive sign for its eventual support of the Kigali Amendment to the Montreal Protocol," Francis Dietz, spokesman for the Air Conditioning Refrigeration, and Heating Institute, told ME. "Just as the ICAO agreement has the U.S. aircraft industry's support, so too is Kigali strongly supported by U.S. manufacturers, who would like to see a unified, global phase down of HFC refrigerants rather than the hodgepodge of national, regional, and even state policies that would likely be the case without it."

**\*\* Presented by the National Biodiesel Board:** President Trump repeatedly pledged to protect biodiesel and the Renewable Fuel Standard (RFS). But EPA's latest actions threaten the 64,000 jobs supported by biodiesel. A strong RFS will be key to keeping these jobs and upholding his promise. Tell EPA to grow the RFS: <http://bit.ly/2ghDL03> \*\*

**REPORT: ACTING EPA SCIENCE ADVISER STEPPING DOWN:** Robert Kavlock,

currently EPA's acting assistant administrator for the Office of Research and Development, plans to leave that role Nov. 3, CNN [reports](#). Though the agency's top science adviser initially declined to comment on the reasons for his departure, he later said "the time was right to go for a variety of reasons" and that his retirement was not early.

**ALASKA OFFICIAL TO RUN EPA REGION 10 — REPORT:** Chris Hladick, Alaska's commissioner of the Department of Commerce, Community and Economic Development, has been picked to run EPA's Region 10, according to the website [Must Read Alaska](#), citing unnamed sources familiar with the pick. Region 10 is headquartered in Seattle and covers Alaska, Washington, Oregon and Idaho. Region 10 is home to one of the more contentious matters EPA faces: The proposed Pebble Mine, which the agency is allowing to apply for mining and discharger permits but is opposed by Gov. Bill Walker. As commissioner, Hladick oversees several divisions and corporate agencies, including the Alaska Energy Authority and the Alaska Gasline Development Corps. He previously served as city manager of Unalaska.

**GREEN MESS WITH TEXAS (HAZE RULE):** Environmentalists have major issues with the Trump administration's recent [federal haze rule](#) covering Texas, calling it in a Friday [court filing](#) "a sham rule that flagrantly violates notice and comment procedures mandated by the Clean Air Act." Greens say EPA put out a "drastically different" final rule compared to what the Obama administration proposed in January and that the new version could actually allow for an increase in emissions. The groups ask the court to toss the rule and force EPA to issue a new version closer to the proposal within 30 days.

**Also likely to affect the proceedings** are the [recent announcements](#) from Texas utility Luminant about plans to close three coal plants that were major emitters of haze-forming pollutants. Those retirements could affect this rulemaking, though the filing didn't address the closures.

**GOOD MONDAY READ:** POLITICO's Michael Grunwald [looks at](#) why Trump's been laser-focused on the coal industry and why the industry's thrilled about his first flurry of actions.

## QUICK HITS

— A small town in Texas. A huge explosion. An unsolved mystery — and the long road back. [Washington Post](#).

— Australia Debates: Does a Warming Planet Really Need More Coal? [New York Times](#).

— Approaching storm may help clear smoke from Bay Area skies. [Mercury News](#).

— Trump says he ended the 'war' on coal companies. But it's too late to save them. [Washington Post](#).

— OPEC Sees 'Healthy' Oil Demand Growth to 2022. [Bloomberg](#).

— ConocoPhillips Alaska plans largest exploration season in 15 years. [Alaska Dispatch News](#).

— Western Arizona tribes could lease Colorado River water to areas thirsty for development. [Arizona Central](#).

## HAPPENING THIS WEEK

## MONDAY

9:00 a.m. — American Association of Blacks in Energy hosts an energy policy summit, The National Press Club, 529 14th St. NW

11:00 a.m. — Press call with former EPA staff on agency budget cuts, RSVP: [brooke@smoottewes.com](mailto:brooke@smoottewes.com)

12:00 p.m. — [Launch](#) of the Johns Hopkins University Initiative for Sustainable Energy Policy, SAIS, Nitze Building, 1740 Massachusetts Ave. NW, Kenney Herter Auditorium

## TUESDAY

9:30 a.m. — Senate Appropriations subcommittee [markup](#) of Interior-Environment bill, 124 Dirksen

9:30 a.m. — "[Working Towards Clean Cars and Clear Skies in Los Angeles, Hong Kong and the Pearl River Delta](#)," Wilson Center, One Woodrow Wilson Plaza, 1300 Pennsylvania Ave. NW

11:15 a.m. — Democratic senators host press conference calling for removal of Arctic Refuge drilling language from budget, Senate swamp

## WEDNESDAY

9:00 a.m. — Former Energy Secretary Ernest Moniz [discusses](#) the role U.S. nuclear energy plays in achieving national security objectives, 400 New Jersey Ave. NW

9:00 a.m. — "[DNV GL Energy Transition Outlook](#)," United States Energy Association, Fourth Estate Room, The National Press Club, 529 14th Street, NW

10:00 a.m. — Senate Environment and Public Works Committee holds business meeting on various nominations, Dirksen 406

## THURSDAY

10:30 a.m. — Senate Appropriations Committee [markup](#) of Homeland Security and Interior bills, Dirksen 106

12:30 p.m. — "The Past, Present, and Future of U.S. Energy Policy," Center for Strategic and International Studies, 1616 Rhode Island Avenue NW

## FRIDAY

12:00 p.m. — The National Capital Area Chapter of the United States Association for Energy Economics [hosts](#) Munich Re's Edward V Byrns Jr., Carmine's, 425 7th St NW

## THAT'S ALL FOR ME!

**\*\* Presented by the National Biodiesel Board:** Made from an increasingly diverse mix of resources such as recycled cooking oil, soybean oil and animal fats, biodiesel is a renewable, clean-burning diesel replacement that can be used in existing diesel engines without

modification. More than 64,000 workers rely on biodiesel to support their livelihood. What happens to biodiesel matters to American workers, rural communities and real families. But EPA's latest actions threaten the future of those jobs by proposing cuts to the successful Renewable Fuel Standard. Administrator Pruitt should respect the promises made by President Trump. Watch the president promise to protect the RFS here: <http://bit.ly/2xn5Sgm> \*\*

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/10/ferc-green-lights-two-controversial-pipelines-025055>

## Stories from POLITICO Pro

### Divided FERC approves Atlantic Coast, Mountain Valley pipeline projects [Back](#)

By Darius Dixon | 10/13/2017 08:00 PM EDT

FERC gave a green light to the contentious Atlantic Coast natural gas pipeline project tonight, with Commissioner Cheryl LaFleur as a dissenting vote.

FERC voted 2-1 on approvals for both [Atlantic Coast](#) as well as a the [Mountain Valley Pipeline Project](#).

"Given the environmental impacts and possible superior alternatives, approving these two pipeline projects on this record is not a decision I can support," LaFleur wrote in a 5-page dissent attached to both orders, saying that "I cannot conclude that either of these projects as proposed is in the public interest."

*To view online [click here](#).*

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### Pipeline politics: Virginia's Keystone? [Back](#)

By Elana Schor | 05/03/2015 01:32 PM EDT

Call it the Keystone next door.

A core group of Virginia Republicans and other landowners is leading the charge against a proposed natural gas pipeline near their backyards and using tactics similar to the environmental crusade against the Keystone XL oil pipeline — the very project Republicans in Congress have elevated into a matter of national economic survival.

Financial services super-lobbyist Phil Anderson is joining other politically active Republicans in carrying out a well-funded campaign against Dominion's \$5 billion Atlantic Coast Pipeline, which would cross Virginia's Shenandoah Valley while running 550 miles from West Virginia's fracking fields to North Carolina. They're calling the effort "All Pain, No Gain," which echoes the "All Risk, No Reward" coalition that Keystone opponents formed two years ago.

"Job One is to stop this route — it would be a tragedy for the state of Virginia," said

Anderson, whose family has owned land for more than a century along Atlantic Coast's proposed path 20 miles west of Charlottesville. His allies include other landowners in the area, as well as Tom Harvey, a national security staffer in the George H.W. Bush administration; and Taylor Keeney, a former spokeswoman for Republican ex-Gov. Bob McDonnell.

The pipeline opponents say their fight is neither Republican nor Democratic, and Anderson said his campaign against Atlantic Coast is "not mutually exclusive" with the overwhelming GOP support for Keystone. He notes that Dominion could use condemnation to acquire access to private property for the project if it can't work out agreements with the owners.

"A lot of conservatives oppose this pipeline — eminent domain for a pipeline that's not providing any true public utility," Anderson said. He added: "The XL debate obviously has raised talking points about pipelines to a higher level, but in many ways they are not germane to this issue in Virginia. It's a different type of pipeline, a different sort of need."

Still, Atlantic Coast's opponents acknowledge the parallels with the anti-Keystone push that has pitted President Barack Obama against a chorus of GOP lawmakers in Washington. The dispute is also a reminder of how Keystone has changed the politics of pipelines nationwide, offering a template that activists from New England to Minnesota and Wisconsin are using to grind projects to a halt.

"In some ways, I think we're not too far from the crowd of folks who say, 'No pipelines, nowhere,'" said campaign co-Chairwoman Charlotte Rea, an Air Force veteran and self-described independent. "We have a lot of common ground with those folks, more common ground probably than we do differences."

The activists leading the fight against the Alberta-to-Texas Keystone XL project say: Welcome aboard, Virginians.

"Any effort to slow the building of new fossil fuel infrastructure is a blow for climate sanity at this point," said Bill McKibben, co-founder of the group 350.org.

"I am happy to see Republicans got their backbone back after selling out landowners along the Keystone XL route for the very same risks and concerns about property rights and water," said Nebraska anti-Keystone activist Jane Kleeb. She added, "If the K Street lobbyists want to learn how to run a grass-roots campaign to protect property rights and water, they can come visit us in Nebraska."

Anderson, whose firm Navigators Global has represented big-name clients such as AIG and AT&T, said his main concern is blocking Atlantic Coast's current route — not necessarily "nuances of opinion about subsequent routes [or] having no pipelines at all." He complained that Dominion "consulted with no one" before choosing the path.

He also contends that Virginians have no guarantee that they would benefit from either the fuel the pipeline would carry or the jobs it would create, saying that "there is very little gain for the citizens of Virginia from this pipeline." That's pretty much Obama's slam on Keystone, which he has said would be "very good for Canadian oil companies" but not even "a nominal benefit to U.S. consumers."

Atlantic Coast's foes are aiming their political pressure at Gov. Terry McAuliffe and Sens. Tim Kaine and Mark Warner, all of them Democrats, and have been running television and

radio ads in the Virginia heartland urging people to contact the senators. Anderson said the campaign aims to grab the politicians "by the shoulders and say, 'Let's have a conversation about how this thing should go.'"

Fundraising for the All Pain, No Gain campaign is halfway to organizers' \$1 million goal, Anderson said. The Global Environment & Technology Foundation, an Arlington, Virginia-based nonprofit that Harvey chairs, is the vehicle for donations to the campaign.

Although McAuliffe was among Atlantic Coast's earliest backers, activists still hope to persuade him to shrug off what Anderson quipped is Dominion's "letter jacket." McAuliffe spokesman Brian McCoy seemed to offer little hope for a change of heart, underscoring McAuliffe's support in a statement that said the governor "has no role in the planning of the project" but "has urged the companies involved to proceed with as much deference to the concerns of landowners and local communities as possible."

But McAuliffe, a longtime ally of Bill and Hillary Clinton, suggested new caveats for the pipeline on Thursday in an interview with Richmond radio station WRVA. McAuliffe told a caller that the state should "pick the best route that doesn't affect the homeowners. I want a route that doesn't affect our pristine environmental areas."

Warner and Kaine have steered clear of any firm stance on the project, though both have spent weeks urging the Federal Energy Regulatory Commission to extend its initial public comment period before starting an environmental review.

Kaine and his aides have met with landowners and environmentalists about Atlantic Coast, and the senator "believes their concerns are worthy of careful consideration," a spokeswoman said. Warner remains "committed to listening to the concerns of constituents, taking into consideration the environmental impacts, and carefully monitoring the final pipeline route to ensure it is in the best interest of the state," spokeswoman Rachel Cohen wrote in an email.

The campaign has stirred a battle royal with Dominion, the state's dominant electricity supplier. Dominion is a 45 percent partner in the Atlantic Coast project, along with Duke Energy, Piedmont and the Atlanta-based energy services company AGL. Dominion began its own ad campaign in support of Atlantic Coast even before All Pain, No Gain's ads started. It has also prepared a "Myth vs. Fact" sheet that seeks to counter the opponents' arguments, including their contentions that the pipeline would be used export fuel as well as criticisms of gas as bad for the climate.

Dominion wants "to find the route with the least impact to the environment, to historical and cultural resources, and that's what we believe we're doing through conversations with landowners," spokesman Jim Norvelle said. He added that the green movement "also wants to close coal-fired power stations," which makes Atlantic Coast's gas important for power companies that "still have a responsibility to keep the lights on."

Norvelle acknowledged that fewer landowners in Rea's home of Nelson County have given Dominion access to their land than in any of the other Virginia counties where surveying for the pipeline is underway — although he added that they seem willing to "bring reporters on their property."

All Pain, No Gain co-Chairwoman Nancy Sorrells countered that Dominion would be unable to find any "alternate responsible routes" for the pipeline through Augusta County, where she

lives, or in Rea's county. "Our economy is too dependent on things that would be harmed," she said.

Sorrells, who like Rea is an independent, said the group wants Dominion and its partners to show a demonstrated need to ship 1.5 billion cubic feet of gas through their state every day. (Atlantic Coast's annual capacity is more gas than Virginia consumed last year, according to the Energy Department.) It also has significant questions about the safety of building a 42-inch pipeline across Nelson and Augusta counties, which depend on agriculture and tourism.

Meanwhile, Republicans in neighboring states are pressing FERC to sign off on the project. West Virginia Sen. Shelley Moore Capito recently urged the agency "to proceed without further delay" on the review, while North Carolina Sens. Thom Tillis and Richard Burr called for "a robust and transparent public process" in a letter that hails the economic benefits of Atlantic Coast.

Those benefits would include \$377 million in lower annual energy bills for Virginia and North Carolina customers, according to a Dominion-commissioned study released earlier this year.

Glen Besa, director of the Sierra Club's Virginia chapter, said his group's activists and the new crew of plugged-in Atlantic Coast opponents have indeed found an agenda they can share. They're "all pushing to minimize the impact of any pipeline that's built, and from our perspective stop any pipeline from being built," he said.

"In one sense," Besa added, "there's a common enemy: Dominion Virginia Power."

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## **POLITICO Pro New York: State challenges feds to block pipeline for natural gas power plant** [Back](#)

By Marie J. French | 10/13/2017 05:19 PM EDT

ALBANY — Gov. Andrew Cuomo's administration is challenging a federal decision to overrule New York's denial of a water quality permit, in a test of the authority that states have to block natural gas pipelines.

The Department of Environmental Conservation on Friday [filed a petition for a rehearing](#) with the Federal Energy Regulatory Commission over the commission's decision to overrule the DEC's rejection of the 7.8-mile Millennium Valley Lateral project.

DEC rejected the permit in August, arguing federal regulators hadn't considered the project's climate change impacts. FERC didn't account for the emissions from the CPV Valley power plant the pipeline would supply, the department said.

In September, FERC ruled that the DEC waived its authority to approve or deny a water quality permit because the agency missed its statutory one-year deadline to act on the permit under federal law. That ruling has already led the backers of the Constitution Pipeline, for which the Cuomo administration rejected a key permit, to [appeal to FERC](#) on the same

grounds.

The state's petition focuses on whether the one-year deadline for action was triggered by the first application submitted by Millennium, which the state said was incomplete, or the refiled application.

"Under FERC's erroneous interpretation of Section 401, the waiver period would commence upon the Department's receipt of any request for a [water quality certificate], however perfunctory," the petition states.

If DEC simply denied incomplete applications as FERC's September decision suggested, it "would be inefficient and penalize both the Department and an applicant by foreclosing the opportunity to work cooperatively to ensure that a given application contains all the necessary information for a Department to render a decision on the merits," it says.

The state's requirement for a complete application is also consistent with the U.S. Army Corps of Engineers' practice, according to the state.

The power plant the pipeline would supply is part of a corruption case against Joe Percoco, a top former aide to Cuomo. Environmental activists have seized upon that link in calling for blocking the plant. The alleged corruption scheme did not involve permits or other state actions benefiting the 685 megawatt Orange County plant, but Percoco did play a role in a bi-state agreement — since ended — with New Jersey that benefited a CPV plant in that state.

*This story first appeared on [POLITICO Pro New York](#) on Oct. 13, 2017.*

*To view online [click here](#).*

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**The Texas think tank filling out Trump's energy, environment team [Back](#)**

By Ben Lefebvre | 10/16/2017 05:00 AM EDT

The nomination of Kathleen Hartnett White to lead the White House's Council on Environmental Quality makes her the third member of a conservative Texas think tank to land a prominent energy or environmental job in the Trump administration.

That think tank, the Texas Public Policy Foundation, was closely tied to Energy Secretary Rick Perry during his years as governor. And though it sometimes skewed too far to the right for even some Texas GOP members, it's finding success in filling prominent positions overseeing oil and gas rules and federal enforcement of environmental standards.

"It seems to be there is expertise outside of D.C.," said Heritage Foundation research fellow Nick Loris. "In some sense, it's refreshing to get some folks from outside the bubble."

The foundation's rising profile appears to reflect the mutual disdain between Trump and D.C.-establishment Republicans, which has prompted the White House to search further afield for staff, said Brian Roberts, a University of Texas professor specializing in political institutions and interest groups.

"Texas is a very large state that's been under Republican control for a generation, so it hardly seems far fetched that there might be some conservative policy talent here," Roberts said. "Couple that with the fact that the Trump administration is going out of its way to avoid 'establishment' talent — those most likely to be resting comfortably in D.C.-area think tanks — it makes even more sense that we find them fishing for talent outside the swamp."

As head of the CEQ, White would help guide federal environmental initiatives and develop the administration's policies on issues such as implementation of the National Environmental Policy Act, the landmark 1970 law that requires environmental analyses for federal projects.

But she's drawn sharp criticism for her unconventional views, including her stance that carbon emissions are harmless.

"Appointing a climate denier and friend of the fossil fuel industry like [White] to such a vital environmental policy position is a complete joke," said Gene Karpinski, president of the League of Conservation Voters.

White, who also chaired the Texas Commission on Environmental Quality, pressed "the moral case" for fossil fuels in a 2014 [paper](#) for the Foundation, arguing that coal, oil and gas should not be moved aside for "inferior energy sources" given their role in spurring the Industrial Revolution. And in a controversial 2014 [blog post](#), she credited the rise of fossil fuels with helping to end slavery.

The TPPF first set up shop in Texas in 1989 to push the issue of school vouchers in the state. It has since gotten behind [policies](#) that, among other things, would repeal all Texas taxes except a sales tax, and has called for a convention of states to rewrite parts of the U.S. Constitution. It also seeks to end state-backing of programs curbing greenhouse gas emissions and boosting renewable energy.

"Our founder's goal almost 30 years ago was to produce Heritage-caliber research on Texas issues," said Alicia Pierce, TPP spokeswoman, referring to the Heritage Foundation. "As we've realized so many state policies are hamstrung by federal actions, we've started to explore those angles in a way that supplements the work done by our friends such as Heritage, not to encroach on their work."

Heritage, for its part, has welcomed the the Texas group's growing role, and it hosted a TPPF-sponsored event in Washington. The group has also recommended experts for panel discussions, Loris said.

The TPPF flourished during Rick Perry's record-long stint as Texas governor, and Perry's policies and [budgets](#) often followed the direction of Foundation policy papers, Texas political analysts said. TPPF Chief Executive [Brooke Rollins](#) served as Perry's deputy general counsel and later his policy director in Austin. [Chip Roy](#), another Foundation expert, was Perry's senior adviser in Texas, as well as a staff member for Republican Sens. [John Cornyn](#) and [Ted Cruz](#).

"A lot of Republican leaders here in Texas take their cues from a small selection of conservative think-tanks, and the TPPF is one of them," said Adrian Shelley, director for the Texas branch of government watchdog Public Citizen.

The relationship with Perry's administration helped the Foundation attract donors. By the time

Perry finished his 15-year tenure as governor, the Foundation's annual revenue had grown tenfold, to nearly \$11 million in 2015, according to [IRS filings](#).

The ties with Perry were strong enough that the foundation even [named](#) a part of the \$20 million headquarters it built in Austin in 2015 the "Governor Rick Perry Liberty Balcony." Its website also [offered](#) Perry as an expert available for interviews.

An Energy Department spokesman did not reply to questions about Perry's relationship with the Foundation.

Another TPPF alumnus called to make the jump to Washington is Susan Combs, a former Texas comptroller under Perry, who is [awaiting](#) Senate approval to become Interior's assistant secretary for Policy, Management, and Budget.

Democrats are sure to probe Combs' long-running fight to against the Endangered Species Act. During her tenure as Texas comptroller, a little-noticed amendment to a state spending bill [empowered](#) her office to manage the Texas Fish and Wildlife Service's endangered species list. Combs used that power to help block the FWS from designating as an endangered species the dunes sagebrush lizard, a small reptile that lives mainly in the oil-rich Permian Basin in west Texas.

The decision was made over the protest of a career FWS scientist who was subsequently transferred out of the state, according to a whistleblower [complaint](#) the scientist filed in 2014.

Combs, whose [website](#) offers her as a public speaker on topics such as "Winning the Battle Over Regulatory Issues Under the Federal Endangered Species Act (ESA)," was unavailable for comment.

Trump has also tapped Doug Domenech to be Interior's assistant secretary of Insular Areas. He joined the TPPF in 2015 as director of the think tank's Fueling Freedom Project, [billed](#) as a way "to combat the Environmental Protection Agency's proposed Clean Power Plan" and "push back against the EPA's onerous regulatory agenda that threatens America's economy, prosperity, and well-being."

Domenech has also [praised](#) a booklet written by Dr. Roy Warren Spencer, a climate change denialist who has also questioned the theory of evolution. Separate from the Foundation, Domenech has written for the Capital Research Center, a group that has [argued](#) that carbon dioxide is harmless and regulating would destroy jobs. Domenech said in Senate testimony that he doesn't "minimize that the climate is changing," but he has also [written](#) that the change is "in very small ways."

Domenech was also Virginia's Secretary of Natural Resources for four years up to January 2014, who's emails contained an unusual footer message: "It's OK to print this email. Paper is a Biodegradable, Renewable, Sustainable product made from trees and recycled paper. Growing and harvesting trees provides jobs for millions of men and women."

Domenech and White were not available for comment.

Perry's successor, Gov. Greg Abbott, has remained close to the group, and some of TPPF board members have [bankrolled](#) challenges to lawmakers who blanch at implementing many of its conservative policy proposals. But other Texas Republicans have been wary of whether

the group pushes ideological stances over sound policy, including its dubious claims about state spending in a bitter 2013 state budget battle.

And its argument in its effort to repeal Texas' corporate and property taxes have also raised eyebrows, said Jim Keffer, a Republican who served 20 years in the Texas Legislature before stepping down last year.

"They swing a lot of weight, no doubt about it," Keffer said of the foundation. "But I think the data is skewed. We would have had to raise our [sales] tax from six percent to 20 percent for the sales tax to do what they wanted to do as far as getting rid of all the other taxes. That would literally ruin the Texas economy."

Another problem is that while the foundation has had Texas lawmakers' ears, they haven't had much success in getting their policies passed into law, notes Scott Braddock, editor of the Quorum Report, which focuses on Texas politics. Despite school choice being its core policy issue since its founding, there remains no school voucher system in Texas, Braddock notes.

"For someone who prides himself on getting things done, there is some irony in Trump choosing folks who are increasingly legislatively ineffective in their home state and importing them to Washington," Braddock said.

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**Alaska's long road war** [Back](#)

By Andrew Restuccia | 04/04/2014 05:00 PM EDT

In the fall of 1998, Frank Murkowski took to the Senate floor to make an impassioned plea for the authority to build a one-lane gravel road from the isolated southwestern Alaska village of King Cove to a neighboring community with an all-weather airport.

"This is a road to life for the residents of King Cove," he said.

More than 15 years later, his daughter, Republican Sen. Lisa Murkowski — along with the rest of the Alaska congressional delegation — is still fighting for the road, insisting it's the only viable way to ensure that King Cove's 965 largely native Alaskan residents have access to emergency medical care.

( [Also on POLITICO: Full transportation and infrastructure policy coverage](#) )

What seems like a simple request is anything but. The proposed road would cut through federally protected wilderness land in the Izembek National Wildlife Refuge, a 315,000-acre sanctuary near the tip of the Alaska Peninsula. And the Interior Department says the road would threaten vulnerable plants and animals that rely on the area's unique ecology.

The oftentimes ugly fight has pitted Alaska politicians against the federal government for decades, sowing mistrust and frustration. It has also reinforced the view of many in Alaska that policymakers in the Lower 48 are out of touch with their needs.

At the same time, the battle has laid bare tensions between Alaskan leaders and conservation groups, which argue that approving the road could set a dangerous national precedent in other protected wilderness areas.

Lisa Murkowski and Alaska Democratic Sen. Mark Begich, who faces a tight reelection fight, are vowing to do everything in their power to win approval for the road, even though the Interior Department rejected the proposal late last year after a four-year analysis.

( [PHOTOS: 10 tough Senate races for Democrats](#))

Murkowski is using her position as the top Republican on the Senate Energy and Natural Resources Committee to elevate the issue, expressing her outrage at hearings and in floor speeches and holding a series of news conferences with King Cove residents. She has also [lambasted](#) Interior Secretary Sally Jewell, who [announced](#) the most recent rejection of the road just two days before Christmas.

"I am not willing to let a day go by without raising this as an issue," Murkowski said in an interview.

The road would give King Cove residents access to the larger airport in the nearby community of Cold Bay when extreme weather grounds flights at the smaller King Cove airport. King Cove has a medical clinic, but residents often have to travel to Anchorage for major procedures and emergencies.

The road, proponents argue, is the best solution to the transportation problems that have long plagued isolated King Cove.

Besides its small airport, the town has access by boat across the Izembek Lagoon, but foul weather can make air and boat travel difficult, residents say. Supporters of the road say at least 19 deaths over the years have resulted from plane crashes or an inability to obtain adequate medical care.

( [Sign up for POLITICO's Morning Transportation tip sheet](#))

Della Trumble, a King Cove resident and longtime advocate for the road, said its approval is a matter of life and death.

"I just feel strongly that the human factor far outweighs the wildlife," she said. "We will protect the wildlife. It's who we are."

Trumble and other residents have made dozens of trips to Washington to make their case, telling stories of family and friends who have been hurt or killed trying to get out of the community during storms. Trumble said she watched as her niece was flown out for a medical emergency amid winds of 70 to 80 mph. She said another niece was born on the galley table of a crab boat during an evacuation attempt.

Just this week, an injured fisherman was flown out of King Cove by the Coast Guard, marking the fifth medical evacuation of the year, according to [King Cove officials](#).

But opponents say the road would wreak havoc on the refuge and its wildlife. The refuge hosts more than 200 species, including caribou, grizzly bear and, in the fall, about 98 percent of the

world's Pacific black brant. It also has one of the largest eelgrass beds on the planet and was one of the first areas in the U.S. to be designated as a [wetland of international importance](#).

"You can't punch a road through there without doing serious damage," said Don Barry, who served as Interior's assistant secretary for fish, wildlife and parks during the Clinton administration.

In addition, the proposed road faces major legal hurdles. In 1980, Congress designated most of the refuge as wilderness, the highest level of public land protection.

Barry, now a senior official at the conservation group Defenders of Wildlife, said it would be unprecedented to allow a road through a wilderness area. Though the refuge has some old military roads, they were built before the conservation laws were enacted.

Several opponents raised concerns that approving the road would lead to a push for development in other protected areas.

"Once you carve a road of this kind right through the middle of a national wildlife refuge, where does it stop?" former Clinton administration Interior Secretary Bruce Babbitt asked.

Babbitt and other opponents have also suggested that the road could be used for commercial purposes, noting that Peter Pan Seafoods has a cannery in King Cove. "But despite pledges and promises to the contrary, the real purpose for building the road is the same as it ever was: moving fish and workers to and from King Cove's canneries," Babbitt [wrote](#) in the Los Angeles Times last month.

Peter Pan has [rejected](#) those accusations, and Murkowski notes that her legislation calling for approval of the road specifically bars using it for commercial purposes.

The fight over the road burst into public view in the late 1990s, when then-Sen. Frank Murkowski pushed legislation that would allow for approval of the road as part of a land exchange. The bill passed the Senate in 1998 but never passed the House. President Bill Clinton threatened a veto amid concerns about the road's effect on wildlife.

Soon after, then-Sen. Ted Stevens launched into a tense series of negotiations with the Interior Department. The resulting compromise was a \$37.5 million appropriation approved by Congress to improve the King Cove medical clinic and airport and make accommodations for a hovercraft to transport residents to Cold Bay. The hovercraft was used until 2011, but it is being sold because, operators said, it was too expensive to operate.

"Finally it was settled — and now it turns out it isn't," said Babbitt, who worked with Stevens to negotiate the deal and strongly opposed the road.

Within several years, the issue was back on the table. Lisa Murkowski included a provision in a 2009 bill calling on the Interior Department to analyze the road and proposing another land exchange. In exchange for setting aside land in the refuge for the road, the federal government would receive more than 43,000 acres of Alaska state land and more than 13,000 acres of land owned by the King Cove Native Corp.

The provision set off a four-year analysis by Interior that culminated in December with the department's rejection of the road.

"While the proposed land exchange would bring many more acres of land into the Refuge System, the analysis indicates that the increased acreage could not compensate for the unique values of existing refuge lands, nor the anticipated effects that the proposed road would have on wildlife, habitat, subsistence resources and wilderness values of the Refuge," the department said in a statement at the time.

The decision infuriated the Alaska delegation and has strained Murkowski's relationship with Jewell.

After hearing about the decision, Murkowski [said](#) she told Jewell, "I cannot forgive the fact that you have delivered this, that you have dashed all hope for the people of King Cove, and the fact that you did this the week of Christmas is absolutely callous and cold-hearted."

Other Alaska lawmakers have similarly taken Jewell to task. "If someone dies out of King Cove, I want you to really think about it and be ashamed of yourself," Rep. Don Young told Jewell at a hearing Thursday.

The road's opponents say viable alternatives exist — a notion that Murkowski and others reject. Opponents also argue that the road, which would snake through isolated land often battered by extreme weather, would pose its own dangers.

At a recent Senate hearing, Jewell said she is committed to working with King Cove residents to find alternatives. During a recent meeting with Begich, she said she will again listen to the community's concerns.

"Jewell committed to reviewing the information that the community plans to provide on the issue and to provide a response to the senators, State of Alaska and the community on their request to reconsider the final decision," Interior spokeswoman Jessica Kershaw said in an email.

Alaska lawmakers face major hurdles toward changing Interior's mind but say they're not giving up.

Begich said in a recent interview that he hopes to attach his bill approving the road to upcoming Interior appropriations legislation. Murkowski vowed to continue hammering away as well.

"This secretary has made a decision, and I think she thought the people of King Cove were tucked far enough away that nobody would be making a big deal about this," Murkowski said. "But I'm not forgetting them, and it's not just an idle threat."

*CORRECTION: A previous version of this story offered an incorrect name for the city where King Cove residents sometimes have to travel for major medical procedures.*

To view online [click here](#).

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**Feinstein draws primary challenge from Democrat de León [Back](#)**

By David Siders | 10/15/2017 01:56 PM EDT

LOS ANGELES - Sen. Dianne Feinstein (D-Calif.) will face a primary challenge from California state Senate leader Kevin de León, who cast himself on Sunday as a progressive champion of California's resistance to President Donald Trump.

Launching his campaign, de León said in an email to supporters that he will "take the fight to Trump from California to Washington DC," doing his part "to work even harder to reunite this nation with a progressive agenda."

The announcement, which had long been expected, comes less than a week after Feinstein [announced](#) her re-election bid.

De León did not mention Feinstein in his public campaign roll-out. In a subsequent interview with POLITICO, he avoided criticizing Feinstein by name. "California needs a senator who will stand up and fight for Medicare for All, one that prioritizes the fight against climate change, that will protect Dreamers and our economic prosperity," he said.

He said he was a "bundle of nerves" and that the announcement was "just like jumping off a cliff."

"It will be David and Goliath...I'm under no illusion," he said.

De León, a Los Angeles lawmaker, faces an uphill climb in his effort to unseat Feinstein. First elected to the Senate in a 1992 special election, Feinstein has long served as a pillar of California's Democratic Party and has connections that could make fundraising difficult for de León. The state's junior senator, Kamala Harris, endorsed Feinstein immediately after she announced her re-election campaign, as did former Sen. Barbara Boxer and Lt. Gov. Gavin Newsom, the Democratic frontrunner to succeed Jerry Brown as governor.

Still, Feinstein's more centrist politics could present an opening for de León, who will run against her from the left. Feinstein, 84, has come under criticism from progressive activists for her skeptical view of single-payer health care legislation and her support for some of Trump's earliest nominees.

De León this year championed a failed universal health care measure and a successful bill granting additional protections to undocumented immigrants. De León cheered Feinstein's critics earlier this year when, seizing on Feinstein's remark that Trump could become a "good president," he said Democrats should "not be complicit in his reckless behavior."

Yet Feinstein's public approval ratings, though slipping slightly since Trump's inauguration, remain relatively favorable in California. And de León is little known statewide. When the Berkeley-IGS Poll asked Californians in April who they would support for U.S. Senate if Feinstein opted not to run, De León polled at 3 percent.

De León, who will soon have to leave the state Senate due to term limits, had few options for advancement. The 50-year-old had considered entering California's race for governor, but the field is already crowded with Democrats.

It remains unclear if de León will be the only high-profile Democrat challenging Feinstein. Billionaire environmentalist Tom Steyer is mulling a run, and Joseph Sanberg, a wealthy Orange County progressive activist, is considered another potential candidate. Some long-shot

candidates are already in the race, including a progressive lawyer, Pat Harris.

Under California's primary rules, the top two finishers in next year's primary will advance to a November runoff regardless of party affiliation.

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**Kelly tries to get empty administration jobs filled fast** [Back](#)

By Nancy Cook | 10/15/2017 05:42 PM EDT

White House chief of staff John Kelly is giving Cabinet secretaries more autonomy to pick top political appointees, reversing efforts under his predecessor Reince Priebus to run most appointments through the West Wing.

Kelly's goal, according to 10 interviews with White House officials and advisers close to the administration, is to do a better job of finding candidates for the hundreds of jobs throughout the administration that remain vacant almost nine months into President Donald Trump's first term.

"Being somebody from the Department of Defense, normally you've got key people in place and a clear chain of command," said Leon Panetta, a former White House chief of staff himself and former Secretary of Defense, who spoke to Kelly around the time he accepted the White House job. "It's very difficult to run anything if you don't have people responsible in those positions."

Kelly entered the White House with an unusually clear understanding of the flaws of the personnel process, according to two people close to him.

As a Cabinet pick and then as Department of Homeland Security secretary, Kelly was frequently exasperated during the transition and early days of the administration over his inability to choose his own staff. He got into frequent spats with the White House over filling a handful of top jobs in his department, according to one of the people close to him.

Other Cabinet secretaries, including Defense Secretary James Mattis and Secretary of State Rex Tillerson, have had their [own problems](#) with the White House personnel office, with Mattis trying to circumvent it and hire his own staff.

"Look, everyone in the White House is upset. It's both a problem of getting candidates through the bureaucracy and through the Senate. Of course Kelly is upset," said former House Speaker Newt Gingrich, an informal adviser to Trump whose wife, Callista, has been nominated as Trump's Vatican ambassador. "The whole system is totally screwed up."

Part of the problem stems from the Trump administration's criteria for hiring staffers and top political appointees. Potential candidates must be loyal to the administration and not have spoken harshly about the president during the campaign.

That has created a particular problem when it comes to filling national security jobs, because

scores of Republican experts, many of whom served in the George W. Bush administration, signed a letter criticizing the future president before the election.

Many experienced Republicans who ordinarily would have vied for middle- and top-level posts under a Republican president also decided to sit out the Trump administration in January, starving the president of choices when it came to picking appointees.

The president himself seems willing to tolerate vacancies indefinitely.

"I'm generally not going to make a lot of the appointments that would normally be - because you don't need them," Trump told Forbes in an interview which posted last week. "I mean, you look at some of these agencies, how massive they are, and it's totally unnecessary. They have hundreds of thousands of people."

The White House press office did not respond to requests for comment.

Filling vacant jobs has taken on particular urgency in recent weeks, as the White House contends with thorny policy questions such as North Korea's growing nuclear might and the fate of the Iran deal. The administration is also trying to re-negotiate the NAFTA trade agreement and roll back parts of Obamacare through regulations and executive orders.

At the State Department, more than 78 jobs do not have a nominee out of 149 key positions, and 32 countries still don't have ambassadors in place, according to data kept by the non-partisan Partnership for Public Service.

The Treasury Department has 15 key slots open out of 28 significant Senate confirmed positions as the White House dives into selling tax reform.

Just last week, Treasury announced it would [not fill](#) its No. 2 deputy secretary slot after a second candidate dropped out of the running for it.

Kelly's own former job remains open two and a half months after he moved to the White House, with Trump nominating Kelly's No. 2 Kirstjen Nielsen this week after other potential nominees were passed over.

The Department of Health and Human Services, the agency responsible for overseeing the Affordable Care Act, lacks a Cabinet secretary after former Rep. Tom Price resigned after spending hundreds of thousands of taxpayer dollars to charter private jets for government trips.

So far, the Senate has confirmed roughly 142 political appointees out of the 602 key jobs throughout the government, according to the Partnership for Public Service.

The presidential personnel office also got off to a rocky start. Its director Johnny DeStefano, who started right after the inauguration, had to find candidates for hundreds of key Senate-confirmed jobs without an existing pool of applicants after the administration discarded lists compiled by New Jersey Gov. Chris Christie, who was fired as transition head days after the election in November.

DeStefano also entered the job with no formal experience in executive recruiting or hiring. Previously, he worked for House Speaker John Boehner and the National Republican Congressional Committee.

At the White House, both Priebus and Steve Bannon, the former White House chief strategist, were seen as his high-level protectors. Their departures this summer have left DeStefano adrift inside Kelly's new power structure, according to two people close to the administration.

Kelly recently asked DeStefano to oversee the Office of Public Liaison, whose head George Sifakis left in August following Priebus' ouster.

DeStefano, who also retains his title as head of the personnel office, did not respond to requests for comment.

Outside conservative activists and groups are no longer blaming Senate Democrats for holding up confirmations.

Last week, over 100 conservatives released a letter to remind both the administration and Capitol Hill that "personnel is policy."

The letter demands that Senate leadership schedule committee and floor action every Thursday and Friday and to work full weeks until Trump's nominees get confirmed. Among the signatories are Edwin Meese, former Attorney General under Ronald Reagan; Becky Norton Dunlop, a former Reagan adviser who worked on the Trump transition; Tony Perkins, president of the Family Research Council, and Adam Brandon, President of FreedomWorks.

Republicans say that the slow pace of appointments impedes Trump's agenda. It ends up leaving much of the agency-level, or diplomatic work to government careerists who aren't necessarily supportive of the Trump agenda.

"The career people know how to keep the government going and respond to citizens, but if there is any desire to change what the government is doing, that is most effectively done if it is being led by a political appointee," said Clay Johnson, who oversaw presidential personnel under Bush. "So without the hundreds of political appointees at each of the key agencies, the administration of government will continue, but it will be hard for the Trump administration to change or eliminate something, or create something new."

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**EPW to vote next week on EPA, NRC, DOT nominees [Back](#)**

By Alex Guillén | 10/13/2017 04:42 PM EDT

The Senate Environment and Public Works Committee will vote Oct. 18 on four EPA nominees, plus appointments to the Nuclear Regulatory Commission and the Federal Highway Administration.

The committee will vote on Michael Dourson to run the EPA's chemicals and pesticides office, William Wehrum to run the air office, David Ross to head the water office and Matthew Leopold to be general counsel.

Sen. [Tom Carper](#), the committee's top Democrat, indicated last week that he will oppose Wehrum over his strong ties to industry and Dourson because he declined Carper's request to recuse himself from issues he worked on previously as an independent toxicologist.

The committee will also vote on Jeff Baran's re-nomination to the NRC. Chairman [John Barrasso](#) called Baran's re-confirmation, even in exchange for Democrats moving two Republican NRC nominees, as a "big ask."

And the committee will vote on Paul Trombino as administrator of the FHWA. His nomination hearing was held last week.

Barrasso indicated last week that he is working to get a package of energy-related nominees onto the floor, including possibly several pending nominations to FERC and the Energy Department.

**WHAT'S NEXT:** The vote is scheduled for Oct. 18 at 10 a.m. in Dirksen 406.

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**Barrasso: Baran renomination to NRC is a 'big ask'** [Back](#)

By Darius Dixon | 10/04/2017 10:59 AM EDT

Senate Environment and Public Works Chairman [John Barrasso](#) complained this morning that re-confirming Nuclear Regulatory Commission member Jeff Baran may be too high a price for Republicans to pay in exchange for Democrats easing their opposition to GOP nominees to the agency.

"Senate Democrats have refused to advance the nominations of Annie Caputo and David Wright to the NRC until Commissioner Baran is confirmed to a new five-year term," Barrasso said at nomination hearing with Baran and four nominees to the EPA. "To be clear, Mr. Baran's nomination is a big ask."

Caputo and Wright [secured](#) the blessing of EPW in July but Sen. [Tom Carper](#) has [pressed](#) that Baran, whose seat expires in June, get a new five-year term and move alongside Republican picks as a bipartisan package.

But Barrasso bristled at the notion of having Baran on the NRC longer than President Donald Trump's GOP nominees, as well as NRC Chairwoman Kristine Svinicki. Wright and Caputo are up for terms expiring in June 2020 and June 2021, respectively. The Wyoming Republican also said he's hardly seen reason to drop his long-held opposition to Baran since former Sen. Barbara Boxer originally pushed him through the Senate years ago.

"In December 2014, the last time the Senate confirmed Mr. Baran, only one Republican voted in favor of his confirmation," Barrasso said. "Since then, Commissioner Baran has given me little reason to reconsider my vote."

**WHAT'S NEXT:** EPW has not yet scheduled a vote on the nominees.

To view online [click here](#).

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## **DOE gives nod to Florida small-scale LNG project** [Back](#)

By Ben Lefebvre | 09/15/2017 01:37 PM EDT

The Energy Department approved a company's application to export small amounts of liquefied natural gas from Florida, the agency [said](#) today.

Eagle LNG Partners Jacksonville II LLC is now authorized to ship 10 million cubic feet a day of natural gas in intermodal containers, DOE said. The company [plans](#) to ship the LNG to Caribbean islands to be used mainly as ship fuel, according to its website.

DOE has now approved up to 21.35 Bcf/d of natural gas exports.

**WHAT'S NEXT:** The U.S. is expected to become a net exporter of natural gas this year, according to U.S. Energy Information Administration forecasts.

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## **Trump administration restarts work on airplane carbon rule** [Back](#)

By Eric Wolff | 10/13/2017 02:48 PM EDT

The EPA confirmed it is developing a rule to regulate carbon emissions from aircraft, a rare step by the Trump administration to address climate change, and one that's seen as critical for the U.S. aerospace industry.

The rule, still under development, is part of the effort agreed to by a United Nations body last year to set a global carbon standard for international flights. Aircraft manufacturer Boeing, and its engine-makers Pratt & Whitney and GE, supported the agreement, and the companies need EPA to create the emissions regulation that would allow DOT to certify its equipment for international sale.

The rulemaking runs counter to President Donald Trump and EPA Administrator Scott Pruitt's steadfast opposition to efforts to combat climate change, and their rollback of Obama's climate policies. EPA had paused development of the aircraft rule over the summer as part of Trump's broader deregulatory push. But official schedules show Pruitt met with Boeing and GE in July, and the agency restarted the work this fall.

In crafting the rule, the administration appears to be willing to support a climate change effort that is strongly backed by industry, and could be an indicator of how it will consider a treaty to limit global warming-causing coolants. The carbon rule for aircraft is essential for Boeing, one of the top U.S. exporters.

"If the U.S. does not write a rule, U.S. manufacturers, particularly this would be Boeing, and manufacturers of engines on planes, they would not be able to sell those on international service and U.S. airlines would not be able to buy them for international operations," said Nancy Young, vice president for environmental affairs for the lobby group Airlines for America.

A committee of the International Civil Aviation Organization, an international standards-setting body, first agreed to the carbon standard for aircraft engines early in 2016. New engine designs in 2020 would be required to be an average of 4 percent more efficient than 2015 engines, and all new aircraft will have to meet the standard by 2024. ICAO issued a final approval in the spring, and EPA had already begun work on the rule, publishing an endangerment finding in July last year.

But Trump's election put the effort in doubt, and work on the rule paused over the summer as part of the new administration's regulatory reviews. Pruitt's schedule showed he had at least one meeting with Boeing over the summer, and work has begun now in earnest to produce a rule implementing the agreement.

"EPA is working on CO2 standards for aircraft to align them with the ICAO agreement," an EPA spokesman told POLITICO, confirming news first reported by Bloomberg BNA. The agency had said in its [deregulatory agenda](#) on July 20 that work on the rule had been suspended.

ICAO sets a wide variety of technical and safety standards, and federal agencies like the FAA and DOT typically implement them with little fanfare. Agreements by the body do not typically require Senate ratification. The ICAO agreement requires action by EPA to set the emission standards, and DOT would use those standards to certify engines promoted by Boeing, but it would not require Senate ratification.

But any carbon rule seemed unlikely under the Trump administration, which has spent its first months in office erasing regulatory efforts to fight climate change, including the Clean Power Plan and the U.S. participation in the Paris climate agreement.

Without an EPA rule implementing the deal, Boeing would have been unable to export its aircraft, or would have been forced to get them certified by another country that had implemented the deal, like Canada or Mexico. Boeing is a major exporter: The U.S. exported \$136 billion in aerospace equipment in 2016, and Boeing exported \$25 billion in aircraft to China alone. The International Council on Clean Transportation, a transportation think tank, characterized the stakes by noting Boeing's \$250 billion order backlog that could be at risk without a rule.

Boeing declined to comment for this story.

Boeing and GE met with Pruitt on July 13, a week before the public learned the rule had been paused, according to a schedule of Pruitt's meetings released by EPA last month.

"For Boeing, GE and Pratt and Whitney, it's critical," said Daniel Rutherford, marine and aviation program director for ICCT. "If they want to sell aircraft after 2020, they need this rule."

Greens are split on the ICAO standard. Bill Hemmings, who leads aviation work at Transport and Environment, an international green group, lambasted it at the time as "a nice try" that fell short of making major strides to reduce emissions. According to ICCT's analysis, Boeing will exceed the standard with the products in their pipeline by 10 percent.

But defenders of the agreement say it has value for preventing backsliding in engine efficiency, and for stopping other countries from producing less efficient products that undercut higher-quality U.S. goods.

"With this agreement, ICAO created the first-ever standards for carbon dioxide performance for a major sector of the economy, the aviation industry," said Rick Duke, a former aide to Obama who worked on the agreement. "It's good for American industry because we produce efficient aircraft and so we want to make sure that laggards are not grabbing market share with poor-performing aircraft."

The administration's action could also be good news for the U.S. coolant-making industry, which is strongly backing a separate agreement struck at the end of last year to limit global-warming hydrofluorocarbons. The industry supports the agreement reached in Kigali, Rwanda, because U.S. companies are the leaders in next-generation coolants. But unlike the ICAO agreement, the amendment to the Montreal Protocol requires Senate ratification.

Now, the willingness of Trump's EPA to write a carbon rule on behalf of industry could signal at least tacit approval to remain part of the international business arrangement, if not administration support for the Kigali agreement itself.

"I think that's what we saw happen last year with the Kigali agreement with HFCs where U.S. industry strongly pushed for successful outcome there," Duke said. "And like the aircraft sector, the industry produces high-performing products, and they very much appreciate having a level playing field and allows them to have a clear path."

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**Texas utility to shut down two major coal plants** [Back](#)

By Alex Guillén | 10/13/2017 11:30 AM EDT

Texas utility Luminant announced plans today to shut down two major coal-fired power plants that it said are "economically challenged."

The plants, with a combined 2,300 megawatts of capacity, were undercut by "low wholesale power prices, an oversupplied renewable generation market, and low natural gas prices," Luminant, a subsidiary of Vistra Energy, said in a release.

The plants are Big Brown, a 1,150-megawatt plant about 80 miles southeast of Dallas, and Sandow, a 1,137 MW-plant that sits 45 miles northeast of Austin.

Both plants burn lignite coal. The mine associated with Big Brown, Turlington, was already scheduled to close this year, according to Luminant. The Three Oaks mine that supplies

Sandow will close down soon as well.

About 650 workers at all those sites will be affected. Luminant said it will provide severance and help finding new work.

Environmentalists have targeted those plants, and particularly Big Brown, for years. But Scott Segal, director of the Electric Reliability Coordinating Council, in a statement downplayed the notion that the closures are a further sign of trouble for coal "but rather as an important part of an increasing diverse array of generation sources."

Luminant last week announced it will shut down its 1,800-megawatt Monticello coal plant about 100 miles east of Dallas on Jan. 4. It was supplied by coal from the Powder River Basin.

**WHAT'S NEXT:** Assuming the decommissioning process is approved by ERCOT, the Texas grid regulator, Big Brown will shut down on Feb. 12 and Sandow will close on Jan. 11.

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**Trump's Love Affair with Coal** [Back](#)

By Michael Grunwald | 10/15/2017 07:06 AM EDT

In February, surrounded by coal miners at the White House, President Donald Trump signed a bill repealing the Obama-era Stream Protection Rule, which would have restricted coal companies from burying streams. "This is a major threat to your jobs," Trump said, "and we're getting rid of this threat." He did not mention streams.

In March, this time surrounded by coal miners at the Environmental Protection Agency, Trump signed an executive order vowing to roll back Obama-era climate change policies, including the Clean Power Plan limiting carbon pollution from coal-fired power plants. "C'mon fellas, you know what this says?" Trump asked. "You're going back to work!" He did not mention climate or pollution.

So it was no surprise when, last week, Trump's EPA administrator, Scott Pruitt, announced he was launching the formal process to repeal the Clean Power Plan in a speech to coal miners in the coal town of Hazard, Kentucky. He proclaimed, as his boss has many times, that "the war on coal is over." There was once again little pretense that the move had much to do with the EP part of the EPA.

As the Trump administration has battled internally and seesawed publicly over issues like trade, health care, infrastructure and even immigration, there's no issue where it's been more consistent and emphatic than its support for coal. Miners held up "Trump Digs Coal" signs at his raucous campaign rallies, and sure enough, he's been a relentless advocate for this small and beleaguered industry.

He has stocked his administration with coal veterans, hacked away at coal regulations, and done what he can to prop up struggling coal companies. He probably won't be able to keep his promise to revive a once-dominant fossil fuel that has been declining around the world—and

most rapidly in the United States—but he is already changing the policy landscape around our dirtiest source of energy. He is also sending a political message to his base that he is waging a war on the war on coal, standing with tough guys who earn their living underground against tree-huggers who whine about climate change and clean air.

So far, coal is continuing its slump despite Trump's support. Utilities have announced the retirements of 12 more coal-fired power plants since he took office, including two massive ones in Texas added to the closure list on Friday. That announcement marked a milestone: Half of America's coal fleet has been marked for mothballs since 2010, a total of 262 doomed plants. And as jobs go, coal mining is now a tiny sliver of the U.S. economy, employing about 52,000 Americans last month, down 70 percent over three decades. (The count is up about 4 percent since Trump took office, but mostly because a snafu in China's steel industry temporarily boosted U.S. exports.) By contrast, the solar and wind industries employed almost 10 times as many Americans last year, and they're both enjoying explosive growth.

Coal is America's leading source of the carbon emissions that warm the planet, as well as a host of other air and water pollutants. And the economics of coal has cratered. Still, politically, the coal industry is one of the purest distillations of Trump's base, uniting right-wing business executives who hate environmental regulations and taxes along with blue-collar miners who wish America was more like it used to be when coal was king. While polls suggest that fewer than one-third of Americans approve of Trump's indelicate approach to the environment, more than two-thirds of the Republicans he's courted approve. At the ceremony where he erased the stream rule, Trump ticked off a list of coal states—West Virginia, Kentucky, Wyoming, Ohio—that all happened to have been big Trump states in November.

"Special people, special workers, we're bringing it back and we're bringing it back fast," he crowed.

So even if Trump can't stop the decline of coal, the industry is thrilled that he's doing his part to try to slow it, especially after eight years of an eco-friendly, climate-concerned Democrat in the White House. Bob Murray, a prominent coal CEO and early Trump backer, says in a new *Frontline* documentary that he handed Trump a 3½-page action plan when he took office, and the president has already plowed through Page 1.

"From a government whose avowed aim for eight years was to destroy the industry, we've understandably benefited from one that for eight months has helped us," says Luke Popovich, vice president of the National Mining Association.

Trump began by hiring coal-friendly aides like Pruitt, who had repeatedly teamed up with fossil-fuel interests to sue President Barack Obama's EPA when he was Oklahoma attorney general, and Commerce Secretary Wilbur Ross, the founder of a coal company that once had a deadly disaster in one of its mines. Trump's nominee to be Pruitt's deputy is a coal lobbyist; his nominee to be assistant labor secretary for mine safety and health ran a mining company with a checkered safety record.

The result has been a flurry of coal-friendly actions. Pruitt is taking aim not only at Obama's carbon plan for the power industry but a host of other rules limiting mercury, soot, smog and other discharges from coal operations. The president defied the world by withdrawing from the Paris climate agreement, specifically complaining that it was unfair to American coal. His administration has also lifted Obama's moratorium on coal leases on federal land, ended Obama's restrictions on financing coal projects overseas, and shut down a study of the health

effects of coal mining that blasts away entire mountains. His energy secretary, Rick Perry, recently proposed new subsidies for coal plants that keep stockpiles of coal handy, galvanizing opposition from an odd coalition of renewable energy advocates, environmentalists, Koch Industries and other oil and gas interests, manufacturers and other electricity consumers.

At a hearing last week, a Democratic congressman asked Perry why he was pushing a plan that could prop up outdated coal plants and increase costs to ratepayers. The secretary's response summed up the administration's approach to coal: "I think you take costs into account, but what's the cost of freedom? What's the cost to keep America free? I'm not sure I want to leave that up to the free market."

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Coal's long decline did get worse during the Obama years—partly because of his anti-pollution regulations, partly because of the Sierra Club's well-funded and well-executed [anti-coal campaign](#), but mostly because of the cruel realities of the market: Natural gas and even renewables got cheaper. And the slump is only expected to accelerate, since scores of still-operating coal plants are already scheduled to shut down over the next few years, and nobody is building new coal plants. Even if the economics made sense, and even if utilities didn't have to worry about carbon emissions, coal plants belch all kinds of pollution into the air and water; the American Lung Association believes its particulates kill about 7,500 Americans every year.

Still, Trump is a fan, and he's unusually forthright in his fandom. He's often either misleading or misinformed about the impact of his other policies—claiming his tax plan wouldn't help the rich, or that his health policies would expand access and protect pre-existing conditions—but when it comes to coal, Trump is clear about his goals, and transparent about whose interests he's pushing. Murray, the coal executive, was by his side when he signed the order attacking Obama's climate policies. Vice President Mike Pence, Pruitt, Perry and Interior Secretary Ryan Zinke have all toured coal operations this year.

So it was no surprise that the National Mining Association held a board meeting this month at the Trump International Hotel in Washington, putting money in its presidential benefactor's pockets. And as the *Washington Post* first reported, three Cabinet secretaries spoke to the group—Perry, Ross and Labor Secretary Alexander Acosta, who was once an attorney for a Murray Energy subsidiary in a dispute with its union. Zinke couldn't make it, but he sent his deputy, former fossil-fuel lobbyist David Bernhardt, in his place.

The meeting was private, but an activist at the Climate Investigation Center sent me photos the group obtained of Bernhardt speaking to the group—including photos of his notes. They appear to show that Interior is "considering appropriate adjustments" to the Obama administration's decisions to prohibit mining claims on certain environmentally sensitive public lands. Bernhardt's notes described some of those decisions as "nothing short of uninformed, arbitrary, and frankly senseless." Bernhardt had also jotted down the cellphone number of Luke Russell, vice president of external affairs for Hecla Mining. Hecla is seeking permits from Interior's Fish and Wildlife Service for two copper mines in Montana, and Russell said in an interview that the process has been dragging out for years.

"We're encouraged by the actions of this administration to try to move things along and get to a yes or no much quicker," Russell said.

The Interior Department did not respond to a request for comment. But the department's leaders have not been shy about their belief that Obama treated mining companies and other extractive industries unfairly. In August, for example, they rescinded an Obama-era rule that closed a loophole coal mining firms and other fossil-fuel companies were using to evade federal royalties on public lands. Zinke argued that the rule was causing too much "confusion and uncertainty" and holding back U.S. energy development.

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Trump administration officials often frame their attacks on energy-related rules as an aversion to "picking winners and losers," accusing their predecessors of harming coal in order to help wind (which tripled its capacity under Obama) and solar (which increased about 40-fold). But environmentalists point out that Obama's EPA, for example, never targeted the coal industry; it targeted pollution, and coal happens to produce an inordinate amount of pollution. Bruce Nilles, senior director of the Sierra Club's Beyond Coal campaign, says a distraught EPA career official recently told him the agency's political bosses have given clear marching orders: Do whatever you can to promote coal. That certainly sounded like picking winners.

"The insanity is, it's not a secret," Nilles says. "They make no bones about it. They see their job as helping coal companies pollute as much as they want."

The EPA's focus has often shifted with the partisan winds, but it's still a bit jarring to see an agency founded to fight pollution used so aggressively to assist some of America's biggest polluters. Pruitt believes the EPA has strayed far beyond its original mandate, and he has been open about his desire to give the subjects of its regulations a break. He recently told a group of farmers that he's often asked why he meets so much more with industry groups than environmental groups, and he was surprisingly forthright: "The answer is, you count more."

Pruitt has tried to ditch or delay just about all of Obama's coal regulations—prominent ones limiting carbon, mercury and ozone as well as lesser-known ones dealing with coal ash, "nonattainment areas" and "regional haze." Two weeks ago, his agency gave one of the Trump administration's most consequential gifts to the industry so far, gutting an Obama-era effort to force the state of Texas to rein in coal-fired pollution around Big Bend National Park.

But neither coal-friendly Texas nor the coal-friendly EPA could stop Luminant, considered one of the coal-friendliest utilities, from announcing the retirements of four Texas coal plants in the past 10 days. Coal used to be dirty but cheap, but now it's just dirty—and utilities who have to make long-term investment decisions can't assume that Trump's willingness to ignore coal pollution will continue beyond his term in office. American Electric Power, a coal-heavy utility that is America's largest carbon emitter, recently invested \$4.5 billion in the nation's largest wind farm—in Pruitt's home state of Oklahoma.

The Supreme Court had put the Clean Power Plan on hold even before Trump took office, but the U.S. electricity sector has already met the plan's 2030 target for reducing coal use, and it is on track to meet its overall [emission goals next year](#). And while the EPA has not yet proposed a replacement for the plan, it is still bound by a Supreme Court decision requiring it to regulate carbon pollution, so it will have to defend whatever it decides in court. The same goes for Pruitt's efforts to gut Obama's other coal-related rules as well as unrelated rules. Rules are rules, and while it's pretty easy for administrations to ignore them, it's much harder to change them to guide future administrations.

Nilles talked to me from Oakland, where he could see haze from California's historic wildfires, this month's awful reminder of the dangers of climate change. I talked to him from Miami, where I could still see debris from Hurricane Irma, one of last month's awful reminders of the dangers of climate change. Trump has described global warming as a hoax manufactured in China, and his newly announced chair of his Council on Environmental Quality is a climate denier who has written florid praise of carbon emissions. But the impacts are getting harder to ignore—even China is shutting down coal plants around Beijing—and the American executives making electricity investments do not seem to think they will be ignored for long.

"Trump can't revive coal. The transition is already happening," Nilles says. "What Trump can do is allow more pollution and death during the transition."

The mining association's Popovich pushed back a bit, noting that coal exports and production are up slightly so far this year, "thanks in part to this regime change." But he says the Obama-era retirements have battered the industry badly, and even Trump's support can't magically fix a stagnant market.

"Conditions," he says, "are still challenging."

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**Date:** Thursday, October 19, 2017 5:44:59 AM

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By Anthony Adragna | 10/19/2017 05:41 AM EDT

*With help from Darius Dixon*

**THERE'S A LESSON HERE:** It seems President Donald Trump's administration made significant progress Wednesday toward appeasing a bloc of corn-state Republicans blocking EPA nominees over the agency's actions on biofuels, but the small-yet-powerful group proved over the last two days that they have significant power to throw sands in the gears of the president's agenda if they want. "We have enough of a bloc of Midwestern senators that they're going to have to pay attention to us," Sen. [John Thune](#), a member of Senate leadership, told ME.

**So where are we?** Key corn-staters seemed more optimistic of the directions of talks but weren't ready to declare victory just yet. Sen. [Joni Ernst](#), who held up a scheduled EPW vote Wednesday, said she wanted guarantees "either in writing or a public announcement" and her frustration level remains "pretty high" over the administration's biofuels stance. "We want the president, we want the EPA administrator to be very public about the steps that they can announce in a meaningful manner," she told reporters. "We want to know that [EPA Administrator] Scott Pruitt, as the head of the agency, is going to follow the spirit of the law. I have no doubt that they might try and follow the letter of the law but the spirit of the law is for energy independence here in the United States and to support the renewable industry in the United States."

**Note to all EPW Republicans:** "I told them outright that I would not support [air nominee Bill Wehrum] if I didn't have assurances," Ernst said. "I am the single Iowa Republican on that committee — 11 to 10. Eleven Republicans, 10 Democrats. One vote makes a difference."

**Other Republicans too:** Iowa Republican [Chuck Grassley](#) said his concerns had "not yet" been satisfactorily addressed. And Sen. [Deb Fischer](#), who indicated she'd vote in favor of Wehrum after meeting with Pruitt on Tuesday, told reporters: "I feel better, but I think more can be done."

**EPA's response:** Pruitt spoke to Iowa Gov. Kim Reynolds Wednesday, a spokesman said. "What Administrator Pruitt said in his confirmation hearing still stands: he doesn't want to take any steps to undermine the objectives in the statute of the RFS."

**And ICYMI:** White House officials asked EPA to stop back off plans to reduce advanced biofuel volumes and allow credits for exported ethanol, Pro's Eric Wolff [reports](#), citing multiple sources. "They had no choice," said one refining industry source who'd spoken to White House aides.

**Meanwhile, the heads of four refiners** at the heart of the skirmish — Valero, HollyFrontier, PBF and Monroe Energy — sent [a letter](#) to Trump Wednesday urging the administration to make biofuel exports eligible for credits, known as RINs. Pruitt has reportedly been considering such a move. "EPA has within its power the ability to level the playing field by

treating exports the same as domestically-consumed products, removing a self-imposed trade barrier that unfairly discriminates against exports," they wrote.

**WELCOME TO THURSDAY!** I'm your host Anthony Adragna, and the American Chemistry Council's Jonathan Corley was first to correctly ID [Jeanne Shaheen](#) as the senator who won a 2008 rematch to win her seat. For today: There were three (!) separate Senate EPW chairs in 2001. Name them! Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

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**ANWR AMENDMENT ARRIVES:** Democrats Sen. [Ed Markey](#) and [Maria Cantwell](#) have filed [an amendment](#) to the fiscal 2018 budget that would remove language opening ANWR to drilling. They intend to push for a vote as part of a vote-a-rama on the budget today. Their party has opted to try to force the Republicans into 20 to 25 tough amendment votes, instead of hundreds, as in past years. Remember several GOP senators have voted against ANWR drilling in the past, so the vote likely would be close. Budget and Appropriations Brief [sets the scene](#) on what to expect today.

**PUERTO RICAN GOVERNOR TO MEET TRUMP:** Puerto Rican Gov. Ricardo Rosselló heads to the White House today for a meeting with Trump at 12:15 p.m. as more than 80 percent of the island remains without electricity and 30 percent still lack drinking water almost a month after the hurricane. "We're continuing to do everything that we can to help the people of Puerto Rico," White House press secretary Sarah Huckabee Sanders said.

**Even as the Senate prepares to turn to a House-passed** disaster relief package [H.R. 2266 \(115\)](#) later this week, a bipartisan group of senators sent their leaders [a letter](#) requesting the next bill include the Wildfire Disaster Funding Act [S. 1842 \(115\)](#), which would ensure the U.S. Forest Service and Department of Interior have "stable, reliable" resources to fight future fires. That comes as FEMA Director Brock Long [toured](#) California wildfire damage on Wednesday.

**Flint mayor to White House:** Administration officials invited Flint Mayor Karen Weaver to the White House to discuss critical water infrastructure needs in urban communities in response to her open letter to San Juan's mayor. "I have spoken with Mayor Cruz who expressed support and encouragement for me to take the lead on articulating the critical infrastructure needs for communities such as Flint and San Juan," she said in a statement.

**\*\* Presented by the National Biodiesel Board:** EPA Administrator Pruitt could harm American workers and break the president's promise to rural America to protect the Renewable Fuel Standard (RFS). A strong RFS will be key to keeping these jobs and upholding his promise. Tell EPA to keep the president's promise and grow the RFS: <http://bit.ly/2ghDL03> \*\*

**PRUITT COMING TO EPW?** EPW Chairman [John Barrasso](#) said EPA Administrator Scott Pruitt "has an invitation" to appear before the committee, though he would not comment beyond that. That comes as ranking member [Tom Carper](#)'s frustration over Pruitt's absence continues to mount: "It's beyond strange that the administrator for EPA still has not appeared before the committee of jurisdiction for nearly a year," he said. "It defies understanding."

**He's going to Texas though:** Pruitt is [scheduled](#) to speak at the 2017 Lone Star Energy Forum Agenda in The Woodlands, Texas. Friends of the Earth plans to fly over the event with a message — "Pruitt, # PayItBack" — referencing the non-commercial flights he's taken as administrator. The Texas Oil and Gas Association, hosting the event, didn't respond to request for comment.

**WE NEED MORE:** Ten federal agencies, including EPA were only "[partially](#)" compliant with a House Oversight request for information on private jet usage by officials and must provide more information, POLITICO's Kyle Cheney [reports](#). That's better than Department of Justice and Department of Agriculture, both of which received subpoena threats for failing to adequately respond. Ten agencies, including DOE and Interior, [fully complied](#) with the requests.

**TODAY'S FERC MEETING:** There are only two rulemakings on FERC's monthly [meeting agenda](#) for today, but Chairman Neil Chatterjee offered a preview earlier this week. "We will consider a revised [Critical Infrastructure Protection] Standard on cybersecurity management controls ... I'd encourage you to stay tuned for details," he told a meeting of the Energy Bar Association on Tuesday. The cybersecurity item started with a petition NERC, the industry standards-writers, in March to make changes to how regulations apply to "low impact" grid systems as well as how cyber rules are applied to portable electronic devices in those facilities. Chatterjee also said FERC "will consider a new policy statement on establishing license terms for hydroelectric projects."

**And now that the D.C. metro area finally seems to be getting fall weather** , FERC leaders are scheduled to receive their annual briefing on the winter energy market outlook this morning too (think: natural gas storage levels, gas-electric coordination etc.). It should be interesting to compare the tone of these presentations to that of the Trump administration when it comes to grid reliability. The Energy Department has argued that FERC needs to act on Energy Secretary Rick Perry's pricing rule "before the winter heating season begins so as to prevent the potential failure of the grid from the loss of fuel-secure generation" and help avoid the grid "crisis at hand." ME can't predict whether we're in for Polar Vortex II, but we're sure that if we asked Commissioner Rob Powelson he'd remind us not to blame natural gas.

**Remember what it was like to have a FERC meeting every month?** The meeting starts at 10 a.m. at FERC HQ, 888 First St., NE, and will be [webcast](#).

**GOING TOO SLOW FOR INHOFE:** Unless there's a deal to move ahead with some of the administration's EPA picks, Sen. [Jim Inhofe](#) has no plans to release his hold on Democratic FERC nominee Richard Glick, Pro's Darius Dixon [reports](#). "I don't think it could happen as one package, but it could be an agreement that they will bring those up prior to the next recess," he said of the nominees. In slowing the process — picks usually move in bipartisan pairs — Inhofe is delaying down the efforts of Energy Chairman [Lisa Murkowski](#), who has attempted to have both FERC nominees confirmed quickly.

**SHIMKUS: 'NEVER SAY NEVER' ON YUCCA BILL IN SENATE:** Speaking during a trip to Nevada, Energy and Commerce Environment Subcommittee Chairman [John Shimkus](#) acknowledged his nuclear waste legislation [H.R. 3053 \(115\)](#) would face an uphill climb in the Senate but expressed confidence it would clear the House, according to the [Nevada Independent](#). "I would say never say never," he said. "But I do not assume that it's going to be easy to get the bill through the Senate." Doesn't sounds like much momentum in the Senate though with Murkowski telling reporters Wednesday: "I have not been following the status of

the Shimkus bill."

**NOT GOING ANYWHERE:** Despite appearing frail and at times disoriented during a brief Wednesday interview, Senate Appropriations Chairman [Thad Cochran](#) vowed he's not retiring or going anywhere, POLITICO's John Bresnahan and Anna Palmer [report](#). "Don't believe everything you hear," the Mississippi Republican, who helps oversee hundreds of billions of dollars in government spending each year, said.

**MAIL CALL! HOW TO SAVE A BUCK:** Energy and Commerce Chairman [Greg Walden](#) released a letter Wednesday that included responses from EPA and DOE about what those agencies are doing to save taxpayer dollars. Read it [here](#).

**SUPPORT FOR RESCINDING MONUMENTS:** A collection of conservative activists, organized by the National Center for Public Policy Research, sent Trump [a letter](#) urging him to implement Interior Secretary Ryan Zinke's recommendations on a host of national monuments. In particular, it called for the elimination of Grand Staircase-Escalante National Monument, Bears Ears National Monument, Katahdin Woods and Waters National Monument and Northeast Canyons and Seamounts Marine National Monument.

**TAKE A GLANCE! HOW TO DISMANTLE AN OLD PLANT:** Resources for the Future released [a report](#) Wednesday on key considerations when decommissioning coal, gas, oil, wind, and solar assets. It's especially timely given a recent wave of plant retirements with more expected to follow in the near future.

**BIG BUCKS IN SAGE GROUSE PROTECTION:** The Western Leaders Network is out with a [report](#) today looking at the federal funds states receive to restore sagebrush landscape, prevent wildland fire and improve sage-grouse habitat. It says these millions of dollars are at risk if Zinke follows through on [plans to alter](#) land-use plans the agency put in place in 2015. Meanwhile, Sen. [Jon Tester](#) sent [a letter](#) to BLM requesting a comment period extension from 45 to 90 days on its sage grouse plan review.

**TAKE A LOOK!** The Center for Biological Diversity surprised Zinke as he manned the welcome booth at the Grand Canyon and asked about his plans to shrink national monuments. After explaining portions of the Antiquities Act, he said: "I love our monuments." Full minute-long clip [here](#).

## QUICK HITS

— Dem senator slams Trump EPA nominee for starting work before confirmation. [The Hill](#).

— First floating wind farm, built by offshore oil company, delivers electricity. [Ars Technica](#).

— Rio, Ex-CEO Face Fraud Charges on \$3.7 Billion Coal Calamity. [Bloomberg](#).

— Judge to hear arguments on tribe's pipeline contingency plan. [AP](#).

— Storm in western Canada temporarily disrupts crude pipelines. [Reuters](#).

— Top EPA advisors to attend West Lake Landfill community meeting. [St. Louis Post-Dispatch](#).

## HAPPENING TODAY

POSTPONED — Senate Appropriations Committee [markup](#) of Homeland Security and Interior bills, Dirksen 106

12:30 p.m. — "The Past, Present, and Future of U.S. Energy Policy," Center for Strategic and International Studies, 1616 Rhode Island Avenue NW

## THAT'S ALL FOR ME!

**\*\* Presented by the National Biodiesel Board:** Made from an increasingly diverse mix of resources such as recycled cooking oil, soybean oil and animal fats, biodiesel is a renewable, clean-burning diesel replacement that can be used in existing diesel engines without modification. EPA wants to reduce biodiesel volumes in the Renewable Fuel Standard (RFS), which would kill jobs, thwart economic growth and potentially bankrupt farmers. We must support U.S. workers and grow the economy with more biodiesel in a growing RFS. Today is the last day to make your voice heard with the EPA: <http://bit.ly/2ghDLo3> \*\*

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/10/lessons-from-biofuels-fight-as-progress-reported-025121>

## Stories from POLITICO Pro

**Sources: White House told EPA to back off on biodiesel cuts, export credits** [Back](#)

By Eric Wolff | 10/18/2017 04:18 PM EDT

The White House has instructed EPA to back off its plans to reduce advanced biofuel volumes and allow credits for exported ethanol, according to biofuel and oil industry sources.

That move indicates the administration is yielding to pressure from the Midwestern senators and governors who are furious over EPA's proposal last month to cut biodiesel requirements for both 2018 and 2019.

"They had no choice," said one refining industry source who had spoken to White House aides.

The White House did not comment.

Corn-state officials were also concerned about internal EPA discussions to allow biofuel credits for exported biofuel, a move that would likely have lowered the market prices for Renewable Identification Numbers.

Neither the biodiesel cuts nor the credits for exported fuel will be in the final rule setting blending requirements for 2018 and 2019, the sources said.

Republican corn-state senators aggressively used their leverage to sway EPA. Iowa Sen. [Chuck Grassley](#) forced a meeting with EPA Administrator Scott Pruitt in his office on Tuesday, and Iowa Sen. [Joni Ernst](#) had withheld her support for Bill Wehrum to become head of EPA's air office.

Today, Ernst indicated that EPA was moving toward her position, saying "we're closer to

reassurances, and once we have those, we can move forward." But she said she wanted a public statement from the administration.

And biofuels backers say they aren't taking anything for granted.

"We are waiting for affirmative, public declarations from WH," a biofuels source said.

*Anthony Adragna contributed to this report.*

*To view online [click here](#).*

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## **House-passed aid package lacks 'fire-borrowing' fix [Back](#)**

By Catherine Boudreau | 10/12/2017 06:20 PM EDT

The emergency funding California desperately needs got House approval on Thursday, but the long-term problem was ignored.

The \$36.5 billion disaster aid package ([H.R. 2266 \(115\)](#)) the House passed does not include provisions that would reform how federal wildfire suppression efforts are funded, prompting several lawmakers to request that the next aid package address the problem.

"Unfortunately, we've missed an opportunity to fix the way the federal government funds wildfire suppression," Rep. [Betty McCollum](#) (D-Minn.) said on the House floor before the measure [passed](#) by a vote of 353 to 69. "Let me be clear: The next supplemental must include a legislative fix for wildfire spending."

As wildfires have increased in number and in intensity in recent years, so too has the cost of fighting them. To keep pace, the U.S. Forest Service has had to routinely borrow money from fire prevention programs, such as prescribed burns and forest thinning, to cover suppression costs.

McCollum was joined in her call for Congress to reform wildfire-suppression funding by Republican Reps. [Jeff Denham](#) and [Ken Calvert](#), who both represent California, where the [fires ravaging parts of the northern wine country](#) have claimed at least 29 lives and scorched an estimated 180,000 acres.

The trio of lawmakers, all of whom voted for the aid package, said they were glad the measure would allocate \$577 million to battle the California blazes and those in other western states, as well as help repay the Forest Service for its funding shortfall in fiscal 2017. The recently concluded fiscal year was the most expensive on record for wildfire suppression, with the tab running to \$2.4 billion, McCollum said.

Agriculture Secretary Sonny Perdue has made addressing the so-called fire-borrowing problem one of his top priorities, and lawmakers in both chambers of Congress [have said](#) they want to pass legislation before the end of the year.

*To view online [click here](#).*

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## **Inhofe waiting for deal on EPA picks before lifting his FERC hold [Back](#)**

By Darius Dixon | 10/18/2017 05:19 PM EDT

Sen. [Jim Inhofe](#) said he doesn't plan to release his hold on Democratic FERC nominee Richard Glick until senators reach a larger deal to move ahead with President Donald Trump's nominees to the EPA.

"I've still got a hold on Glick," the Oklahoma Republican told POLITICO. He said he is "concerned that we don't have our nominees confirmed on the EPA."

Inhofe said that he has raised the issue with Senate leadership and that he hopes there might be an arrangement to consider the EPA and FERC nominees within the next month or so. Both Republicans and Democrats have raised concerns about EPA nominees.

"I don't think it could happen as one package, but it could be an agreement that they will bring those up prior to the next recess," he said of the nominees.

FERC nominees traditionally move in bipartisan packages, so Trump's pick for FERC chairman, Kevin McIntyre, will likely be stuck until Glick's nomination gets floor time.

Senate Energy and Natural Resources Chairwoman [Lisa Murkowski](#) (R-Alaska) attempted to have both FERC nominees approved just before the Senate's most recent recess earlier this month, but Inhofe objected.

**WHAT'S NEXT:** The Senate's next extended recess is Thanksgiving week.

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## **Frail and disoriented, Cochran says he's not retiring [Back](#)**

By John Bresnahan and Anna Palmer | 10/18/2017 04:53 PM EDT

Mississippi GOP Sen. Thad Cochran insists that he is not retiring from Congress, despite widespread speculation about the veteran lawmaker's health and political future.

The 79-year-old Cochran appeared frail and at times disoriented during a brief hallway interview on Wednesday. He was unable to answer whether he would remain chairman of the Appropriations Committee, and at one point, needed a staffer to remind him where the Senate chamber is located.

"Don't believe everything you hear," Cochran said in a low voice when asked whether he plans to retire after 44 years in office.

However, when queried about whether he would stay on as Appropriations chairman, Cochran

seemed confused and just repeated the question. "As chairman of the Appropriations Committee?" Cochran asked.

Cochran had to be guided by staffers around a security checkpoint inside the Capitol. He started to walk into a first-floor room — though the Senate chamber is on the second floor. He was then ushered by an aide up to the Senate.

When another reporter asked whether leadership had pressured Cochran to return for a vote on the budget resolution — a key moment in the tax reform debate — Cochran smiled and responded, "It's a beautiful day outside."

Cochran sat quietly in his seat during Wednesday's lengthy vote session. He smiled and responded when a fellow senator stopped by to offer greetings, but generally did not speak to anyone else.

On one amendment, Cochran voted "yes" despite being told by an aide to vote "no." The staffer tried to get the senator to switch his vote, but Cochran kept flashing the "thumbs up" sign, even walking over to the clerk tallying the vote and doing so. GOP floor staffers repeatedly told him the leadership wanted a "no" vote. Several more moments passed before Cochran realized he was voting the wrong way and then changed his vote.

Cochran, who turns 80 in December, has faced questions about his health for the past several years. Cochran has been treated recently for urological problems, though his aides and political allies insisted he was fine. President Donald Trump last month spotlighted Cochran's health when he claimed that Obamacare repeal legislation would have passed had Cochran not been hospitalized. Cochran, though, wasn't in the hospital at that point.

Top Senate Republicans say they are not pressuring Cochran to retire or step down as Appropriations Committee chairman, a powerful perch from which he helps oversee hundreds of billions of dollars in government spending each year. Cochran made a career of steering federal dollars back home, working with former Senate Majority Leader Trent Lott (R-Miss.) for years to ensure their state benefited from hundreds of "earmarks" inserted in annual appropriations bills.

The use of earmarks, which were banned in 2010 after the tea party movement helped Republicans regain control of Congress, helped make Cochran popular back home. He never faced a serious challenge from 1984 until 2014. But that year, conservative outside groups attacked him during the GOP primary and Cochran barely survived a runoff. He went on, however, to easily win the general election.

Cochran's seat is viewed as particularly important, given that the GOP establishment went all out to help him beat state Sen. Chris McDaniel in the 2014 primary.

Cochran is up for reelection in 2020, and Republicans are desperate for him to stay in office and avoid a special election. McDaniel already is planning a campaign against incumbent Sen. Roger Wicker (R-Miss.) in 2018.

Cochran was first elected to Congress in 1972, making him one of the longest serving GOP lawmakers in history. His election to the Senate in Mississippi in 1978 was a watershed moment for Republicans. Cochran was the first Republican to win a statewide election in Mississippi since Reconstruction.

Now, the state is overwhelmingly red, with the GOP controlling the governorship, Legislature and congressional delegation. President Donald Trump easily carried the state in the 2016 presidential election.

The Senate has had other once-vibrant members who faced questions about whether they still had the capacity to serve as they aged. The late Sen. Strom Thurmond (R-S.C.) served until the age of 100, but was forced to give up the chairmanship of Armed Services. Another legendary lawmaker, the late Sen. Robert Byrd (D-W.Va.) was eventually replaced as chairman of the Appropriations Committee.

*Burgess Everett contributed to this report.*

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**Interior to reverse Obama sage grouse land protection, reconsider pacts with states** [Back](#)

By Esther Whieldon | 10/05/2017 01:57 PM EDT

The Interior Department says it is terminating the Obama administration's proposal to block mining on about 10 million acres of sage grouse habitat in the West, and it announced plans to alter the land-use plans the agency put in place in 2015.

In notices posted on its website that will be published in the Federal Register, the Bureau of Land Management [terminated](#) its plans set out under the Obama administration for an environmental impact statement that would have potentially led to the agency withdrawing land in so-called sagebrush focal areas in Idaho, Montana, Nevada, Oregon, Utah and Wyoming.

"The BLM has determined that the lands are no longer needed in connection with the proposed withdrawal," the notice says.

The agency is also asking for [comment](#) on changing the nearly 100 land-use plans BLM put in place under an agreement with states in lieu of listing the bird as either endangered or threatened under the Endangered Species Act.

BLM said it is re-opening the plans to comply with to a court decision earlier this year that held the agency did not adequately evaluate the designation of sagebrush focal areas in its 2015 greater sage-grouse plan amendment for Nevada.

**WHAT'S NEXT:** BLM will accept comments on the land use plan changes for 45 days after the notice is published in the Federal Register.

To view online [click here](#).

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**Date:** Friday, October 20, 2017 5:43:59 AM

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By Anthony Adragna | 10/20/2017 05:41 AM EDT

*With help from Emily Holden and Esther Whieldon*

**PUTTING MAJOR RFS CONCESSIONS INTO WRITING:** Sen. [Joni Ernst](#) released [a letter](#) late Thursday from EPA Administrator Scott Pruitt outlining a number of steps the agency intends to take on the Renewable Fuel Standard that will be music to the ears of a small bloc of Midwest corn-state Republicans. Those include:

— A decision to be finalized "within 30 days" not to move the point of obligation downstream to fuel wholesalers (as previously [reported](#)),

— A commitment to finalize biofuel volumes on time by Nov 30 at levels equal to or greater than those in the [proposed rule](#),

— Direction for EPA staff to "actively explore" whether the agency has legal authority to grant a waiver allowing year-round sale of gasoline with 15 percent ethanol. Pruitt also expressed openness to working with Congress on "definitive analysis" on the agency's ability to issue a waiver, and,

— A pledge not to make biofuel exports eligible for credits, known as RINs.

**In a statement, Ernst said:** "I am appreciative of Administrator Pruitt's pledges to rural America, and I will continue to work collaboratively with the EPA going forward on this and other issues." She didn't specifically say she'd vote for EPA air nominee Bill Wehrum in light of these public commitments — remember Ernst said Wednesday she needed public evidence of the administration's biofuels support — but ME would be surprised if the nomination didn't move forward now.

**EPW REPUBLICANS SPLIT ON PRUITT APPEARANCE:** At least some EPW Republicans are ready for Pruitt to come before their committee again (he hasn't testified since his confirmation hearing in January), but that feeling is not universal. "I wouldn't think that would be necessary," [Deb Fischer](#) said of Pruitt testimony right now. And [John Boozman](#) and [Jim Inhofe](#) both wanted to focus on getting lower-level nominees confirmed and into their roles at the agency first. "I'd like to get him beefed up with his staff and not only get him back, but actually get some undersecretaries with some authority," Boozman said.

**But that sentiment wasn't unanimous:** Others voiced interest in having Pruitt back to testify even as they applauded his early efforts at EPA. "I think he's doing a really good job, but I think regular updates are useful," [Dan Sullivan](#) told ME. West Virginia's [Shelley Moore Capito](#) was more succinct on her desire for an appearance: "That would probably be a good idea. It's been a while."

**What's the holdup?** Chairman [John Barrasso](#) told ME on Wednesday he'd extended an invitation to Pruitt, but the committee didn't respond to further requests for comment. "We will

respond to the Senate EPW Committee through the proper channel," Jahan Wilcox, an agency spokesman, said about when Pruitt might testify. ME would note Barrasso could definitely expedite Pruitt's appearance if he actually wanted to make it happen.

**For the record:** Former Administrator Lisa Jackson made her [first post-confirmation appearance](#) at the committee in May 2009.

**TRUMP THROWS LIFELINE:** In phone calls this week, President Donald Trump told EPW senators Barrasso, Fischer and Sen. [Roger Wicker](#) he'd back their 2018 reelection bids over any insurgent primary challengers, POLITICO's Burgess Everett [reports](#). "Sen. Barrasso is grateful that President Trump would take the time to call him directly to express his support," said Dan Kunsman, a top aide to Barrasso, said. Formal endorsements are expected to eventually follow.

**TGIF EVERYONE!** I'm your host Anthony Adragna, and LCV's Tiernan Sittenfeld correctly identified Sens. Harry Reid, Jim Jeffords and Bob Smith as your three EPW chairmen in 2001. For today: Which congressman co-wrote Elizabeth Smart's bestseller, *My Story*? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**ANWR LANGUAGE STAYS:** Senators refused, by a vote of 48-52, to strip out language from their fiscal 2018 budget resolution that could open the door for drilling in ANWR, your ME host [reports](#). Sen. [Susan Collins](#) was the lone Republican to vote for the amendment, while Sen. [Joe Manchin](#) was the lone Democrat to oppose it. Though the budget doesn't explicitly mention ANWR, it calls for the Senate Energy and Natural Resources Committee to identify ways of raising an additional \$1 billion in revenue. Chairman [Lisa Murkowski](#) said on the floor her committee is "prepared to meet this instruction" by "expanding our energy development in our federal areas" that would almost certainly include ANWR. "We can and we must do more as a nation to responsibly develop our energy resources," she said.

**Just the beginning?** A coalition of 20 environmental groups said the vote was just the beginning of a "long fight" to remove the rider from any subsequent reconciliation package. "There is no reason why Congress should hijack the budget with a controversial rider to drill in the Arctic Refuge," the groups, which include Clean Water Action, the National Audubon Society and the Sierra Club, said.

**Two Lee amendments fail:** Senators rejected one amendment from Sen. [Mike Lee](#) that would have [barred regulating species](#) that exist only in one state under the Endangered Species Act by a vote of 49-51. Another amendment, which would have made the federal government [compensate local governments](#) for the full value of the property taxes they are losing when much of their jurisdiction is covered by federal land, actually failed by a tally of 50-50 since Vice President Mike Pence wasn't available to break the tie.

**The budget passed 51-49** just after 9:30 p.m., following a mere six-and-a-half hours of vote-a-rama.

**BIG PROMISE:** Speaking to the Texas Oil and Gas Association in the Woodlands, Texas, Pruitt vowed his agency would respond to permit requests within six months by the end of the year, Reuters [reports](#). "It can be done. It's just a matter of having the process in place to achieve results," Pruitt said. That comes after the administrator held a roundtable with representatives of the Texas Health and Environmental Alliance, Galveston Bay Foundation,

Houston Advance Research Center and Harris County Attorney Vince Ryan concerning the cleanup of the San Jacinto Superfund site during his Texas swing ( [pictures](#)).

**CHATTER ON REBUILDING PUERTO RICO'S GRID:** During an appearance with Trump on Thursday, Puerto Rico Gov. Ricardo Rosselló floated the idea of using public-private partnerships to help rebuild the island's electric grid. Rosselló said he hoped to "rebuild a much modern, much stronger platform, and not only have Puerto Rico have energy but actually be a model of sustainable energy and growth towards the future." Trump replied: "You were talking about rebuilding your electric plant long before the hurricane; you've been wanting to do that for a long time. So maybe this is a reason that we can do it. And we'll help you and we'll all do it together."

**Side note:** Seems like Trump is referring to the electric grid when he refers to the "electric plant."

**Patience is a virtue:** Trump said it would be a "period of time" before electricity could be restored on the island given its electric infrastructure had been "totally destroyed." The president floated one potential policy idea: "It would be wonderful if you could have underground wire. It makes it a lot better in these storms." (Side note: Underground wires didn't fare so well during Hurricane Sandy in New York and it would be hugely expensive for the whole island).

**Rosselló promises corruption crackdown:** "If there is a public official that is purposefully mishandling the food that should go to the people of Puerto Rico, there is going to be some hell to pay," he said.

**HOLD UP:** Senate Majority Whip [John Cornyn](#) has placed a hold on Russell Vought's nomination to be deputy director of the Office of Management and Budget unless he gets more funding for Texas hurricane relief, Axios [reports](#). That comes as Florida Sen. [Bill Nelson](#) said Thursday he'd also placed a hold on Vought's nomination after the administration kicked funds for his state's citrus growers to a later disaster relief package.

**\*\* Presented by the National Biodiesel Board:** President Trump repeatedly pledged to protect biodiesel and the Renewable Fuel Standard (RFS). But EPA's latest actions threaten the 64,000 jobs supported by biodiesel. A strong RFS will be key to keeping these jobs and upholding his promise. Mr. President: please stop EPA from thwarting growth in rural America. <http://bit.ly/2xn5Sgm> \*\*

**IT'S NOT UNUSUAL:** He doesn't like it and vehemently opposes his nomination, but EPW ranking member [Tom Carper](#) sees nothing irregular in EPA chemical pick Michael Dourson [joining the agency early](#). "I don't see it as going around us — there's plenty of precedence for this in earlier administrations," he told ME. "What I find troubling most recently is his abject failure to respond to basic questions."

**Whitehouse disagrees:** Sen. [Sheldon Whitehouse](#) told ME in a statement Dourson's move showed contempt for the Senate's advice and consent role. "Not only is this move contemptuous of the Senate as an institution, it risks undermining the legal validity of EPA actions involving the nominee," he said. "The administration may find it easier to nominate individuals with bipartisan support and a commitment to the EPA's mission rather than industry-funded hacks."

**UPTON WAVERS ON SENATE BID:** While he was once 95 percent likely to mount a Senate bid, former House Energy and Commerce Chairman [Fred Upton](#) is now "more like 50-50" on challenging Michigan incumbent [Debbie Stabenow](#), according to the [Detroit News](#). "He's gone coy over the last few days," one source told columnist Ingrid Jacques, citing fears in particular about Steve Bannon's potential involvement.

**STILL MOVING FORWARD:** Senate Agriculture Chairman [Pat Roberts](#) hopes to schedule a hearing on Trump's controversial pick to be chief scientist at USDA, Sam Clovis, next week, Pro Ag's Helena Bottemiller Evich [reports](#). "Hopefully, we can get that done next week," Roberts said, noting staff continues to assemble all of Clovis' past statements. Democrats say Clovis doesn't fit legal requirements for the job and condemned past statements that climate change is a hoax.

**Garrett too:** Even as the business community has come out strongly against his nomination, the Senate Banking Committee announced an Oct. 1 [hearing](#) on Scott Garrett's selection to run the Export-Import Bank.

**PLEASE, NO CH-CH-CHANGES:** Some of the state-focused climate change web pages EPA took down in April reappeared in late July as "energy resources," according to a [report](#) from watchdog group Environmental Data and Governance Initiative. The agency removed all 15 references to "climate," on the main page, as well as several climate-specific links and tools, including webinars and example policies. The website still hosts information about renewable power and energy efficiency.

**LAWSUIT LODGED OVER RFS ENVIRONMENTAL IMPACTS:** The Sierra Club filed [a lawsuit](#) in federal district court Thursday alleging EPA has failed to conduct required environmental impact and air quality analyses for the Renewable Fuel Standard. "Today's lawsuit is a reminder to Administrator Pruitt that his duty is to the American people, and we will continue to hold him accountable for both his harmful actions and inaction alike," attorney Devorah Ancel said in a statement.

**GETTING ANTSY IN UTAH:** Gov. Gary Herbert hasn't heard a peep from the Trump administration on the status of Interior Secretary Ryan Zinke's review of national monument designations but wants a decision ASAP. "Whether the president will act on those recommendations and, if so, how, whether he'll modify them, I don't think anybody knows for sure," he told local reporters in [video posted](#) by KUED. "I hope he makes a decision soon so we can all get past the uncertainty." Trump must make the final call, but Zinke suggested shrinking several monuments previously designated under the Antiquities Act.

**MAIL CALL! WYDEN SAYS ABANDON GRID RESILIENCY PROPOSAL:** Oregon Sen. [Ron Wyden](#) urged FERC to withdraw Energy Secretary Rick Perry's grid resiliency plan from consideration. "Arbitrarily propping up a dying industry goes against what the GOP has long claimed is its goal - an all-of-the-above energy strategy," he wrote in [a letter](#). "This rule clearly picks winners and losers in energy resources, which robs taxpayers of the benefits of competitive markets."

**ABOUT THAT ROAD...:**Two House Democrats are questioning whether Zinke can transfer land that would clear the way for a road to be built through Alaska's Izembek National Wildlife Refuge — a long-time pet issue of Murkowski. The Washington Post on Sunday [reported](#) the agency is mulling transferring land to the tribal King Cove Corp. even though the agency previously found allowing the 12-mile road would hurt migratory birds, caribou and

other species. In the Thursday [letter](#), House Natural Resources Committee ranking Democrat [Raul Grijalva](#) and subcommittee top Democrat [Donald McEachin](#) asked Zinke to describe his authority to transfer or exchange the land and whether the agency will conduct a new public environmental review before making the call.

**KEEPING GAO BUSY:** Grijalva asked GAO to examine whether and how much public revenue has been lost due to changes in how Interior leases drilling parcels in the Gulf of Mexico. Link [here](#).

**TAKE A GLANCE!** The National Wildlife Federation released [a report](#) Thursday on the dramatic rise in wildfire activity, which it links to unhealthy forest conditions, insufficient forest restoration activities, rapid climate change and increasing housing development in high-risk and fire-prone areas. "By restoring and better managing U.S. forests, it is possible to reduce fire risks to communities, increase populations of cherished wildlife species, and protect our climate by enhancing the carbon sequestration and storage potential of our forests," it concludes.

**LIGHTER CLICK:** The Sierra Club launched a spoof airline Pruitt-Zinke Airlines, or [PZ Air](#), over their non-commercial travel. Watch the video [here](#).

## QUICK HITS

— Trump pick for top environmental post called belief in global warming a 'kind of paganism'. [CNN](#).

— The story of Puerto Rico's power grid is the story of Puerto Rico. [The Economist](#).

— EPA crews working on Gold King cleanup find elevated lead threatening birds, animals and, potentially, people. [Denver Post](#).

— We asked 4 agency bosses about Trump. They're worried. [E&E News](#).

— EPA Orders More Repairs at Texas Toxic Site Following Harvey. [AP](#).

— Rick Perry's Plan Looks DOA But Could Spark a Dynegy Deal. [Bloomberg](#).

— Facing Public Outcry, New Mexico Restores Evolution and Global Warming to Science Standards. [Mother Jones](#).

## HAPPENING TODAY

\*crickets\*

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**\*\* Presented by the National Biodiesel Board:** Made from an increasingly diverse mix of resources such as recycled cooking oil, soybean oil and animal fats, biodiesel is a renewable, clean-burning diesel replacement that can be used in existing diesel engines without modification. Biodiesel and the Renewable Fuel Standard (RFS) have been essential to staving off a recession in rural America throughout the country's economic downturns. Weakening the RFS may pad the pockets of certain oil companies, but it will devastate rural America. Please keep your promise, Mr. President, to rural America. <http://bit.ly/2xn5Sgm> \*\*

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/10/midwest-senators-win-rfs-concessions-from-epa-025144>

## **Stories from POLITICO Pro**

**Source: EPA will reject refiners request to change ethanol rules** [Back](#)

By Eric Wolff | 08/03/2017 10:46 AM EDT

The Trump administration plans to reject a proposal that would let oil refiners off the hook for complying with the federal ethanol mandate, a senior administration official told POLITICO, dashing the hopes of billionaire Carl Icahn and a slew of independent companies.

EPA plans to formally announce the decision within the next two weeks, the official said.

The move is a severe blow for Icahn, a longtime associate and early supporter of Donald Trump who owns the refiner CVR Energy. He was once so confident that the obligation would be changed that he tried to strike a deal with a biofuels trade association.

Ultimately Icahn and his allies were unable to prevail over a peculiar alliance of major oil companies and biofuels producers, who opposed changing the Renewable Fuel Standard, though for separate reasons.

Icahn, refining giant Valero, and smaller refiners argued that purchasing compliance credits, called Renewable Identification Numbers, squeezed their bottom lines and, in some cases, threatened to put them out of business. Icahn's CVR lost \$19 million in the second quarter of this year after guessing incorrectly that the administration would make the policy change.

Trump has turned away from one of Icahn's main policy goals in large part due to pressure from corn state voters and ethanol organizations.

"President Trump supports the EPA's decision," the official said.

The decision follows through on Trump's campaign promise to support ethanol and leave the mandate intact. Corn states and ethanol interests have been lobbying hard, arguing that the change would set back an ethanol industry that is vital to some of the states where voters strongly backed Trump.

"Mr. Trump won that election because voters in Iowa and across the heartland, we rose up in support of him," Annette Sweeney, a member of Trump's Agriculture Advisory Council, said in an interview after the election. "Mr. Trump, the time I visited with him, he understood the need for home grown fuel, the need for cleaner fuel. Here in Iowa we were some of Mr. Trump's strongest supporters. And I really think shifting the point of obligation would interrupt America's progress toward making clean renewable biofuels."

Biofuels producers believed that if EPA had shifted the "point of obligation" away from refiners, as Icahn and other companies requested, it would cause years of upheaval. The American Petroleum Institute, which represents much of the oil industry, including the oil majors, has opposed the change, saying it's a distraction for the kind of overhaul or full-on repeal the program needs.

EPA will finalize an Obama-era proposed decision to reject a petition by refiners that asked to change the program. The agency has been ready to act for months, but the White House Office of Legal Counsel advised waiting for the D.C. Circuit Court of Appeals to rule in an omnibus case of RFS challenges, the official said. The case included a challenge by merchant refiners to force EPA to make a decision on the obligation question. In its ruling, the court rejected the request by the refiners to require EPA to decide on the obligation question in every annual RFS rule, but it did say EPA should make a decision at some point. The resolution of the case opens the door for EPA to act.

Oil analysts don't believe the decision to leave the program unchanged will have a significant effect on the cost of RINs, which have fallen substantially since last year.

"The changing of the point of obligation doesn't mean RINs will be more expensive or cheaper," said Tom Kloza, Global Head of Energy Analysis for OPIS.

Critics of the RFS focus on high RIN prices as a chief reason for changing which companies are obligated. Icahn's CVR lost \$19 million RIN costs in the second quarter of this year after guessing incorrectly that the administration would expand the number of companies complying with the RFS, a move which might have pushed RIN prices down.

Valero CEO Joe Gorder said Valero spent \$750 million on RINs last year, and Icahn has called RIN sales "the mother of all squeezes." Delaware Valley refiners like the Delta-Airlines-owned Monroe Energy and Philadelphia Energy, already smarting from the legalization of crude exports in 2015, say RIN costs could drive layoffs or even bankruptcy.

Valero and other refiners sued the EPA over the obligation issue, arguing that EPA should address it each time it sets new mandates for biofuel blending. Oral arguments in that case were held before the D.C. Circuit last month.

For Icahn the move could be a blow to the stock price of CVR's refining subsidiary, which shot up 40 percent between Trump's election and the first months of his presidency. But by Wednesday CVR Refining's stock had fallen back to 6 percent below Election Day.

An early Trump supporter, Icahn was named a "special adviser" to the president though he is not on the government payroll. Icahn was so confident the change was coming that he and Valero presented the president with draft language for an executive order in February. That same month he called Bob Dinneen of the Renewable Fuels Association, an ethanol trade group, and told him the ink was already drying on an executive order changing the program, and offering to meet Dinneen's demands for providing support. News of the conversation drove down RIN prices, and also split RFA from the biofuels community. Within days RFA had been booted from Fuels America, a political umbrella group for ethanol producers.

The order never came, and in the wake of the news, Icahn became the subject of ethical questions surrounding his role at the White House. Public Citizen filed a lobbying complaint with both houses of Congress, and last week eight Senate Democrats led by [Elizabeth Warren](#) (Mass.) sent letters to the SEC, EPA and Commodity Futures Trading Commission calling for an investigation into Icahn's dealings.

Icahn went quiet on the issue over the last few months, possibly as a result of all the investigations and letters from Senators.

Icahn did not respond to a request for comment, and EPA did not respond for the record.

To view online [click here](#).

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## **EPA proposes trimming advanced biofuel volumes for 2018** [Back](#)

By Eric Wolff | 07/05/2017 04:09 PM EDT

EPA today proposed reducing its volume mandate for use of advanced biofuels under the Renewable Fuel Standard next year, but kept the requirements for ethanol at the maximum level set under the law.

The agency put the overall 2018 biofuel volume mandate at 19.24 billion gallons, with 15 billion gallons of that in conventional biofuels, or ethanol, and 4.24 billion gallons in advanced biofuels. That put the reduction in advanced fuels at 40 million barrels from the level set for this year.

"Increased fuel security is an important component of the path toward American energy dominance," EPA Administrator Scott Pruitt said in a statement. "We are proposing new volumes consistent with market realities focused on actual production and consumer demand while being cognizant of the challenges that exist in bringing advanced biofuels into the marketplace."

The mandate for cellulosic ethanol, which is included in the advanced biofuel figure, was cut to 228 million gallons, down 23 percent from 2017.

Volumes for advanced biodiesel, also an advanced biofuel, were previously set at 2.1 billion gallons for 2018 and would stay at that level in 2019.

An executive summary attached to the Renewable Volume Obligations said the reduction in advanced biofuels was a move to enhance domestic production at the expense of foreign.

Pruitt also reiterated his promise to get the final rule out by Nov. 30.

**WHAT'S NEXT:** The agency will take public comment and then try to finalize the rule before the Nov. 30 statutory deadline.

To view online [click here](#).

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## **Trump offers support to GOP senators in Bannon's cross hairs** [Back](#)

By Josh Dawsey and Burgess Everett | 10/19/2017 04:01 PM EDT

President Donald Trump called three Republican senators this week and expressed support for

their 2018 re-election bids, aligning with Senate Majority Leader Mitch McConnell in the senator's intra-party feud with Steve Bannon.

Trump dialed GOP Sens. John Barrasso of Wyoming, Deb Fischer of Nebraska and Roger Wicker of Mississippi, according to five people familiar with the calls. He promised to help the three senators against any insurgent challengers, one of these people said, and said he hoped they would be reelected.

The calls are expected to eventually be followed by formal endorsements, GOP senators said. Wicker, Barrasso and Fischer declined to comment on private discussions with the president. Wicker wasn't available for comment. Bannon has criticized both Fischer and Barrasso and has told people he would like state Sen. Chris McDaniel to beat Wicker.

"The president has been very supportive, and Senator Barrasso is grateful that President Trump would take the time to call him directly to express his support," said Dan Kunsman, a top aide to Barrasso.

A White House spokesman didn't immediately respond to a request for comment, and a representative for Bannon declined to comment.

Republicans hope to avoid spending money protecting incumbents in primaries and instead focus on defeating the 10 Senate Democrats representing states Trump won. They hope Trump will go further and make a public statement of support for the senators.

"I hope he will. I think he will," said Sen. John Thune of South Dakota, a GOP leader. "They are the kind of people he needs to get his agenda done."

The three incumbent senators have the strong support of McConnell, who has said that many of the anti-establishment candidates Bannon and others may support don't have a path to victory in general elections. Many of McConnell's top advisers and allies consider Bannon a political charlatan interested in mischief-making.

"You have to nominate people who can actually win," McConnell said in the Rose Garden. "Winners make policy, losers go home."

Bannon has said privately the trio are among the senators he would like to unseat, and the former Trump strategist has zigzagged the country, looking for candidates and donors. He has bragged repeatedly about trying to take McConnell down, though the majority leader still enjoys considerable support in his conference. "We've cut your oxygen off, Mitch, OK," Bannon told conservative activists last weekend.

Trump has given mixed signals to Bannon's efforts, saying he understands why Bannon is doing it but that he might also try to dissuade him.

"We're not getting the job done folks," Trump said Monday morning, when asked about Bannon's political efforts in the Roosevelt Room. He added: "I'm not going to blame myself."

By Monday afternoon, standing with McConnell in the Rose Garden, Trump said he would try to talk Bannon out of some of his moves. When meeting with Trump in the Oval Office on Monday, McConnell made a practical case on why the president should support incumbents without mentioning Bannon by name, people familiar with the meeting said.

The former chief strategist has been buoyed by Roy Moore's victory in Alabama's primary race, where Bannon surged into the state in the final weeks and saw Moore resoundingly defeat GOP Sen. Luther Strange, the candidate backed by Trump and McConnell.

Senators said privately that they doubt Bannon's political acumen and say he merely associated himself with the insurgent Moore, who already had strong support among conservatives and had twice been elected statewide.

"Bannon's claiming Roy Moore. Hell, he didn't have anything to do with that," said one GOP senator.

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### **Democratic bid to block ANWR drilling in budget falls short [Back](#)**

By Anthony Adragna | 10/19/2017 09:12 PM EDT

The Senate narrowly shot down [a bid](#) today from Sens. [Ed Markey](#), [Michael Bennet](#) and [Maria Cantwell](#) to remove language from the budget that could open the Arctic National Wildlife Refuge to oil drilling.

The amendment failed by a vote of 48 to 52, with Democrat [Joe Manchin](#) and Republican [Susan Collins](#) breaking with their parties.

Though the budget doesn't explicitly mention ANWR, it calls for the Senate Energy and Natural Resources Committee to identify ways of raising an additional \$1 billion in revenue. Chairwoman [Lisa Murkowski](#) has long sought to open the area to drilling, and including the language in the budget reconciliation would allow Republicans to circumvent a filibuster.

Alaska Sen. [Dan Sullivan](#) slammed the Democratic amendment ahead of the vote. "To me, we've reached kind of a low point in politics if there's not bipartisan support for more energy," he told POLITICO.

Democrats and environmental groups have long opposed opening the pristine wilderness area to energy exploration, with Markey describing the budget language as "a Big Oil polar payout." More than 300 groups sent [a letter](#) to senators today opposing any ANWR language in the budget.

Senators also shot down two amendments from Utah Sen. [Mike Lee](#). One to [bar regulating species](#) that exist in only one state under the Endangered Species Act failed 49-51. The other, which failed 50-50 with Vice President Mike Pence absent, would have made the federal government [compensate local governments](#) for the full value of the property taxes they are losing when much of their jurisdiction is covered by federal land.

*To view online [click here.](#)*

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## **EPA chemical nominee starts at EPA as Pruitt adviser [Back](#)**

By Alex Guillén and Eric Wolff | 10/18/2017 10:56 AM EDT

Michael Dourson, the controversial nominee to run EPA's Office of Chemical Safety and Pollution Prevention, has already started at the agency as a special adviser to Administrator Scott Pruitt, according to an agency spokeswoman.

"Yes, he most certainly has," EPA spokeswoman Liz Bowman said in an email when asked if Dourson had begun serving as an adviser to Pruitt on chemicals.

Dourson has yet to be confirmed by the Senate. A committee vote planned for today was scrapped after Sen. [Joni Ernst](#) threatened to withhold her support for Dourson and other EPA nominees over an unrelated biofuel dispute with Pruitt.

Dourson was most recently a professor at the University of Cincinnati's Department of Environmental Health's Risk Science Center. Dourson was still listed as a professor as of Oct. 5, a day after his confirmation hearing, according to a [cache](#) of his department bio page, though he is [no longer listed](#) as a faculty member.

Dourson's move to EPA was first reported Wednesday by E&E.

Another pending EPA nominee, Susan Bodine, who was selected to run the enforcement office, has also [started at EPA](#) ahead of her confirmation, which has yet to receive a floor vote. She has been working as an adviser to Pruitt on enforcement matters.

"This is not unique to our administration, but something that is a common practice," Bowman said.

*To view online [click here](#).*

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## **Roberts hopes for hearing on Clovis next week [Back](#)**

By Helena Bottemiller Evich | 10/19/2017 04:15 PM EDT

Senate Agriculture Chairman [Pat Roberts](#) expressed a desire today to hold a hearing next week on Sam Clovis' controversial nomination to be USDA's chief scientist — but added that staff continues to work on processing all of Clovis' past statements.

"Hopefully, we can get that done next week," Roberts said after the panel [approved](#) by voice vote the nominations of Greg Ibach and Bill Northey for USDA undersecretary posts. Asked if that meant a hearing could be held next week, he replied: "That would be my hope."

Roberts told reporters that his committee has all of Clovis' written testimony and is planning to meet with both Clovis and Stephen Vaden, President Donald Trump's pick for USDA chief counsel.

Roberts said his staff is still working with the minority to ensure they have all of Clovis' past statements from political blogs and an Iowa conservative talk-radio show he once hosted. He said the committee wants to "make sure all of that is available."

Clovis is being opposed by Senate Agriculture ranking member [Debbie Stabenow](#), who argues he does not possess the qualifications that are legally required of one nominated for the position of undersecretary for research, education and economics.

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**Date:** Wednesday, October 18, 2017 5:43:46 AM

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By Anthony Adragna | 10/18/2017 05:41 AM EDT

*With help from Darius Dixon*

**PRUITT'S CHARM OFFENSIVE HAS FEW ACTUAL PROMISES:** Seven corn-state Republican senators emerged smiling from what they deemed a "good" meeting with EPA Administrator Scott Pruitt on Tuesday but they got no concrete policy promises on the Renewable Fuel Standard from him, Pro's Eric Wolff and your ME host [report](#). Iowa Sen. [Chuck Grassley](#) said following the meeting he was "watching this issue closely" and plans "to hold the administration accountable," while his Iowa colleague [Joni Ernst](#) said: "Administrator Pruitt again claimed today that he will not do anything to undermine the program. However, we have heard this before. We now need to see it."

**Ernst's statement is key** because, unlike Sen. [Deb Fischer](#), the Environment and Public Works Committee member pointedly declined to back Bill Wehrum to run the agency's air office following the meeting. That's likely why the committee [announced](#) a few hours after the meeting that it would postpone "until further notice" a vote slated for today on various EPA, NRC and federal highway picks. With just an 11-10 majority on the panel, Republicans can afford no defections. The committee provided no explanation for the last-minute move and didn't respond to requests for comment.

**So what did they talk about with Pruitt?** Senators said they reminded the administrator of President Donald Trump's repeated support for biofuels. They also discussed the possibility of allowing year-round sales of 15 percent ethanol and got positive signals on that front: "I'm also encouraged there about the fact that there's a lot of dialogue inside the EPA," Sen. [Ben Sasse](#) told reporters. And Pruitt — who showed up with a flock of senior staff and fled without taking questions — brought up the cost of biofuel credits, called Renewable Identification Numbers, one of the primary complaints of some independent refiners. "He also talked a lot about the volatility of RINS and the fact we need to address that," Sen. [Mike Rounds](#) told ME. "And we all agreed with him."

**Attendees:** Ernst, Grassley, Fischer, Rounds, Sasse, [John Thune](#) and [Pat Roberts](#).

**Watch this:** Biofuels defy normal partisan politics and this bloc of corn-state Republicans could wreak havoc on their party's agenda if they throw their weight around on RFS issues. "We have a big enough group that is passionate about these issues that I think we can get their attention when we need to," Thune told ME of the dynamic.

**Some greens agree with Pruitt,** albeit for different reasons. A group of five environmental groups, including the Clean Air Task Force and Sierra Club, are backing Pruitt's call to reduce biodiesel requirements. "We support EPA's current effort to determine whether reductions to these RFS mandates are warranted," they write in [a letter](#).

**For your radar:** Iowa Gov. Kim Reynolds is holding a press conference today at 2:30 p.m. to discuss the "growing threat" to the RFS posed by EPA's signals. Watch [here](#). Trump's slated to

Speak with Reynolds by phone at 11 a.m.

**WELCOME TO WEDNESDAY!** I'm your host Anthony Adragna, and Entergy's Rob Hall was first to identify Sen. [John Thune](#) as the senator who defeated a sitting party leader (Tom Daschle) for his seat. For today: Which senator lost their original 2002 bid but won a 2008 rematch? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**MONEY IN YOUR EARS:** POLITICO's new Money podcast brings you to the intersection of Washington and Wall Street with the most influential minds on the economy. Every Wednesday, Ben White will help you understand the economic and financial policies that move markets. While money never sleeps, you have to - so let Ben keep you up to speed and turn dollars into sense. The first POLITICO Money podcast, premiering with our launch sponsor, Morgan Stanley, features Treasury Secretary Steven Mnuchin. Click [HERE](#) to subscribe.

**CONCERNS RAISED OVER PUERTO RICO FRAUD:** A group of House Natural Resources lawmakers, led by Chairman [Rob Bishop](#), sent letters Tuesday to [FEMA](#) and [the FBI](#) seeking information about alleged mishandling by local officials of emergency relief supplies in Puerto Rico. "Allegations that local elected officials are distributing life-sustaining FEMA emergency supplies based on political loyalty is deeply disturbing," they wrote. "Any persons misappropriating FEMA emergency supplies should be prosecuted to the fullest extent of the law." The lawmakers want briefings from both agencies by Oct. 23.

**Hearing announced:** Bishop announced the committee would hold an [oversight hearing](#) on the Puerto Rico response efforts Oct. 24. Energy and Commerce subcommittees are expected to announce similar sessions this week.

**McCaskill seeks her own investigation:** Sen. [Claire McCaskill](#), the top-ranking Democrat on the Homeland Security Committee, called for a bipartisan investigation into the federal government's response to the string of recent hurricanes. Letter [here](#).

**INTERIOR-EPA MARK SHELVED:** Citing "uncertain timing of votes on the budget resolution," the Senate Appropriations Committee announced late Tuesday it would postpone a scheduled markup of the fiscal 2018 EPA-Interior spending package until next week. The move comes as the panel's chairman, [Thad Cochran](#), [returned to Washington](#) after being away several weeks due to health problems. Separately, 115 scientists and health professionals sent [a letter](#) to committee members Tuesday urging them to maintain current funding levels for EPA.

**TRUMP CLAIMS WEST VIRGINIA 180:** During a Tuesday interview on "[Fox News Radio](#)," Trump personally took credit for boosting the fortunes of West Virginia thanks to his efforts to boost coal. "I've turned West Virginia around, because what I've done environmentally with coal," he said. "And everyone's saying 'I can't believe it,' because they were having such problems." West Virginia's senators have repeatedly acknowledged coal will never return to where it once was so it's unclear what exactly Trump's taking credit for here.

**Clips from Pruitt's own "Fox Business" interviews on Tuesday are available [here](#) and [here](#).**

**PENCE: SOME ENERGY BREAKS WILL STAY:** During an appearance in Buffalo, N.Y., Vice President Mike Pence suggested some current tax incentives for energy efficiency

would likely stick around as Republicans advance tax reform. "Those incentives that are in the tax code today, tax credits that are in today will remain in effect unless we've addressed them in the plan that we've outlined," Pence said. "Some of those historic energy incentives, I expect to remain in place unless Congress decides otherwise."

**WHITEHOUSE SLAMS EPA NOMINEE RESPONSES:** Prior to the nomination hearing being shelved without explanation, Rhode Island Democratic Sen. [Sheldon Whitehouse](#) released [responses](#) from Wehrum and EPA chemical office pick Michael Dourson where they dodged questions on a host of matters related to their new posts. "The President's pick to run the air pollution office hasn't read the most pivotal Supreme Court ruling on greenhouse gas regulation ever?" Whitehouse said of Wehrum. "He's 'not familiar' with the science on the health effects of ozone, an all-too-common pollutant that affects vulnerable groups across the country? Really?" Read them [here](#).

**ME FIRST — CLEAN ENERGY GROUP BACKS GILLESPIE:** Citizens for Responsible Energy Solutions today endorsed Republican Ed Gillespie's gubernatorial bid in Virginia and Jill Vogel's bid to become lieutenant governor. "I agree with Citizens for Responsible Energy Solutions that we need to find commonsense solutions that balance the Commonwealth's economic, energy and environmental needs," Gillespie said in a statement.

**\*\* Presented by the National Biodiesel Board:** EPA wants to reduce volumes in the Renewable Fuel Standard (RFS), which would kill jobs, thwart economic growth and potentially bankrupt farmers. We must support U.S. workers and grow the economy with more biodiesel in a growing RFS. Make your voice heard with the EPA: <http://bit.ly/2ghDLo3> \*\*

**FERC CHIEF CALLS FOR ENFORCEMENT REVIEW:** After a string of court rulings that rejected FERC's penalties, Chairman Neil Chatterjee said Tuesday it's time for the commission to take a hard look at its enforcement policies, Pro's Darius Dixon [reports](#). "The courts have rejected FERC's interpretation of de novo review five times under the Federal Power Act," he told energy lawyers. "The courts have spoken, and I, for one, am listening." Chatterjee said his goal is to "chart a new course that is fair and legally defensible."

**Don't hold your breath:** Senate Energy Chairman [Lisa Murkowski](#) doesn't expect any package of energy nominees to advance this week given everything that's going on. "I don't think it's going to happen this week," she told ME. "Do I want it to happen? Yes." Two additional FERC picks are among the nominees awaiting floor action.

**SENATORS TO FERC: IGNORE PERRY'S PUSH:** Eleven members of the Senate Democratic caucus, led by Energy and Natural Resources Ranking Member [Maria Cantwell](#), are urging FERC in [a letter](#) to reject Energy Secretary Rick Perry's proposed grid resiliency plan that would benefit coal and nuclear sectors. "We urge the Commission to reject this ill-conceived proposed rule and return, in a deliberative manner and with the benefit of a full Commission, to reviewing and building upon the record developed in existing proceedings related to the organized markets in a way that truly benefits consumers," they wrote.

**EARLY GRID STUDY WRITER CHIPS AT DOE PROPOSAL:** Alison Silverstein, an early author of the Energy Department's grid study, gave a [presentation](#) Tuesday in Nevada that seemed to undermine the agency's controversial resiliency pricing proposal for coal and nuclear power. Speaking at the joint meeting of the fairly obscure Committee on Regional Electric Power Cooperation and Western Interconnection Regional Advisory Body,

Silverstein's talk included a slide titled "Coal needed for resilience? Not so much..." which explained how "Coal plants that retired recently did not operate as baseload" — countering the crux of Energy Secretary Rick Perry's pricing plan to FERC — and pointed out that "[a]verage coal on-site inventories today only 45-70 days, not 90 days." Silverstein left DOE well before the final grid study was released in August.

**SPARED?** In private conversations with GOP leaders, Trump has pledged to spare Sens. [John Barrasso](#) and [Deb Fischer](#) from primary challenges launched by Steve Bannon, National Journal [reports](#), citing conversations with two GOP sources familiar with the discussions. The president hinted at such a move during a Monday press conference.

**LAWSUIT FILED OVER ROYALTY RULE:** California and New Mexico filed [a lawsuit](#) Tuesday in the U.S. District Court for Northern California challenging the Trump administration's plan to repeal the 2017 valuation rule for coal, oil and natural gas extracted from federal lands, Pro's Alex Guillén [reports](#). In their filing, the states argue Interior's explanations for repealing the rule "are nothing more than trumped-up technicalities that do not justify throwing out the Rule in its entirety." They call for the rule to be reinstated.

**EXAMINING FOSSIL FUEL IMPACTS IN OKLAHOMA:** The Coalition for Oklahoma's Renewable Energy released [a report](#) looking at the public health impacts of oil and gas development in Pruitt's home state. They note it comes as Pruitt's EPA and Interior have moved to suspend methane standards.

**MAIL CALL! BUT REALLY, SHOW ME THE MONEY:** House Natural Resources ranking member [Raul Grijalva](#) asked Interior Secretary Ryan Zinke in a Tuesday [letter](#) to explain what he's done with \$400,000 in appropriated funds toward a study on the health impacts of mountaintop removal mining. Zinke's agency [ordered](#) the National Academy of Sciences to cease all work on the study back in August.

**NEW CHALLENGE TO ENDANGERMENT FINDING:** A group of 60 skeptics of mainstream climate change science sent Pruitt [a letter](#) Tuesday seeking "an honest, unbiased reconsideration" of the agency's 2009 endangerment that compelled it to take action on climate change. The Competitive Enterprise Institute led the effort.

**FOR YOUR RADAR:** The Bipartisan Policy Center hosts former Energy Secretary Ernest Moniz today at 9 a.m. for a discussion on the "role U.S. nuclear energy plays in achieving national security objectives." Watch [here](#).

**SENDING HELP:** The offices of seven attorneys general fighting Trump administration environmental regulatory rollbacks — Illinois, Maryland, Massachusetts, New Mexico, New York, Washington and Washington, D.C. — will receive legal fellows from State Energy & Environmental Impact Center at NYU School of Law, the organization announced Tuesday.

## QUICK HITS

— GE to make payments to U.S. government over delayed Baker Hughes divestiture. [Reuters](#).

— Puerto Rico Turns to Unproven Montana Company for Massive Power Restoration Job, But No One Knows Why. [Weather Channel](#).

— Idaho wary of Obama 'leftovers' working on sage grouse plan. [AP](#).

- Iraqi Forces Retake All Oil Fields in Disputed Areas as Kurds Retreat. [New York Times](#).
- Minnesota judge allows 'necessity defense' in pipeline case. [AP](#).
- Alaskan Chris Hladick to head EPA Region 10 office in Seattle. [Alaska Dispatch News](#).

## HAPPENING TODAY

9:00 a.m. — Former Energy Secretary Ernest Moniz [discusses](#) the role U.S. nuclear energy plays in achieving national security objectives, 400 New Jersey Ave. NW

9:00 a.m. — "[DNU GL Energy Transition Outlook](#)," United States Energy Association, Fourth Estate Room, The National Press Club, 529 14th Street, NW

POSTPONED — Senate Environment and Public Works Committee holds business meeting on various nominations, Dirksen 406

## THAT'S ALL FOR ME!

**\*\* Presented by the National Biodiesel Board:** Made from an increasingly diverse mix of resources such as recycled cooking oil, soybean oil and animal fats, biodiesel is a renewable, clean-burning diesel replacement that can be used in existing diesel engines without modification. EPA wants to reduce biodiesel volumes in the Renewable Fuel Standard (RFS), which would kill jobs, thwart economic growth and potentially bankrupt farmers. We must support U.S. workers and grow the economy with more biodiesel in a growing RFS. Tomorrow is the last day to make your voice heard with the EPA: <http://bit.ly/2ghDL03> \*\*

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/10/pruitts-midwest-charm-offensive-short-on-policy-promises-025099>

## Stories from POLITICO Pro

### **Pruitt wins Fischer's support for Wehrum after RFS meeting** [Back](#)

By Eric Wolff and Anthony Adragna | 10/17/2017 06:18 PM EDT

Sen. [Deb Fischer](#) (R-Neb.) said she would back the nomination of Bill Wehrum to be EPA air chief after meeting with Administrator Scott Pruitt to discuss his recent moves that had angered biofuels supporters in Congress.

Pruitt offered no concrete policy promises to the seven Midwestern senators who gathered in Sen. [Chuck Grassley](#)'s office, according to the lawmakers, but he appeared to ease their fears that he would follow through on his proposal to reduce EPA's mandates on biodiesel volumes or take other [actions to undermine](#) the Renewable Fuel Standard.

Fischer, who had said earlier Tuesday she was unsure whether she would support Wehrum's nomination, offered her backing after her meeting with Pruitt. "I am," she said, when asked if she planned to vote for Wehrum.

In addition to Fischer and Grassley, the meeting was attended by Sens. [Joni Ernst](#) (R-Iowa), [John Thune](#) (R-S.D.), [Mike Rounds](#) (R-S.D.), [Pat Roberts](#) (R-Kansas) and [Ben Sasse](#) (R-

Neb.).

"The administrator has made the commitment that we'll continue those discussions," Fischer said. "He fully understands the importance to the United States when it comes to biodiesel and biofuel."

But Ernst, who like Fischer had [said](#) earlier on Tuesday the meeting would determine whether she would support Wehrum to run EPA's air office, which oversees the RFS, appeared skeptical about Pruitt's support for biofuels, and she would not commit to supporting the nominee.

"Administrator Pruitt again claimed today that he will not do anything to undermine the program. However, we have heard this before. We now need to see it," she said in a statement.

Republicans have only a one-seat edge in the Senate Environment and Public Work Committee and with opposition from Democrats expected, the loss of one vote would sink Wehrum's nomination.

Thune, the No. 3 Republican in the Senate, said he believed the lawmakers had delivered a clear message about supporting biofuels to Pruitt, who has long been close to the oil industry.

"We have a big enough group that is passionate about these issues that I think we can get their attention when we need to," Thune told POLITICO.

But Sasse said Pruitt was still in the deliberative process of the rulemaking.

"He can't give us any assurances at this stage," he said.

Grassley told reporters he reminded Pruitt of President Donald Trump's promise to him in August that he supported corn ethanol.

"You can get in the weeds about what you want to do or not do in the way of policy, but this is about a promise the president made," Grassley said.

The senators also said they had discussed the possibility of allowing year-round sales of 15 percent ethanol, whether through EPA regulation or through a bill Fischer has proposed.

"The administrator can possibly look at it through action within the EPA," Fischer said. "I think legislation is the best way to go."

Pruitt brought his top aides to the meeting, including policy office head Samantha Dravis, chief of staff Ryan Jackson, special adviser for air Mandy Gunasekara and the head of intergovernment relations office, Troy Lyons.

*To view online [click here](#).*

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**EPW postpones votes on EPA, NRC, FHWA picks [Back](#)**

By Anthony Adragna | 10/17/2017 07:25 PM EDT

The Senate Environment and Public Works Committee has postponed votes that had been scheduled for Wednesday on the nominations of various EPA, NRC and federal highway picks.

No reason was provided and the committee didn't respond to requests for comment.

The uncertain fate of Bill Wehrum's selection to run EPA's air office may be partially to blame for the delay. Sen. [Joni Ernst](#) pointedly declined to state she'd vote in support of his nomination even after Administrator Scott Pruitt's [efforts](#) this afternoon to reassure corn-state senators about how he'd implement the Renewable Fuel Standard. With just an 11-10 majority on the panel, Republicans could afford no defections.

Other nominations now delayed: Michael Dourson's to be EPA chemicals chief; David Ross' to head the EPA water office; Matthew Leopold's to be EPA general counsel; Jeff Baran's re-nomination to the NRC and Paul Trombino's selection to be administrator of the FHWA.

**WHAT'S NEXT:** The committee said the hearing is postponed "until further notice."

To view online [click here](#).

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**FERC chief calls for review of agency enforcement work** [Back](#)

By Darius Dixon | 10/17/2017 03:29 PM EDT

FERC Chairman Neil Chatterjee told energy lawyers today the time is ripe for FERC to revisit its policies on enforcement following a string of court rulings that rejected the agency's penalties.

FERC's work to police the energy markets is a critical part of the agency's mission, Chatterjee told the Energy Bar Association, but it had "not come without some controversy."

When companies refuse to pay a fine sought by the agency, FERC takes them to court and to ask judges to approve or deny lengthy orders — without considering much additional evidence. The courts have not decided the merits of those cases, but the [string of procedural losses](#) has suggested that FERC leadership reconsider how they craft their penalty decisions before heading to court.

"The courts have rejected FERC's interpretation of de novo review five times under the Federal Power Act," Chatterjee said. "The courts have spoken, and I, for one, am listening."

He added that "the proper scope of de novo review is a matter my colleagues and I need to examine so we can chart a new course that is fair and legally defensible."

Chatterjee also [repeated](#) his hope that FERC would revisit its position on the Public Utility Regulatory Policies Act.

PURPA, he said, "often feels like it's out of sync" with today's energy landscape, which is "fundamentally different" from when it was conceived.

To view online [click here](#).

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## California, New Mexico sue over repealed Interior royalty rule [Back](#)

By Alex Guillén | 10/17/2017 04:56 PM EDT

California and New Mexico today [sued](#) the Interior Department for repealing the 2017 valuation rule for coal, oil and natural gas extracted from federal lands.

Interior had originally paused the rule, and the two states, along with environmental groups, convinced a federal judge in August to declare that hold [illegal](#). However, Interior had repealed it in the meantime, at a cost of up to [\\$75 million](#) in lost royalty payments.

In their new suit over that repeal, again filed in the U.S. District Court for Northern California, the two states argue that Interior's explanations for repealing the rule "are nothing more than trumped-up technicalities that do not justify throwing out the Rule in its entirety." They also say Interior didn't explain how it came to a new conclusion with the same data it used to write the rule.

California and New Mexico ask for the repeal to be vacated and the rule reinstated.

**WHAT'S NEXT:** Litigating the repeal likely will take well into 2018.

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**Subject:** Morning Energy, presented by the National Biodiesel Board: Tensions elevated as Pruitt meets corn-state senators on biofuels — BLM clears way for controversial Cadiz project — Carper bashes inadequate responses from EPA nominees  
**Date:** Tuesday, October 17, 2017 5:43:55 AM

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By Anthony Adragna | 10/17/2017 05:40 AM EDT

*With help from Eric Wolff, Tim Starks and Esther Whieldon*

**BIOFUEL FIGHT HEATS UP TODAY:** Iowa Sen. [Chuck Grassley](#), joined by home-state colleague [Joni Ernst](#), Nebraska's [Deb Fischer](#) and possibly others, will meet with EPA Administrator Scott Pruitt today amid growing concern that President Donald Trump is reneging on a campaign promise and undermining the biofuels industry, Pro's Eric Wolff [reports](#). EPA's recent proposal to cut biomass-based biodiesel quotas for 2018 and 2019, as well as recent reports the agency was considering allowing the use of credits from ethanol shipped overseas, has drawn multiple Senate letters in recent weeks, including a [bipartisan letter](#) from 38 senators and [another](#) with 29 signatures.

**The recent moves have** proven a huge financial boon for the oil refiners and rattled the market for biofuel credits known as RINs. Pruitt, who had immensely close ties to the oil industry as Oklahoma attorney general, is looking for ways to help them out, according to an administration official and oil industry sources who have spoken with EPA. "The administrator wants to drive down RIN prices," said one oil refining source who recently spoke to multiple EPA career and political officials. "The reason he wants to do that, he's going to screw them on point of obligation. He's willing to [push] any crazy idea that accomplishes that goal in the short term. It doesn't matter what the litigation risk is."

**Remember Trump made his support** for the Renewable Fuel Standard a rare policy-heavy portion of his campaign in Iowa, and Grassley, in particular, took Pruitt's proposed changes personally. He recently called them a "bait and switch" from what the administrator had told him before his nomination. Separately, four Republican governors — Kim Reynolds (Iowa), Sam Brownback (Kan.), Eric Greitens (Mo.) and Dennis Daugaard (S.D.) — sent [a letter](#) to Trump Monday voicing concern over EPA's recent RFS moves. "Cutting the biomass-based diesel volume set a year ago is not only unnecessary, it's highly disruptive, unprecedented and potentially catastrophic," they wrote.

**Another refining industry source** sums up the administration's dilemma to Eric: "The administration faces a conundrum on this issue. On the one hand guys are really leaning on them and talking about how they made a promise to rural America. On the other hand, the president made a promise to protect manufacturing jobs.... Politically what they're facing is a lot of heat."

**WELCOME TO TUESDAY!** I'm your host Anthony Adragna, and NEI's Robert Powers was first out of the gate to identify Mark Neumann as the previous holder of Speaker Paul Ryan's House seat. For today: Who defeated a sitting party leader to win the Senate seat they currently hold? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#), and [@POLITICOPro](#).

**BRINGING INDUSTRY TO THE TABLE:** In his Monday [move](#) to end what he terms

EPA's sue and settle practice, Pruitt vowed to seek the consent of the companies the agency regulates before agreeing to any deadlines for environmental action, Pro's Alex Guillén [reports](#) . "EPA shall seek to receive the concurrence of any affected states and/or regulated entities before entering into a consent decree or settlement agreement," he said. EPA noted the directive does not outright require industry consent on any agreement, while adding it applied to lawsuits from both environmental and industry groups.

**But critics argue** his action targets a non-existent problem that will empower the entities Pruitt is supposed to be regulating. "His targeting of legal settlements, especially where EPA has no defense to breaking the law, will just allow violations to persist, along with harms to Americans," NRDC's John Walke said. During the Obama administration, EPA frequently entered into settlements with environmental groups after missing statutory deadlines. But the subsequent regulations still went through the lengthy rulemaking process, and a 2014 GAO [study](#) concluded the "effect of settlements in deadline suits on EPA's rulemaking priorities is limited."

**BLM CLEARS WAY FOR CONTROVERSIAL CALIFORNIA WATER PROJECT:** Regulators cleared the biggest remaining federal obstacle for Cadiz Inc. water pipeline in California's Mojave Desert when ruled the project can move forward without additional BLM approval, Pro's Esther Whieldon [reports](#), citing [a letter](#) released Monday. Acting Director Mike Nedd axed an Obama-era 2015 finding that the project could not use an existing railroad right of way and would need to apply for its own. Cadiz in a [statement](#) said it will begin working on final engineering designs, contracts and obtaining a conveyance agreement with the Metropolitan Water District of Southern California.

**Opponents slammed the move:** Sen. [Dianne Feinstein](#), a longtime opponent of the project, said Cadiz's pipeline would draw more water than the aquifer can recharge naturally and expose residents to potentially harmful levels of chemicals. "The Trump administration might be willing to let Cadiz profit by harming our public lands but California shouldn't give up," she said in a statement. "Our state can still require a stronger review of Cadiz's plans. The fight to protect our desert isn't over."

**The Bernhardt question:** A spokeswoman said Interior Deputy Secretary David Bernhardt "has absolutely no role in anything related to Cadiz." The agency's number two did legal work for Cadiz before joining the agency, and his former firm stands to benefit if it's completed.

**CARPER BASHES EPA NOMINEE RESPONSES:** Sen. [Tom Carper](#), top Democrat on the Environment and Public Works Committee, released responses to questions from four nominees to senior EPA roles that he told ME were "shocking" in their lack of substance. He was in particular critical of the responses of the agency's chemicals pick, Michael Dourson, who didn't provide specific answers on a host of questions related to the agency's implementation of the Toxic Substances Control Act and air chief, Bill Wehrum, who provided vague answers on topics like the Paris Climate Accord and how he would approach various air regulations. But ME didn't get a sense from Carper or aides that committee Democrats were likely to boycott a Wednesday vote on the nominations of Dourson and Wehrum, as well the picks of David Ross to head the water office, Matthew Leopold to be general counsel and Jeff Baran's re-nomination to the NRC.

**Read the responses** to Carper's questions for the record [here](#).

**EPA OFFICIAL LANDS IN PUERTO RICO :** Newly sworn in EPA Region 2

Administrator Peter Lopez landed in Puerto Rico Monday to meet with local officials "to make sure my team at the EPA continues to help lift these communities up." Army Lt. Gen. Jeffrey Buchanan, leading the administration's response to the disaster, said in a statement it would be "months" before the electric grid could be rebuilt: "FEMA asked the Army Corps of Engineers to take the lead in that, not necessarily with military power guys, but with contracts with local workers," he said. A short-term priority is getting water treatment plants back up and running through generators followed by the longer-term goal of getting other critical infrastructure back on the electric grid.

**Sign of the times:** NBC News correspondent Gabe Gutierrez tweeted [a picture](#) of a drinking water well on a Superfund site with protective fencing ripped off. "People are desperate," Lopez [told Gutierrez](#), adding people are breaking into sealed-off wells.

**Trump critical of island again:** Once again casting the island's struggles as partially self-inflicted, Trump said the military "shouldn't have to be" distributing food and water on the island, POLITICO's Cristiano Lima [reports](#). Meanwhile, the Senate is likely to take up a House-passed relief package [H.R. 2266 \(115\)](#) once it passes its budget.

**ALASKAN PICKED FOR INTERIOR ROLE:** Trump late Monday announced his intent to nominate Tara Sweeney, executive vice president of external affairs for Arctic Slope Regional Corporation, as assistant Interior secretary of for Indian Affairs. She chaired the Arctic Economic Council from 2015 to 2017. "Secretary Zinke could not have chosen a better leader to help him fulfill the federal government's trust responsibility," Senate Energy Chairman [Lisa Murkowski](#) said in a statement.

**\*\* Presented by the National Biodiesel Board:** More than 64,000 jobs are supported by clean-burning biodiesel. But the EPA is threatening to reduce biodiesel use and weaken the Renewable Fuel Standard (RFS). We must protect those biodiesel jobs with a strong RFS program. Watch the president promise to protect the RFS here: <http://bit.ly/2xn5Sgm> \*\*

**HOLD YOUR HORSES:** Senate Majority Leader [Mitch McConnell](#) used a lunch with the president Monday to stress that Steve Bannon was going after some staunch supporters of Trump's agenda, such as [John Barrasso](#) and [Deb Fischer](#), with his pledge to recruit primary challengers for sitting Republican senators, POLITICO's Matthew Nussbaum and Cristiano Lima [report](#). That point apparently resonated with Trump, who later told reporters: "Some of the people he may be looking at, I'm going to see if we talk him out of that."

**UNITED WE STAND?** Even as Trump and McConnell projected a united front Monday, White House officials behind-the-scenes are increasingly wondering what's going on in the Senate and afraid the chamber won't be able to pass Republican tax overhaul, POLITICO's Burgess Everett and Josh Dawsey [report](#). "You ask me if the Republican-controlled Senate is an impediment to the administration's agenda: All I can tell you is so far, the answer's yes," OMB Director Mick Mulvaney, a former member of the House Freedom Caucus, said.

**RALLYING AGAINST ANWR LANGUAGE:** Six Senate Democrats — [Ed Markey](#), [Michael Bennet](#), [Tom Udall](#), [Maria Cantwell](#), [Al Franken](#) and [Jeff Merkley](#) — are joining environmental groups at 11:15 a.m. in the Senate swamp to urge the removal of language opening ANWR to drilling from the fiscal 2018 budget resolution.

**DOE WATCHDOG: CLOSE, BUT NOT QUITE:** The Department of Energy needs to [improve](#) control over who can access systems, the security of its web applications and

mitigation of vulnerabilities, according to a recently released inspector general report. The IG had pointed out those flaws and others in a prior report. "The weaknesses identified occurred, in part, because department officials had not fully developed and/or implemented policies and procedures related to the issues identified in our report," the IG concluded. "Without improvements to its cybersecurity program in areas such as enhanced controls over vulnerability management and access controls, the department's systems and information may be at a higher-than-necessary risk of compromise, loss, and/or modification." Overall, however, DOE had addressed 13 of the 16 weaknesses the IG previously identified.

**TAKE A GLANCE! NUTRIENT CREDIT PROGRAM USE LIMITED:** Despite 11 states having 19 nutrient credit trading programs meant to help hit discharge limits, use has been limited, according to [a report](#) released by GAO Monday. Programs in Connecticut, Pennsylvania and Virginia saw the bulk of credit trading.

**GTM: HIGHER TARIFFS MEAN LESS SOLAR:** A 40 cents per watt tariff would cut solar demand in half, GTM Research says in a [study](#) out today. The research group found that lower tariffs had less of an impact: For example, adding 10 cents per watt would drive down sales 9 percent. The study also found that utility scale solar would be hardest hit, as utilities are more sensitive to cost than the residential market.

**REPORT: LET'S COMMISSION A COASTAL COMMISSION:** The Regional Plan Association released [a report](#) Monday calling for New York, New Jersey and Connecticut to form a new coastal commission as the region prepares for the impacts of climate change over the next decades.

**HOT DOC:** The Environmental Defense Fund released a new document called "[Pruitt's Playbook](#)" chronicling what it says is Pruitt's assault on EPA's mission.

**WINTER IS COMING:** The American Gas Association today predicts cooler temperatures this winter will mean a five percent increase, on average, on heating bills as consumers are likely to use three percent more natural gas.

**MAIL CALL! MORE CRITICISM OF MONUMENT REVIEW:** More than 350 National Park Service employees sent Zinke [a letter](#) today saying they are "extremely disappointed" in his review of national monuments designated under the Antiquities Act.

— Separately, more than 350 companies largely from the outdoor recreation retail industry in a Monday [letter](#) to Trump urged the president to "embrace the conservation ethic of your predecessors and keep current protections in place for our public lands and waters." The letter also asks Trump not to roll back protections on monuments. The Commerce Department has until Oct. 25 to send the White House a report on marine monuments and Trump is mulling Interior Secretary Ryan Zinke's recommendations to shrink and/or allow mining, commercial fishing and logging in 10 existing monuments.

**MOVER, SHAKER:** Bryan Rice, an Interior veteran and member of the Cherokee Nation of Oklahoma, started as director of the Bureau of Indian Affairs on Monday. He most recently led the agency's Office of Wildland Fire as the latest stop on a federal career spanning more than 20 years.

**QUICK HITS**

— Joe Manchin backs Rick Perry's plan to subsidize coal, nuclear plants. [Washington Examiner](#).

— EPA Says Higher Radiation Levels Pose 'No Harmful Health Effect'. [Bloomberg](#).

— Get ready to see a plan for billions of dollars in parks and water improvements on California's 2018 ballot. [Los Angeles Times](#).

— Officials ID person missing after Lake Pontchartrain oil platform explosion. [Times-Picayune](#).

— Iraq's Kurdistan shuts 350,000 bpd of oil output due to security: sources. [Reuters](#).

— World petrol demand 'likely to peak by 2030 as electric car sales rise'. [The Guardian](#).

## HAPPENING TODAY

POSTPONED — Senate Appropriations subcommittee [markup](#) of Interior-Environment bill, 124 Dirksen

9:30 a.m. — "[Working Towards Clean Cars and Clear Skies in Los Angeles, Hong Kong and the Pearl River Delta](#)," Wilson Center, One Woodrow Wilson Plaza, 1300 Pennsylvania Ave. NW

11:15 a.m. — Democratic senators host press conference calling for removal of Arctic Refuge drilling language from budget, Senate swamp

## THAT'S ALL FOR ME!

**\*\* Presented by the National Biodiesel Board:** Made from an increasingly diverse mix of resources such as recycled cooking oil, soybean oil and animal fats, biodiesel is a renewable, clean-burning diesel replacement that can be used in existing diesel engines without modification. EPA wants to reduce biodiesel volumes in the Renewable Fuel Standard (RFS), which would kill jobs, thwart economic growth and potentially bankrupt farmers. We must support U.S. workers and grow the economy with more biodiesel in a growing RFS. Make your voice heard with the EPA: <http://bit.ly/2ghDLo3> \*\*

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/10/tensions-elevated-as-pruitt-meets-grassley-on-biofuels-025078>

## Stories from POLITICO Pro

**EPA's Pruitt boosts industry role in negotiations with green groups** [Back](#)

By Alex Guillén | 10/16/2017 03:57 PM EDT

Industry groups will soon get a seat at the table when EPA decides how to respond to some lawsuits from environmental groups.

EPA will ask for the consent of the industries and companies it regulates before agreeing to any deadlines for environmental action sought by "special interest groups," according to a new

[directive](#) issued by Administrator Scott Pruitt.

EPA will notify states or industries of any petitions or lawsuits that may affect them and will take "any and all appropriate steps to achieve the participation" of industry during negotiations, Pruitt wrote in his directive that is intended to end the agency's so-called sue and settle practice.

"Accordingly, EPA shall seek to receive the concurrence of any affected states and/or regulated entities before entering into a consent decree or settlement agreement," Pruitt continued.

In response to questions from POLITICO, EPA noted the directive does not outright require industry consent on any agreement. And the agency said Pruitt's directive applies to both environmental and industry groups' suits.

But EPA's new directive to seek industry approval first could lead to "back-room deals" between the agency and those it regulates, according to Amit Narang, a regulatory expert at watchdog group Public Citizen.

"There's simply nothing for industry groups to come in and discuss with the EPA related to these lawsuits except how they want the EPA to potentially craft a new regulation that was already unlawfully delayed in a way that's industry-friendly," he said.

"Pruitt's doing nothing more than posturing about a non-existent problem and political fiction," said John Walke of the Natural Resources Defense Council. "His targeting of legal settlements, especially where EPA has no defense to breaking the law, will just allow violations to persist, along with harms to Americans."

Republicans have complained for years that environmental groups would sue EPA and quickly reach a deal for the agency to take certain actions, bypassing industry input, a practice they termed "sue and settle." They note that it was those type of lawsuits that led EPA to write the Clean Power Plan, for example.

"Sue and settle ... interferes with the rights of the American people to provide their views on proposed regulatory decisions and have the agency thoughtfully consider those views before making a final decision," Pruitt wrote in a [memo](#) accompanying his directive.

Democrats and environmentalists argue that the deals Republicans have complained about largely targeted missed statutory deadlines, and that any subsequent regulations were still open to the full rulemaking process. And the Clean Power Plan may have been spurred in part by a settlement agreement, but the final rule was developed with all required public input and was subject to legal challenge.

A 2014 [study](#) by the Government Accountability Office concluded that the "effect of settlements in deadline suits on EPA's rulemaking priorities is limited." That study also said that long-standing Justice Department policy prevents EPA from striking a deal in a deadline suit that specifies the substance of any subsequent rule.

Pruitt's directive quickly landed plaudits from conservative groups.

"The EPA is making it clear that the public and the integrity of the rulemaking process are no longer going to be sacrificed for the political objectives of narrow interests," Daren Bakst of

The Heritage Foundation said in a statement.

William Yeatman of the Competitive Enterprise Institute called it a "welcome" first step, but added that EPA had routinely missed deadlines for years under the Clean Air Act and other laws, and should seek more resources from Congress to meet those deadlines and avoid environmental groups suing.

The 2014 GAO study also noted that EPA's proposed consent decrees, published in the Federal Register, traditionally took public comment for 30 days before moving forward.

Pruitt acknowledged that in his memo, and while he admitted those comments sometimes led to changes in the final agreements, "numerous stakeholders lack faith in the effectiveness of this comment opportunity" because EPA and environmental groups "have already agreed in principle to the proposed settlement."

It remains unclear how EPA plans to defend itself in court over clearly missed deadlines set by Congress. The agency said only that it "will handle any lawsuits consistent with today's directive."

But the agency's critics say there's simply no viable defense.

"These are the simplest lawsuits for environmental groups to win and for the EPA to lose. There's no point in EPA fighting these lawsuits. The evidence is as simple as looking at the calendar and saying a congressional deadline has been missed," said Narang. "If EPA was to fight these cases in court, that would be one of the most wasteful uses of taxpayer money."

In recent weeks, Pruitt has racked up several such deadline suits.

For example, [Democratic attorneys general](#) and environmental groups are preparing to sue Pruitt for missing a key implementation deadline for the 2015 ozone standard. EPA is also facing down a [lawsuit](#) from the state of Maryland for failing to respond to its petition seeking pollution controls on upwind power plants.

Similar consent decrees have been reached in the past with industry groups as well. The agreement setting deadlines for EPA to issue its 2014-16 Renewable Fuel Standard volumes, for example, was reached with oil and refining industry groups.

To view online [click here](#).

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**BLM clears the way for Cadiz California water pipeline** [Back](#)

By Esther Whieldon | 10/16/2017 06:06 PM EDT

The Bureau of Land Management has ruled the proposed Cadiz Inc. water pipeline in California's Mojave Desert can move forward without agency approval, effectively clearing the biggest remaining federal hurdle for the project.

In a Friday [letter](#), which Cadiz released today, BLM acting Director Mike Nedd reversed a

2015 finding by the Obama administration that the project could not use an existing railroad right of way and would need to apply for its own.

The proposed pipeline would pump groundwater from a desert aquifer across 43 miles of land, much of it federally owned, and the project's opponents have argued it would draw more water than the aquifer can recharge naturally.

The Interior Department in September also reversed a legal interpretation made under the Obama administration and found railroads have broad discretion to lease their rights of way. The Center for Biological Diversity has filed a public records request with Interior to figure out why the agency revoked that legal interpretation.

David Bernhardt, Interior's second-in-command, did legal work for Cadiz before joining the agency. An Interior spokeswoman in an emailed statement said "the Deputy Secretary has absolutely no role in anything related to Cadiz."

**WHAT'S NEXT:** Cadiz in a [statement](#) said it will begin working on final engineering designs, contracts and obtaining a conveyance agreement with the Metropolitan Water District of Southern California. A Cadiz spokeswoman in an email said the storage component of the project will still require federal permits.

To view online [click here](#).

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**Trump: Military 'shouldn't have to be' distributing food in Puerto Rico** [Back](#)

By Cristiano Lima | 10/16/2017 03:39 PM EDT

President Donald Trump said military personnel assisting in Hurricane Maria recovery efforts "shouldn't have to be" distributing food in Puerto Rico, again casting the U.S. territory's challenges as partially self-inflicted during a Monday press conference.

The president said that while federal agencies have provided "massive" amounts of food and water to Puerto Rico — where access to resources and power remains severely hampered by last month's storm — they should not also be expected to distribute them. Trump has [previously said](#) Puerto Ricans relied too much on federal government resources instead of a "community effort" to rebuild.

"We have massive amounts of water. We have massive amounts of food," Trump said at the White House, where he spoke alongside Senate Majority Leader Mitch McConnell. "But they have to distribute the food."

Trump added: "We now actually have military distributing food — something that, really, they shouldn't have to be doing."

The president has singled out issues with infrastructure and other challenges in Puerto Rico that he said pre-dated the storm as hurdles in the path to recovery. He has also warned that he won't leave federal employees in Puerto Rico indefinitely.

"We cannot keep FEMA, the Military & the First Responders, who have been amazing (under the most difficult circumstances) in P.R. forever!" he [tweeted](#).

The House of Representatives on Thursday [overwhelmingly approved](#) a \$36.5 billion relief package for Puerto Rico and other impacted regions. It is headed to the Senate, where it is expected to be approved.

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## **Trump expresses wariness of Bannon's war on GOP establishment [Back](#)**

By Matthew Nussbaum and Cristiano Lima | 10/16/2017 12:44 PM EDT

President Donald Trump, who in 2016 ran as the nontraditional, nationalist insurgent riding roughshod over the establishment, on Monday expressed skepticism about Steve Bannon's attempt to produce a wave of such candidates in coming Republican primaries.

"Some of the people he may be looking at, I'm going to see if we talk him out of that," Trump said during a Rose Garden news conference when asked about Bannon's pledge to recruit primary challengers to all but one sitting Republican senator in 2018.

While it's unclear whether Trump will follow through, his comments could mark a line in the sand, with Trump appearing to describe a willingness to stand by Republican incumbents against Bannon-backed challengers.

Trump's stance was muddled, however, because roughly two hours earlier he appeared to voice support for Bannon's avowed war on establishment figures, including Senate Majority Leader Mitch McConnell. Trump told reporters that Bannon "is a friend of mine" and is "very committed to getting things passed" when asked about the Breitbart News chief's attacks on McConnell and other GOP leaders who have failed to pass his legislative agenda.

But after a private meeting with McConnell, Trump expressed the skepticism about Bannon's efforts, especially his support for GOP Senate candidates who will challenge McConnell's leadership role.

"Just so you understand, the Republican Party is very, very unified," Trump declared during the Rose Garden news conference, with McConnell by his side.

Trump's pronouncement came after he and McConnell discussed primaries over lunch, according to a person briefed on the exchange. McConnell told Trump that Bannon was targeting senators who were supporters of Trump's agenda, like Sens. Deb Fischer (R-Neb.) and John Barrasso (R-Wyo.). That point resonated with Trump, according to the person briefed, and McConnell went on to explain how past insurgent primary winners had wound up losing in the general election.

Trump's apparent commitment to stand by incumbent Republican senators against his former campaign CEO and White House strategist shows that even a tradition-bucking president may hew to the party line in the interest of moving his agenda forward and maintaining a governing

majority.

McConnell, of whom Bannon has been publicly critical since he was ousted from his West Wing role in August, said that despite any differences between himself and Bannon, his goal was simple: "to win elections in November."

The Senate Republican leader said that regardless of who won during the party primaries, what mattered was that they carried their victory into the general election.

"You have to nominate people who can actually win because winners make policy and losers go home," he said. In a swipe at Bannon, he cited controversial Republican candidates from recent elections who, after beating more moderate opponents in primaries, lost to Democrats in what were widely seen as winnable races.

Bannon on Saturday ratcheted up his war against the GOP establishment — and McConnell specifically — as he vowed to challenge any Senate Republican who doesn't publicly condemn attacks on Trump.

"Yeah, Mitch, the donors are not happy. They've all left you. We've cut your oxygen off," Bannon said during a speech to religious conservatives at the Values Voter Summit in Washington.

"There's a time and season for everything and right now it's a season of war against a GOP establishment," Bannon added. "It's no longer acceptable to come and pat you on the head and tell you everything is going to be fine just to get those people in office."

Since leaving the West Wing, Bannon has raised his public profile, holding campaign events and delivering speeches to further his campaign against establishment figures. He's also relying on the powerful forces of the Breitbart News platform and the support of the ultrawealthy Mercer family to further his agenda.

Trump's own frustration with GOP establishment leaders was clear on Monday. He told reporters earlier in the day that he "can understand where Steve Bannon is coming from" given Republican lawmakers' failure so far to pass Obamacare repeal, tax reform and other big ticket items.

While Trump stressed that he had "great relationships with many senators," he gave a grim assessment of the work by GOP lawmakers on Capitol Hill. "They are not getting the job done," Trump told reporters while meeting with his Cabinet. "And I'm not going to blame myself. They are not getting the job done."

The president added that "there are Republicans frankly that should be ashamed of themselves" for their inability to follow through on repealing the Affordable Care Act and passing major tax reform legislation.

But at the Rose Garden news conference, Trump and McConnell, standing side by side, sought to strike a united front.

"We've been friends for a long time. We are probably now — despite what we read — we're probably now, I think, at least as far as I'm concerned, closer than ever before," Trump said, glossing over their public feuding in recent months. "And the relationship is very good. We're fighting for the same thing."

"I wanna underscore what the president said: We have the same agenda," McConnell said.

Trump has also already shown a comfort in breaking with Bannon, joining McConnell to support Alabama Sen. Luther Strange against a primary challenge from the far-right former judge, Roy Moore.

Moore won by about 9 points, and Bannon introduced him for his victory speech.

*Alex Isenstadt contributed to this report.*

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## **Trump White House fed up with the Senate** [Back](#)

By Burgess Everett and Josh Dawsey | 10/16/2017 07:01 PM EDT

President Donald Trump and Mitch McConnell stood side by side at the White House Monday afternoon to declare they're "together totally" and "very united" heading into this fall's tax reform battle.

But behind the scenes, Trump, his administration and even some senators are increasingly worried that taxes will go the way of Obamacare repeal in the Senate: Months of bickering ending in extreme embarrassment.

The debate hasn't even started on the GOP's plan, yet some senators are pushing their own tax proposals, while others are increasingly emboldened to defy the Republican president. It's a dangerous mix considering that McConnell can lose only two votes assuming Democrats band together in opposition.

"We look at the Senate and go: 'What the hell is going on?'" White House budget director Mick Mulvaney said in an interview Friday.

"The House passed health care, the House has already passed its budget, which is the first step of tax reform. The Senate hasn't done any of that. Hell, the Senate can't pass any of our confirmations," Mulvaney fumed in an interview, slapping a table for emphasis. "You ask me if the Republican-controlled Senate is an impediment to the administration's agenda: All I can tell you is so far, the answer's yes."

The revulsion for the Senate's age-old traditions and byzantine procedure boiled over in public repeatedly on Monday. Trump complained in front of TV cameras that the Senate is "not getting the job done" and said he sees where Steve Bannon — his former chief strategist now planning to run primary challengers against incumbent Republican senators — "is coming from."

And House Speaker Paul Ryan (R-Wis.), when asked Monday to name the biggest impediment to tax reform, [replied](#): "You ever heard of the United States Senate before?"

Shortly after, Trump and McConnell held an unusual 40-minute unity news conference intended to sooth a jittery party that's watched Trump attack "Mitch M" for failing on health care reform and McConnell assert that Trump had "excessive expectations" for Congress. Trump suggested he would try to get Bannon to back off on some of McConnell's incumbents, and McConnell sought to keep the tax reform critics at bay after Trump said he wants it done this year.

"We're gonna get this job done and the goal is to get it done by the end of the year," McConnell said after lunching with the president. The meeting had been long-planned, but the impromptu news conference was Trump's idea, two sources familiar with the event said.

McConnell is expected to hold a vote this week on the budget — a precondition for tax reform — and GOP aides expect it to pass. That will relieve some of the pressure on the chamber, which has been receiving flak nonstop from donors, House members and the president since the health care implosion this summer.

Administration officials are hoping that frustration produces enough pressure to force the Senate to pass tax reform. But already, there are signs of trouble.

Sen. Ron Johnson (R-Wis.) is so skeptical that the Senate can enact the GOP's tax framework that he's begun pitching his own tax plans to colleagues. It would shift the burden of corporate taxes onto shareholders and allow individuals to opt out of the existing tax code and into a system without the confusing array of tax preferences and deductions that people can now choose.

It's radically different from what congressional leaders and the president proposed. But Johnson said in an interview that leadership's plan "is going to be very difficult to pass. We've already seen with the outline now, with the principles given, that's going to be a challenge."

"I don't want to be a problem child here, but what I'm offering is a plan B," Johnson added. "If they can't get the votes ... I've got an alternative."

Senate Majority Whip John Cornyn (R-Texas) brushed off any negativity about the Senate's work, insisting that he never thought the party's agenda is "off track." But he said the sniping from Mulvaney and Ryan — and skepticism from some Republican senators about the prospects for tax reform — is not helpful.

"I don't think that sort of thing is very constructive myself," Cornyn said Monday.

The House is sure to labor to pass tax reform, too. Members from high-tax states are already rebelling against plans to gut the deduction for state and local taxes. But two White House officials said the most serious concerns are in the Senate.

"I was really not happy that this Congress couldn't control its own members and get to a winning vote on health care," said Sen. David Perdue (R-Ga.). "This tax code is something we've got to do. We've got to do that this year. It's a test of the Republican majority."

But like with health care, the tax reform process is moving more slowly than many Republicans would like. There's no bill yet, for starters. And White House officials have deliberately left some policy details vague because they're unsure what it will take for various senators to get on board and want to leave their options open, one of these people said.

The White House officials expect a multitude of demands from Sen. Bob Corker (R-Tenn.) regarding the deficit, and from Sen. Rand Paul (R-Ky.) on middle-class tax cuts. Nevada Sen. Dean Heller, perhaps the most endangered Republican senator on the ballot next year, is expected to have his own asks.

Other moderate Republican senators are expected to hold major sway as well, including Lisa Murkowski of Alaska and Susan Collins of Maine. Another wild card is Sen. John McCain (R-Ariz.), who has voted against past tax cuts and cast the decisive vote against Obamacare repeal.

"We're expecting to have to make some deals here," one official said.

Rattled that many senators are still on the fence, the Koch network encouraged its donors at a recent retreat to call Republican senators and push them to vote for tax reform. Vice President Mike Pence told donors at the Koch summit that they thought they could convince Paul and that Trump planned to travel more to win over wavering senators.

And after working for months on an Obamacare repeal-and-replace bill that went nowhere, senators say they feel more urgency than they ever have on taxes.

"If you just stand there you get run over," said Sen. John Kennedy (R-La.). "I don't want to see what happened to us on health care happen to us on tax reform. Which is basically, we analyze it until we are paralyzed."

If that happens again, Republicans are warning of dire consequences: Losing the House and possibly the Senate, and inviting a new wave of ire at incumbents. In an urgent plea over the weekend, Sen. Lindsey Graham (R-S.C.) even suggested on CBS' "Face the Nation" that if the party can't pass tax reform and repeal Obamacare within the next few months, "it will be the end of Mitch McConnell as we know it."

People close to Trump said the White House isn't there yet.

"We don't get into leadership races down here," Mulvaney said. But maybe, he suggested, the pressure on McConnell and "the Senate's failure to pass health care might actually help us to get tax reform passed. Because I think they know they need to get something done."

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**To:** [lori\\_mashburn@ios.doi.gov](mailto:lori_mashburn@ios.doi.gov); [POLITICO subscriptions](#)  
**Subject:** Morning Energy, presented by the Nuclear Energy Institute: Climate talk looms throughout U.N. meetings — Senate Energy panel moves nominees today — Steyer hits Trump over climate  
**Date:** Tuesday, September 19, 2017 5:41:33 AM

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By Anthony Adragna | 09/19/2017 05:39 AM EDT

*With help from Ben Lefebvre*

**CLIMATE TALK PROMINENT IN U.N. MEETINGS:** Look for talk of climate change and the Paris climate agreement to continue to pop up throughout the United Nations General Assembly today, but any fog around the White House's position appears to be clearing. President Donald Trump reiterated his view that the landmark international accord was unfair to the U.S. during a Monday meeting with French President Emmanuel Macron, according to a White House official. "The President talked through that he believes it's just simply unfair — that he thought other countries, particularly China, received a better deal than the United States negotiated," State Department policy planning director Brian Hook said. "He does not believe that the Paris Agreement is a framework to achieve those goals around clean energy, protecting the environment, and promoting economic growth."

**Chicago to host climate conference:** Chicago Mayor Rahm Emanuel [announced](#) Monday his city would host a two-day conference to discuss how cities around the world are addressing climate change and implementing the Paris agreement. And former U.N. climate chief Christiana Figueres said in a statement the Dec. 4-5 event would "provide an opportunity for mayors to continue acting on the political will demonstrated in Paris, showing that local action is being taken to fulfill commitments." Participants will include Paris' Anne Hidalgo, Montreal's Denis Coderre, Austin's Steve Adler and Atlanta's Kasim Reed, among others.

**MOVE ALONG, MOVE ALONG:** It should be a quick and easy process for five FERC, DOE and Interior nominees to get through the Senate Energy and Natural Resources Committee this morning. On the agenda are votes on the selections of Kevin McIntyre for chairman of FERC, Richard Glick for FERC commissioner, David Jonas for DOE general counsel, and Ryan Nelson and Joseph Balash for solicitor and assistant secretary for land and minerals management at DOI, respectively. The vote is set for 9:30 a.m. in Dirksen 366. Watch [here](#).

**FIGHT AGAINST DOURSON HEATS UP:** Outside groups are ramping up what's expected to be an intense push against the nomination of Michael Dourson to head up EPA's chemicals office (and the lead role in implementing the revamped Toxic Substances Control Act). Clean Air Moms Action is out with [an ad](#) hitting him for being a "toxicologist-for-hire for corporate clients" who minimized the dangers of second-hand smoke and dangerous chemicals. The Environmental Defense Fund and Environmental Working Group are holding their own press call today to draw attention to Dourson's past work.

**WELCOME TO TUESDAY!** I'm your host Anthony Adragna, and LCV's Gene Karpinski was first up to identify former EPA chief Doug Costle as the unsuccessful Senate candidate in Vermont. For today: Which Supreme Court justice once hosted the prime-time Emmys? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**#CONCORDIA17:** POLITICO is the official media partner of the 2017 Concordia Annual Summit taking place in conjunction with the U.N. General Assembly in New York on Sept. 18-19. Join us in the Big Apple as we host conversations with world leaders, industry experts, current and former heads of states, C-suite executives, and senior congressional and administration officials. Among the POLITICOs: **Bryan Bender**, defense editor; **Jack Blanchard**, editor, Playbook London; **Helena Bottemiller Evich**, senior food and agriculture reporter; **Michael Crowley**, national security editor; **Susan Glasser**, chief foreign affairs correspondent & Global POLITICO host; **Nick Juliano**, deputy energy editor; **Matt Kaminski**, executive editor, POLITICO Europe; **Anna Palmer**, senior Washington correspondent and co-author of Playbook; and **Ben White**, chief economic correspondent. Register [here](#).

**MURKOWSKI ENERGY BILL BACK ON ICE?** Congressional GOP lawmakers consider the bill [S. 1460 \(115\)](#) Sen. [Lisa Murkowski introduced](#) in June "too moderate" and don't expect it to move until next spring at the earliest, energy lobbyist and GOP sources tell ME. Republicans want to see language paring back DOE's role in approving LNG export projects in any energy bill package, sources said. One item lobbyists and Senate and House aides said would help jumpstart its chances would be adding language similar to the bills Republicans [Ted Cruz](#) and [Bill Cassidy also introduced](#) in June that would require DOE automatically approve LNG export applications to any country that isn't on a U.S. sanctions list.

**But even with that included**, the legislation could languish as the energy industry focuses its attention on the White House, said one GOP staffer familiar with the bill's negotiations. "I think something will happen this Congress, but there's no appetite to get anything done anytime soon. Spring sounds about right," the aide said.

**\*\* A message from the Nuclear Energy Institute:** Nuclear is doing more than ever before. It's powering the grid, boosting the economy by billions, creating jobs, propelling space travel and even helping doctors. It's moving us forward in ways we never thought possible. Explore all nuclear energy is doing at [discovernuclear.com](#). \*\*

**MORE CLIMATE LUMINARY CHATTER TODAY (AND LEO ALERT!):** John Kerry's climate change summit is back for another packed day of action at Yale. First up at 10:30 a.m.: A session on what non-federal entities are doing to tackle the problem, featuring Govs. Jerry Brown and Jay Inslee, World Bank President Jim Yong Kim and Paris Mayor Anne Hidalgo. After that comes a panel at 2:30 p.m. on "potential new avenues for bipartisanship" with former Secretary of State James Baker and recorded video remarks from Sens. [Lindsey Graham](#) and [John McCain](#).

**Bringing it home:** Kerry closes his summit at 5:00 p.m. along with remarks from actor/activist Leonardo DiCaprio. Watch all the events online [here](#).

**EXPECT MORE OF THESE!** The Sierra Club filed [a lawsuit](#) Monday in the U.S. District Court for the District of Columbia seeking to compel EPA to release a host of records about the activities of Administrator Scott Pruitt, including his schedule, list of meetings and records of communications with outside parties, your ME hosts [report](#). The legal actions comes after the group filed Freedom of Information Act requests in June and the agency has not yet produced responsive records nor provided any indication of when it might be able to.

**BISHOP SEEKS INVESTIGATION ON MONUMENT REPORT LEAK:** As Democrats and outside groups condemned the leak of Zinke's recommendations on national monument

(and threatened immediate legal action), House Natural Resources Chairman [Rob Bishop](#) said its release warranted investigation. "The fact this was leaked is troubling and merits an immediate and thorough investigation," Bishop said. "The President should have the time to evaluate the Secretary's review and develop actions without the encumbrance of incomplete information being leaked to the press."

**CLINTON TO FEDERAL WORKERS: DON'T QUIT:** Hillary Clinton urged federal employees to remain in their posts if possible, arguing their experience is needed more now than ever, POLITICO's Gabriel Debenedetti [reports](#). "I don't want us to lose the decades — really, if you added it all up, the thousands of years — of experience in the EPA, in the State Department, in the Labor Department, in a lot of the places being targeted by the administration," Clinton said at an event at the Warner Theatre in Washington. "At some point they're going to need you, and the country is going to need you. And I hope you're still there."

**VIRGIN ISLANDS NOT READY FOR HURRICANE:** Utility restoration efforts are now on pause with Hurricane Maria bearing down, but the U.S. Virgin Islands lack adequate basic supplies like drinking water and electric generators, POLITICO's Sarah Ferris [reports](#), citing internal FEMA briefing documents.

**EXAMINING VEGETATION MANAGEMENT:** The Senate Energy committee will hear testimony regarding "the vegetation management requirements for electricity assets located on federal lands." Witnesses include representatives from the Forest Service, BLM, the Wilderness Society, Arizona Public Service and a Montana electric cooperative. "I fully recognize that the fires burning in Montana today were all lightning sparked. But, for me, these fires serve as a vivid reminder and warning of what could occur as a result of long delays in permit approvals and inconsistent application of policies by federal land managers," Mark Hayden, Missoula Electric Cooperative general manager, will say.

**STEYER HITS TRUMP OVER CLIMATE:** Billionaire environmentalist Tom Steyer is criticizing Trump over his failure to act on climate in a [full-page ad](#) appearing today in *The New York Post*, one of the president's preferred papers. "The most dangerous part of a hurricane isn't the wind or the surge," the ad says. "It's a President who fails to act on climate change."

**MAIL QUESTION! INTERIOR ORDER QUESTIONED:** House Natural Resources Ranking Member [Raul Grijalva](#) sent [a letter](#) Monday seeking additional information on an Interior order setting page and time limits on National Environmental Policy Act reviews. Grijalva argues the agency failed to provide adequate evidence that NEPA analyses are indeed overly complex or that they have caused infrastructure project delays.

**LEAKED EPA MEMO MANDATES ANTI-LEAK TRAINING:** All federal agency employees this week will undergo a one-hour training course for employees on preventing leaks, according to a EPA memorandum slipped under the door to ME. "As federal government employees and federal contractors, we have a responsibility to properly protect this information from unauthorized disclosure," Donna J. Vizian, acting assistant administrator for EPA's Office of Administration and Resources Management, wrote. The agency didn't respond to request for comment.

**RUFFALO SENDING CLIMATE PLEA:** Actor Mark Ruffalo is emailing the Progressive Change Campaign Committee's 1 million members today, urging them to donate to Hurricane Irma relief and fight back against Pruitt. "As we help hurricane victims, we need to stay true to

our progressive values," he'll say. "This means acknowledging climate change and remembering that marginalized communities who are least equipped to escape are hardest hit in crises like this."

**SCIENTIST PAC ROLLS OUT ENDORSEMENTS:** 314 Action, which backs scientific professionals seeking public office, announced endorsements of four House hopefuls Monday: Mai-Khanh Tran against Rep. [Ed Royce](#); Joseph Kopser against House Science Chairman [Lamar Smith](#); RD Huffstetler against Rep. [Tom Garrett](#); and Kathie Allen, who's seeking to replace former Rep. Jason Chaffetz. The group also endorsed Ralph Northam's run for Virginia governor.

**REPORT: ASSESSING RISKS TO RATEPAYERS:** Oil Change International is out today with [a report](#) in partnership with Public Citizen and the Sierra Club arguing FERC offers little meaningful analysis of market need for new gas pipelines. "FERC fails ratepayers when it takes at face value pipeline company estimates of future gas demand while the momentum behind clean energy's disruption of fossil fuel markets is accelerating," Lorne Stockman, senior research analyst at Oil Change International, said in a statement.

**REPORT: 15 PLACES LIKELY FOR ENERGY DEVELOPMENT:** The Wilderness Society is out with [a report](#) today examining 15 places on public lands seen as likely targets for drilling, mining and other energy development by the Trump administration. "Some places are simply too wild to drill," Jamie Williams, president of The Wilderness Society, said in a statement. "The federal government must resist pressure from energy companies and other special interests to open up our last remaining wild places for development."

**ZINKE'S 'HAVING A BALL':** Interior Secretary Ryan Zinke invoked his well-known love of Teddy Roosevelt and said he was "having a ball" running his agency in a Monday [interview](#) with the Washington Examiner. "No one loves public land more," Zinke said. "Roosevelt, who've I've admired since I was a Boy Scout, had it right. He carved the path of putting under federal protection millions of acres and and beginning our experience of our public lands, unique to the U.S." The secretary added that Trump "has got a lot of Roosevelt in him, in that he's a man of action."

**MOVER, SHAKER:** Todd Snitchler has joined the American Petroleum Institute as group director for the association's market development department. He previously chaired both the Public Utilities Commission and the Power Siting Board of Ohio.

**SPOTTED:** At the Capitol last night, STARZ screened "Age of Consequences," a new documentary examining how climate change is affecting U.S. national security and global stability. Sen. [Sheldon Whitehouse](#) delivered opening comments before the screening, which was followed by a panel discussion featuring David Titley, founding director of the U.S. Navy's Task Force on Climate Change and the film's executive producer Sophie Robinson. The [documentary](#) premiered on STARZ Monday.

## QUICK HITS

- Study: 'Unprecedented' rain, warmth for Alaska by end of century. [Alaska Dispatch News](#).
- GOP lawmakers: Move Appalachian agency out of Washington. [AP](#).
- World reliance on coal will last for decades, report finds. [The Australian](#).

— Judges request ending provisions for outside attorneys in DAPL cases. [Bismarck Tribune](#).

— U.S. Governors at U.N. Assembly: 'You Have Allies' on Climate Change. [New York Times](#).

— VC Summer nuclear expansion could be finished some day, Santee Cooper chief says. [The State](#).

— Virginia's environmental agency to press ahead on pipeline permits as other states hit the brakes. [Richmond Times-Dispatch](#).

## HAPPENING TODAY

9:30 a.m. — Senate Energy and Natural Resources Committee [markup](#) on various nominations, 366 Dirksen

10:00 a.m. — "[Full Committee hearing to examine the vegetation management requirements for electricity assets located on federal lands](#)," Senate Energy and Natural Resources Committee, 366 Dirksen

10:00 a.m. — "[IEA's World Energy Investment 2017](#)," Center for Strategic and International Studies, 1616 Rhode Island Avenue, NW

12:00 p.m. — Environmental Defense Fund and Environmental Working Group hold press call to discuss nomination of Michael Dourson, RSVP: [slovell@edf.org](mailto:slovell@edf.org)

## THAT'S ALL FOR ME!

**\*\* A message from the Nuclear Energy Institute:** Nuclear energy does amazing things every day. It adds billions to the economy. It powers cities, that power business, that power thousands of high quality jobs. With a little help from nuclear energy, we're propelling space travel to the farthest reaches of the galaxy. And nuclear energy is even helping doctors diagnose and treat patients. Nuclear is doing all of these things while keeping the air clean. Explore all the extraordinary things nuclear is doing to help push us forward at [discovernuclear.com](http://discovernuclear.com). Nuclear. Power the Extraordinary. \*\*

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/09/climate-talk-looms-throughout-un-meetings-024654>

## Stories from POLITICO Pro

### Sierra Club sues EPA over unfulfilled public records requests [Back](#)

By Anthony Adragna | 09/18/2017 05:42 PM EDT

The Sierra Club filed a lawsuit today in federal district court seeking to compel EPA to release a host of records about the activities of Administrator Scott Pruitt, including his schedule, list of meetings and records of communications with outside parties.

"EPA has chosen to engage in a pattern of unlawfully rebuffing, or vaguely and indefinitely delaying response to, FOIA requests from a variety of public-interest requesters, including

Sierra Club," the group wrote in [its lawsuit](#), filed in the U.S. District Court for the District of Columbia.

The green group originally filed its Freedom of Information Request in June and the agency has not yet produced responsive records nor provided any indication of when it might be able to.

In addition to Pruitt's communications, Sierra Club filed similar requests for several senior EPA officials. They included external communications and calendars of Chief of Staff Ryan Jackson and Associate Administrator Samantha Dravis; records from Pruitt's scheduler and communications between Senior Policy Advisor Mandy Gunasekara and specific members of the National Mining Association.

An EPA spokesperson said the agency would not comment on pending litigation.

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**Clinton urges government workers not to quit their posts** [Back](#)

By Gabriel Debenedetti | 09/18/2017 08:56 PM EDT

Hillary Clinton on Monday urged federal employees who disagree with the Trump administration to stay in their jobs if they can, condemning what she called the "disregard, even contempt, among many in this administration about what federal workers know and what they've done, and the advice they can give."

The 2016 Democratic presidential nominee, speaking at Warner Theatre in Washington in the first speaking event of the national tour for her new book, urged government workers to "stick it out, stick it out, because the tide has to turn."

Scores of federal workers held over from the Obama administration have left the government since President Donald Trump took over, but Clinton pointed to the ongoing North Korea crisis as an example of why their expertise is needed in Washington.

"I don't want us to lose the decades — really, if you added it all up, the thousands of years — of experience in the EPA, in the State Department, in the Labor Department, in a lot of the places being targeted by the administration," Clinton said. "At some point they're going to need you, and the country is going to need you. And I hope you're still there."

"If [Democrats] can take back one or both houses of Congress in 2018, you will have people you can talk to again," she added toward the end of the hourlong event, in which she largely stuck to the themes of her book, "What Happened," which rehashes the 2016 campaign and other portions of Clinton's life.

The event was formatted as a question-and-answer session hosted by former Clinton speechwriter Lissa Muscatine, owner of the Politics and Prose Bookstore, which sponsored the event.

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**Subject:** Morning Energy, presented by the Nuclear Energy Institute: Decoding Team Trump's murky signals on Paris deal — Climate VIPs gather on side of U.N. General Assembly — Seven monuments targeted in Zinke's review  
**Date:** Monday, September 18, 2017 5:46:11 AM

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By Anthony Adragna | 09/18/2017 05:43 AM EDT

*With help from Eric Wolff and Emily Holden*

**PARIS POSITION AS CLEAR AS MUD:** A weekend full of conflicting signals and mixed messages culminated with President Donald Trump's administration reiterating its intention to withdraw from the Paris climate agreement "unless we can re-enter on terms that are more favorable to our country." Confusion first emerged Saturday when Everett Eissenstat, the No. 2 official on the National Economic Council, made comments at a Montreal meeting that some diplomats interpreted as signaling the U.S. might remain in the international deal while revising Obama's climate pledge. But White House and international officials [told](#) POLITICO's Nancy Cook, Andrew Restuccia and Kalina Oroschakoff those comments were misconstrued. "This is being misreported. Unhelpfully so I think," a non-U.S. attendee of the meeting said of the comments.

**Administration officials stressed that view Sunday.** National Security Adviser H.R. McMaster called The Wall Street Journal's [original report](#) on Saturday that the U.S. was considering remaining in the Paris agreement a "false report" on "[Fox News Sunday](#)," POLITICO's Theodoric Meyer [reports](#). But Secretary of State Rex Tillerson was less adamant on CBS' "[Face the Nation](#)," saying there was a possibility the Trump administration could stick with it if they can negotiate what they deem a better deal: "The president said he is open to finding those conditions where we can remain engaged with others on what we all agree is still a challenging issue," he said. "The plan is for [National Economic Council] Director [Gary] Cohn to consider other ways in which we can work with partners in the Paris climate accord. We want to be productive, we want to be helpful."

**It's worth noting:** Italy, France and Germany have said the underlying framework of the Paris agreement won't be renegotiated, but multiple experts [have said](#) the U.S. [could weaken](#) its voluntary emissions reduction pledge — nationally determined contribution in diplomatic parlance — whenever it wants. Or in [the words](#) of Democratic Connecticut Sen. [Chris Murphy](#) : "Dear White House, READ THE AGREEMENT. It already allows each country to set their own terms of compliance. So we good? Back in?"

**Reminder:** The U.S. cannot fully withdraw from the Paris agreement until Nov. 4, 2020, though the State Department announced last month it would continue participating in international climate change negotiations.

**COHN TALKS CLIMATE TODAY:** As world leaders and diplomats descend on New York this week for the United Nations General Assembly, Cohn [meets today](#) with international officials on a host of issues, including U.S. engagement on climate change. A readout from the ministerial meeting on climate action held over the weekend in Montreal is available [here](#).

**Environmental delegation cut:** Tillerson won't send the State Department's bureau on oceans and the environment to participate in traditional meetings during the United Nations General Assembly, the New York Times [reports](#). That comes as he's reduced the overall number of

officials participating in the sessions by about half from last year.

**CLIMATE BIG SHOTS MEET ON THE SIDELINES:** Former Secretary of State John Kerry convenes a [two-day climate change summit](#) at Yale beginning today with a host of VIPs. A session at 11 a.m. features former Energy Secretary Ernest Moniz, Obama climate czar Heather Zichal and chief climate negotiator Jonathan Pershing discussing the future of energy. Then, former George W. Bush Treasury Secretary Hank Paulson and GE's Jeff Immelt are among the panelists discussing the role of the private sector in addressing the problem at 2:30 p.m.

**California Gov. Jerry Brown** plans to spend the week highlighting opportunities for cities and states to curb emissions, regardless of the administration's stance. Today he'll speak alongside Tom Steyer and then with France's Minister of Ecology Nicholas Hulot and World Economic Forum head of industries Cheryl Martin. The 15 states that comprise the Climate Alliance, which was formed after Trump's decision to withdraw from the Paris deal, are expected announce the greenhouse gas levels they hope to achieve by 2025.

Brown also launched the America's Pledge initiative along with former New York mayor Michael Bloomberg. "We're not where we need to be, we're not moving as fast as we need to move, not changing as fast as we need to change," Bloomberg senior adviser Carl Pope said of overall U.S. action. "But we think we are accelerating at a rate that we can get there." He added America's Pledge has seen a doubling of participants in the past three months.

**WELCOME TO MONDAY!** I'm your host Anthony Adragna, and the Citizens' Climate Lobby's Brett Cease identified Oklahoma as the state with two senators with the same first name (James Inhofe and James Lankford). For today: What former EPA administrator ran for U.S. Senate back in 1994 but lost in a Democratic primary (and which state)? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#), and [@POLITICOPro](#).

**#CONCORDIA17:** POLITICO is the official media partner of the 2017 Concordia Annual Summit taking place in conjunction with the UN General Assembly in NYC on Sept 18 and 19. Join us in the Big Apple as we host conversations with world leaders, industry experts, current and former heads of states, C-suite executives, and senior Congressional and Administration officials. Don't miss POLITICO reporters: **Bryan Bender**, Defense Editor, **Jack Blanchard**, Editor, Playbook London, **Helena Bottemiller Evich**, Senior Food and Agriculture Reporter, **Michael Crowley**, National Security Editor, **Susan Glasser**, Chief Foreign Affairs Correspondent & Global POLITICO Host, **Nick Juliano**, Deputy Energy Editor, **Matt Kaminski**, Executive Editor, POLITICO Europe, **Anna Palmer**, Senior Washington Correspondent and co-author of Playbook and **Ben White**, Chief Economic Correspondent. Register [here](#).

**REPORT: SEVEN MONUMENTS IN CROSSHAIRS:** Interior Secretary Ryan Zinke's unreleased report to Trump on national monuments recommends shrinking or changing the boundaries of seven national monuments, The Wall Street Journal [reports](#). Among the national monuments targeted are the Utah's Bears Ears and Grand Staircase-Escalante; Oregon's Cascade-Siskiyou; Nevada's Gold Butte; Maine's Katahdin; and New Mexico's Organ Mountains-Desert Peaks and Rio Grande Del Norte. Zinke's recommendations would also reopen Northeast Canyons and Seamounts off the Massachusetts coast and both Rose Atoll and the Pacific Remote Islands to commercial fishing.

**Utah pushed drastic Bears Ears rollback:** Utah Gov. Gary Herbert's office suggested to Zinke shrinking Bears Ears National Monument to one-tenth of its current 1.35 million acres, down to about 120,000 acres, The Salt Lake Tribune [reports](#), citing an open records request. Native American leaders bashed the state's proposal and said it disregards the wishes of the tribes who pushed for the monument designation in the first place.

**REPORT: ADMINISTRATION INCHING TOWARD ANWR DRILLING:** Interior has proposed in [an internal memo](#) to lift a ban on exploratory seismic studies in the Arctic National Wildlife Refuge, taking a first step toward opening up the wilderness to drilling, the Washington Post [reports](#). It's unclear how much interest energy companies would have in pouring significant investments into the region with oil prices remaining low, and Congress would ultimately have to authorize oil and gas drilling in the area. But U.S. Fish and Wildlife Service Acting Director James W. Kurth requested in a memo that the agency update a 1980s regulation that allowed exploratory drilling as the agency pushes to remove legal obstacles to energy exploration in ANWR.

**TRUMP MOCKS LONG GAS LINES IN NORTH KOREA:** Trump [tweeted](#) Sunday (in addition to calling its leader Kim Jong Un "Rocket Man") that "Long gas lines forming in North Korea. Too bad!" It's unclear where Trump got his reports of long lines, but he appeared to be touting the effectiveness of new sanctions [cleared](#) by the U.N. Security Council last week. Though not as strong as the administration hoped, the sanctions capped North Korea's crude oil imports and barred the secluded nation from importing all natural gas liquids and condensates.

**\*\* A message from the Nuclear Energy Institute:** Nuclear is doing more than ever before. It's powering the grid, boosting the economy by billions, creating jobs, propelling space travel and even helping doctors. It's moving us forward in ways we never thought possible. Explore all nuclear energy is doing at [discovernuclear.com](#). \*\*

**PRUITT VISITS TEXAS SUPERFUND SITES:** EPA Administrator Scott Pruitt on Friday visited the San Jacinto River waste pits, a Superfund site encompassing a group of impoundments holding 1960s-era paper mill waste that were affected by Hurricane Harvey. Following his visit, Pruitt promised the agency would make a final call on how to remediate the site before Oct. 14, The Baytown Sun [reports](#). "So as we look to answers here, they need to be permanent, they need to provide confidence with the people of this area that it's going to be for the long haul and we fix this situation, so that anxiety goes away," the administrator said in a local TV [interview](#).

**EPA said Pruitt also received an aerial tour** of other Superfund sites caught up in the storm, including Patrick Bayou, U.S. Oil Recovery, Highlands Acid Pits, French Unlimited, Brio Refining and Dixie Oil Processors.

**More waivers granted:** EPA announced it would extend waivers from certain Clean Air Act requirements through Sept. 22 for petroleum distribution facilities, gasoline storage facilities and bulk fuel terminals in Texas affected by Hurricane Harvey.

**LET ME BE NU-CLEAR!** Energy Secretary Rick Perry is in Vienna, Austria for the International Atomic Energy Agency's general conference. He posted pictures from a "[wonderful dinner](#)" with the group's Director General Yukiya Amano, [a meeting](#) with Chinese officials, [discussions](#) with Japanese representatives and a [chance encounter](#) with Austrian President Alexander Van der Bellen.

**BIG WEEK FOR TRUMP NOMINEES!** The House is out this week, so all eyes from congressional watchers will be on the Senate and the fate of ten energy and environmental nominees in committees. After a couple of false starts, the Energy and Natural Resources Committee is expected to clear five DOE, Interior and FERC nominees during a Tuesday [business meeting](#) at 9:30 a.m. without much drama.

It'll be a much different story the next day when the Environment and Public Works Committee holds a [confirmation hearing](#) for four EPA nominees. Expect vehement opposition from panel Democrats to the nominations of Michael Dourson to be the agency's chemical chief and William Wehrum to be the top air official. More on both sessions as we get closer.

**MAIL CALL! ACTION SOUGHT ON BRAZILIAN TARIFF:** A bipartisan group of 10 senators want U.S. Trade Representative Robert Lighthizer to talk Brazil out of its ethanol tariffs. "We are writing to ask that you directly engage the Brazilian government and quickly work to resolve this issue," the [letter](#) says. It doesn't call for any specific remedies other than asking Lighthizer to get Brazil to back down from its 20 percent tariff on ethanol imports above 600 million liters (158 million gallons). "We are writing to ask that you directly engage the Brazilian government and quickly work to resolve this issue," the senators say. The letter is signed by six Democrats and four Republicans, and includes Sens. [Chuck Grassley](#) and [Debbie Stabenow](#), both of whom are on the Finance committee, which has oversight of the Trade Representative.

**TAKE A GLANCE! WHAT WORKS IN OFFSHORE WIND:** The Center for American Progress is out with [a report](#) today examining state policies that helped offshore wind projects in Rhode Island, Massachusetts and New York get off the ground. Among the items they recommend states consider for the policy toolkits: Strong renewable energy requirements, legislation guaranteeing demand for offshore wind power, comprehensive ocean planning, competitive and reasonable long-term power purchase agreements and infrastructure investments in areas like ports. CAP argues the lessons could be applied to states like New Jersey, North and South Carolina, Ohio, Maryland, Virginia and California.

**THIS SEEMS LIKE A BIG DEAL:** The House on Friday argued in legal filings federal agencies should not release congressional records through Freedom of Information Act requests, POLITICO's Josh Gerstein [reports](#). In a federal district court [filing](#), House General Counsel Thomas Hungar said a House body known as the Bipartisan Legal Advisory Group voted unanimously in favor of the intervention to "protect the institutional interests of the House."

**ME FIRST — CLEAN ENERGY WEEK KICKOFF IN STYLE:** Perry and Zinke are teaming up to kick off National Clean Energy Week on Sept. 26 at the Reserve Officers Association on Capitol Hill in a discussion moderated by former New Hampshire Sen. Kelly Ayotte. Also expected to speak throughout the day are Rep. [Cathy McMorris Rodgers](#) and Sen. [Lindsey Graham](#).

**WEEKEND PAPAL THOUGHT:** "Global action is needed in order to reduce pollution and at the same time promote development in poorer countries," Pope Francis [tweeted](#) Saturday.

## QUICK HITS

— Capitol Insider: Ohio coal officials join Trump administration. [Columbus Dispatch](#).

- British Press Watchdog Says Climate Change Article Was Faulty. [New York Times](#).
- \$10M coming to Colstrip in coal plant settlement, but future of facility darkens. [KPAX](#).
- IEA Sees Risk of Volatile Oil Prices on Weak Upstream Investment. [Bloomberg](#).
- Protesters set to rally against Australia's biggest coal project. [Reuters](#).
- Refinery, jobs threatened by EPA regulation. [Toledo Blade](#).

## HAPPENING THIS WEEK

### MONDAY

9:00 a.m. — Concordia Annual Summit at Grand Hyatt New York ft. energy panel with Nick Juliano, 109 E 42nd St

### TUESDAY

9:30 a.m. — Senate Energy and Natural Resources Committee [markup](#) on various nominations, 366 Dirksen

10:00 a.m. — "[Full Committee hearing to examine the vegetation management requirements for electricity assets located on federal lands](#)," Senate Energy and Natural Resources Committee, 366 Dirksen

10:00 a.m. — "[IEA's World Energy Investment 2017](#)," Center for Strategic and International Studies, 1616 Rhode Island Avenue, NW

### WEDNESDAY

10:00 a.m. — Senate Environment and Public Works Committee holds [hearing](#) on various nominations, 406 Dirksen

4:00 p.m. — "[Energy Security: New Market Realities](#)," The Institute of World Politics, 1521 16th Street NW

### FRIDAY

10:00 a.m. — "[Statoil's Climate Roadmap](#)," Center for Strategic and International Studies, 1616 Rhode Island Avenue, NW

11:00 a.m. — International Trade Commission [holds vote](#) on solar trade petition seeking to impose steep tariffs, Main Hearing Room, 500 E Street SW

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*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/09/decoding-team-trumps-murky-signals-on-paris-deal-024631>

## Stories from POLITICO Pro

### White House denies backtracking on Paris pact withdrawal [Back](#)

By Nancy Cook, Andrew Restuccia and Kalina Oroschakoff | 09/16/2017 06:09 PM EDT

The White House denied Saturday that the administration was backtracking on its long-held plans to withdraw from the Paris climate deal.

"There has been no change in the United States' position on the Paris agreement. As the President has made abundantly clear, the United States is withdrawing unless we can re-enter on terms that are more favorable to our country," said White House Press Secretary Sarah Sanders, in a statement.

The denial came after the Wall Street Journal reported that a White House senior official, Everett Eissenstat, had told people at a meeting of energy ministers in Montreal that the administration may revise or craft a new climate deal and emissions standards rather than pull out altogether, according to a top European energy official cited by the Journal.

As recently as early August, the White House signaled its intent to continue the process of withdrawal by delivering an official notice to the United Nations vis-à-vis the State Department.

President Donald Trump announced his intentions to withdraw the U.S. from the agreement in June during a speech in the Rose Garden — though under the terms of the original deal, the U.S. cannot fully withdraw until Nov. 4, 2020.

The president also indicated at that time that he would be open to re-entering the climate pact if he believed the United States could get out of it what Trump deemed a better deal.

The State Department announced last month that the U.S. would continue participating in international climate change negotiations, including talks aimed at implementing the Paris pact, "to protect U.S. interests and ensure all future policy options remain open to the administration."

Since then, the international community has largely been left in the dark about the United States' plans. Foreign diplomats have long suspected that the U.S. will ultimately remain in the agreement, while weakening former President Barack Obama's pledge to cut domestic emissions 26 percent to 28 percent below 2005 levels by 2025.

Diplomats have been buzzing about this weekend's climate meeting in Montreal, where energy ministers were set to discuss the climate deal.

An international official familiar with the meeting told POLITICO earlier Saturday that Eissenstat, the No. 2 official on the National Economic Council, told diplomats during a

closed-door meeting that the U.S. was mulling plans to remain in the Paris deal and to rethink Obama's climate pledge.

But White House officials strongly denied that.

Another White House official said Saturday diplomats were mischaracterizing Eissenstat's comments.

A second, non-U.S. attendee at this weekend's meeting also said Eissenstat's comments were being misconstrued. The attendee, who witnessed his comments in person, said Eissenstat simply reiterated the administration's existing position, which is that the U.S. will continue to engage in climate talks with an eye toward reaching a better deal.

"He basically repeated exactly the State Department press release from August," the person said, referring to a recent statement from the department outlining its intention to eventually withdraw, but continue participating in Paris discussions. "This is being misreported. Unhelpfully so I think."

The news comes as National Economic Council Director Gary Cohn is set to meet with foreign officials in New York City on Monday to discuss climate and energy issues ahead of the United Nations General Assembly.

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**McMaster rejects report U.S. will remain in Paris deal as 'false'** [Back](#)

By Theodoric Meyer | 09/17/2017 12:19 PM EDT

National security adviser H.R. McMaster on Sunday shot down a Wall Street Journal story reporting that the U.S. would remain in the Paris climate accord despite President Donald Trump's announcement in June that he would pull the country out.

"That's a false report," McMaster told Chris Wallace on "Fox News Sunday." "The president decided to pull out of the Paris accord because it was a bad deal for the American people and a bad deal for the environment."

[The Journal](#) reported Saturday that Trump administration officials at a climate summit in Montreal had said the U.S. wouldn't leave the accord after all, citing multiple officials there. "U.S. officials in Montreal, led by White House senior adviser Everett Eissenstat, broached revising U.S. climate-change goals, two participants said, signaling a compromise that would keep the U.S. at the table even if it meant weakening the international effort," The Journal's Emre Peker reported.

But McMaster bashed the Paris deal after denying The Journal's story.

"It gave the worst polluters the ability to continue polluting and emitting carbon without significantly reducing those levels," McMaster said on "Fox News Sunday." "The president is committed to the cleanest water on Earth, the cleanest air on Earth, to an energy policy that

reduces carbon emissions but then also provides clean fossil fuels to generate growth in this country and globally."

McMaster was more equivocal in an interview with George Stephanopoulos on ABC's "This Week." Asked whether the U.S. would remain in the accord if the administration can negotiate better terms before 2020 — the earliest the U.S. can quit the accord under the terms of the deal — McMaster said it was a possibility.

"If there's an agreement that benefits the American people, certainly," he said.

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### **Cohn to participate in energy, climate discussion at United Nations [Back](#)**

By Andrew Restuccia | 09/12/2017 03:37 PM EDT

National Economic Council director Gary Cohn will host an energy and climate change discussion with international officials in New York next week, an administration official confirmed.

The Monday meeting comes the day before the opening of the United Nations General Assembly, where President Donald Trump and dozens of other world leaders will speak.

Cohn invited officials from more than a dozen countries to the breakfast meeting to discuss "international energy and climate issues," according to a copy of the invitation obtained by POLITICO.

The invitation, which Cohn sent on Sept. 7, says the huddle is an "opportunity for key ministers with responsibility for these issues to engage in an informal exchange of views and discuss how we can move forward most productively."

The administration official stressed that the meeting, first reported by the New York Times, will not focus solely on climate change.

Trump infuriated foreign diplomats when he [announced](#) in June that he would withdraw from the Paris climate change agreement, which has won the support of nearly 200 nations. Cohn was among White House officials pushing Trump not to exit the Paris agreement at the time.

But so far, the United States has not formally withdrawn, and Trump administration officials have sent mixed signals about whether it is willing to reach a deal to remain in the pact.

The State Department [announced](#) last month that the U.S. would continue participating in international climate change negotiations, including talks aimed at implementing the Paris pact, "to protect U.S. interests and ensure all future policy options remain open to the administration."

Trump, who has called climate change a "hoax" perpetrated by the Chinese, has said the United States is getting an unfair deal in the Paris agreement.

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## **U.N. Security Council approves new North Korea sanctions** [Back](#)

By Associated Press | 09/11/2017 06:36 PM EDT

UNITED NATIONS — The U.N. Security Council on Monday unanimously approved new sanctions on North Korea but not the toughest-ever measures sought by the Trump administration to ban all oil imports and freeze international assets of the government and its leader, Kim Jong Un.

The resolution, responding to Pyongyang's sixth and strongest nuclear test explosion on Sept. 3, does ban North Korea from importing all natural gas liquids and condensates. It also bans all textile exports and prohibits any country from authorizing new work permits for North Korean workers - two key sources of hard currency for the northeast Asian nation.

As for energy, it caps Pyongyang's imports of crude oil at the level of the last 12 months, and it limits the import of refined petroleum products to 2 million barrels a year.

The watered-down resolution does not include sanctions that the U.S. wanted on North Korea's national airline and the army.

Nonetheless, U.S. Ambassador Nikki Haley told the council after the vote that "these are by far the strongest measures ever imposed on North Korea." But she stressed that "these steps only work if all nations implement them completely and aggressively."

Haley noted that the council was meeting on the 16th anniversary of the 9/11 terrorist attack. In a clear message to North Korean threats to attack the U.S., she said: "We will never forget the lesson that those who have evil intentions must be confronted."

"Today we are saying the world will never accept a nuclear armed North Korea," she said. "We are done trying to prod the regime to do the right thing" and instead are taking steps to prevent it "from doing the wrong thing."

Haley said the U.S. doesn't take pleasure in strengthening sanctions and reiterated that the U.S. does not want war.

"The North Korean regime has not yet passed the point of no return," she said. "If it agrees to stop its nuclear program it can reclaim its future. If it proves it can live in peace, the world will live in peace with it. ... If North Korea continues its dangerous path, we will continue with further pressure."

The final agreement was reached after negotiations between the U.S. and China, the North's ally and major trading partner. Haley said the resolution never would have happened without the "strong relationship" between President Donald Trump and Chinese President Xi Jinping.

But its provisions are a significant climb-down from the very tough sanctions the Trump

administration proposed last Tuesday, especially on oil, where a complete ban could have crippled North Korea's economy.

The cap on the import of petroleum products could have an impact, but North Korea will still be able to import the same amount of crude oil that it has this year.

According to the U.S. Energy Information Administration, China supplies most of North Korea's crude oil imports, which a U.S. official put at 4 million barrels a year. The agency cited U.N. customs data showing that China reported sending 6,000 barrels a day of oil products to North Korea, which it said is mostly gasoline and diesel fuel vital to the country's agriculture, transportation and military sectors.

That would mean North Korea imports nearly 2.2 million barrels a year in petroleum products, so the 2 million barrel cap in the resolution would represent a 10 percent cut. But the U.S. official, who was not authorized to speak publicly, said North Korea now receives about 4.5 million barrels of refined petroleum products, which would mean a more than 50 percent cut.

The textile ban is significant. Textiles are North Korea's main source of export revenue after coal, iron, seafood and other minerals that have already been severely restricted by previous U.N. resolutions. North Korean textile exports in 2016 totaled \$752.5 million, accounting for about one-fourth of its total \$3 billion in merchandise exports, according to South Korean government figures.

Haley said the Trump administration believes the new sanctions combined with previous measures would ban over 90 percent of North Korea's exports reported in 2016.

As for North Koreans working overseas, the U.S. Mission said a cutoff on new work permits will eventually cost North Korea about \$500 million a year once current work permits expire. The U.S. estimates about 93,000 North Koreans are currently working abroad, the U.S. official said.

The original U.S. draft would have ordered all countries to impose an asset freeze and travel ban on Kim Jong Un and four other top party and government officials. The resolution adopted Monday adds only one person to the sanctions list - Pak Yong Sik, a member of the Workers' Party of Korea Central Military Commission, which controls the country's military and helps direct its military industries.

The original U.S. draft would also have frozen the assets of North Korea's state-owned airline Air Koryo, the Korean People's Army and five other powerful military and party entities. The resolution adds only the Central Military Commission of the Workers' Party of Korea and the party's powerful Organization and Guidance Department and its Propaganda and Agitation Department to the sanctions blacklist.

North Korea's Foreign Ministry issued a statement early Monday saying it was watching the United States' moves closely and warned that it was "ready and willing" to respond with measures of its own. It said the U.S. would pay a heavy price if the sanctions proposed by Washington are adopted.

Britain's U.N. ambassador, Matthew Rycroft, told reporters who questioned the watering down of the initial U.S. text that "there is a significant prize in keeping the whole of the Security Council united."

Rycroft called the resolution "a very significant set of additional sanctions," declaring that "we are tightening the screw, and we stand prepared to tighten it further."

French Ambassador Francois Delattre said, "We are facing not a regional but a global threat, not a virtual but an immediate threat, not a serious but an existential threat."

"Make no mistake about it," he said, "our firmness today is our best antidote to the risk of war, to the risk of confrontation, and our firmness today is our best tool for a political solution tomorrow."

China and Russia had called for a resolution focused on a political solution to the escalating crisis over North Korea's nuclear program. They have proposed a freeze-for-freeze that would halt North Korean nuclear and missile tests in exchange for the U.S. and South Korea stopping their joint military exercises - but the Trump administration has rejected that.

China's U.N. ambassador, Liu Jieyi, said Beijing has been making "unremitting efforts" to denuclearize and maintain peace and stability on the Korean Peninsula.

Liu again urged the council to adopt the freeze-for-freeze proposal and said talks with North Korea are needed "sooner rather than later." He expressed hope that the United States will pledge not to seek regime change or North Korea's collapse.

Russian Ambassador Vassily Nebenzia went further, making clear that while Russia supported the resolution, it wasn't entirely satisfied with the council's approach.

He said the "unwillingness" of the U.S. to reaffirm pledges not to seek regime change or war in North Korea or to include the idea of having U.N. Secretary-General Antonio Guterres use his good offices to try to resolve the dispute "gives rise to very serious questions in our minds."

"We're convinced that diverting the gathering menace from the Korean Peninsula could be done not through further and further sanctions, but by political means," he said.

The resolution does add new language urging "further work to reduce tensions so as to advance the prospects for a comprehensive settlement." It retains language reaffirming support for long-stalled six-party talks with that goal involving North Korea, the U.S., Russia, China, Japan and South Korea.

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**House goes to court to protect secrecy of records [Back](#)**

By Josh Gerstein | 09/15/2017 08:21 PM EDT

The House of Representatives is taking legal action to make sure that federal agencies don't release congressional records to the public through the Freedom of Information Act.

The move, which came Friday evening in a lawsuit demanding access to discussions about

health care reform between the Trump administration and Congress, threatens to cut off a mechanism liberal watchdog groups were using to gain insight into closed-door negotiations on a variety of policy issues.

In [legal papers](#) filed in U.S. District Court in Washington, House General Counsel Thomas Hungar said the move to protect congressional correspondence was authorized by a House body known as the Bipartisan Legal Advisory Group. While the panel of top House leaders has divided in the past on sensitive issues, Hungar wrote that they "voted unanimously to authorize this intervention ... to protect the institutional interests of the House."

Hungar complained that last week the Department of Health and Human Services and the Office of Management and Budget gave the liberal group American Oversight [four documents](#) that originated with the House Ways and Means Committee. He argued that legal precedents established that congressional documents were exempt from disclosures pursuant to FOIA.

The House's legal filing also complains that the Trump administration is failing to respect Congress's prerogatives.

"Defendants have already demonstrated their unwillingness to defend that interest by failing to treat those documents as congressional records not subject to disclosure under FOIA and instead producing portions of those documents to plaintiff," Hungar wrote. "The Committee 'should not need to rely on a doubtful friend, when it can represent itself,'" he added, quoting a prior case.

The move comes after the chairman of the House Financial Services Committee, Rep. Jeb Hensarling (R-Texas), drew attention and a backlash from pro-transparency groups after he sent letters in April to about a dozen federal agencies warning them not to release congressional correspondence or submissions. He called the materials "sensitive and confidential."

Some Democrats questioned Hensarling's move.

"It is the height of hypocrisy for him to take such extraordinary measures to shield himself from the oversight of the American public," said Rep. Maxine Waters of California, the financial panel's ranking Democrat.

A spokeswoman for House Speaker Paul Ryan referred questions about the court action to the Ways and Means Committee.

"Unfortunately, OMB and HHS decided to release Congressional records over which our Committee had expressed a clear intent to retain control," said a panel spokeswoman, who asked not to be named. "By releasing these congressional documents that were clearly not subject to FOIA, these agencies went against decades of case law. With the strong support of all members of the Bipartisan Legal Advisory Group, the Chairman decided it is in the best interest of the Ways and Means Committee and the House of Representatives to seek to intervene in this lawsuit and protect our Congressional prerogatives."

A Democratic leadership aide said the decision to step into the case was consistent with past practice.

"Congressional records are not subject to this statute," said the aide, who spoke on the condition of anonymity. "It has long been the position of the bipartisan leadership of the

House of Representatives that congressional requests to agencies are also not subject to FOIA."

The executive director of the group that sued for the records said he was troubled by the House's actions.

"In a rare moment of bipartisanship, House leaders came together late on a Friday night to try to block the American people from learning the truth about the Obamacare repeal effort," said Austin Evers of American Oversight. "From the very beginning, health care negotiations between the Trump administration and Congress have taken place in secret, and with talks reportedly starting again, it speaks volumes that Congress's first priority is to keep the public in the dark."

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By Anthony Adragna | 09/21/2017 05:41 AM EDT

*With help from Alex Guillén and Darius Dixon*

**MARIA HITS PUERTO RICO ENERGY INFRASTRUCTURE HARD:** Nearly 3.5 million Americans are without electricity on Puerto Rico following Hurricane Maria's direct hit, but the impacts to its bankrupt power provider could be felt for months after what its governor called an "unprecedented atmospheric system." The Puerto Rico Electric Power Authority declared bankruptcy on July 2 after being bogged down by old power plants that need of billions in repairs and the island's heavy reliance on imported oil. Ahead of Hurricane Irma earlier this month, Moody's Investors Service [warned](#) that "longterm power outages will have negative impacts on PREPA's revenues and will pose added challenges in Puerto Rico's overall recovery from this natural disaster." And consumers on the island already pay "more for their power than consumers in any state except Hawaii," according to the [Energy Information Administration](#). San Juan Mayor Carmen Yulín Cruz summed up the devastation to [MSNBC](#): "We're looking at four to six months without electricity" in Puerto Rico.

**President Donald Trump's administration said in a statement** it "continues to direct all necessary Federal resources to protect the people of the United States territories affected by Hurricane Maria" and Puerto Rico Gov. Ricardo Rossello [said](#) he'd requested a disaster declaration that could help speed the deployment of federal assistance. Dangerous winds and flood surges are possible over the coming days, according to federal officials. Another thing to watch is the status of the island's 18 Superfund sites. EPA said it had "temporarily paused all response operations" until the storm passed but pledged to "ramp up response activities quickly" once it is safe to do so. In a statement late Wednesday, House Natural Resources Chairman [Rob Bishop](#) said: "Both Puerto Rico and the U.S. Virgin Islands are in dire need of our assistance and we will do everything in our power to ensure that all necessary resources are made available."

**Nelson, Rubio request help:** Florida Sens. [Marco Rubio](#) and [Bill Nelson](#), still dealing with the impacts of Hurricane Irma on their own state, asked Trump in [a letter](#) to closely monitor the needs of Puerto Rico and U.S. Virgin Islands. And they separately [wrote](#) to EPA Administrator Scott Pruitt urging the agency to expedite federal assistance to local entities to reduce sewage and wastewater exposure risks stemming from Irma. They also asked Pruitt for help to improve existing water systems so they're less vulnerable to damage in future hurricanes.

**Looking ahead:** Expect the recovery needs from Maria to factor into the next disaster relief package likely to take shape in Congress in the weeks ahead. Senior House members, including Speaker [Paul Ryan](#) and Appropriations Chairman [Rodney Frelinghuysen](#), toured areas in Florida hardest hit by Hurricane Irma on Wednesday.

**WELCOME TO THURSDAY!** I'm your host Anthony Adragna, and Hunton & Williams' Joe Stanko first identified Richard Nixon as the famous "[sock it to me](#)" guest on "Laugh-In." For today: Which president hosted the first Passover Seder at the White House? (And a very

Happy New Year to those celebrating!). Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](https://twitter.com/AnthonyAdragna), [@Morning\\_Energy](https://twitter.com/Morning_Energy) and [@POLITICOPro](https://twitter.com/POLITICOPro).

**STATES ON TRACK FOR PARIS-STYLE REDUCTIONS:** A bloc of 14 states representing 40 percent of the U.S. economy — or equal to the world's third-largest economy if they were a single nation — said Wednesday they expect to slash their greenhouse gas emissions 24-29 percent by 2025, Pro's Emily Holden [reports](#). "While Donald Trump has told the world to count us out, our message is simple in New York City this week — you can count us in," Washington Gov. Jay Inslee said at a press conference. But while those reductions are in line with the U.S. target under the Paris deal Trump vowed to withdraw from, the members of the bipartisan Climate Alliance account for only about one-fifth of the country's net emissions, according to 2015 figures from the analysis firm Rhodium Group. The group released a report on their progress available [here](#).

**Environmentalists hailed the status update:** "President Trump can keep attacking climate action, but he can't stop local innovation from continuing our progress," League of Conservation Voters State Policy Director Bill Holland said in a statement.

**Getting lonely out here:** Syria and the U.S. will soon be the lone holdouts from the Paris climate agreement after Nicaragua announced Wednesday it would ratify the accord in solidarity with other nations suffering from climate impacts, local media [reports](#). The nation's previous resistance to the international deal was because it had said it doesn't go far enough and doesn't do enough to hold major emitters accountable.

**May lightly hits Trump over Paris exit:** British Prime Minister Theresa May lightly rebuked Trump for withdrawing from the accord during Wednesday remarks at the U.N. General Assembly, POLITICO Europe's Paul Dallison [reports](#). "It is this rules-based system which we have developed — including the institutions, the international frameworks of free and fair trade; agreements such as the Paris climate accord; and laws and conventions like the Non-Proliferation Treaty — which enables the global co-operation through which we can protect those values," the British PM said.

**BIWEEKLY PRUITT SCHEDULE COMING SOON, AGENCY SAYS:** EPA will soon begin publicly releasing Administrator Scott Pruitt's schedule, an agency attorney tells ME. Requests for records are up this year, and Pruitt's schedule is of particular interest, but the agency so far has only released his schedule for February and March. Now the agency's plan is to release every other week an "abbreviated version" of Pruitt's doings, going back to when he was confirmed, according to the attorney. It's not yet clear just how thorough the releases will be, but it appears internal EPA meetings will be included. Daily schedules released under the previous administrator, Gina McCarthy, typically revealed only public appearances at conferences or other venues.

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**GREEN AD HITS LAWMAKERS OVER SPENDING BILL:** The League of Conservation Voters is out with a digital ad today hitting six congressmen for their votes in favor of a spending package [H.R. 3354 \(115\)](#) with a host of cuts to environmental programs.

Targets of campaign are [Darrell Issa](#), [Rodney Frelinghuysen](#), [Ken Calvert](#), [Collin Peterson](#), [Barbara Comstock](#) and [Mimi Walters](#). Sample ad [here](#). LCV will also thank [Betty McCollum](#) and [Frank LoBiondo](#) for voting against the bill.

**LAWMAKERS PRESS GRID OPERATOR FOR CARBON STUDY:** Sens. [Sheldon Whitehouse](#) and [Bernie Sanders](#) have asked ISO-New England to assess the impact of using a carbon price in their power markets. New York's ISO brought in the Brattle Group to study the same thing for their state, and the New England lawmakers suggested that "the current system may discriminate against carbon-free resources in the absence of a carbon price." The pair also point to utility regulators in Minnesota and Colorado using carbon metrics to size up energy projects. But there's an obvious elephant in the room: ISO-New England serves six states and despite looking like tiny hardcore liberal states from the outside, they're hardly a monolith on this issue. Back in May, the ISO's chief economist [told us](#) that New England states "currently have a regional greenhouse gas market that exists, they govern it, many states have indicated a comfort retaining that and a discomfort with going beyond that." The Whitehouse-Sanders [letter](#).

**CALIFORNIA SUES OVER TRUMP'S WALL:** California Attorney General Xavier Becerra challenged the legality of Trump's push to build a border wall in [a lawsuit](#) filed in federal court in San Diego on Wednesday, POLITICO's Josh Gerstein [reports](#). Among the allegations is that the administration failed to comply with National Environmental Policy Act and the Administrative Procedure Act by failing to prepare an environmental impact statement for projects related to the border wall in San Diego and Imperial counties.

**GREEN QUILTS TRADE BOARD OVER CLIMATE:** Bill Snape, a law professor at American University and attorney for the Center for Biological Diversity, has resigned from a federal trade advisory board with a [letter](#) where the first letter in each paragraph spells out N-O-T-A-H-O-A-X — a reference to Trump's comments on climate change and in the [same acrostic-style flair](#) employed by previous resignees in recent months. Snape had been a member of the U.S. Trade and Environment Policy Advisory Committee, overseen by the U.S. Trade Representative, since 2005. He wrote in his letter that TEPAC can be "enormously useful," but that "I do not believe in this president, or his severely shortsighted and harmful policies" and that "it's time to be real about global warming."

**JUSTICE FOR MANCHIN?** GOP West Virginia Gov. (and former coal executive) Jim Justice appeared to back Democratic Sen. [Joe Manchin](#)'s reelection bid over the Republican candidates — Rep. [Evan Jenkins](#) and Attorney General Patrick Morrisey — during remarks to state Republican lawmakers this week, West Virginia Metro News [reports](#). "Joe Manchin is — and I know this — Joe Manchin is Donald Trump's liaison with the Democrats. And you want, and I want, what Donald Trump is trying to get done," Justice said, adding he liked both Morrisey and Jenkins but considered Manchin a "friend."

**NEW SENSE OF PURPA?** FERC Chairman Neil Chatterjee told reporters Wednesday the agency might look at changing its rules on facilities that qualify for preferential treatment under the Public Utility Regulatory Policies Act, Pro's Esther Whieldon [reports](#). "Any major changes to PURPA I think are going to have to come from Congress," he said. But "what we could look to here are what potential changes we could do within our purview whether it relates to the one-mile rule or other items."

**LAST VOICES WEIGH IN ON SUNIVA CASE:** A group of retired military officials warned the International Trade Commission that slapping tariffs on imported solar products,

as requested by Suniva and SolarWorld USA, would harm the Defense Department's energy security and resilience efforts in [a letter](#) sent Wednesday. "The proposed tariffs and minimum prices would double the cost of imported solar cells and modules used in utility-scale defense energy projects," they write. "This dramatic cost-increase could potentially jeopardize the financial viability of planned and future solar investments on or near domestic military bases."

**SWING AND A MISS?** Germany appears poised to miss its 2020 renewable energy target by more than previously estimated, POLITICO Europe's Kalina Oroschakoff [reports](#), citing a German Renewable Energy Federation [report](#) out Wednesday. Renewables should account for 18 percent of Germany's energy consumption by 2020 under European Union targets, but the new forecast estimates it will reach only 16 percent by that year. That's lower than a previous estimate [of 16.7 percent](#), which the group blamed on higher fuel consumption and low use of renewables in the heating and transport sectors.

**REVIEWS ARE IN:** NRDC chief Rhea Suh slammed Trump's Tuesday U.N. speech for leaving out all mentions of climate change in [a tweetstorm](#). "Did you watch Trump's UN address yesterday? Me too. Somehow he fit in an Elton John reference, but missed an important issue: climate change...His silence is especially troubling when you consider who was in the audience: reps from 193 countries there to shape and change our future...Neglecting to mention climate change in his speech is outrageous, and It reflects Trump's deeply misguided world view."

**ZINKE'S WIFE RETWEETS CONSPIRACY THEORY:** Lola Zinke, wife of Interior Secretary Ryan Zinke, [retweeted](#) a user who raised questions about the death of Democratic National Committee staffer Seth Rich, a popular target for conspiracy theorists. His murder sparked Pizzagate-like internet chatter among fringe groups, but those theories have been debunked by police.

**McKIBBEN ENDORSES LAMAR SMITH CHALLENGER:** Environmentalist Bill McKibben endorsed Democrat Derrick Crowe Wednesday in his bid to unseat House Science Chairman [Lamar Smith](#). "Derrick Crowe has long been active in the fight for a working environmental future, and now it's very good to see him enter the political arena," McKibben said in a statement.

**LOOKING AT FOSSIL FUEL CEO PAY:** Food and Water Watch released [an analysis](#) Wednesday arguing nine oil and gas CEOs received approximately \$88,000 per million metric tons of greenhouse gases they emitted last year. The group said "almost without exception" greater greenhouse gas emissions led to greater take-home pay for the executives.

**TWO NAMED TO SENIOR NRC SLOTS:** The Nuclear Regulatory Commission announced the selection of two career staff Wednesday for new positions within the agency. Mary Muessle will direct the Office of Administration and Anne Boland will run the Office of Enforcement. Both appointments are effective Oct. 29.

## QUICK HITS

- Groups demand Duke Energy show coal ash disaster maps. [AP](#).
- Interior secretary swims with the sharks at WOW. [Springfield News-Leader](#).
- Brazil's Temer says government not considering privatizing Petrobras. [Reuters](#).

- Hurricanes Propel Forward Thinking on Risk, Resilience. [Engineering News-Record](#).
- Oil Jumps as Fuel Draw Adds to Talk of More OPEC Cuts. [Bloomberg](#).
- Long-delayed Expansion of Kansas Coal Plant Now Considered Unlikely. [Power Magazine](#).

## HAPPENING TODAY

10:00 a.m. — "Keeping It Green: Shared Impacts of Environmental Justice," Congressional Black Caucus Foundation's 47th Annual Legislative Conference, Walter E. Washington Convention Center, Room 147-B, 801 Mt Vernon Place N.W.

12:00 p.m. — "Caring for His Creation: How the Faith Community Leads on Environmental Justice," Congressional Black Caucus Foundation's 47th Annual Legislative Conference, Walter E. Washington Convention Center, Room 147-B, 801 Mt Vernon Place N.W.

3:30 p.m. — "Energy for All: Examining America's Diverse Infrastructure," Walter E. Washington Convention Center, 801 Mt Vernon Place NW

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**\*\* A message from the Nuclear Energy Institute:** Nuclear energy does amazing things every day. It adds billions to the economy. It powers cities, that power business, that power thousands of high quality jobs. With a little help from nuclear energy, we're propelling space travel to the farthest reaches of the galaxy. And nuclear energy is even helping doctors diagnose and treat patients. Nuclear is doing all of these things while keeping the air clean. Explore all the extraordinary things nuclear is doing to help push us forward at [discovernuclear.com](http://discovernuclear.com). Nuclear. Power the Extraordinary. \*\*

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/09/hurricane-maria-strikes-big-blow-to-puerto-ricos-energy-sector-024696>

## Stories from POLITICO Pro

### Moody's issues warning on Puerto Rico power utility over Irma [Back](#)

By Colin Wilhelm | 09/07/2017 04:45 PM EDT

Moody's Investors Service issued a preliminary statement on how it views Hurricane Irma's effect on the billions in bond debt owed by Puerto Rico's electric power authority.

Reports of widespread power outages "highlight longstanding liquidity pressures and an aging infrastructure that have beleaguered [the Puerto Rico Electric Power Authority] for many years," Rick Donner, a Moody's senior credit officer, wrote.

"Longterm power outages will have negative impacts on PREPA's revenues and will pose added challenges in Puerto Rico's overall recovery from this natural disaster," he said. "Any damage from the storm will also add to the stress related to PREPA's recent default and could impact ultimate recovery for bondholders."

Seventy percent of PREPA's customers have reportedly lost power.

**WHAT'S NEXT:** Though experts anticipate the Federal Emergency Management Agency will help with the immediate costs following Irma, the cash-strapped utility could face longer term infrastructure problems and lose customers due to increased emigration from the U.S. territory to the mainland.

To view online [click here](#).

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## **14 states expect to cut emissions on par with Paris pledge [Back](#)**

By Emily Holden | 09/20/2017 02:51 PM EDT

The 14 states that plan to keep shrinking their carbon footprint despite President Donald Trump's plan to abandon the Paris climate agreement say they are on track to slash greenhouse gas emissions 24-29 percent by 2025.

In proportional terms, that is in line with the U.S. target under the Paris deal — a 26-28 percent reduction below 2005 levels by 2025. But the states, members of the bipartisan Climate Alliance, account for only about one-fifth of the country's net emissions, according to 2015 figures from the analysis firm Rhodium Group.

"While Donald Trump has told the world to count us out, our message is simple in New York City this week — you can count us in," Washington Gov. Jay Inslee said at a press conference in New York today.

The states represent 40 percent of the U.S. economy, equal to the third largest economy in the world if they were a single nation, Inslee added.

The states in the alliance are California, New York, Washington, Colorado, Connecticut, Delaware, Hawaii, Massachusetts, Minnesota, North Carolina, Oregon, Rhode Island, Vermont and Virginia, plus Puerto Rico.

Former Secretary of State John Kerry, who joined the press conference, slammed Trump's decision to exit Paris.

"He forfeited American leadership, he put at risk the momentum that has been created and he said to the American people, 'I'm buying into the denial hoax,'" Kerry said, citing Hurricanes Harvey and Irma as signs that climate change is already exacerbating severe weather.

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## **FERC mulls carbon pricing as salve for tensions with states [Back](#)**

By Darius Dixon and Esther Whieldon | 05/03/2017 05:04 AM EDT

The Trump administration's doubts about climate change were nowhere to be found this week in discussions among state officials, power companies and federal regulators seeking a compromise that might meld power markets with state carbon-cutting plans.

The stark contrast between President Donald Trump's push to rescind his predecessor's climate rules, such as the Clean Power Plan, and the detailed technical discussions among FERC and state officials about the merits of policies such as a carbon tax drew the attention from a few speakers.

FERC is the "only federal building where there is a discussion of carbon pricing," said Susan Tierney, a senior adviser at the Analysis Group and who worked with both Clinton and Obama administration Energy Departments.

States and Congress have nibbled at the electricity markets for more than a decade through state renewable portfolio mandates and federal wind and solar tax credits. But after New York and Illinois — fearing a loss of jobs and emissions-free electricity — created large incentive programs for nuclear power plants in their states, market operators, economists and other energy power generators cried foul fearing energy companies would distort markets by increasingly pressuring states for special subsidies instead of trying to deliver the cheapest possible electricity.

"The status quo is just not sustainable," Richard Mroz, president of the New Jersey Board of Public Utilities, told FERC leaders and staff. "You've got the industry and the markets potentially now chasing the next subsidy that comes from a state. The concern is that it will continue to destabilize the market. That's not good for anyone."

One of the few areas of agreement among most speakers — few of which veered away from their long-held positions about state policies — was that FERC needed to exert itself, offer policy guidance and start setting timelines for action.

"The one message that seems to resonate right now with the commissioners and the staff is that FERC's gotta do something," Mroz later said in a brief interview. "FERC has to show some leadership in these issues and heretofore FERC has been either reluctant or really not fully appreciated the fact that it needed to help lead to a solution."

Acting FERC Chairman Cheryl LaFleur and outgoing Commissioner Colette Honorable, both Democrats, each acknowledged that putting a market price on carbon was one obvious solution to easing the jurisdictional tension between states and the federal government, an option often touted by environmental groups and economists but spurned by many Republicans.

"I want to say from the start I know that pricing carbon makes sense," LaFleur said. But both commissioners also noted that some states may not be so keen on that idea particularly since they want the option of choosing exactly what technologies are being promoted and they don't want to [pay](#) for other state policy decisions.

But with three vacancies on the five-member commission curtailing most of its policy work, FERC may be unable to act before states push new policies that markets have to work around.

"I think the tech conference moves the issue very little for the sole reason that there's not a lot of reasons for people to move off their positions," said former FERC staffer Jeff Dennis, who worked in ex-Commissioner John Norris' office and led FERC's policy development division. "You don't know who the commission's going to be."

Still, Dennis, who is now at Akin Gump, said, "FERC staff did an excellent job of laying out several potential paths forward to try to close the gap."

The White House has given no indication of when it might announce nominees, although sources close to the process say the administration has [identified](#) its picks.

Until at least one new member is confirmed, FERC will be unable to act on requests to review complaints charging that state policies unfairly interfere with the operation of the markets. New York's "zero emission credit" program started last month and Illinois' begins in June. Both are being challenged in federal lawsuits that will not be resolved for months.

The Electric Power Supply Association, which represents independent generators, filed complaints in January calling on FERC to ensure electricity prices in upcoming spring auctions in the [New York](#) and the mid-Atlantic area [PJM Interconnection](#) markets were not artificially lowered by state decisions to subsidize struggling nuclear plants.

LaFleur acknowledged in an interview Tuesday that "there seems to be a clear urgency to take action on this issue of state policies in the market." But without a quorum, "we're limited to soft power like having tech conferences and making statements."

The topic of carbon pricing, normally a radioactive subject in Washington, permeated the two-day technical conference as perhaps the most straightforward way of setting up a market-based system that could reflect state environmental goals.

But states participating in the Regional Greenhouse Gas Initiative, a cap-and-trade program that has already effectively put a price on carbon in its nine participating states, have signaled that they're wary to do more.

"The states have expressed considerable reservations about pricing carbon beyond what they currently do," said ISO-New England's chief economist Matthew White. "They currently have a regional greenhouse gas market that exists, they govern it, many states have indicated a comfort retaining that and a discomfort with going beyond that."

For some states, their programs are more than dealing with carbon emissions, Mark Vannoy, chairman of the Maine Public Utilities Commission.

"At the end of the session we have a lot of bills that relate to out-of-market purchases of various types of resources for a whole variety of reasons other than just carbon," he said of his state legislature.

New York may be a test case for the idea. Bradley Jones, the CEO for the state's grid operator, said it's doing preliminary analyses on factoring in a carbon price but said that implementing one would take at least three years.

LaFleur said she hopes the FERC summit will lead the grid operators and their market players to come up with their own solutions faster.

"Hopefully, this will help spur the RTOs and some of the market participants to work together," she said. "The idea was to try to give a push for action."

Yet that worries some consumer advocates concerned about the transparency rules and governance structure of the market operators, who are private entities largely driven by the energy industry.

The RTOs already have a "deeply flawed stakeholder process," said Tyson Slocum, who directs Public Citizen's energy program. "What's going to come from this technical conference is an accelerated timeline of action by the RTOs."

To view online [click here](#).

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### **California sues to block Trump's border wall [Back](#)**

By Josh Gerstein | 09/20/2017 09:01 AM EDT

The state of California is suing to block President Donald Trump's plan to construct a wall along the U.S. border with Mexico, the top lawyer for the state told reporters Tuesday.

The [lawsuit filed](#) in federal court in San Diego on Wednesday argues that the effort violates federal law and the Constitution by intruding on state authority, California Attorney General Xavier Becerra said.

"They're violating the 10th Amendment and infringing on a lot of state laws, not just federal laws, that affect our state. At the same time, they're trying to do something that only Congress can do," Becerra told journalists in Washington in advance of an official announcement he plans to make in San Diego on Wednesday.

Becerra said the suit contends that federal officials are running afoul of the law by declaring the expansion of the border wall to be an emergency that justifies waiving environmental studies and usual contracting procedures.

During the presidential campaign, Trump repeatedly promised to create a border wall that the Mexican government would pay for. Mexican officials have flatly rejected contributing any funds to such a project. With most Democrats in Congress staunchly opposed to the idea, it's unclear how Trump will get money for construction.

Nevertheless, Trump administration officials are pressing forward with studies and prototypes. In recent weeks, the Department of Homeland Security awarded contracts to eight companies to produce prototypes of potential barriers. Half the awards were for concrete wall designs, while the others will explore use of other materials.

Becerra announced the suit during a press conference at a state park near the border.

One of the Trump administration's most outspoken supporters of tougher measures at the border — Attorney General Jeff Sessions — was nearby a bit earlier on Wednesday announcing record drug seizures.

Asked about the suit, Sessions said: "Well, in the United States, anybody can sue, but the United States of America has a border. The United States government has the control of that border and a responsibility to secure it. We would expect to be fully successful in moving forward with a border wall as Congress gives us the money to do so."

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### Chairman says FERC mulling tweaking PURPA one-mile rule [Back](#)

By Esther Whieldon | 09/20/2017 04:48 PM EDT

FERC may change its rules that determine what facilities qualify for preferential treatment under the Public Utility Regulatory Policies Act, including one that prevents developers from getting around size restrictions by breaking large projects up into smaller ones within one mile of each other.

"Any major changes to PURPA I think are going to have to come from Congress," Chairman Neil Chatterjee told reporters today following the agency's meeting. But "what we could look to here are what potential changes we could do within our purview whether it relates to the one-mile rule or other items."

PURPA requires utilities to buy power from relatively small "qualifying facilities" such as wind and solar projects of 80 megawatts or smaller that are located within the utilities' service territory. FERC also has a rule that any projects with the same owner or affiliated owners that are within one mile of each other will be counted as one project in calculating whether they exceed the megawatt cap.

FERC earlier this month dodged requests by developers of two wind projects in Montana to change how it calculates the distance between projects under the one-mile rule. The commission [held](#) it didn't have to answer that question because the owners of the Beaver Creek II and Beaver Creek III projects were not affiliated with each other. FERC hasn't acted on the PURPA applications of two other nearby and similarly named wind projects.

Chatterjee in a statement attached to the decision said FERC should continue to examine the one-mile rule policy.

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**Date:** Friday, September 22, 2017 5:44:17 AM

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By Anthony Adragna | 09/22/2017 05:41 AM EDT

*With help from Eric Wolff, Doug Palmer, Darius Dixon and Emily Holden*

**SOLAR TRADE CASE GETS MOMENT IN THE SUN :** The U.S. International Trade Commission will vote today on whether U.S. solar manufacturers were economically harmed by imports of low-cost solar panels and solar cells. The case has solar installers and developers on edge, as they believe tariffs stemming from a determination could be ruinous for their industry. The Solar Energy Industries Association believes higher panel costs could make many projects uneconomic, and ultimately eliminate of 88,000 jobs — one-third of the \$19 billion industry's workforce. But Suniva and SolarWorld USA, the companies that filed the complaint, believe tariffs will give U.S. solar manufacturing a chance to blossom and ultimately lead to a solar boom.

**The nitty gritty:** The two companies are requesting comprehensive import relief under Section 201 of the 1974 Trade Act, a "safeguard" provision that's legal under WTO rules but often challenged in practice. For the industry to get relief, the ITC must agree that solar products are being imported "in such increased quantities as to be a substantial cause of serious injury or the threat of serious injury to a U.S. industry." Only two of the four commissioners who will hear the case (two additional commission slots need to be filled) need to vote in the affirmative for the case to go to the remedy phase. In the event of a 2-2 tie, both sides will make recommendations for tariffs.

**Trump effect:** Once injury is determined, the final call goes to President Donald Trump, who is widely expected to slap tariffs on the imports that are largely shipped by Chinese companies' from plants in several Asian countries.

**WTO:** The last time the U.S. used this broad authority to impose a quota or tariff, it was a 2002 safeguard action on steel imports under President George W. Bush. The EU, Japan, Korea, China, Switzerland, Norway, New Zealand and Brazil brought the case to the WTO. The United States lost that case and had to remove its steel safeguard duties to avoid trade retaliation.

**Governors urge rejection of petition:** Four governors — Brian Sandoval of Nevada, John Hickenlooper of Colorado, Charlie Baker of Massachusetts and Ray Cooper of North Carolina — urged the ITC to reject the petition (though they misidentified SolarWorld as SunWorld) in their [letter](#) to ITC Chairman Rhonda Schmidlein, Pro Trade's Doug Palmer [reports](#). "As governors representing states with a robust solar industry, we write to express our opposition to Suniva and SunWorld's (sic) Section 201 petition," the governors said. "At a time when our citizens are demanding more clean energy, the tariff could cause America to lose out on 47 gigawatts of solar installations, representing billions of dollars of infrastructure investment in our states."

**TGIF MES AMIES!** I'm your host Anthony Adragna, and the State Department's Erwin Rose was first to identify President Barack Obama as the first-ever host of Passover Seder at the

White House. For today: What famous congressman stopped by *Cheers* for a beer in a 1983 episode? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](https://twitter.com/AnthonyAdragna), [@Morning\\_Energy](https://twitter.com/Morning_Energy) and [@POLITICOPro](https://twitter.com/POLITICOPro).

**READY TO RESPOND IN PUERTO RICO:** EPA said Thursday initial reports showed a "devastating" situation in Puerto Rico and the U.S. Virgin Islands. Staff intends to travel to Puerto Rico as soon as air travel is possible and among their first priorities is "assessing facilities where there are known hazardous substances" to make sure those areas are safe for surrounding residents.

**Trump declared a major disaster Thursday**, freeing up additional federal resources to respond to the storm that knocked out power to the entire island of Puerto Rico. "Ships with additional supplies en route to PR & making ALL efforts to reach our most vulnerable citizens," Resident Commissioner [Jenniffer Gonzalez tweeted](#).

**HALEY: VENEZUELA OIL EMBARGO 'NOT OFF THE TABLE':** She declined to firmly back the idea, but U.N. Ambassador Nikki Haley told reporters Thursday the U.S. had not ruled out enacting an oil embargo against Venezuela. "If things don't improve, all those options are always there, and so that's what we're watching to see," she said. "It's not off the table, I can tell you that." She didn't respond to a similar question about pushing for an oil embargo against North Korea.

**IF YOU HAPPEN TO BE IN RALEIGH:** There's a rare opportunity to hear from EPA Administrator Scott Pruitt's staff today at the Association of Air Pollution Control Agencies annual meeting in Raleigh, N.C. Speaking at a regulatory roundtable event are Samantha Dravis, Pruitt's senior policy counsel, and Brittany Bolen, senior deputy associate administrator within the Office of Policy. Mary Neumayr, chief of staff at the White House Council on Environmental Quality, is also expected to provide an update on the administration's activity. Mandy Gunasekara, Pruitt's senior advisor on air activities, offered her own update Thursday. Full schedule [here](#).

**ME INTERVIEW — SEN. BRIAN SCHATZ:** One of the strongest climate hawks in Congress, the Hawaii Democrat was one of the few Democrats to [explicitly link](#) recent hurricanes to a changing climate. ME caught up with him about how extreme weather may alter the congressional climate conversation.

**Whether it's appropriate to talk climate change after severe weather:** "I'm not trying to score political points, but when the biggest unexpected costs for the federal government are severe weather events — and the most harmful recent events from California to Montana to Texas to Florida to Puerto are getting more frequent and severe — you just have to admit what's happening and try to do something about it together."

**What impact the severe weather is having on Republicans:** "It is impacting their thinking. I don't think it's going to impact the way they talk about climate change. It is impacting the way they talk about severe weather. There's a space here if we're careful with our language and we're respectful of different points of view to work together on clean energy and also on severe weather adaptation."

**Why he's so concerned with Trump's EPA picks:** "It's not just you're getting a Bush-era person who leans more to the right on these issues. You're getting people whose mission in their professional lives is to gut the underlying statute that they're responsible for

implementing."

**\*\* A message from the Nuclear Energy Institute:** Nuclear is doing more than ever before. It's powering the grid, boosting the economy by billions, creating jobs, propelling space travel and even helping doctors. It's moving us forward in ways we never thought possible. Explore all nuclear energy is doing at [discovernuclear.com](http://discovernuclear.com). \*\*

**CLIMATE REMOVED FROM MORE EPA PAGES:** EPA has stripped climate change language from web pages about its SmartWay program, which is meant to help companies improve their freight transportation efficiency, according a watchdog group tracking agency website changes. The Environmental Data & Governance Initiative [reports](#) that EPA has nixed references to "carbon," and "greenhouse gases" in favor of more general terms, like "pollution." The group says the agency also reduced emphasis on SmartWay's international efforts, including work with a United Nations environment program. Most of the changes appear to have occurred between late March and May, EDGI said.

**TOM CARPER, CARPENTERS FAN:** Sen. [Tom Carper](#), top Democrat on the Environment and Public Works Committee, cautiously applauded Pruitt's decision to post his schedules online but said he still wouldn't endorse moving additional EPA nominees without agency responses to oversight requests. "I hope that this is a step in the right direction, but, as the song goes, '[we've only just begun](#),'" Carper said in a statement. "I am hopeful that Administrator Pruitt will continue to focus on responses to my other outstanding requests for information."

**GOP CHAIRMAN: MAYBE YOU SHOULD MOVE:** The federal government should not have to continue to foot the bill for properties that flood repeatedly, Financial Services Chairman [Jeb Hensarling](#) said on CNBC's "[Squawk Box](#)." "At some point, God is telling you to move," the Texas Republican said. "If all we do is force federal taxpayers to build the same home in the same fashion in the same location and expect a different result, we all know that is the classic definition of insanity,

**BROWN SPEAKING ON CANADIAN CLIMATE COOPERATION:** California Gov. Jerry Brown hosts a press availability this morning at 9:45 a.m. along with Ontario Premier Kathleen Wynne and Quebec Premier Philippe Couillard to discuss efforts to address climate change between Canadian provinces and the most populous U.S. state.

**HEARING SET FOR PHMSA NOMINEE:** The Senate Commerce Committee announced Thursday it would hold a Sept. 27 hearing to consider the nomination of Howard Elliott, a 40-year veteran of the U.S. freight rail industry, to run the Pipeline and Hazardous Materials Safety Administration. It'll also mull the selection of Timothy Gallaudet to be assistant Commerce secretary for oceans and atmosphere, the No. 2 position at NOAA. Details [here](#).

**MAIL CALL! GROUP TO DOJ: YOU SETTLED TOO LOW:** Clean Water Action wants DOJ to reconsider a settlement reached with California farmer John Duarte, arguing its unjustifiably low penalties set an awful precedent for future Clean Water Act cases. "Failure to seek these appropriate remedies is a failure to enforce the Clean Water Act," the group writes in [a letter](#). For those whose minds need refreshing, DOJ reached the \$1.1 million settlement in the [long-standing litigation over wetlands destruction](#) back in August.

**LEAVE THEM BE:** On the two-year anniversary of the Obama administration deciding the sage grouse didn't warrant Endangered Species Act protection, several dozen local elected Western officials today sent Interior Secretary Ryan Zinke [a letter](#) urging him to leave existing

protection plans in place. "We urge you to listen to us, as well as the governors, ranchers, sportsmen, industry officials, conservationists and other stakeholders who invested years of work into these management plans — and allow those plans to stay intact," they write. The Wilderness Society released its [own memo](#) on Zinke's possible actions.

**More for Zinke's eyes:** A group of archeologists, rangers, and professors from across the West are out with a report urging Zinke and BLM not to grant oil and gas industry leases in the Greater Chaco landscape. Read it [here](#).

**ATTRACTIONS YET TO COME:** House lawmakers will as soon as next week vote on a broad sportsmen's package that includes a controversial provision easing regulations on the purchases of gun silencers, POLITICO's John Bresnahan [reports](#). The Sportsmen's Heritage and Recreational Enhancement Act [H.R. 3668 \(115\)](#), introduced by Rep. [Jeff Duncan](#), revises federal regulations on silencers. Democrats argue the measure would make it possible to obtain a silencer without going through a background check, although Republicans dispute that.

**RICHARD BRANSON BASHES TRUMP OVER CLIMATE:** Virgin's Richard Branson [told CNN](#) Thursday that while "you can never be 100 percent sure about links" between climate change and hurricanes, "we've had four storms within a month, all far greater than that have ever, ever, ever happened in history." Branson, who rode out Hurricane Irma on his private island, said: "Ninety-nine percent of scientists know it's real. The whole world knows it's real except for maybe one person in the White House."

**MEETING JERSEY'S CLIMATE CHALLENGE:** It'll take "significant new policies and enhancements of current strategies" for New Jersey to hit its goal of achieving 80 percent emissions reductions by 2050 from 2006 levels but there are multiple approaches available to do so, according to a [new report](#). Among the many options cited: Setting an interim emissions reduction goal; rejoining the Regional Greenhouse Gas Initiative and increasing the state's renewable portfolio standard. The Georgetown Climate Center, Rutgers and the World Resources Institute worked together on the report.

**MOVING ON OVER:** Outgoing Tennessee Valley Authority Inspector General Richard Moore is being [sworn in](#) today as the U.S. attorney for the Southern District of Alabama. Trump nominated Moore for the job in June and the Senate confirmed him last week. Deputy IG Jill Matthews will now become TVA's acting IG. Moore has been the TVA watchdog since 2003, and had previously spent 17 years as an assistant DA in the office he'll now lead.

**INTERIOR WHISTLEBLOWER WINS COURAGE AWARD:** Joel Clement, who filed a whistleblower [complaint](#) in July alleging he'd been [transferred within Interior](#) to prevent him from discussing climate change, received the Callaway Award for Civic Courage on Thursday stemming from those actions. "I hope the recognition I receive for blowing the whistle on the Trump administration inspires others within the federal civil service to do the same; the continued health and safety of Americans depends upon it," he said in a statement.

**NEW MAP TRACKS ANTI-FOSSIL FUEL FIGHT:** The Fossil Fuel Resistance Mapping Project, launched with the support of 350.org and the Power Shift Network Thursday, tracks local activities and protests to resist proposed pipelines, fracking wells and other fossil fuel infrastructure. Check it out [here](#).

**PROTECTION NEEDED:** The Hispanic Access Foundation released a report with the top

10 list of places important to the Latino community that it says deserve federal protection. Read it [here](#).

**MOVER, SHAKER:** Pete Maysmith joins the League of Conservation Voters as its new senior vice president of campaigns where he'll oversee electoral efforts that topped \$45 million last cycle. He joins from Conservation Colorado.

### QUICK HITS

- Montana preparing to take over after EPA asbestos cleanup. [AP](#).
- Canada deploys 'multi-pronged' lobbying to counter Trump's EPA cuts. [National Observer](#).
- Ohio EPA Hikes Penalties Against Rover Pipeline To \$2.3 Million. [WOSU](#).
- Russia wants to protect itself from climate change—without reducing carbon emissions. [Science](#).
- Flint Water Crisis Likely Increased Fetal Deaths, Study Shows. [Huffington Post](#).
- U.S. oil prices settle lower as traders look to OPEC to further tighten global supplies. [MarketWatch](#).
- Former EPA official warns of potential food contamination after hurricanes. [CNBC](#).

### HAPPENING TODAY

10:00 a.m. — "[Statoil's Climate Roadmap](#)," Center for Strategic and International Studies, 1616 Rhode Island Avenue, NW

10:30 a.m. — API, ACC, AF&PA, SIFMA, NAM, NRF and USCIB holds press call on the impact of NAFTA on U.S. economic growth, investment and job creation, RSVP: [SammonB@api.org](mailto:SammonB@api.org)

11:00 a.m. — International Trade Commission [holds vote](#) on solar trade petition seeking to impose steep tariffs, Main Hearing Room, 500 E Street SW

1:30 p.m. — Solar Energy Industries Association holds conference call following ITC vote, RSVP: [ahobson@seia.org](mailto:ahobson@seia.org)

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**\*\* A message from the Nuclear Energy Institute:** Nuclear energy does amazing things every day. It adds billions to the economy. It powers cities, that power business, that power thousands of high quality jobs. With a little help from nuclear energy, we're propelling space travel to the farthest reaches of the galaxy. And nuclear energy is even helping doctors diagnose and treat patients. Nuclear is doing all of these things while keeping the air clean. Explore all the extraordinary things nuclear is doing to help push us forward at [discovernuclear.com](http://discovernuclear.com). Nuclear. Power the Extraordinary. \*\*

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/09/solar-boom-faces-major->

[challenge-today-before-itc-024717](#)

## Stories from POLITICO Pro

### **4 governors urge ITC to reject tariffs on solar products** [Back](#)

By Doug Palmer | 09/21/2017 06:11 PM EDT

Four governors today made a last-minute effort to prevent President Donald Trump from getting the chance to impose tariffs on solar products — and in the process misidentified one of the companies involved in the case.

The move came on the eve of a critical U.S. International Trade Commission vote on Friday in a complaint brought by Suniva and SolarWorld. The ITC must decide whether U.S. solar producers have been seriously injured, or are threatened with serious injury, by a surge of imports from China and other suppliers.

The panel will have until late October to recommend a relief plan if it finds injury, which Trump could then follow or he could craft his own. U.S. law allows up to four years of initial protection.

The four governors — Brian Sandoval of Nevada, John Hickenlooper of Colorado, Charlie Baker of Massachusetts and Ray Cooper of North Carolina — said they were concerned about the impact of import restrictions and related measures on their states' economies. However, they misidentified SolarWorld as SunWorld in a [letter](#) to ITC Chairman Rhonda Schmitlein.

"As governors representing states with a robust solar industry, we write to express our opposition to Suniva and SunWorld's Section 201 petition," the governors said. "At a time when our citizens are demanding more clean energy, the tariff could cause America to lose out on 47 gigawatts of solar installations, representing billions of dollars of infrastructure investment in our states."

The ITC currently has two vacancies, so just four commissioners will decide the case. In the case of a tie, Trump would still be able impose relief if he decides it's needed.

Only commissioners who find injury can make remedy recommendations to the president, according to an [ITC fact sheet](#).

*To view online [click here](#).*

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### **DOJ settles high-profile Clean Water Act case with farmer** [Back](#)

By Annie Snider | 08/15/2017 02:41 PM EDT

The Department of Justice today announced a \$1.1 million settlement with a California farmer over wetlands destruction, ending a case that agricultural groups and property rights activists had criticized as federal overreach under the Clean Water Act.

John Duarte and Duarte Nursery Inc. agreed to pay \$330,000 in civil penalties and fund \$770,000 in restoration work to compensate for damage to 22 acres of protected streams and wetlands on his property. The agreement allows Duarte to return most of the site back to agricultural use and seek future determinations about whether streams and wetlands on the property are subject to federal protections.

Duarte was found guilty by a federal district court judge last year of violating the Clean Water Act by hiring a consultant to conduct "deep ripping" through waterways protected under the 1972 water law. Most farming practices, including plowing, are exempted from the law's permitting requirements, but deep ripping is not.

"Today's agreement affirms the Department of Justice's commitment to the rule of law, results in meaningful environmental restoration, and brings to an end protracted litigation," said Jeffrey Wood, acting assistant attorney general for the Justice Department's Environment and Natural Resource Division. The DOJ emphasized that "this case is not (and will not be used as) a pretext for federal prosecution of farmers who engage in normal plowing on their farms."

In a statement, Duarte said settling was a "difficult decision" that he came to "reluctantly" given the risks that an even greater penalty would have posed to his business.

**WHAT'S NEXT:** The settlement agreement is subject to 30 days of public comment and must ultimately be approved by the court.

To view online [click here](#).

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**House GOP pushes to loosen gun rules** [Back](#)

By John Bresnahan | 09/21/2017 05:31 PM EDT

House GOP leaders are moving forward with plans to vote on two gun-related measures in the coming weeks, the first time Congress has taken up the controversial issue since Donald Trump became president.

A bill easing regulations on the purchases of gun silencers — also known as suppressors — could reach the House floor as early as next week.

Another measure allowing concealed carry permit holders to take their weapons to other states is also expected to move through the House Judiciary Committee and onto the floor this fall, possibly in October, according to GOP lawmakers and aides.

Both proposals are almost certain to pass the House, despite intense opposition from gun-control groups. In the Senate, Democrats will likely block the measures. Trump would almost certainly sign such bills if they ever got to his desk.

Nearly five years after the tragic shooting at Sandy Hook Elementary School in Newtown, Connecticut, left 20 children dead and spurred an impassioned debate over expanding background checks for gun sales, the GOP-controlled Congress and the Trump administration are clearly moving in the opposite direction. Republican congressional leaders and Trump

administration officials — at the urging of the National Rifle Association and other gun-rights groups — are looking to roll back restrictions on guns imposed during the Obama era.

The push for looser gun rules comes as Rep. Steve Scalise (R-La.) is still recovering from a gunshot wound he suffered at a congressional baseball practice in June.

Gun-control groups — including those tied to Michael Bloomberg, the former New York City mayor and publishing billionaire — claim that the NRA and its allies on Capitol Hill and inside the Trump administration are really looking to help the gun industry, which has seen its sales slump since President Barack Obama left office and Trump was sworn in.

The Sportsmen's Heritage and Recreational Enhancement Act, introduced by Rep. Jeff Duncan (R-S.C.), may come up for a House vote as early as next week.

The Duncan legislation includes language revising federal regulations on silencers, which currently have tougher purchasing requirements than guns. Democrats contend that Duncan's bill would make it possible to obtain a silencer without going through a background check, although Republicans insist that's not true.

Another provision makes it more difficult for the Bureau of Alcohol, Tobacco, Firearms and Explosives to classify certain ammunition as "armor piercing." Regulations on interstate transportation of weapons would be revised as well.

Duncan and other proponents of his bill say silencers are popular with recreational shooters and hunters. The South Carolina Republican points out 40 states allow hunters to use such devices.

Duncan's bill has already been approved by the Natural Resources Committee. The Judiciary Committee, which also has jurisdiction, apparently is not going to act on the legislation but will allow it instead to go straight to the floor.

"Sportsmen are the foundation of the conservation movement in the United States, yet some radical organizations seek to limit access to this pastime by restricting the Second Amendment, as well as land and game management," Duncan said in a statement.

While some law-enforcement officials and organizations oppose any effort to loosen the restrictions on silencers, Jim Pasco, head of the Fraternal Order of Police, says his group has no objections to the proposal. The FOP claims to be the nation's largest police union.

"With respect to the silencer provision, we have taken a position that we do not object to that provision," said Pasco. "The reasoning is because silencers are not — and have not been in the recent past — a law enforcement problem."

Pasco said his organization has pushed for language allowing silencers to be traceable, which has been added to the bill.

The NRA has thrown its considerable political muscle behind the Duncan bill as well.

"Allowing law-abiding citizens to purchase suppressors without paying a \$200 government tax and submitting extensive paperwork, but while undergoing an instant background check, will have a positive impact on the public health issue of hearing loss," said Jennifer Baker, an NRA spokeswoman. "The fact that the world's largest organization of sworn law enforcement

officers expresses zero opposition to the bill debunks the gun lobby's false claims the bill poses a public safety risk."

But Peter Ambler, executive director of Americans for Responsible Solutions, a gun-control group founded by former Rep. Gabby Giffords (D-Ariz.), said the "vast majority" of gun owners don't support any move to loosen silencer regulations, according to polls.

"The NRA poured unprecedented amounts of political money into the 2016 elections," Ambler said. "They're trying to ram this through when the country is distracted by the health-care debate. Most Americans oppose this bill, most major law-enforcement organizations oppose the bill."

Ambler said Duncan's bill could potentially allow purchases of silencers without any background check at guns shows or through private transactions.

Just as controversial is a bill by Rep. Richard Hudson (R-N.C.) to allow concealed-carry permit holders to take their weapons with them to another state, as long as that state also allows concealed carry.

Concealed-carry permit holders would also be allowed to take their weapons onto some federal land, such as national parks.

Hudson's bill currently has 212 co-sponsors, including several Democrats, and it is expected to easily clear the House once it reaches the floor. A Judiciary Committee mark-up could come in October or early November, with a vote by the full House shortly thereafter.

Hudson insists his bill would not override any other state, municipal or local regulations on concealed carry. Sen. John Cornyn (R-Texas) has introduced a similar bill in the Senate.

In a statement, Hudson said his bill "would allow law-abiding citizens with a state-issued concealed carry license or permit to conceal a handgun in any other state that allows concealed carry. It also allows law-abiding residents of Constitutional carry states the ability to carry in other states that recognize their own residents' right to concealed carry."

But ARS' Ambler said Hudson's bill would essentially create a "50 state" gun license, arguing that if someone received a concealed carry permit in one state, they would be allowed to carry their weapon into every state.

A number of states also have stricter permitting for a concealed-carry holder than is required to pass a federal background check. For instance, more than half the states prevent someone with a domestic violence or stalking conviction from obtaining such permits. Ambler said Hudson's bill would essentially pre-empt those restrictions.

Ambler added that gun purchasers could "permit shop," meaning obtain a concealed carry permit from a state that issues permits to nonresidents, as Florida and nine other states do.

"Even if your state has stronger laws and does not allow concealed carry, you would still be able to bring your gun into that state," Ambler insisted. "It undermines the way we permit firearms in this country."

*To view online [click here.](#)*

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## Interior official files whistleblower complaint over job reassignment [Back](#)

By Esther Whieldon and Ben Lefebvre | 07/19/2017 07:06 PM EDT

A former senior Interior Department official has filed a whistleblower complaint after the agency transferred him from a leadership position focused on climate change to a desk job collecting royalties from oil and gas companies.

In a [complaint](#) and [disclosure](#) filing with the Office of Special Counsel and in a Washington Post [op-ed](#), former Interior Office of Policy Analysis Director Joel Clement claimed he was [reassigned](#) to a position at the Office of Natural Resources Revenue to stop him from publicly discussing climate change impacts on native Alaskan coastal communities.

Clement was among dozens of senior executive staff reassigned to other jobs in June.

Clement told POLITICO no Interior political staffers ever raised concerns about his activities prior to his reassignment. "It was kind of obvious to reassign the climate adaptation experts to the accounting office where they collect fossil fuel royalty checks. That was pretty flagrant, I would say, in terms of sending the message. So that message was received loud and clear that they wanted me to quit."

Clement said he'd like his old job back, and he hoped other staff would also complain.

Interior spokeswoman Heather Swift said the personnel moves were "conducted to better serve the taxpayer and the Department's operations."

Clement may have difficulty proving his case because agencies have wide discretion to reassign staff, according to Jeff Ruch, executive director of Public Employees for Environmental Responsibility. "It sounds like he's being retaliated against because of his job, not because of any disclosure he made," Ruch said. "He's suffering due to the nature of his job, and maybe because he did it too well."

*Annie Snider contributed to this report.*

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**Date:** Friday, December 22, 2017 5:52:04 AM

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By Anthony Adragna | 12/22/2017 05:49 AM EDT

*With help from Eric Wolff*

**PROGRAMMING NOTE:** [Morning Energy](#) will not publish from Dec. 25-Jan. 1. Our next [Morning Energy](#) newsletter will publish on Tuesday, Jan. 2. Please continue to follow Pro Energy issues [here](#).

**WAIT UNTIL NEXT YEAR:** The millions of Puerto Ricans reeling from months without electricity, Californians battling devastating wildfires and communities in Texas, Florida and the Caribbean rebuilding from a string of crippling hurricanes must wait until next year for disaster relief after Congress left town without sending funds their way. "Disaster is a lot more complicated, a lot more moving parts, a lot more varied interests, competition between various jurisdictions over who gets what," Senate Majority Whip [John Cornyn](#) (R-Texas) said on Thursday. It now faces the prospect of languishing for weeks, Pro Budget & Appropriations Brief's Sarah Ferris [reports](#).

**A disaster assistance bill cleared the House** on a 251-169 vote that would have doled out \$81 billion to communities around the country. But it faced resistance in the Senate where Minority Leader [Chuck Schumer](#) demanded more help for Puerto Rico's cash-strapped Medicaid program and fixes to the GOP's tax bill, [H.R. 1 \(115\)](#), to prevent a disproportionate hike in taxes on the island.

**The government stays open:** Congress did okay funding [H.R. 1370 \(115\)](#) for federal agencies through Jan. 19 on a 231-188 House vote and a 66-32 tally in the Senate, POLITICO's Rachael Bade, John Bresnahan and Seung Min Kim [report](#).

**\*\* A message from the Renewable Fuels Association:** This week marks the tenth anniversary of the Renewable Fuel Standard, helping to provide consumer choice at the pump. The RFS has been an unmitigated success, helping to clean the air, lower gasoline prices, provide greater energy security and boost local economies. Learn more at <http://www.ethanolrfa.org/wp-content/uploads/2017/12/RFS2-Ten-Years.pdf>. \*\*

**Looking to 2018:** Twelve attorneys general, led by New York's Eric Schneiderman, sent a [letter](#) to congressional leaders opposing "deep and damaging proposed cuts" to EPA's fiscal 2018 budget and urging the House not to include environmental riders as they consider spending legislation.

**NOMINATIONS CLEARED:** Before heading out for holiday cheer, the Senate confirmed three energy-related nominations by unanimous consent: Linda Capuano to run the Energy Information Administration; Timothy Petty to be assistant Interior secretary for water and science; and John Vonglis to be chief financial officer of the Energy Department. The chamber also cleared four nominations to the Tennessee Valley Authority.

**Try again:** It appears the White House will have to renominate Susan Combs to be Interior's

assistant secretary of policy management and budget, and Ryan Nelson to be agency solicitor. Their forced do-overs come in addition to Kathleen Hartnett White, who as expected must be renominated to run the White House Council on Environmental Quality.

**Bills, bills, bills:** Senators passed legislation [S. 1447 \(115\)](#), reauthorizing the Diesel Emissions Reduction Act, which helps retrofit diesel-powered equipment; [S. 2030 \(115\)](#) delaying the compliance date for efficiency standards for ceiling light kits into 2020; and [H.R. 518 \(115\)](#) exempting certain devices from energy conservation standards for external power supplies.

**IT'S BEGINNING TO FEEL A LOT LIKE CHRISTMAS!** I'm your host Anthony Adragna, and a sincere thank you for spending so many of your mornings this year with me delving through the ins and outs of the energy world! Ogilvy's Tony Bullock identified Wisconsin Rep. [Jim Sensenbrenner](#) as the second longest-serving House member. And for your last trivia question of 2017: What nearby world leader's birthday is Christmas day? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#), and [@POLITICOPro](#).

**HOLIDAY PRESENTS FROM ME:** You better watch out, you better not cry, ME's handing out gifts and we hope these jokes fly.

— For [Lisa Murkowski](#), a red suit, sleigh and eight reindeer. She's gotten so much in the past two years, she should be the one delivering the gifts.

— For Rick Perry, funding to have the national labs calculate the cost of freedom

— For Scott Pruitt, 100 lawyers to help him process that ever-expanding backlog of FOIA requests.

— For Ryan Zinke, a gift certificate to the Rock Creek Park Horse Center so he never has to miss riding with VIPs (or VPs).

— For Neil Chatterjee, a signed photo of James Cromwell.

— For Jerry Brown, a lightsaber and a badge that reads, "Resistance Leader."

— For [Chuck Grassley](#), a statue at the [Corn Palace](#) in South Dakota in recognition of his undying devotion to biofuels industry.

— For [Rob Bishop](#), a gift for his 40th wedding anniversary coming over the holiday break (this one's real. Congratulations!).

**SEEKING A PROMOTION?** North Dakota Rep. [Kevin Cramer](#) tells ME the departures of three senior Energy and Commerce members — [Joe Barton](#), Tim Murphy and [Marsha Blackburn](#) — may offer him a chance to move up on the panel and will factor into his decision on whether to challenge Sen. [Heidi Heitkamp](#). "It all becomes part of a formula to make a difficult decision more difficult," he said. "It's a factor that I'm considering for sure. We only have one member from an entire state. Influence matters all the more ... Whereas a new senator is a new senator even if you used to be a congressman. That is definitely part of the calculation."

**REMOVED:** More than 90 documents detailing how national parks plan to address climate change have been removed from the National Park Service's website, according to [a report](#)

from the Environmental Data and Governance Initiative. The bulk of the removals happened in early December and users must now request copies of the climate action plans by email. Among the documents axed were those detailing what "parks are doing to respond to climate change and move park operations in a more sustainable direction" at such landmarks as Glacier, Everglades, Joshua Tree and Grand Canyon national parks.

**THAT CARBON MAY BE CAPTURED, BUT DON'T LET IT GO:** The carbon capture tax credit expansion in the tax extender bill released Wednesday won bipartisan praise, but some Democratic senators are concerned about a separate provision in the bill to reduce monitoring requirements on carbon once it's in the ground. One Senate Democratic aide said the provisions, which would relieve oil companies from tracking CO2 leakage once they use it, could serve "as a poison pill for many Democrats in the coalition of cosponsors, and an aide to another Democratic senator said, "the language is a non-starter." Whether the monitoring issue is enough to drive off Democrats who may like the bill's other measures, like tax credits for energy efficient homes and commercial buildings, remains to be seen. "There are members on the D side, particularly, who think that if you are getting a tax credit for something you ought to demonstrate that you're doing what you ought to be doing to get the credits," said Kurt Waltzer, managing director of the Clean Air Task Force. "I think people take that seriously."

**SCIENTISTS SUE:** A coalition of doctors, scientists and other groups filed [a lawsuit](#) Thursday asking a court to throw out Pruitt's [directive](#) barring anyone receiving agency grants from serving on its various advisory panels. They argue Pruitt's action violates federal ethics rules and is arbitrarily biased toward individuals with industry ties. "There are already procedures in place to avoid a potential conflict-of-interest among advisory board members, which makes this latest effort seem to be more about stacking the board with members who will support the new administration's deregulatory agenda," Robyn Wilson, one of the professors booted off the Science Advisory Board, said in a statement.

**BISHOP WANTS CONGRESSIONAL SCRUTINY OF PARK FEES:** Interior should not be able to unilaterally raise admission fees for national parks and should come to Congress annually to seek approval, Bishop told reporters Thursday. "Agencies should not be able to raise park fees independently, but I also have legislation to do away with all park fees so it's got to be somewhere in the middle of that," he said. "I'm insisting they have to have approval by us."

**Democrats oppose Zinke's plan:** That comes as 11 Natural Resources Democrats sent Zinke a letter Thursday opposing his plan to hike the fees at 17 national parks, which they said is "at odds" with Interior's mission to improve access to public lands. Link [here](#).

**WHEELER-ING AND DEALING:** Dropping Kathleen Hartnett White's nomination to run the White House Council on Environmental Quality would "help" the Senate advance Andrew Wheeler's selection for EPA deputy, top Senate EPW Democrat [Tom Carper](#) told ME. "I'm interested in seeing what happens to Ms. White and I think if the administration wants to continue to push hard on that nomination, I think it makes progress on Andy Wheeler more difficult," he said. Many in the Democratic caucus are concerned with Wheeler's nomination as well, though Carper wouldn't say if he'd oppose the former EPW aide himself.

**GOP TO PRUITT: WHAT'D YOU DO:** Three senior Energy and Commerce Republicans aren't pleased with Pruitt's [top 21 list of priority Superfund sites](#) and want details on how he crafted it. "Members specifically asked you about the list, and despite many of the sites

included being of particular concern to Committee Members, we did not receive any indication from you that these sites would be included," [Greg Walden](#), [Fred Upton](#) and [John Shimkus](#) said in [a letter](#). They also asked what Pruitt means by his pledge to have "direct engagement" on each of the sites.

**NRDC HITS COMSTOCK:** The Natural Resources Defense Council is launching a six-figure ad campaign within the Beltway media market over the holidays to hit Virginia Republican Rep. [Barbara Comstock](#) for her vote in favor of the tax bill that included a provision opening ANWR to drilling. Watch the ad [here](#).

**SWAPPED:** The U.S. Court of Appeals for the Ninth Circuit said Thursday it would swap Obama appointee Judge Michelle Friedland for now-resigned Judge Alex Kozinski in the case of children seeking dramatic government action against greenhouse gas emissions. Remember Kozinski participated in oral arguments where the panel [seemed skeptical](#) of stopping the lawsuit at this point.

**TAKING THE NEXT STEP:** Pebble Limited Partnership today plans to kick off the permitting process for its controversial proposed gold and copper mine in Alaska by submitting an application with the Army Corps of Engineers, your ME host [reports](#). That'll kick off the review under the National Environmental Policy Act. But look for opponents of the project, including green groups and salmon fisherman, to continue to vigorously contest it.

**WAIT AND SEE ON TCE?** The majority of industrial entities are waiting to see whether EPA ever follows through on its proposed ban of the cleaning solvent trichloroethylene rather than phasing out its use immediately, according to [a report](#) from Safer Chemicals Healthy Families released Thursday. EPA has moved to indefinitely delay the proposed ban on certain uses of TCE.

**MOVER, SHAKER:** Catherine McCabe, who briefly ran EPA after President Barack Obama left office but before Pruitt's confirmation, will be named commissioner of the New Jersey Department of Environmental Protection, POLITICO New Jersey's Ryan Hutchins [reports](#). She'll have the task of restoring morale to the department and honoring Gov.-elect Phil Murphy's pledge to rejoin the Regional Greenhouse Gas Initiative within 100 days of assuming office. They'll also be working to undo what they see as years of deleterious actions under Gov. Chris Christie. "New Jersey's environmental leadership has been severely eroded," Murphy said.

**Anna Aurilio** leaves her post as director of Environment America's Washington office on Jan. 1. "I've been honored to help shape a growing movement to tackle the climate crisis and shift towards a 100% renewable energy future," she writes, adding she'll take a couple of months to plot her next move.

## QUICK HITS

- Future Warming Could Worsen Europe's Refugee Crisis. [National Geographic](#).
- U.S. launches effort to reduce reliance on imports of critical minerals. [Reuters](#).
- Shell, Seeking to Curb Its Carbon Footprint, Buys Electricity Provider. [New York Times](#).
- Pentagon's new defense strategy won't mention climate change. [The Hill](#).

— Shell and Eni will face the "biggest corporate bribery trial" over a \$1.1 billion Nigerian oil deal. [Quartz](#).

— Debate over new head of EPA's Great Lakes office. [WOSU](#).

## HAPPENING TODAY

\*crickets\*

## THAT'S ALL FOR ME!

**\*\* A message from the Renewable Fuels Association:** The Renewable Fuel Standard, **helping to enhance U.S. energy security**, was signed into law ten years ago this week. Net petroleum dependence was 25% in 2016, but would have been 33% without the addition of 15.3 billion gallons of ethanol to the fuel supply. Looked at another way, 2016 ethanol production displaced an amount of gasoline refined from 540 million barrels of crude oil. Learn more at <http://www.ethanolrfa.org/wp-content/uploads/2017/12/RFS2-Ten-Years.pdf>. #thankyouRFS \*\*

*To view online:*

<https://www.politicopro.com/newsletters/morning-energy/2017/12/disaster-relief-pushed-even-as-government-stays-open-060869>

## Stories from POLITICO Pro

### Congress clears funding bill, staving off shutdown [Back](#)

By Rachael Bade, John Bresnahan and Seung Min Kim | 12/20/2017 09:52 PM EDT

Congress passed a short-term government funding bill Thursday, ensuring that Washington will not face a shutdown just days before Christmas.

The House passed the measure, which would keep federal agencies open through Jan. 19, on a 231-188 vote. The Senate cleared it 66-32 soon after, giving congressional leaders and President Donald Trump another month to hash out a long-term spending deal for the remainder of fiscal 2018.

Lawmakers staved off a last-minute revolt from Democrats who threatened to vote against any funding measure if it didn't include legal protections for young undocumented immigrants who are losing work permits after Trump rescinded an Obama-era executive action. But the contentious issue is sure to return in January when the next round of spending talks resume.

"The Republican continuing resolution serves only to continue the anxiety in the lives of DREAMers, veterans, children and working families across America," said House Minority Leader Nancy Pelosi (D-Calif.). "It had been our hope not only to improve the quality of this bill but to add the DREAM Act to it, which enjoys strong bipartisan support from the American people."

The Congressional Hispanic Caucus met with Senate Minority Leader Chuck Schumer in an impromptu meeting earlier Thursday afternoon, pressing the New York Democrat to persuade his ranks to reject the funding bill. However, it was clear after the meeting that there would not be enough Democratic senators to block the bill later Thursday over immigration.

"Basically, Leader Schumer promised he'd urge the majority of senators to vote no, as many as possible," Rep. Darren Soto (D-Fla.) said. "And if we can't get it done now, we will lay it all on the line on the 19th when we come back in January."

The short-term funding bill also extends a federal surveillance program, includes money to continue the Children's Health Insurance Program through March and waives automatic cuts to Medicare and other programs, which were threatened because of the GOP tax bill's big deficit increase. The Senate voted to waive the automatic cuts 91-8 on Thursday.

The House also passed a massive \$81 billion disaster aid package Thursday, after dozens of Democrats from states hit by hurricanes and wildfires backed the measure. Pelosi had signaled that members who have districts affected by disasters would not be asked to oppose the measure.

During a private meeting Thursday morning, Speaker Paul Ryan and his team secured support for the government funding bill from almost all Texas and Florida GOP lawmakers who represent areas pummeled by deadly hurricanes this summer. These lawmakers had told party leaders they didn't want to adjourn without passing the disaster aid package.

But the Senate had already signaled that it likely wouldn't approve the disaster aid bill this week due to Democratic opposition to the proposal, which was crafted by the GOP-led House Appropriations Committee.

"I don't think we have enough time to vote on disaster aid," Senate Majority Whip John Cornyn (R-Texas) said. The package now looks likely to [languish for weeks](#).

That left House GOP leaders wondering whether the powerful state delegations would band together and withhold their votes for government funding until the Senate changed course. It turned out, they wouldn't for fear it would cause a shutdown.

"My key issue is to make sure my agriculture community back home is heard," said Florida Republican Dennis Ross. "I can't control what the Senate is going to do, but I can control what I said I was going to do, and getting that supplemental passed is crucial."

Leadership also got some backup from President Donald Trump, who encouraged GOP lawmakers to support the continuing resolution.

"House Democrats want a SHUTDOWN for the holidays in order to distract from the very popular, just passed, Tax Cuts. House Republicans, don't let this happen. Pass the C.R. TODAY and keep our Government OPEN!" Trump tweeted Thursday morning.

With House Democrats united against a short-term spending plan that doesn't include their top priorities, Ryan had to rely on his divided conference to carry the bill over the finish line. GOP defense hawks and conservatives alike spent the previous 24 hours criticizing leadership's plan. But Republican leaders had been whipping votes since then and felt confident Thursday afternoon that they could secure the needed 217 Republican votes for passage.

"We're working through some final issues, but... we're going to pass our bills," said House Majority Whip Steve Scalise on Thursday morning, zipping past reporters on the way out of a meeting with the Texas and Florida lawmakers.

The fate of the disaster relief supplemental was initially less certain in the House, as GOP leaders knew they would not find 217 Republican votes for passage. They started reaching out to Democrats for help, with hope that Democrats from Texas and Florida will back the package.

On Wednesday night, House GOP leaders made changes to the hurricane relief bill in hopes of winning Democratic votes. The tweaks to the bill addressed the concerns of Democrats that Puerto Rico was not receiving sufficient help to recover from Hurricane Maria. They also offered to insert a provision stabilizing Medicaid programs in Puerto Rico and the U.S. Virgin Islands, and suggested they could make additional tweaks to the bill.

The last-minute shuffle for votes shows just how difficult it is for Ryan to corral his fractured conference, even just hours after his biggest win as speaker. Hill Republicans celebrated passage of their most significant legislative achievement, tax reform, at the White House on Wednesday afternoon — only to return to the Hill to spar over thorny spending issues. Even though GOP leaders passed the funding bill Thursday, the House Republican conference remains frustrated by how the year-end scramble was handled. Those tensions were on full display during a Wednesday evening conference meeting, as Pentagon allies stood up and railed against Ryan's plan to fund the government until Jan. 19 without a full-year boost for the Pentagon.

House Armed Services Committee GOP members, including Austin Scott of Georgia, Liz Cheney of Wyoming and Mike Turner of Ohio, reminded leaders that they endorsed a yearlong military boost just two weeks ago and criticized their sudden change of course.

GOP leaders responded by telling the conference that there were not 217 votes to pass the original plan, which increased defense spending but left domestic funds flat. Texas and Florida Republicans whipped against the idea when it did not include their own hurricane funding. Then, when leaders added the provision, some conservatives flipped from yes to no because it was not paid for.

Ryan also told the conference that Defense Secretary James Mattis had given his blessing to a short-term funding plan. Rep. Ann Wagner of Missouri, who has a son in the military, also grew emotional when she argued that the House needed to pass a straight continuing resolution for the men and women in uniform.

Some House Freedom Caucus conservatives, meanwhile, balked at GOP leadership's plan to temporarily reauthorize the government's surveillance authority as part of the spending patch. Conservative sources suggested Wednesday, however, that the issue had been ironed out enough that some members could back the spending bill.

*Sarah Ferris and Jennifer Scholtes contributed to this report.*

To view online [click here](#).

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**Pruitt bars EPA grant recipients from advisory positions** [Back](#)

By Emily Holden | 10/31/2017 03:06 PM EDT

EPA Administrator Scott Pruitt officially announced today he will bar scientists who receive agency grants from serving on EPA advisory boards, a move he said was designed to preserve the EPA's scientific integrity.

Pruitt's move will force some current scientific advisers to either give up funding or resign their board positions. Other open seats on the Science Advisory Board and Clean Air Scientific Advisory Committee are being filled by employees of fossil fuel and chemicals industries or red state environmental offices, according to an unconfirmed [list](#) of new appointees. The changes also affect the Board of Scientific Counselors, EPA said in a press release.

Pruitt announced new chairs of the three boards but said he will make other new members public in the next week.

Michael Honeycutt, of the Texas Commission on Environmental Quality, will head SAB, while Tony Cox, a statistician from Cox Associates, will head CASAC, which is required by law to suggest air quality limits based on science. Paul Gilman, chief sustainability officer at Covanta and a former EPA official under President George W. Bush, will head the BOSC.

Current members who may lose their spots say the changes are meant to stack the boards with industry-financed individuals who support Pruitt's deregulatory efforts. John Walke, senior attorney and clean air director for the Natural Resources Defense Council said the biggest credential Cox has is "a very, very public record of testifying against public air quality standards."

Pruitt said that current members of the committees received \$77 million from EPA grants.

The announcement came with a [memo](#) and draft [directive](#).

*To view online [click here](#).*

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**EPA announces 21 Superfund sites to prioritize [Back](#)**

By Emily Holden | 12/08/2017 04:13 PM EDT

EPA has named 21 Superfund sites on its [priority list](#) for cleanup.

The list follows [recommendations](#) from a task force convened this summer. Administrator Scott Pruitt had previously said he would make a top-10 list of sites that needed the most attention.

"The list is designed to spur action at sites where opportunities exist to act quickly and comprehensively," EPA said in a press release. "The Administrator will receive regular updates on each of these sites."

There are more than 1,300 of the toxic waste sites around the country, and environmental

advocates have [warned](#) that prioritizing just a few may take resources away from others and allow Pruitt to provide resources in states run by his political allies.

The new list includes sites in red states but also in New England and on the West Coast. It includes the San Jacinto Superfund site in the Houston area, which was damaged by flooding during Hurricane Harvey. EPA has already ordered two companies to pay \$115 million for cleanup efforts there.

To view online [click here](#).

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### **Judges appear skeptical of stopping kids' climate lawsuit early [Back](#)**

By Alex Guillén | 12/11/2017 02:51 PM EDT

Two appellate judges today hinted they believe a lawsuit brought by children seeking dramatic government action against greenhouse gas emissions should be allowed to continue, even as they raised significant questions about whether the suit can succeed.

The 9th Circuit Court of Appeals heard arguments today after the Trump administration asked it to take the unusual step of blocking the matter from reaching a trial phase. The Trump administration says the children do not have standing to bring the lawsuit.

But two of the 9th Circuit judges expressed skepticism at the unprecedented step of getting involved at this stage.

Judge Marsha Berzon, a Clinton appointee, said the suit is troublingly broad, but acknowledged that lawsuits are often narrowed at trial. "I would hope if this case did go forward that it would be pared down and focused and directed at particular orders or agencies," said Berzon.

Chief Judge Sidney Thomas, another Clinton appointee, said stopping the case now would mean the court would be "flooded" with similar requests for all kinds of suits.

Meanwhile, Judge Alex Kozinski, a Reagan appointee, appeared skeptical of the case's future, opining about what would happen if the Trump administration defied a court order to act and questioning the children's standing to sue.

Thomas also raised concerns about whether the children can plausibly seek relief over such a complex issue. Their attorney argued that courts have ordered the government to take wide-ranging action before, as with school desegregation.

**WHAT'S NEXT:** If the 9th Circuit lets the suit move forward, discovery will resume and a new trial date will be set, likely for sometime next year.

To view online [click here](#).

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## Company behind Pebble Mine to start permitting process Friday [Back](#)

By Anthony Adragna | 12/21/2017 04:15 PM EDT

Pebble Limited Partnership announced it would kick off the permitting process for its controversial proposed gold and copper mine in Alaska with an application to the U.S. Army Corps of Engineers on Friday.

It's a significant step forward for the Pebble Mine project, which was left on life support when then-President Barack Obama's administration [restricted certain waters](#) from being used as mining disposal sites back in 2014. The application Friday begins the review process under the National Environmental Policy Act.

"We have listened to our stakeholders, supporters, and skeptics, and are presenting a much smaller mine with enhanced environmental safeguards," Pebble CEO Tom Collier said in a statement.

Opponents of the mine, which include salmon fishermen and environmental advocates, vowed to continue their fight against its construction.

"Our scientists will review the documents closely and we will demand close public scrutiny," Chris Wood, CEO of Trout Unlimited, said in a statement. "But the science is already clear that mining the Pebble deposit will cause irreparable damage to the nation's most significant salmon fishery."

**WHAT'S NEXT:** The permit application is expected to be filed with the Army Corps of Engineers on Friday.

To view online [click here](#).

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**Date:** Wednesday, December 20, 2017 5:44:58 AM

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By Anthony Adragna | 12/20/2017 05:41 AM EDT

**PROGRAMMING NOTE:** [Morning Energy](#) will not publish from Dec. 25-Jan. 1. Our next [Morning Energy](#) newsletter will publish on Tues. Jan. 2. Please continue to follow Pro Energy issues [here](#).

**ON THE PRECIPICE:** House lawmakers have to vote again this morning after [procedural snafus](#) in the Senate, but the Republican tax package [H.R. 1 \(115\)](#) now on a glide path to passage will realize the GOP's long-held objective of opening the Arctic National Wildlife Refuge for oil and gas drilling. "It's a very special day," Senate Energy Chairman [Lisa Murkowski](#) told reporters before the vote. What seemed like a pipe dream just months ago turned into reality despite the vehement objections of Democrats and environmental groups. As written, the legislation calls for Interior to hold two lease sales for drilling in ANWR over the next decade and is estimated to raise \$1 billion over that period (though critics say those estimates are unrealistically rosy). The final tax package spares the solar and wind industries from provisions in earlier iterations they worried would cripple their sectors (reminder on those provisions [here](#)).

**For the record:** Six of the 12 House Republicans who signed [a letter](#) opposing ANWR drilling — [Carlos Curbelo](#), [Dave Reichert](#), [Ryan Costello](#), [Brian Fitzpatrick](#), [Pat Meehan](#) and [Mark Sanford](#) — voted in favor of the tax bill on Tuesday. In addition, 24 of the 31 GOP members of the Climate Solutions Caucus backed the package. That prompted Climate Hawks Vote to call for the group's dissolution: "With today's vote, the Climate Solutions Caucus has demonstrated its nihilism. The Democratic members of the caucus are only providing political cover for consistent Republican votes for climate destruction," RL Miller, the group's president, said in a statement.

**Spotted:** Murkowski sporting "Incredible Hulk" earrings and a scarf ahead of the final tax vote in tribute to the late-Sen. Ted Stevens, who spent decades trying to open ANWR to oil and gas drilling (and famously wore a "Hulk" tie ahead of tough policy battles). "I can't ever think about the ANWR debate without thinking about Ted," she told reporters, adding she met with her father, former Sen. Frank Murkowski, and Rep. [Don Young](#) to celebrate the impending victory in the decades-long fight. Picture via E&E's Geof Koss [here](#).

**ANWR opponents aren't giving up:** Environmental groups and lawmakers, including Sen. [Ed Markey](#), will "discuss what comes next" in the drilling fight during a press call this morning at 11 a.m. And top Senate Energy Democrat [Maria Cantwell](#) took to the floor to note that "[w]e didn't create the Arctic coastal plain, but I can tell you this— we cannot re-create it. What we're doing today is taking a step towards destroying it."

**Bashed: Majority Whip John Cornyn** slammed a report he [personally inserted](#) a provision to give deductions to investors in master limited partnerships that are widely used in the oil and gas business and specific lawmakers as "[more fake news](#)."

**WHERE WE STAND ON THE CR:** Amid opposition within their own ranks, House

Republicans are changing strategy again and plan to extend funding until Jan. 19 for the whole government, POLITICO's John Bresnahan and Rachael Bade [report](#). A \$81 billion disaster relief package, which faces surprisingly strong opposition, will get its own separate vote.

**Meanwhile,** The Senate is poised to load up its stopgap spending package with a host of goodies, including tens of billions in disaster relief spending, Cornyn told reporters Tuesday. But as Pro Budget & Appropriations Brief's Sarah Ferris [reports](#), some House members say they will draw a hard line against potential Senate add-ons. "If they expect we're going to automatically accept it, that's about as smart as us thinking they're going to automatically accept what we send over," [Tom Cole](#) said.

**Cornyn seemed pretty favorable** to the House's \$81 billion disaster relief package, though he suggested changes were possible. "The amount is pretty generous but the need is tremendous — and it ranges all across the country from the wildfires out west to the Virgin Islands, Puerto Rico, Florida, Texas and Louisiana," he said. "So we'll take a look at it and see whether it reflects the Senate's priorities but we ought to be able to work certainly within that number."

**How long will we be here?** That depends on who you ask. "We're prepared to be here as long as it takes," Cornyn said. Others bet on a quicker fold. "I actually believe that we'll send the Senate our thing, they'll adjust it, and ping it back to us, and we'll pass it," House appropriator [Mike Simpson](#) said.

**WELCOME TO WEDNESDAY!** I'm your host Anthony Adragna, and NEI's Jonathan Rund correctly named nine House members as being 80 or older. For today: Minnesota is slated to have both senators up for election in 2018 with Sen. Al Franken's forthcoming resignation. When was the last time a state had both seats up in the same year? (Hint: It's not as unusual as you might think.) Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**SMALL PAYMENT, BIG IMPLICATIONS:** Interior got back \$275 from the Virgin Islands Republican Party for an appearance Secretary Ryan Zinke made last spring at a fundraiser, a small payback with big legal weight, Pro's Ben Lefebvre [reports](#). That's because the payment may shield Zinke from accusations that his appearance at the event where donors paid as much as \$5,000 per couple violated the Hatch Act, which prohibits government officials from using taxpayer resources to advance partisan causes. "The invoice was calculated to cover the political activities portion of the Secretary's travel to the USVI in accordance with Hatch Act regulations," spokeswoman Heather Swift said. "There is a formula used to determine what percentage of a given trip the political event makes up, and how much to reimburse."

**But questions remain:** The Virgin Islands Republican Party hasn't listed donations in its March and April FEC reports matching the amounts solicited for the fundraiser or from people on the guest list, making it impossible to know who shelled out big bucks for a picture with a Trump administration Cabinet official. The Caribbean fundraiser, which occurred during a three-day official trip by Zinke to the island chain, is his only political event so far for which FEC filings show the Interior Department as having received reimbursement. Zinke has appeared at more than a dozen events with former campaign donors or conservative activists while traveling on official business, including at least four fundraisers for politicians or PACs, only two of which Interior says required reimbursements. But still, "they may be in technical compliance with the law, but from appearance's perspective there could be abuse," Virginia Canter of the group Citizens for Ethics and Responsibility in Washington told Ben.

**\*\* A message from the Renewable Fuels Association:** This week marks the tenth anniversary of the Renewable Fuel Standard, helping to provide consumer choice at the pump. The RFS has been an unmitigated success, helping to clean the air, lower gasoline prices, provide greater energy security and boost local economies. Learn more at <http://www.ethanolrfa.org/wp-content/uploads/2017/12/RFS2-Ten-Years.pdf>. \*\*

**ON THE CLOCK:** EPA has until Jan. 12 to give a federal appeals court a timeline "with precision and specificity" for when it will issue a final rule identifying remaining parts of the U.S. that meet its tightened 2015 ozone standard, according to a [Tuesday order](#). Democratic attorneys general, as well as environmental and public health groups, have sued the agency for not meeting a statutory deadline to identify whether many of the urban and downwind regions in the country meet the standard.

**SEEMS LIKE A BIG DEAL:** New York Gov. Andrew Cuomo backed a push Tuesday to divest the state's \$200 billion pension fund from all fossil fuel investments, POLITICO New York's Marie J. French [reports](#). He suggested no timeline for the divestment from fossil fuel companies but also called for the fund to stop any new investments in businesses with "significant fossil fuel-related activities." But state Comptroller Tom DiNapoli, a long-time divestment opponent, did not support the move in a statement even as he vowed the fund would increase its low-carbon emission index fund investments.

**LAWMAKERS PRESS TRUMP FOR 'STRONG' SOLAR REMEDY:** About a dozen members of Congress are calling on President Donald Trump to take "strong and effective" action to protect the U.S. solar industry against foreign competition that they said could undermine U.S. energy independence. "In order to ensure electrical grid security, the U.S. cannot afford to become dependent on imports from China and other countries for cutting-edge [crystalline photovoltaic] solar cell and module technology," Sens. [Ron Wyden](#), [Jeff Merkley](#) and [Sherrod Brown](#) said in a [letter](#) to Trump. Eight House lawmakers sent a nearly identical [letter](#) making the same argument.

**Trump faces a decision by the end of January** on whether to restrict imports of solar cells and modules from around the world to give the U.S. industry time to become more competitive. The U.S. International Trade Commission has already recommended relief in an "emergency safeguard" case brought by Georgia-based Suniva and Oregon-based SolarWorld, but it is up to Trump to decide what, if any, action to take. "We urge you to impose a strong and effective remedy that will ensure a growing and competitive U.S. CSPV solar cell and module manufacturing industry and promote robust growth across our entire domestic solar industry," the lawmakers wrote.

**FILL EM' UP?** Murkowski said she's disappointed the Trump administration has yet to fill a host of "pretty high-profile" positions throughout the administration, such as leaders for the Fish & Wildlife Service, BLM and National Park Service. "We need to have these positions filled," she said, adding there are efforts afoot to clear some slots under the Energy Committee's jurisdiction via consent before the end of the year.

**That Strange situation:** There hasn't been any word about who will fill the slot of outgoing Alabama Sen. Luther Strange on the energy panel, Murkowski said, adding she expected Republican leadership would figure that out over the holiday break.

**PROBE SOUGHT IN NOW-AXED CONTRACT:** The Environmental Defense Fund asked EPA's inspector general to look into the agency's [now-canceled contract](#) with Definers Public Affairs for media monitoring services. "Although EPA reportedly intends to terminate its contract with Definers in light of widespread concern, a full investigation is essential to determine whether EPA's multifaceted interactions with Definers and its affiliates has led to improper uses of agency resources," the group wrote. Link [here](#).

**TRY AGAIN:** Top Senate EPW Democrat [Tom Carper](#) said Tuesday he'll force the administration to resubmit the nomination of Kathleen Hartnett White to run the Council on Environmental Quality next year, your ME host [reports](#). "Unqualified or controversial nominees will not simply be rubber-stamped by the Senate," he said in a statement. Senators typically allow nominees not confirmed by the end of the first year of a congressional term to remain pending without forcing them to be renominated.

**First Republican expresses unease:** Maine Republican Sen. [Susan Collins](#) told ME she'd viewed a clip White's confirmation hearing that "raised a lot of issues in my mind" but said she's not examined her record in-depth.

**WON'T PAY FOR THIS:** The Georgia Public Service Commission released a [proposed order](#) Tuesday that would prevent nearly \$500 million in costs from Georgia Power's Vogtle nuclear project from being passed on to consumers, Pro's Darius Dixon [reports](#). "Basic fairness dictates that ratepayers should not have to pay for those excessive costs of the Project over which [Georgia Power] had some level of control," the proposed order reads. The commission is expected to vote on the order Thursday morning.

**HEARING WATCH:** A Senate EPW subcommittee looks at freight transportation today at 10 a.m. ME expects Monday's fatal accident in Washington state could dominate the discussion, but would also be on the lookout for discussion of the Trump administration's push to roll back Obama-era safety regulations for trains carrying crude oil. Watch [here](#).

**THANKS, NO THANKS:** Citing "little hope you are working in good faith," the head of Patagonia pointedly declined the House Natural Resources Committee invitation to testify before the panel in [a letter](#) Tuesday. "I find it disingenuous that after unethically using taxpayers' resources to call us liars, you would ask me to testify in front of a committee for a matter already decided by the administration," founder Yvon Chouinard wrote. "It is clear the House Committee on Natural Resources, like many committees in this failed Orwellian government, is shackled to special interests of oil, gas and mining."

**MAIL CALL! HERE'S SOME IDEAS ON PERMITTING:** The National Association of Clean Air Agencies sent a letter to EPA Administrator Scott Pruitt on Tuesday offering "principles and recommendations" for the agency to consider as it mulls tweaks to its Clean Air Act permitting programs. Read it [here](#).

**NOT LOOKING GOOD:** Three freshmen House Democrats said Tuesday they doubted the administration would make a host of changes to NAFTA, including significantly strengthening environmental provisions, to secure their support, Pro Trade's Doug Palmer [reports](#). "I'm not seeing a lot of hope," Rep. [Pramila Jayapal](#) said at a press conference on Capitol Hill with Reps. [Jamie Raskin](#) and [Ro Khanna](#).

**ICYMI:** The White House suffered an embarrassing defeat as former Rep. Scott Garrett's selection to run the Export-Import Bank went down 10-13 in the Senate Banking Committee

on Tuesday, Pro Financial Services' Zachary Warmbrodt [reports](#). It also stings for Vice President Mike Pence, who worked for months to boost the nomination despite doubts from some administration officials, POLITICO's Andrew Restuccia and Zachary [report](#).

## QUICK HITS

- France to ban all oil, gas production by 2040. [CBS News](#).
- Judge rules state can't enforce Inslee order to cut greenhouse-gas emissions. [Seattle Times](#).
- Shutdown Starts for Coal-Fired Plant Serving US Southwest. [AP](#).
- E.P.A. Delays Bans on Uses of Hazardous Chemicals. [New York Times](#).
- Oil Gains as Pipeline Outage Continues. [Wall Street Journal](#).

## HAPPENING TODAY

10:00 a.m. — "[Freight Movement: Assessing Where We Are Now And Where We Need To Go](#)," Senate Environment and Public Works Committee, Dirksen 406

11:00 a.m. — Broad coalition including Sen. Markey hold call on tax bill and next steps on ANWR, RSVP: [Caitlyn@waxmanstrategies.com](mailto:Caitlyn@waxmanstrategies.com)

## THAT'S ALL FOR ME!

**\*\* A message from the Renewable Fuels Association:** The Renewable Fuel Standard, **helping to boost the U.S. economy**, was signed into law ten years ago this week. According to a recent analysis in the *American Journal of Agricultural Economics*, the RFS boosted the value of the U.S. agricultural sector by \$14.1 billion in 2015, or nearly \$6,800 per American farm. Thanks to the RFS, corn prices averaged \$3.58 per bushel in 2015; without the program, corn prices would have averaged just \$2.75 per bushel, far below the cost of production.. Last year, the production of 15.3 billion gallons of ethanol supported more than 339,000 direct and indirect jobs across all sectors of the economy. Learn more at <http://www.ethanolrfa.org/wp-content/uploads/2017/12/RFS2-Ten-Years.pdf>. #thankyouRFS \*\*

*To view online:*

<https://www.politicopro.com/newsletters/morning-energy/2017/12/republicans-ready-to-celebrate-anwr-opening-058030>

## Stories from POLITICO Pro

**Senate passes tax bill, teeing up final House vote** [Back](#)

By Brian Faler | 12/19/2017 11:45 AM EDT

The Senate cleared the Republican tax overhaul early Wednesday, putting the GOP on the cusp of the major legislative victory that has eluded it all year.

The sweeping \$1.5 trillion package of tax cuts and tax code revisions will have to go back to the House for another vote later Wednesday after a procedural glitch in the Senate. But that vote is considered a formality, and President Donald Trump is expected to sign the bill before

the week is out.

"From a Republican point of view, this is as good as it gets and we're more than happy to take our argument [for the tax bill] to the American people in an election contest," Senate Majority Leader Mitch McConnell said in an interview with POLITICO before the chamber's 51-48 vote.

Democrats have vowed to make the legislation a liability for Republicans going into the 2018 mid-term election, arguing most of its benefits will go to wealthy individuals and corporations.

President Donald Trump sent out an early morning [tweet](#) hailing the Senate's passage of the tax plan, which includes a repeal of Obamacare's requirement that people have health insurance or face a fine.

"The United States Senate just passed the biggest in history Tax Cut and Reform Bill. Terrible Individual Mandate (ObamaCare) Repealed. Goes to the House tomorrow morning for final vote. If approved, there will be a News Conference at The White House at approximately 1:00 P.M.," Trump wrote.

The procedural glitch put a damper on Republican plans to get the bill to Trump on Tuesday. House Republicans were barely done celebrating their initial 227-203 vote in favor of the legislation when word spread that several provisions of the bill ran afoul of Senate rules. That meant the Senate had to remove those provisions, approve the bill and send it back to the House for another vote.

One offending provision involved using tax-advantaged college savings accounts for home schooling expenses. Another - important to McConnell — would have protected Kentucky's private Berea College from a proposed excise tax on university endowment earnings.

The stumble was an embarrassment for Republicans. It also played into the hands of Democrats who complain the legislation has been moving so quickly through the Capitol that it's been poorly vetted.

"The House revote is the latest evidence of just how shoddily written the GOP tax scam really is," House Minority Leader Nancy Pelosi said in a statement after it was clear the chamber would have to take another vote.

But McConnell called the problem "a couple of little glitches" in an interview with Fox News, and it didn't appear to slow the bill's momentum at all.

The swift pace of final action underscores Republicans' determination to wrap up the tax bill by their self-imposed year-end deadline and before Democrat Doug Jones is seated as Alabama's new senator. Republicans also need to turn to other matters this week, notably keeping the government running beyond a Friday deadline.

For House Speaker Paul Ryan, the legislation is the culmination of a career-long pursuit of overhauling the tax code.

"This is a day I have looked forward to for a very long time," he said on the House floor Tuesday. "Today is about how much better things can be: More jobs, fairer taxes and bigger paychecks. Faster growth and real upward mobility. A strong economy that makes all of us stronger."

Democrats scoffed, calling the legislation a giveaway to the rich.

"The bill provides crumbs and tax hikes for middle-class families in this country, and a Christmas gift to major corporations and billionaire investors," said Senate Minority Leader Chuck Schumer. "How can Republicans defend this? The only people who want it are their very wealthy paymasters."

House Republicans were largely united on the bill in Tuesday's vote, a departure from the usual drama in the chamber over major legislation, which often gets tripped up by hardline conservatives.

Still, 12 House GOP lawmakers voted against the bill, all but one from high-tax New York, New Jersey and California. They objected to how the legislation scaled back a state and local tax writeoff, which they complained would mean tax hikes for many of their constituents.

The legislation would be the biggest tax rewrite in decades, and would slash the corporate tax rate for the first time in 30 years, overhaul the taxation of both small and large businesses and reduce rates on individuals.

With an eye toward next year's midterm elections, Republicans are emphasizing the millions - 80 percent of taxpayers, according to the independent Tax Policy Center - who would see a tax cut next year. The average break would total \$2,100, the group said Monday, though the benefits would vary widely by income.

Democrats are emphasizing how much of the cuts would accrue to the highest earners along with the minority of taxpayers - about 5 percent, according to the Tax Policy Center - who would pay more next year under the plan.

Americans are broadly skeptical of the tax plan.

One new poll shows low overall public support for the bill, but strong backing among Republicans. Only 33 percent of all respondents to a [CNN poll](#) released Tuesday supported the plan, but among just Republican respondents support stood at 76 percent. Democratic opposition was overwhelming: 89 percent.

Republicans got slightly better news from a new [POLITICO/Morning Consult poll](#). The survey shows 42 percent of voters support the legislation and 39 percent oppose it, with another 18 percent undecided.

McConnell dismissed the polling.

"If we can't sell this to the American people we ought to go into another line of work," he said after the Senate vote. "I think it's a little easier to sell that you have more money in your pocket than the government running the health care system."

Lawmakers are sure to continue battling over the legislation long after Trump inks it into law.

The plan would make the government's budget outlook substantially worse, adding \$1.456 trillion to a debt that's already nearly doubled over the past decade. Federal red ink is now at the highest levels it's been since the government was paying down its World War II debts, and that's sure to stoke calls to rein in the deficit.

Democrats are already accusing Republicans of using the worsening debt as a pretext for controversial cuts in government entitlement programs.

What's more, much of the Republican plan is only temporary, with many provisions beginning to expire after next year. Most of the individual breaks would be gone by 2026, ensuring ongoing battles over their fate, much like lawmakers wrestled for years over what to do with George W. Bush's tax cuts or their annual practice of extending dozens of expiring tax breaks.

The plan may also alter Republicans' relationship with the IRS. For years they've beaten up on the tax agency, yet they are now relying on it to implement their proposal. In section after section, their plan delegates authority to the IRS to figure out the details of how the provisions would work, an increased workload that will make it harder for lawmakers to continue pounding on the agency politically and slashing its budget.

For taxpayers, the bill will mean major - and sudden - changes in policy, most of which will take effect on New Year's Day. The bill would hit urban areas particularly hard through cuts to the mortgage interest deduction, a long-standing break for state and local taxes, subsidies for public transportation, and a key funding method for roads and other public projects.

But because the bill was largely written in secret - a final draft was only released last Friday - tax experts are still poring through the legislation trying to understand the changes.

*Cristiano Lima, Colin Wilhelm, Aaron Lorenzo, Seung Min Kim, Rachael Bade and Michael Stratford contributed to this report.*

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**Solar, wind get reprieve in final tax bill** [Back](#)

By Eric Wolff and Ben Lefebvre | 12/15/2017 06:57 PM EDT

The [conference tax bill](#) released Friday by Congressional Republicans resolves a slew of issues faced by the energy industry.

— **Wind and solar credits saved:** The final tax bill, [H.R. 1 \(115\)](#), follows the Senate's bill when it comes to the production tax credit and the solar tax credit, meaning both are left untouched. The House bill had proposed reducing the value of the PTC and changing when a project qualified for it, and it had proposed dropping the permanent 10 percent credit for the ITC. Both credits will phase down as agreed to in a deal struck in 2015.

— **MLP benefits added:** It also includes language Sen. [John Cornyn](#) (R-Texas) proposed that would give deductions to investors in master limited partnerships, the corporate structure for many pipeline companies.

— **EVs roll on:** A tax credit for electric vehicles was preserved.

— **Oil recovery restored:** Credits for abandoned oil wells and enhanced oil recovery that

were eliminated in the House version were restored in the final bill.

— **Selling off the oil:** The bill retains the Senate language that would sell up to \$600 million in Strategic Petroleum Reserve oil to offset any shortfall from opening up the Arctic National Wildlife Refuge to drilling. The Senate language forecast drilling in ANWR would generate \$1 billion in revenue over 10 years, an estimate critics have said is too optimistic.

— **More revenue sharing:** The bill also temporarily lifts offshore Gulf of Mexico oil and gas production revenue sharing caps to \$650 million annually for fiscal years 2020 and 2021, up from a previous limit of \$500 million, to support coastal restoration and protection projects.

— **Base erosion eased for renewables:** Tax writers created some room to keep banks and other financiers of renewable projects in the game by allowing them to take 80 percent of the credits for the PTC and the ITC.

— **No tax extenders:** Numerous senators have been saying it for weeks now, and the bill makes it official: None of the expired tax credits for small wind, fuel cells, and other "orphans" made it into the conference bill. The extension of the nuclear tax credit that was in the House bill has also been dropped.

— **Utilities still get to deduct interest:** The bill preserves provisions in both the House and Senate versions that allowed utilities to continue to deduct interest on loans without the limitation placed on other businesses.

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**House Republicans ditch partisan spending plan ahead of shutdown** [Back](#)

By John Bresnahan and Rachael Bade | 12/19/2017 10:32 PM EDT

Facing opposition within their own ranks — and a potential government shutdown — House Republicans are once again changing their strategy on a funding bill.

Gone is the plan for a bill funding the Pentagon for the rest of the fiscal year and other government agencies until mid-January. Now House Republicans will extend funding only until Jan. 19 for the whole government, hoping the new strategy will produce enough support to stave off a funding lapse come midnight Friday.

A massive \$81 billion disaster aid bill will be broken out and have a separate vote. There is surprisingly strong opposition to that package, which was unveiled by the House Appropriations Committee only on Monday.

It is still unclear whether GOP leaders will include funding for the Children's Health Insurance Program as part of the new funding bill. And while some defense programs are expected to get a boost under the plan, those details are still under wraps.

A proposal to reauthorize so-called Section 702 spying powers under the Foreign Intelligence Surveillance Act will go as a standalone bill as well.

A Senate plan to add bipartisan Obamacare stabilization funds to the funding bill — known as a continuing resolution — looks dead on arrival in the House. That is likely to spur a tense legislative back-and-forth in the final hours before funding is set to expire this week.

The change in direction shows once again how difficult it is for House Speaker Paul Ryan to get anything through the House, especially if he is relying on GOP votes alone.

Republican House leaders had planned to hold a vote Wednesday on the initial funding bill, seen as a way to placate the party's most conservative members. But after deciding to tack on billions of dollars in disaster aid — with all that money set to add directly to the deficit — those same members ultimately reneged on commitments of support.

Now, House GOP leaders hope to vote on all these bills on Thursday, and then adjourn, leaving the Senate to finish up consideration of the measures. Top Republicans believe Senate Democrats will accept the plan and avoid a government shutdown, or having to return to Washington next week.

For their part, Democrats are already jumping at the opportunity to note the GOP's miscalculation.

"Republican leadership is so preoccupied with their tax giveaway to corporations and contributors that they managed to get surprised by this — the most predictable train wreck in history," said Matt Dennis, Democratic communications director for the House Appropriations Committee.

*Sarah Ferris and Jennifer Scholtes contributed to this report.*

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**Senate to pack stopgap bill with CHIP, disaster aid, Obamacare subsidy fix** [Back](#)

By Sarah Ferris | 12/19/2017 04:18 PM EDT

Senate GOP leaders are planning to load up this week's must-pass spending bill with contentious provisions ranging from Obamacare subsidies to surveillance powers, the No. 2 Republican said Tuesday.

Senate Majority Whip [John Cornyn](#) (R-Texas) told reporters Tuesday afternoon that the stopgap spending bill would serve as a catchall for a spate of "must-do" policy items — offering the clearest signal yet of the chamber's plan to avoid a shutdown on Friday.

Cornyn's checklist includes broadly bipartisan initiatives like funding for the Children's Health Insurance Program, disaster recovery dollars and veterans' health care.

But it also includes thorny issues like a funding fix for Obamacare cost-sharing subsidies and a renewal of the cyber surveillance tools authorized under Section 702 of the Foreign Intelligence Surveillance Act.

The Senate's stopgap bill would also include procedural language to avert massive cuts to social programs next year, under Congress' PAYGO rule, Sen. [Roy Blunt](#) (R-Mo.) told POLITICO on Tuesday.

Both chambers must agree to waive those cuts — triggered by the GOP's costly tax plan, [H.R. 1 \(115\)](#) — by mid-January to avoid cuts to mandatory programs like Medicare and farm subsidies.

The Senate's funding strategy, which has been buried amid the furious scramble for a tax bill, threatens an eleventh-hour showdown with the House.

Government funding expires Friday, and congressional leaders are facing a half-dozen daunting deadlines before they leave for a weeklong Christmas break.

Senate Majority Leader [Mitch McConnell](#) hinted at those must-resolve items Monday night, though he did not specifically say they would all be added to the government funding bill.

House Republicans are planning to vote Wednesday on [a stopgap spending bill that looks substantially different](#) from the Senate's plan. The vehicle for that continuing resolution is expected to be [H.R. 1370 \(115\)](#).

But Cornyn rejected the House plan outright.

"I doubt, unfortunately, that will survive," Cornyn told reporters. "We've got to do the math, get 60 votes."

Under pressure from their far-right flank, House GOP leaders have crafted a bill that includes a full year of funding for the Pentagon, with a patch through Jan. 19 for domestic programs. It includes a massive \$81 billion disaster funding bill, but it leaves out almost every other policy item on the Senate GOP's list.

The House would fund CHIP, but it would include partisan pay-fors that Democrats have already rejected.

The only item that both House and Senate Republicans have agreed to punt is the Deferred Action for Childhood Arrivals program. Some Democrats, however, are still demanding a fix by year's end.

House Speaker [Paul Ryan](#) warned members in a closed-door meeting Tuesday morning that their funding bill is likely to be altered in the Senate.

But some House members say they will draw a hard line against potential Senate add-ons.

"If they expect we're going to automatically accept it, that's about as smart as us thinking they're going to automatically accept what we send over," Rep. [Tom Cole](#) (R-Okla.) said.

There are big questions remaining about how exactly the Senate would pay for the CHIP funding and which version of the Section 702 renewal would be included.

"My suspicion is, probably what we're going to be looking at is a short-term extension," Cornyn said about the 702 surveillance powers.

When asked if the funding bill could clear both chambers before the deadline, Cornyn replied: "We're prepared to be here as long as it takes."

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## **Interior reimbursed for Zinke Virgin Island fundraiser, but contributions unaccounted for [Back](#)**

By Ben Lefebvre | 12/19/2017 06:57 PM EDT

Taxpayers have been reimbursed for Interior Secretary Ryan Zinke's participation in a political fundraiser last spring in the Virgin Islands — but questions remain about the donations he helped solicit, according to campaign finance records and interviews.

The Virgin Islands Republican Party repaid on Oct. 5 the Interior Department \$275 for expenses related to Zinke's appearance, according to recent federal campaign finance filings. Despite its small sum, the reimbursement carries significant legal implications. And it came on the same day [POLITICO first reported](#) that Zinke was the featured guest at the March 30 fundraiser, where records indicate that donors paid as much as \$5,000 per couple for a chance to pose for a photo with the secretary.

The Virgin Islands Republican Party — a political action committee nominally based in the islands but run by a Washington-area GOP consultant — did not list any donations matching those amounts in its Federal Election Commission reports for March and April. That makes it impossible to know who may have paid thousands of dollars for access to a member of President Donald Trump's Cabinet, whose office has refused to provide advanced schedules of his travels and appearances.

Still, the reimbursement may be enough to protect Zinke from accusations that his Virgin Islands appearance violated the Hatch Act, which prohibits government officials from using taxpayer resources to advance partisan causes. Zinke is facing multiple investigations for his pattern of mixing politics and official business during taxpayer-funded travels.

The Caribbean fundraiser, which occurred during a three-day official trip by Zinke to the island chain, is his only political event so far for which the Interior Department has received reimbursement.

Interior spokeswoman Heather Swift said the department invoiced the VIGOP PAC for the amount. Swift did not reply to questions as to the timing of Interior's request for reimbursement.

"The invoice was calculated to cover the political activities portion of the secretary's travel to the USVI in accordance with Hatch Act regulations," Swift said. "There is a formula used to determine what percentage of a given trip the political event makes up, and how much to reimburse."

Swift said Interior had not sought reimbursement related to Zinke's stop at a fundraiser for Rep. Don Young (R-Alaska) at an Anchorage steakhouse, or his attendance at a ski resort

weekend organized by the leadership PAC of Sen. Steve Daines (R-Mont.), which POLITICO previously [reported](#). The amount of time Zinke spent at the Young fundraiser did not meet the minimum required to merit repayment under Hatch Act regulations, and Interior did not require reimbursement for the fundraiser in Montana because Zinke was on his personal time, Swift said.

Zinke also attended a July fundraiser for Republican Rep. Greg Walden in Oregon, which was reported in a local media [account](#) from the time. Swift said Interior has issued an invoice to Walden's campaign for that trip. The campaign's most recent FEC disclosures, which run through Sept. 30, do not show any payments to Interior.

The independent Office of Special Counsel, which investigates possible Hatch Act violations, has said in previous cases that timely reimbursement of the government's expenses is sufficient to avoid violating federal regulations that prohibit taxpayer dollars from paying for political activity. OSC, which declined to comment, is one of several agencies investigating Zinke's political activities.

Federal employees can face reprimands or even lose their jobs for violating the Hatch Act, but it is up to the president to decide how to punish violations by presidential appointees. OSC found that two members of former President Barack Obama's Cabinet had violated the Hatch Act, but neither faced major penalties.

Interior "should not be paying for any of Zinke's political travel," said Brendan Fischer, director of the bipartisan watchdog group Campaign Legal Center's federal and FEC reform program. "That being said, there is certainly a pattern of Zinke and other administration officials mixing official and political business, which the inspector general is looking into. Public resources are supposed to be used to advance the public interest, not to coddle political donors."

Besides reimbursing Interior for Zinke's appearance, VIGOP also paid \$875 for catering for a "VIGOP event" on March 30, according to FEC documents. That suggested the federal PAC was the one raising contributions at the event, Fischer said. But it does not appear to have disclosed at least some contributions associated with the appearance, something Fischer said could be a violation of campaign finance laws.

VIGOP has a murky relationship with the U.S. territory's official Republican Party organization, which has been riven by its own internal conflicts in recent years. The FEC classifies VIGOP as a nonparty PAC and lists its treasurer as Scott B. Mackenzie, a D.C.-area political operative who declined to comment when reached by POLITICO.

Zinke has for years worked with the VIGOP, attending at least two of its meetings on the island while he was a Montana congressman. Zinke's own fundraising organizations [spent millions of dollars](#) on a group of political operatives tied to the PAC, including direct mailing company Forthright Strategies, whom Republicans have accused of preying on small donors. POLITICO first reported a week before the reimbursement on Zinke's [use of a charter flight](#) to travel to the islands on official business.

The chairman of the territorial Republican Party, John Canegata, said the fundraiser had been the work of the territorial party, not the PAC, and would be listed in reports filed with the Virgin Islands' election committee.

"All our donations, we will put that together in a form they provide and give that to them at the end of the year," Canegata told POLITICO.

Campaign finance reports for groups registered with the islands' government are due in June and December of each year, a spokeswoman for Election Services of the Virgin Islands said. Money raised at a March fundraiser would have had to have been reported on the June disclosure report, the spokeswoman said.

VIGOP is not officially part of the Virgin Island Republican Party structure and is not registered with the Elections System of the Virgin Islands as a fundraising organization, said Genevieve Whitaker, deputy supervisor of elections for the agency's St. Croix district.

Other Republicans in the Virgin Islands Republican territorial committee have complained about Canegata's relationship with Mackenzie's VIGOP, saying very little, if any, of the money Mackenzie's organization raises gets distributed to the party or candidates.

The committee also complained that Canegata signed a contract in 2013, a copy of which was obtained by POLITICO, identifying VIGOP as a client of Base Connect, a direct mail fundraising company that other Republicans have accused of exploiting small donors. Political committees linked to Zinke have [long done business with](#) many of the same political consultants as VIGOP.

An invitation for the March 30 event in St. Croix solicited donations of up to \$5,000 per couple to be event "patrons" or \$1,500 to be part of its "host committee." According to Zinke's schedule, he participated in a photo line with donors in those categories. But no donations in VIGOP's federal campaign finance reports match the names of 10 other individuals listed as guests of honor on the invitation, which was obtained by POLITICO.

VIGOP reported 88 donations in March and April, mostly between \$100 and \$500 apiece. Three donations of \$1,000 were the largest received in those months.

However, VIGOP's decision to reimburse Interior may insulate Zinke from some potential sanctions associated with his political behavior, judging by previous cases.

The Office of Special Counsel in 2012 [determined](#) that then-Health and Human Services Secretary Kathleen Sebelius had violated the Hatch Act by endorsing Obama's reelection and a local gubernatorial candidate during a speech in North Carolina at a gala for the Human Rights Campaign, where she was appearing on official business.

After HHS began receiving media inquiries about the speech, it reclassified the event as political and sought reimbursement from Obama's campaign and the Democratic National Committee. While the OSC said her remarks themselves violated the Hatch Act, it determined that HHS had satisfied requirements that the government be reimbursed for costs associated with political appearances.

In 2016, OSC [determined](#) that then-Housing and Urban Development Secretary Julian Castro had violated the law when he endorsed Hillary Clinton's presidential campaign in an interview with Yahoo News anchor Katie Couric.

Since joining Trump's Cabinet in March, Zinke has appeared at more than a dozen events with former campaign donors or conservative activists while traveling on official business,

including at least four fundraisers for politicians or PACs, according to a POLITICO review of his schedule, event invitations, Interior Department emails and other documents.

The sort of mixing of official business with political activity that Zinke has engaged in could lead to an ethical breach even if it is legal, said Virginia Canter, executive branch ethics counsel for good-governance watchdog group Citizens for Ethics and Responsibility in Washington.

"What you become very concerned about is if you see the political activity driving the official activity," Canter said. "They may be in technical compliance with the law, but from appearance's perspective there could be abuse."

Zinke is under investigation by OSC and the Interior Department's inspector general. The FEC has separately raised questions about VIGOP's spending and is looking into Zinke's former leadership PAC, which relied on many of the same political consultants as the VIGOP.

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## **GOP firm ends controversial media monitoring contract with EPA [Back](#)**

By Emily Holden | 12/19/2017 02:32 PM EDT

The Republican media monitoring firm Definers Public Affairs canceled its \$120,000 contract with Environmental Protection Agency after a media backlash because of the company's links to GOP opposition research firm America Rising.

Earlier this year, America Rising filed several Freedom of Information Act requests for communications from EPA career staffers who had been critical of Administrator Scott Pruitt or President Donald Trump. That [included email](#) sent by John O'Grady, a top union official at the EPA, that "mentions or refers to President Trump."

News reports about the two efforts to monitor news coverage about the agency and dig up information about dissenting staffers stirred new accusations that Pruitt is fostering an atmosphere of paranoia and distrust at EPA.

Definers described the decision to end the contract as mutual, although EPA spokesman Jahan Wilcox would not say whether the agency or company initiated the cancellation.

Definers President Joe Pounder [said](#) in a written statement that previous administrations paid more for slower services, but "it's become clear this will become a distraction. As a result, Definers and the EPA have decided to forgo the contract." He added that the firm will not offer its services to any other federal agencies.

Mother Jones first [reported](#) on the contract, and The New York Times [documented](#) the ties between Definers and America Rising, which was also started by Pounder.

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## **Carper to force White House to renominate White in 2018** [Back](#)

By Anthony Adragna | 12/19/2017 04:50 PM EDT

Sen. [Tom Carper](#), top Democrat on the Environment and Public Works Committee, said today that he will force the Trump administration to renominate Kathleen Hartnett White to run the White House Council on Environmental Quality in 2018.

"Unqualified or controversial nominees will not simply be rubber-stamped by the Senate," Carper said in a statement. "Let's start the new year off with a clean slate and allow President Trump the opportunity to nominate a leader for the Council on Environmental Quality who takes environmental laws and public health protections seriously."

Senators typically allow nominees not confirmed by the end of the first year of a congressional term to remain pending without forcing them to be renominated. But Carper said White's [controversial views](#) on climate change and other environmental matters means she shouldn't be afforded that courtesy.

That comes as the first Republican senator expressed unease with White's nomination. Sen. [Susan Collins](#) told POLITICO she had viewed a clip of her confirmation hearing that "raised a lot of issues in my mind" but said she's not examined her record in-depth.

**WHAT'S NEXT:** Carper said he plans to object to any unanimous consent motions that would keep White's nomination pending after Congress adjourns for the year. That would force the White House to resubmit the nomination in 2018.

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## **Georgia PSC staff issue proposed order curbing Vogtle cost recovery** [Back](#)

By Darius Dixon | 12/19/2017 04:53 PM EDT

Staff at the Georgia Public Service Commission released a proposed order this afternoon for regulators that would prevent nearly \$500 million in costs from Georgia Power's Vogtle nuclear project from being passed on to consumers.

"The Project is uneconomic on a going forward basis by \$1.6 billion," the [25-page proposed order](#) reads.

"Basic fairness dictates that ratepayers should not have to pay for those excessive costs of the Project over which [Georgia Power] had some level of control," the order adds.

Southern Co.'s Georgia Power has asked state regulators to approve \$542 million it spent on the two-reactor project over the first six months of the year. But PSC's Public Interest Advocacy staff have argued that the company should only be allowed to pass \$44 million to

consumers.

The over-budget project, which has received \$8.33 billion in Energy Department financing as well as other [conditional commitments](#) from the agency, hit a major setback earlier this year when contractor Westinghouse filed for bankruptcy. Reducing Georgia Power's ability to recoup its expenses on the project would cast considerable doubt on whether it continues to build the reactors.

**WHAT'S NEXT:** The Georgia PSC, whose leaders have tried to keep the program going, is expected to vote on the order Thursday morning.

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**Freshman Democrats urge Trump to 'flip NAFTA on its head' to get their support** [Back](#)

By Doug Palmer | 12/19/2017 02:21 PM EDT

Four freshman House Democrats said today President Donald Trump could win their support for a revamped NAFTA agreement, but expressed doubt that he would make the changes necessary to benefit workers.

"I'm not seeing a lot of hope," Rep. [Pramila Jayapal](#) (D-Wash.) said at a press conference on Capitol Hill with Reps. [Jamie Raskin](#) (D-Md.), [Val Demings](#) (D-Fla.) and [Ro Khanna](#) (D-Calif.).

"I do believe he's going to have a challenge now if he reauthorizes NAFTA in a way that doesn't do what he talked about" during last year's presidential campaign, Jayapal continued. "But we all know, he's the master of saying one thing and doing another thing."

So far, the signs for finding common ground don't bode well, Raskin said, citing how Trump has embraced a tax reform bill that mainly benefits "the 1 percent."

Raskin said it was possible that Trump would keep his promises to make NAFTA a better agreement for workers, "but that's just hope over experience because everything so far has just been written by corporate special interests."

Jayapal, Raskin, Khanna and 18 other House freshmen Democrats sent a [letter](#) to U.S. Trade Representative Robert Lighthizer last month outlining their demands for changes in the nearly 24-year-old NAFTA agreement.

Those include significantly strengthening the labor and environmental provisions, eliminating the controversial investor-state dispute settlement mechanism and protecting "Buy American" set-asides for U.S. manufacturers by getting rid of waivers for Canada and Mexico in the pact. They also called on the administration to open up the negotiating process and give workers more opportunity to influence the negotiations.

"We're hopeful that the ambassador will follow our guidelines and flip this trade agreement on its head so it actually works for working people," Jayapal said.

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## **GOP defectors block Trump nominee to head Ex-Im Bank** [Back](#)

By Zachary Warmbrodt | 12/19/2017 11:42 AM EDT

Two Senate Republicans joined with Democrats on Tuesday to block the confirmation of President Donald Trump's pick to head the Export-Import Bank, a rare rejection of a Trump appointee by members of his own party and prominent business groups.

The outcome had been building for months after the White House and the nominee, former Rep. Scott Garrett (R-N.J.), failed to win over lawmakers who were suspicious of why Garrett would want to lead an agency that he tried to shut down when he served in Congress.

Garrett went down in a 13-10 vote by the Senate Banking Committee. Sens. Mike Rounds (R-S.D.) and Tim Scott (R-S.C.) voted against him.

"We need to both reform the Export-Import Bank and ensure it continues to function as an important tool for American businesses," Scott said. "Given Mr. Garrett's long history opposing the Ex-Im Bank, I believe it would be hard for him to accomplish both of those goals."

The vote was the latest battle in a long-running war over the future of the Export-Import Bank, which guarantees loans for foreign buyers of U.S. exports.

Garrett's rejection was a victory for business groups that have been fighting off attempts by conservatives to grind the agency's operations to a halt. In Congress, Garrett was among those who fought to kill the bank, which he said "embodies the corruption of the free enterprise system."

Robert Wasinger, a former Trump campaign official, said Garrett's nomination was a "too-clever-by-half attempt to appease the Freedom Caucus faction" of the GOP.

"Garrett was a divisive pick inside the Republican caucus that was bound to be a debacle from the get go," he said.

Part of that divisiveness stemmed from Garrett's social views, which have sparked controversy. An issue that weighed on his unsuccessful reelection bid last year was a 2015 POLITICO story reporting that he [told](#) lawmakers he did not pay National Republican Congressional Committee dues because it recruited gay candidates. He later denied that he opposed gay candidates and said his concern was about support for same-sex marriage.

The Banking Committee on Tuesday approved four less-controversial nominees to serve on the bank's board, which is lacking enough members to approve transactions worth more than \$10 million.

The nominees are former Rep. Spencer Bachus (R-Ala.), Kimberly Reed, Judith Pryor and

Claudia Slacik.

Though the four advanced with bipartisan support, they could remain in limbo for months. Sens. Richard Shelby (R-Ala.) and Pat Toomey (R-Pa.), who wanted to see Garrett appointed, have pledged to derail the confirmation of other nominees.

Lawmakers critical of the bank could force the Senate to spend several days' worth of floor time to consider the nominees if Majority Leader Mitch McConnell (R-Ky.) chooses to move forward.

They could also force the Senate to let the nominations expire at the end of this year because of Senate rules that require lawmakers to agree to carry over unresolved appointments to the next session of Congress.

"We are disappointed that the Senate Banking Committee missed this opportunity to get the Export-Import Bank fully functioning again," White House director of legislative affairs Marc Short said in a statement. "We will continue to work with the committee on a path forward."

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**Garrett's failure to win Ex-Im confirmation stings Pence, too** [Back](#)

By Zachary Warmbrodt and Andrew Restuccia | 12/19/2017 06:02 PM EDT

The [decision](#) by a bipartisan group of senators to block President Donald Trump's pick to lead the Export-Import Bank marked a stinging defeat for Vice President Mike Pence, who worked for months to boost the nomination despite doubts from some administration officials.

Pence continued to push senators to support former New Jersey Republican Rep. Scott Garrett's nomination to lead the bank until the final hours before the Senate Banking Committee met for a vote Tuesday morning, according to lawmakers and others briefed on the issue.

But Pence's entreaties on behalf of his old conservative congressional ally weren't enough to mollify lawmakers after major manufacturers and trade groups raised concerns about Garrett's ability to oversee an agency he once tried to shut down.

Every Democrat and two Republicans — Sens. Mike Rounds of South Dakota and Tim Scott of South Carolina — voted against Garrett's nomination in a rare rebuke of a nominee by members of the president's own party.

Rounds told POLITICO he spoke with Pence about the nomination several times and that the vice president reached out to him Monday night before the vote. "He made it very clear his interest in having the nomination go forward," Rounds said. "I expressed to him my concerns with the nomination and hope that we could find some other alternative."

A Pence spokeswoman did not respond to a request for comment.

Tuesday's committee vote capped eight months of drama over the nomination, with constant speculation that Garrett would be pushed out by the administration or withdraw amid vocal opposition to the pick from some Republican senators.

Some administration officials had long ago given up hope that Garrett could win Senate approval, privately grouching that the White House should cut its losses and find a replacement, according to a person briefed on the discussions. Treasury Secretary Steven Mnuchin privately raised concerns about Garrett's nomination, an administration official told POLITICO.

Trump himself, facing intense pressure from business groups who rely on the bank, [weighed](#) pulling the nomination, though administration officials later said the president would [give Garrett a chance](#) to secure enough support in the Senate.

But Pence remained a steadfast backer of Garrett.

The two served together in the House and are said to share similar worldviews. In Senate testimony last month, Garrett thanked Pence for "taking the time to have been as supportive as he has been of my nomination."

In October 2016, when Trump was heard bragging about sexual assault in a 2005 "Access Hollywood" recording, Garrett denounced Trump — and said Pence would be the best nominee to defeat Hillary Clinton.

Garrett was nominated to lead the bank after losing his New Jersey seat, in part because of his social views. POLITICO reported in 2015 that he'd refused to pay National Republican Congressional Committee dues because it recruited gay candidates. He subsequently denied that he opposed gay candidates and said his problem was about support for same-sex marriage.

But Garrett was known as a crusader against the bank — long a favorite target of fiscally conservative Republican lawmakers — when he served in Congress, once saying the bank "embodies the corruption of the free enterprise system."

Garrett's record alarmed companies that have benefited from the loan guarantees that it offers foreign buyers of U.S. exports. Firms including Boeing and General Electric, as well as trade groups such as the National Association of Manufacturers, fought the nomination for months. After being nominated, he tried to make the case that he would keep the bank fully functional.

One person familiar with the matter said Pence repeatedly discussed the nomination with senators on the Senate Banking Committee in recent months.

"It's Mike Pence," Sen. Heidi Heitkamp (D-N.D.) said when asked who was driving the nomination. "It's the vice president."

The White House pushed back against the notion that Pence was the sole advocate for Garrett in the administration. "It was the president's nomination," a White House official told POLITICO.

As it became clear last week that Garrett didn't have the votes to clear the committee, some in Washington began scratching their heads, wondering why the White House didn't save itself the embarrassment and quietly pull the nomination.

"At least for a while early in this process, I think they legitimately thought that Garrett could

get the votes," U.S. Chamber of Commerce chief policy officer Neil Bradley said. "Once it became clear that Garrett couldn't get the votes, I'm not sure why they persisted to move all the way through to an actual vote and have him defeated."

Rounds said he shared his reservations about Garrett "very early on" and that he wanted to give the White House an opportunity to withdraw the nomination. Rounds held off announcing his "no" vote until the committee publicly announced the timing of the vote last week.

Garrett's failure to win confirmation was the latest roadblock for one of Trump's nominees. The president has withdrawn more than a dozen nominees since he took office in January, and the White House is coming under new scrutiny for what critics call its poor vetting of candidates for key jobs.

"We're going to work with the committee on a path forward," White House press secretary Sarah Huckabee Sanders said at Tuesday's press briefing. "That hasn't yet been determined. We're certainly very disappointed in the Senate Banking Committee."

White House officials said they were placed in a difficult situation with the Garrett nomination that reflected deep divisions within the Republican Party over the merits of the Ex-Im Bank.

Republican senators who were critical of the bank strongly backed the Garrett pick, seeing it as a sign that the administration supported major changes to the way the agency operates. Those senators made it clear to the White House that if the president pulled the Garrett nomination, they would try to block other nominees to the agency, further complicating the efforts to fill out the bank's board.

But some Trump backers have long believed Garrett was a bad pick.

"Garrett was a lousy choice foisted on the president by people who clearly don't have his best interests in mind and use Trump to push their own narrow agenda," said Robert Wasinger, a former Trump campaign official.

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By Anthony Adragna | 12/18/2017 05:40 AM EDT

*With help from Alex Guillén, Eric Wolff and Emily Holden*

**POISED FOR TAX PACKAGE PASSAGE:** Congressional Republicans are poised this week to pass a massive tax package [HR 1 \(115\)](#), and the final text that emerged Friday evening was mostly good news for the renewables industry that had been unnerved by provisions in earlier versions. And the package will realize a decades-old GOP dream of opening the Alaska National Wildlife Refuge to oil and gas drilling that Speaker [Paul Ryan](#)'s office hailed as "a win for American energy" Sunday. Check out some of the highlights via Pro's Eric Wolff and Ben Lefebvre [here](#).

—**Spared:** The final bill leaves wind and solar tax credits untouched, meaning they will continue to be phased down as originally envisioned in a 2015 bill. It preserves a tax break for electric vehicles and restores credits for abandoned oil wells and enhanced oil recovery that the House-passed bill removed. And it keeps a provision allowing utilities to continue to deduct interest on loans without the limitation placed on other businesses.

—**What's on oil's mind?** The bill keeps Senate language permitting the selloff of up to \$600 million in Strategic Petroleum Reserve oil if revenues from opening ANWR drilling come up short of the \$1 billion forecast, as many critics have warned is likely. It adds a provision offering deductions to investors in master limited partnerships, the corporate structure for many pipeline companies. And it temporarily lifts the cap on Gulf of Mexico oil and gas production revenue sharing to facilitate additional coastal restoration and protection projects.

—**Can't stop the BEAT:** Senate taxwriters made an effort to tweak the Base Erosion Anti-Abuse Tax in ways that would help renewable project developers. The tax is intended to keep U.S. profits domestic — but the final version doesn't go far enough to solve the problem in earlier iterations, renewables backers say. The fix in the conference bill allows banks to take 80 percent of the production tax credit and investment tax credit until 2025, but also expands which institutions are affected and makes other tweaks. "We are uncertain how the marketplace will react to the fact that more multi-national firms may now be covered by the BEAT, and tax credits may not all be useable in any given year," Gregory Wetstone, president and CEO of the ACORE, said in a statement. If you really want to get down and dirty with the BEAT and how other parts of the tax bill affected renewable projects, check out [this blog](#) post by Keith Martin, the co-head of U.S. projects for the law firm of Norton Rose Fulbright.

—**Not there:** As expected, none of the expired tax credits for small wind, fuel cells, and other "orphans" made it into the finished product. There's some chatter of moving an additional package before breaking for the holidays, but count ME as decidedly skeptical. Lawmakers will find the energy for such a push.

**Timeline on this:** Senate Majority Whip [John Cornyn](#) expressed confidence the bill would pass his chamber this week "probably on Tuesday" during an appearance on ABC's "This Week." Pro Tax's Bernie Becker has [an excellent look](#) at how the bill's expected passage is the culmination of half a life's work for a large number of Washington tax insiders.

**FINAL SPRINT TO THE HOLIDAYS!** I'm your host Anthony Adragna, and Bracewell's Frank Maisano was first up to identify former Alabama Rep. Parker Griffith as the last sitting congressman to switch parties. For today: How many current senators are older than 80? Send your tips, energy gossip and comments to [adragna@politico.com](mailto:adragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**SHUTDOWN WATCH:** Treasury Secretary Steve Mnuchin isn't expecting a government shutdown at the end of this week, though he said during a Sunday appearance on "Fox News Sunday" he couldn't be sure. POLITICO's Martin Matishak [reports](#). "I can't rule it out, but I can't imagine it occurring," he said. Remember, facing a Friday deadline, lawmakers still aren't sure how much money they'll have to spend in fiscal year 2018 since they haven't reached a spending cap deal. POLITICO's Rachael Bade, Seung Min Kim and Jennifer Haberkorn look at the sticky situation facing the GOP this week [here](#).

**Ahead of the deadline,** Puerto Rico Gov. Ricardo Rosselló [asked](#) congressional leaders to provide emergency assistance to his devastated island before they skip town for the holidays. "No governor should ever be put in the position of having to deny that hope in the aftermath of a catastrophic disaster due to the inaction of Congress," he said. Lawmakers from Florida and Texas have also been pushing aggressively for disaster relief in this stopgap spending package.

**ICYMI:** A White House document circulating among agencies and obtained by POLITICO is setting the stage for a solar trade war with China, Pro's Emily Holden [reports](#). The administration appears to be preparing its messaging ahead of setting punitive tariffs on Chinese-made solar power equipment. The tariffs would increase the cost of solar power in the U.S. and could slow expansion of the energy source and eliminate installation jobs. But the White House paper suggests trade barriers may be necessary to foster domestic solar manufacturing, particularly for advanced solar technologies.

**The document notes** solar power demand in the U.S. and abroad is growing rapidly and argues "federal policies should ensure that the United States can benefit from this expansion." And it argues the administration should consider "the potential negative impact on U.S. energy security of increased reliance on imported energy technology," in carrying out an executive order on energy independence and in developing a response to the Section 201 trade case from the two domestic manufacturers. "China will likely expand its dominance to include advanced solar technologies," the paper says. "U.S. policy should be focused on creating competitive conditions for U.S. companies to thrive in the global marketplace, and compete against China and other solar players."

**Suniva, one of the companies** seeking the tariffs, issued a statement in response to the article: "Suniva applauds the Trump Administration for championing American manufacturing in the face of cheating by China and its proxies who want to kill American jobs and make America dependent on China for its energy and security needs."

**\*\* A message from the Renewable Fuels Association:** This week marks the tenth anniversary of the Renewable Fuel Standard, helping to provide consumer choice at the pump. The RFS has been an unmitigated success, helping to clean the air, lower gasoline prices, provide greater energy security and boost local economies. Learn more at [www.ethanolrfa.org](http://www.ethanolrfa.org). \*\*

**SOMETHING ELSE TO WATCH:** President Donald Trump is expected to discuss his National Security Strategy today and his administration will remove climate change from the list of national security threats, [The Federalist reports](#). The Obama administration's Pentagon called climate change a "threat multiplier" and the former president [warned](#) back in 2015: "Climate change constitutes a serious threat to global security, an immediate risk to our national security, and, make no mistake, it will impact how our military defends our country." Secretary of State Rex Tillerson [told a Senate committee](#) back in January he didn't consider climate change an "imminent national security threat." According to excerpts, the new document will state: "Climate policies will continue to shape the global energy system. The United States will continue to advance an approach that balances energy security, economic development, and environmental protection."

**UNDER SCRUTINY:** A lawyer working with America Rising has been filing public records requests for EPA employees who have been critical of Administrator Scott Pruitt's leadership of the agency, the New York Times [reports](#). "This is a witch hunt against EPA employees who are only trying to protect human health and the environment," Gary Morton, an agency employee in Philadelphia, said. That comes as a group associated with America Rising, Definers Public Affairs, has been hired by EPA for "media monitoring" services to track how the agency is being covered.

**NYC PLANS 'PEOPLE'S HEARING' ON CLEAN POWER PLAN:** After being snubbed by EPA for a public hearing on its plans to repeal the Clean Power Plan, New York Attorney General Eric Schneiderman and New York Mayor Bill de Blasio announced Friday they'll hold a "people's hearing" on the regulation Jan. 9 where they'll hear and compile testimony for the agency. Registration [here](#). ME readers no doubt remember Schneiderman is leading a group of states and localities defending the Obama-era regulation's legality.

**DEPARTMENT OF BAD TIMING:** Just a few days ahead of a Thursday vote on the future of Georgia Power's two new nuclear reactors at Plant Vogtle, Hartfield-Jackson International Airport suffered an hours-long power failure that grounded thousands of travelers as the holiday travel season kicked into high gear, USA Today [reports](#)

**HAPPY ANNIVERSARY!** Today marks two years since Congress passed and then-President Barack Obama signed legislation that [lifted the crude oil export ban](#) as part of a broader package that also extended prized tax credits for the wind and solar industries

**GREENS SUE OVER EPA'S PLAN FOR TEXAS HAZE:** Environmental groups on Friday sued EPA over its [federal plan](#) to limit haze-causing pollution from Texas power plants. The rule has been supposed to have been in place by 2007, a delay that prompted a federal court to order a plan be finalized by either Texas or EPA by September. Without a submission from Texas, EPA was forced to finalize a federal version, but environmentalists complained that the Trump administration's plan was a "sham rule" that would not reduce pollution nearly as much as the Obama administration's proposal would have. In addition to a [lawsuit](#) in the 5th Circuit Court of Appeals, the groups also submitted a [petition for reconsideration](#) to EPA.

**KEEP AN EYE OUT:** Pro's Alex Guillén notes in [Energy Regulation Watch](#) that while the holidays tend to be a slower time for regulatory news, EPA told a federal court this week that its Advance Notice of Proposed Rulemaking for a replacement to the Clean Power Plan will publish "in the upcoming weeks." That notice, which OMB completed its review of on Thursday, sets the stage to replace the Obama-era rule.

**PUBLISH THE RULE!** Three senior House Energy and Commerce Democrats — [Frank Pallone](#), [Paul Tonko](#) and [Diana DeGette](#) — aren't pleased by Pruitt's plan to gather more input on the agency's Lead and Copper Rule and urged him to immediately move ahead with a proposed rule. "Administrator Pruitt is hiding this delay behind the guise of a novel consultation process with the states, but the states need to see the proposed rule in order to provide relevant comments," they said in a statement. "The EPA previously pledged to publish a proposed rule to revise the Lead and Copper Rule this month, and therefore we call on Administrator Pruitt to publish the proposed rule immediately."

**FOR YOUR READING PLEASURE:** POLITICO New York's Keshia Clukey takes a look at how new SUNY Chancellor Kristina Johnson, a former official with the U.S. Department of Energy under the Obama administration, is proposing the use of 21st century innovation to help solve SUNY's fiscal and infrastructure problems. The benefits of making campuses more energy efficient are threefold, she told POLITICO. The lion's share of SUNY's energy use is attributed to its approximately 2,800 buildings — 2,346 of which are state-operated, including academic buildings, hospitals and residence halls. Upgrades could include weatherizing buildings, using more efficient heating and cooling techniques, or even adding solar panels. This helps the bottom line, saving campuses money, reducing operating costs and giving "local budget relief, which allows them and the presidents to do more for the academic mission," Johnson said. [Read more here](#).

**ANYBODY WANT IN?** Republicans are struggling to find a top-tier candidate to challenge North Dakota Sen. [Heidi Heitkamp](#) even though she represents a state that was a solid win for Trump, the Associated Press [reports](#). Perhaps the highest-profile potential challenger, Rep. [Kevin Cramer](#), has been reticent about launching a bid even though the president strongly pushed him to run earlier this fall. "I'm not sure that our party fully grasps or understands the magnitude of a campaign against Heidi Heitkamp," former Republican Gov. Ed Schafer said.

**PERDUE WRITES GRIJALVA ON GRAND CANYON MINING:** Agriculture Secretary Sonny Perdue attempted to reassure House Natural Resources Ranking Member [Raúl Grijalva](#) in a [letter](#) that a recommendation from the administration to look into lifting a moratorium on uranium mining near the Grand Canyon was merely "for consideration" and did not represent a federal action. But that didn't reassure Grijalva: "Opening up new uranium mines or allowing new claims to be filed in this region is a dead issue. Let's drop it and move on once and for all," he said in a statement.

**SPOTTED:** Interior Secretary Ryan Zinke and his wife, Lola, at Arlington National Cemetery on Saturday morning for the annual Wreaths Across America event. Picture [here](#).

## QUICK HITS

- North Cascades grizzly bear recovery work halted by Interior Department. [The Missoulian](#)
- E.P.A. Contractor Has Spent Past Year Scouring the Agency for Anti-Trump Officials. [New York Times](#)
- More than \$600,000 spent on police gear for pipeline protest. [AP](#)
- Coal leases OK'd, suit immediately follows. [Grand Junction Daily Sentinel](#)
- Clean coal plant in Wyoming slated for operation by summer. [AP](#)
- Cuba's Castro and Russian oil executive meet in Havana. [Reuters](#)

## HAPPENING THIS WEEK

### MONDAY

3:30 p.m. — "IEA's Coal 2017: Analysis and Forecasts to 2022," Center for Strategic and International Studies, 1616 Rhode Island Avenue, NW

### TUESDAY

10:00 a.m. — Senate Banking Committee [holds vote](#) on nominations including Scott Garrett's to run the Export-Import Bank, Dirksen 538

1:00 p.m. — Environmental and Energy Study Institute hosts a [briefing](#) about the takeaways from the latest global climate talks, Dirksen 562

### WEDNESDAY

10:00 a.m. — "[Freight Movement: Assessing Where We Are Now And Where We Need To Go](#)," Senate Environment and Public Works Committee, Dirksen 406

## THAT'S ALL FOR ME!

**\*\* A message from the Renewable Fuels Association:** The Renewable Fuel Standard, helping to provide consumer choice at the pump, was signed into law ten years ago this week. Thanks to the RFS, consumers have greatly benefitted in the past decade, with cleaner air, lower gasoline prices and a boost to local economies. Recently, President Trump's Environmental Protection Agency finalized a strong RFS for next year that maintains the statutory 15 billion gallon requirement for conventional renewable fuels like corn ethanol. President Trump understands that consumers benefit when the RFS is implemented as Congress intended. Learn more at [www.ethanolrfa.org](#) #thankyouRFS \*\*

To view online:

<https://www.politicopro.com/newsletters/morning-energy/2017/12/sizing-up-the-tax-bills-energy-provisions-054933>

## Stories from POLITICO Pro

**Solar, wind get reprieve in final tax bill** [Back](#)

By Eric Wolff and Ben Lefebvre | 12/15/2017 06:57 PM EDT

The [conference tax bill](#) released Friday by Congressional Republicans resolves a slew of issues faced by the energy industry

— **Wind and solar credits saved:** The final tax bill, [HR 1 \(115\)](#), follows the Senate's bill when it comes to the production tax credit and the solar tax credit, meaning both are left untouched. The House bill had proposed reducing the value of the PTC and changing when a project qualified for it, and it had proposed dropping the permanent 10 percent credit for the ITC. Both credits will phase down as agreed to in a deal struck in 2015.

— **MLP benefits added:** It also includes language Sen. [John Cornyn](#) (R-Texas) proposed that would give deductions to investors in master limited partnerships, the corporate structure for many pipeline companies.

— **EVs roll on:** A tax credit for electric vehicles was preserved.

— **Oil recovery restored:** Credits for abandoned oil wells and enhanced oil recovery that were eliminated in the House version were restored in the final bill.

— **Selling off the oil:** The bill retains the Senate language that would sell up to \$600 million in Strategic Petroleum Reserve oil to offset any shortfall from opening up the Arctic National Wildlife Refuge to drilling. The Senate language forecast drilling in ANWR would generate \$1 billion in revenue over 10 years, an estimate critics have said is too optimistic.

— **More revenue sharing:** The bill also temporarily lifts offshore Gulf of Mexico oil and gas production revenue sharing caps to \$650 million annually for fiscal years 2020 and 2021, up from a previous limit of \$500 million, to support coastal restoration and protection projects.

— **Base erosion eased for renewables:** Tax writers created some room to keep banks and other financiers of renewable projects in the game by allowing them to take 80 percent of the credits for the PTC and the ITC.

— **No tax extenders:** Numerous senators have been saying it for weeks now, and the bill makes it official: None of the expired tax credits for small wind, fuel cells, and other "orphans" made it into the conference bill. The extension of the nuclear tax credit that was in the House bill has also been dropped.

— **Utilities still get to deduct interest:** The bill preserves provisions in both the House and Senate versions that allowed utilities to continue to deduct interest on loans without the limitation placed on other businesses.

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**Tax bill a dream come true for some GOP wonks** [Back](#)

By Bernie Becker | 12/17/2017 06:58 AM EDT

For the large contingent of Washington supply-siders and tax-cutters, the sweeping tax overhaul that President Donald Trump is poised to sign into law this week has been a generation in coming — and the culmination of half a life's work that started during Ronald Reagan's 1980s.

Grover Norquist, arguably the best-known anti-tax activist in the country, started Americans for Tax Reform at then-President Reagan's request to help marshal support for the 1986 tax overhaul. He's been working ever since to rally support for more tax cuts.

House Speaker Paul Ryan (R-Wis.) for years said his dream job was to be House Ways and Means chairman, a position that would have allowed him to quarterback the sort of tax revamp that his mentor, the late Jack Kemp, helped get through Congress in 1986.

When he became Speaker, Ryan said he was reluctantly passing the title of Ways and Means chairman, and the opportunity to focus attention on tax reform, to Rep. Kevin Brady (R-Texas).

Now, the 2017 tax revamp will bring the American tax system more into lockstep with those conservatives' thinking than perhaps ever before — making the idea that what works for corporate America will work for the country at large a central plank of U.S. policy for decades to come, maybe even a generation or more.

"This tax cut and reform will drive further reforms and reductions for the next 50 years," Norquist said Friday.

The corporate rate would be slashed from 35 percent to 21 percent under the GOP plan, which would also allow businesses to immediately write off investments for five years and scrap Obamacare's individual mandate. In an extra bonus for the right, it also shrinks the deduction for state and local taxes, an incentive that mostly helps blue, high-tax states.

"This is a pretty historical moment for the conservative movement," said Stephen Moore, another of those supply-siders, who has over the years worked at the Club for Growth, The Heritage Foundation and The Wall Street Journal editorial page.

"I've been in this game for 30-some years. This, if it passes, will be the single biggest policy triumph for conservatives since the 1996 welfare reform. It's up there with the '81 Reagan tax cuts," added Moore, who's an informal adviser to the president and, along with fellow supply-sider Larry Kudlow, helped then-candidate Trump craft his tax plan.

The start of the conservative tax-cutting movement is frequently traced back to 1974, when a young economics professor named Arthur Laffer met an equally young Dick Cheney, then a top aide to President Gerald Ford, at a restaurant. Laffer doodled on a napkin the case that cutting taxes can increase revenues for the government, a theory now known as the Laffer Curve.

That case is maybe most famously argued by Kudlow, who worked in Reagan's White House and has spent more than 15 years defending its merits on CNBC. Perhaps even more importantly, Moore said, Kudlow worked overtime to pitch the GOP tax plan to skeptical Republicans like Sens. Susan Collins of Maine and Bob Corker of Tennessee, both of whom now seem likely to back the measure.

It might be hard to imagine now, but the Republican Party hasn't always been dominated by would-be tax cutters. Former Senate Majority Leader Bob Dole (R-Kan.) once joked that "the good news is that a bus full of supply-siders went off a cliff. The bad news is that two seats were empty," according to "Showdown at Gucci Gulch," the book about the 1986 tax overhaul.

But the supply-side theory eventually won out, if in fits and starts. Reagan's 1981 tax package cut the top individual rate from 70 percent to 50 percent — with the rate getting down all the way to 28 percent in 1986.

Republicans now credit those 1981 tax cuts with sparking years of economic growth, higher wages and job creation. But with the economy floundering in 1982, Dole and other Republicans pushed through a tax increase. And Democrats have long said that there was no trickle in the GOP's "trickle-down economics," pointing to a 1990s economic boom that happened after President Bill Clinton raised taxes.

Conservatives believe the growth had more to do with a cut in the capital gains rate under Clinton's watch, which itself was followed several years later by the two rounds of tax cuts under George W. Bush.

Now, 15 years later, all that work by supply-siders has culminated in a new kind of tax reform, which marries the theory that tax cuts for business will be a boon for

the economy with tax reform's customary discarding of various tax incentives that have collected over the years and that they say distort the economy

Marty Sullivan of Tax Analysts said the 2017 tax overhaul looks more like the 1981 and 2001 tax cuts enacted under Republican presidents, as opposed to tax overhauls in 1969, 1976 and 1986. The 1986 tax reform, while lowering the top corporate rate from 46 percent to 34 percent, actually hiked taxes on corporations to pay for tax relief for individuals, and to keep from adding to deficits.

"Those were all workman-like reforms where the staff and members looked hard for unfair and complicated tax breaks to take out of the code to simplify it, make it fair and reduce rates," said Sullivan, a former economist for both the Treasury Department and the Joint Committee on Taxation. "In this bill, tax cutting is the primary motivation and reform is an afterthought."

The next question is whether this bill will jolt the economy the way its supporters predict. Trump and other top Republicans have said that the economic growth created by the tax cuts will more than offset its current \$1.456 trillion price tag.

But while outside analysts and JCT have found that the Republican tax plan would create hundreds of billions of dollars in new revenue, none of them have found that the plan would come close to paying for itself. On top of that, Democrats are already making it clear that they'll do everything in their power to unwind this year's tax bill, especially if they win back some power in Washington next year.

"One of the lessons of '86 is it's really hard to get tax reform, but it's even harder to keep it," said Douglas Holtz-Eakin, a former Congressional Budget Office director and president of the conservative American Action Forum. "I think it's a concern. The partisan nature makes it ripe for change the moment the Democrats get the opportunity."

For their part, conservatives say they're in better shape than ever to protect the new tax cuts. Republicans were united against former President Barack Obama's efforts to allow Bush-era rates for the wealthy to expire, though they weren't successful in the end, and Norquist notes that bipartisan efforts that erased parts of the 1986 tax overhaul came before practically all GOP lawmakers were signing his organization's pledge against tax hikes.

But Moore also called the 2017 tax cuts a "riverboat gamble," echoing the late Senate Majority Leader Howard Baker's thoughts on the 1981 Reagan tax cuts. Their success or failure, Moore added, will have a big impact on whether the supply-siders' influence grows or diminishes over the next generation.

"We say it will work, and they say it won't and this will be put to the test," Moore said. "If this doesn't work, I'll eat some crow."

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#### **Mnuchin won't rule out a shutdown, but doesn't see one coming [Back](#)**

By Martin Matishak | 12/17/2017 10:00 AM EDT

Treasury Secretary Steve Mnuchin on Sunday wouldn't rule out the possibility of a federal government shutdown at the end of the week, but said he doesn't see one coming.

"I can't rule it out, but I can't imagine it occurring," he said on "Fox News Sunday."

"I would expect that both the House and Senate, Republicans and Democrats, understand if they can't agree on this they need to have another short-term extension to move this to January," Mnuchin added.

"We can't have a government shutdown in front of Christmas," he emphasized.

The government is set to run out of money Friday, unless Congress acts. Lawmakers are expected to take up a funding measure after they deal with the \$1 trillion-plus tax bill early in the week.

House GOP leaders have proposed a partisan funding bill that covers a full year of defense spending at \$640 billion but keeps the doors open at other federal agencies only until Jan. 19. Many of the provisions, however, likely won't pass muster in the Senate, adding to the time crunch.

Mnuchin declined to comment on what impact a shutdown might have on the U.S. economy, but said he "can't imagine sending government workers home for Christmas."

"I hope that Congress gets this done," he said.

The Treasury secretary also declined to weigh in on whether short-term funding bills is the right way to run the government.

"That's something we'll talk about more. Hopefully we'll look at reforms for different things next year," he said.

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#### **GOP leaders in House, Senate endorse conflicting shutdown strategies [Back](#)**

By Rachael Bade, Seung Min Kim and Jennifer Haberkorn | 12/17/2017 06:22 PM EDT

Republican leaders in both houses of Congress face a sticky situation this week as they try to avert a government shutdown: Each side has promised its members things that will not fly in the other chamber.

Senate Majority Leader Mitch McConnell (R-Ky.) told moderate Sen. Susan Collins (R-Maine) he'd support passage of legislation by the end of the year to prop up Obamacare insurance markets — so long as she votes for tax reform. That addition, however, puts Speaker Paul Ryan (R-Wis.) in a pickle: His members are loath to be seen as bailing out a health care law they hate.

Ryan, meanwhile, green-lighted a short-term spending strategy that funds the Pentagon but does nothing for Democratic priorities — and suggested House members could leave town to try to "jam the Senate" into accepting their bill. But McConnell needs eight Democrats to pass anything, so the House plan is sure to fail in his chamber.

"Right now, they're just headed straight off a cliff," one person familiar with the negotiations said of the House. "[The] Senate's not likely to jump with them."

Instead of addressing the obvious inconsistencies, GOP leaders have tried to put off the issue and focus on tax reform for now. They're eager to delay internal spending fights until the tax package — which Republicans view as critical to maintaining their congressional majorities in the 2018 midterm elections — reaches

the Oval Office for President Donald Trump's signature sometime this week

"It's going to be a bipartisan [spending] deal; [some House Republicans] are going to be unhappy with that — and you don't want to have the tax issues as the place they decide to retaliate," said Rep. Tom Cole (R-Okla.), a member of the House appropriations panel, hinting at House GOP fears that conservatives could hijack tax reform to make a stand on spending issues

But time is running out, and the GOP's tax-reform tunnel vision has left Republican leaders without a clear strategy for the spending legislation. All this is quietly raising concerns that the government could shut down after Friday, when, short of congressional action, federal coffers are set to dry up.

While Democrats have at times struggled to fend off GOP legislative efforts, this time they have leverage. Democratic leaders Nancy Pelosi of California and Chuck Schumer of New York appear to have backed off immigration demands they initially wanted addressed by the new year, but they're still adamant that any boosts in defense money be matched by increases in domestic spending.

Leaders in both chambers hoped to strike a deal to raise strict spending caps for both by Friday. But the so-called Big Four — Ryan, Pelosi, McConnell and Schumer — have yet to agree on those numbers. The most likely outcome, some Republicans now say, is kicking everything into 2018: They predict another short-term funding bill, leaving a broader spending and immigration agreement until January.

There has been some progress on the immigration front, aides say. A bipartisan group of seven senators met multiple times last week to try and hammer out an immigration deal that combines legislation for Dreamers — hundreds of thousands of whom are losing their temporary work permits and deportation protections due to actions by Trump — with other immigration enforcement measures.

The group includes Democratic Sens. Dick Durbin of Illinois and Michael Bennet of Colorado, and GOP Sens. Jeff Flake of Arizona, Lindsey Graham of South Carolina, James Lankford of Oklahoma, Cory Gardner of Colorado and Thom Tillis of North Carolina. They want to be able to strike a deal on immigration they can subsequently present to their leadership.

It's unclear, however, whether Democrats will go along with pushing major issues into next year, upping the pressure on Republicans to come up with a funding proposal that can avert a shutdown.

First up this week is tax reform. House Republicans expect to pass the tax bill Tuesday morning, huddling for a rare Monday night conference to discuss the final package negotiated with Senate Republicans. After that, the Senate will take up the bill as the House sends them its "continuing resolution" through Jan. 19, which also includes Republicans' much-desired Pentagon funding boost.

The upper chamber is expected to amend the government funding bill and send it back to the House — which is where things could get ugly. Leadership sources in both chambers say the Senate version of the spending bill could include the bipartisan Obamacare stabilization effort, written by Sens. Lamar Alexander (R-Tenn.) and Patty Murray (D-Wash.), to satisfy Collins.

The White House is expected to back that approach because the tax bill repeals another part of Obamacare that conservatives despise: the requirement that everyone carry health insurance.

It's unclear, however, whether even a Trump endorsement would make the Obamacare language on the spending bill palatable to House conservatives. House GOP leaders during a Thursday afternoon conference last week began running the idea by lawmakers — but it didn't go over well. Multiple Republicans encouraged leaders to continue with the "jam the Senate" strategy rather than accepting changes made by the other chamber. GOP leaders said they needed to make sure the conference gives them "flexibility" to negotiate with the Senate.

Privately, senior Republicans say any House plan to stick the Senate with a bill it can't pass would be political suicide. They worry it could lead to a shutdown — which could backfire in the November midterms.

Even more complications could still arise for the spending legislation. Anti-abortion groups with strong connections to House conservatives have said recently that if the bill includes the Obamacare subsidies patch, they want it to also include language barring federal funding for abortions. Senate Democrats, whose votes are needed for passage, would likely push back.

"Any Member voting for the Alexander-Murray proposal, or other Obamacare stabilization legislation not covered by the Hyde amendment, would not only be voting to sustain what many have called the largest expansion of abortion since *Roe v. Wade*, but would also be voting to directly appropriate taxpayer dollars for insurance that includes abortion," wrote Marjorie Dannenfelser, president of the Susan B. Anthony List, in a letter to lawmakers.

Beyond that, lawmakers also have to iron out several less-discussed policy matters that could wind up tied to the spending bill. One of those includes funding for a popular children's health insurance program whose funding has expired; another includes reauthorizing the government's surveillance authority.

A third has become more than a little contentious: a sorely needed disaster aid package for hurricane-ravaged areas in Texas, Florida, Puerto Rico and the U.S. Virgin Islands.

"We've been told time and time again by the speaker and the House leadership that the supplemental's going to be coming, but it never seems to come," Senate Majority Whip John Cornyn (R-Texas), one of the loudest voices urging for more aid for his home state, said last week. "The can always seems to be kicked down the road. It's a source of more than a little frustration on my part and I think on the entire Texas delegation."

Nonetheless, Trump administration officials and senior Republican lawmakers are publicly confident that funding for the government won't dry up — particularly three days before Christmas. Treasury Secretary Steve Mnuchin told "Fox News Sunday" that while he couldn't rule out the prospects of a government shutdown, "I can't imagine it occurring." And Senate GOP leaders, from McConnell on down, have been adamant that Congress will successfully avert one by the end of the week.

"I think we're determined that it's not going to happen, and it won't happen," Cornyn said late last week.

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**U.S. setting stage for solar trade war with China** [Back](#)

By Emily Holden | 12/15/2017 05:13 PM EDT

An unreleased White House document offers the strongest hint yet that the Trump administration is laying the groundwork for punitive tariffs on Chinese-made solar power equipment — a step that would promote the president's "America First" trade agenda while sharply increasing the costs of solar power in the U.S.

The prospect of such tariffs, which President Donald Trump could announce in January, has deeply alarmed the U.S. solar installation industry. It warns that it could lose tens of thousands of jobs if the cost of solar spikes, slowing the booming growth that sun-powered energy enjoyed during the Obama administration.

But the White House is preparing to argue that trade barriers are needed to foster solar manufacturing inside the United States, something it calls important to both national security and the economy, according to a document draft obtained by POLITICO. The paper argues that cheap solar imports allow China to unfairly profit

from Americans' use of renewable power and gain influence in the developing world's energy infrastructure

"While solar energy is forecast to play a larger role in the world's energy mix, other countries stand to benefit significantly more than U S workers," says the four-page paper, which is circulating within executive branch agencies for comment

Trump has not said whether he intends to initiate the trade barriers on solar equipment imports, but he has accused China of "ripping off" the U S in international trade and called for the U S to become energy dominant by hiking production of oil, natural gas and coal The new paper is likely to inspire a debate about whether the White House's rhetoric about creating U S -based solar manufacturing masks an effort to kneecap a growing, green alternative to fossil fuels such as coal — an energy source that Trump has repeatedly championed on the stump

While the administration has touted an "all of the above" energy approach, it has instead taken significant steps to bolster fossil fuels, proposing measures to give financial support to coal-fired power plants even as it works to repeal the Obama administration's climate rules for the power industry It has also pushed to grow U S exports of liquefied natural gas, and sent EPA Administrator Scott Pruitt to Morocco this week to promote U S gas shipments

Trump must decide by Jan 26 whether to institute the tariffs that the U S International Trade Commission recommended last month, after two U S solar manufacturers, Suniva and SolarWorld Americas, filed complaints accusing Chinese competitors of undercutting them

Suniva, which is majority owned by a Chinese investor and is in bankruptcy, and SolarWorld, whose German parent is also in bankruptcy, say the flood of solar cells and panels from factories across Asia that are owned by Chinese companies has driven prices too low for them to compete

Suniva spokesman Mark Paustenbach welcomed the White House's approach

"Suniva applauds the Trump Administration for championing American manufacturing in the face of cheating by China and its proxies who want to kill American jobs and make America dependent on China for its energy and security needs," he said in a statement Friday

But the U S Solar Energy Industries Association has said the drop in solar panel prices has triggered a boom in sales across the U S , and establishing high tariffs could eliminate more than a third of the 260,000 solar jobs in the United States Solar energy prices have tumbled dramatically over the past decade, and large, utility-scale plants in the Southwest are cost-competitive with natural gas and coal-fired power plants now The industry fears that tariffs would reverse those cost declines, dealing a blow to project developers just as federal incentives for solar power phase out over the next four years

The companies suing have countered that they believe tariffs could result in a [net increase](#) in jobs across the solar industry

The Office of the U S Trade Representative heard from both sides at a hearing earlier this month and will soon send its own report to the White House

The White House also opposes incentives for renewable energy The paper advises against the federal and state tax incentives and mandates that have helped fuel the growth of renewable power, saying they are "subsidized by U S taxpayers," and "become overseas job creation programs "

The new White House paper says the international solar sector, "including its supply chain and critical minerals requirements, will grow in importance from an economic and energy security perspective," and it cites estimates that the global solar market will expand to \$140 billion in 2023 from \$65 billion in 2015 Chinese companies hold about 80 percent of the solar manufacturing capacity, although the U S is the second-largest market for solar energy, the paper says The U S has about 38,000 solar manufacturing jobs, and China has 1.5 million, it notes

The document says that depending on foreign countries for energy technology imports also jeopardizes U S energy independence and dominance

It suggests the U S could focus on advanced solar technologies, rather than current ones already dominated by other countries, but it doesn't offer any potential policies Trump has announced a review of the nuclear power sector, and the White House document says that might be necessary for solar and other energy sectors

The White House document claims China has used its "monopoly" to punish U S industries that are part of the global supply chain, including by imposing its own tariffs

U S producers "could benefit from moves designed to undermine China's monopoly over much of the sector and generate competition, including steps to revitalize U S manufacturing," it says "Yet questions remain about the scope and extent of those potential benefits, especially in the context of various policy options that, depending on the course chosen could backfire on the U S supply chain, while imposing minimal harm on Chinese state-owned enterprises "

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**'Time is running out' to slow climate change, Obama tells Coast Guard grads** [Back](#)

By Sarah Wheaton | 05/20/2015 01:25 PM EDT

President Barack Obama delivered a somber lecture on the science of climate change to the graduates of the United States Coast Guard Academy on Wednesday as argued that global warming poses a threat to national security

Obama's call to cut carbon emissions, which emphasized the impact that Arctic ice melt would have on the Coast Guard, came just over a week after he opened Alaska's Arctic Coast to oil drilling — and about seven months ahead of a United Nations summit in Paris at which the president hopes to cement his legacy as a global leader on climate change

"Climate change constitutes a serious threat to global security, an immediate risk to our national security, and, make no mistake, it will impact how our military defends our country And so we need to act — and we need to act now," Obama told cadets at an outdoor ceremony in New London, Connecticut "After all, isn't that the true hallmark of leadership?"

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[Bin Laden's 'bookshelf' included 9/11 conspiracy material](#)

[NICK GASS](#)

Though he didn't name a political party or individual, Obama castigated "folks back in Washington who refuse to admit that climate change is real "

Or those, he added, "who will equivocate They'll say, 'I'm not a scientist ' Well, I'm not either But the best scientists in the world know that climate change is happening "

Obama cited a Pentagon's assessment that climate change is a "threat multiplier," telling cadets that they will be on the front lines in responding to an increase in

climate refugees He contended that the terrorist group Boko Haram took advantage of drought in Nigeria, and that famine was a factor underlying the civil unrest in Syria

One of Congress's top climate skeptics, Sen. James Inhofe (R-Okla.), responded by calling Obama's threat assessment a "severe disconnect from reality."

In a statement that cited a litany of issues — including nuclear programs in North Korea and Iran, the military success of the militant groups known as the Islamic State and potential chemical weapons in Syria — Inhofe continued: "The president's repeated failure to understand the real threat to our national security and inability to develop a coherent national security strategy has put this nation at an unknown level of risk with consequences that will span over decades."

Outside of the dire warnings, Obama took on a jaunty tone with the graduates, peppering his speech with inside jokes and references to "Swab Summer," "Rodeo Buffing" — "that looks dangerous," he said, noting that he saw the video — and apparent high jinks committed in campus buildings

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[Hillary Clinton says her Iraq war vote was a 'mistake'](#)

[ADAM B. LERNER](#)

"Which reminds me," he said, "in keeping with longstanding tradition, I hereby absolve all cadets serving restrictions for minor offenses."

But the majority of the speech was devoted to the challenges this generation of servicemembers will face, from budget cuts to shifting coastlines.

Obama also put special emphasis on a frigid region with potential to become a new global hot spot.

"We're witnessing the birth of a new ocean," Obama said, describing the effect of receding Arctic ice.

A White House [report](#) released Wednesday predicted that as "shorter shipping routes become more accessible and more profitable, increased ship traffic and human activity in the region will require that the United States be more prepared to respond to emergencies in this remote region."

Even as his administration warns about new dangers in the Arctic, his administration gave Shell the green light last week to drill for oil in the Arctic as part of its "all-of-the-above" energy strategy. The move infuriated environmental groups, who've tried to keep the Chukchi Sea off limits to the oil industry and fear a spill would be devastating to the ecosystem.

"The president has made it a real priority to deal with climate change — it's clearly part of the legacy he's building — and saying yes to drilling in the Arctic doesn't fit in that frame," said the Sierra Club's Lena Moffitt. "That's something they're going to have to reconcile."

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In his speech, Obama emphasized his administration's efforts on the cleaner parts of his energy strategy, noting new standards to double the fuel efficiency of cars, strict new rules for coal-burning plants, and the military's experimentation with solar power and biofuels.

"Today we can be proud that our carbon pollution is near its lowest levels in almost two decades," Obama said, adding that he is committed to doubling the pace of cutting carbon emissions.

"There comes a point where the worst effects will be irreversible, and time is running out," Obama warned. "That's why I've committed the United States to leading the world on this challenge."

Obama is hoping to spearhead history's [most sweeping agreement](#) to curb carbon emissions at a climate conference in Paris in December which would set climate policy decades beyond his tenure.

"If you see storm clouds gathering or dangerous shoals ahead, you don't do nothing. You take action," Obama told the cadets. "Anything less would be dereliction of duty."

Meanwhile, the fate of one of the most symbolic environmental issues of Obama's presidency remains open. Asked whether the administration had completed its assessment of the environmental impact of the proposed Keystone XL pipeline, White House spokesman Eric Schultz replied: "That is a policy review that's underway at the State Department."

*Elana Schor contributed to this report.*

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**Tillerson: Climate change isn't 'imminent national security threat'** [Back](#)

By Andrew Restuccia | 01/11/2017 05:08 PM EDT

Rex Tillerson challenged assertions that climate change is a major national security threat, arguing that the science linking global warming to destabilizing events around the world isn't conclusive.

"I don't see it as the imminent national security threat that perhaps others do," Tillerson, President-elect Donald Trump's pick for secretary of State, said during a Senate Foreign Relations Committee hearing today.

Asked about the contention by many military officials and scientists that climate change is exacerbating droughts and extreme weather that in turn leads to international tumult, Tillerson said, "The facts on the ground are indisputable in terms of what's happening in terms of drought, disease." But he added, "The science behind the clear connection is not conclusive."

Tillerson also said that the fact that we can't predict climate change with "precision" doesn't mean we should do nothing.

The former Exxon Mobil CEO said he is opposed to pulling out of international climate talks in part because they give the United States a window into other countries' commitment to slashing emissions.

"I think we're better served by being at that table than leaving that table," Tillerson said

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**Congress approves spending deal lifting oil export ban [Back](#)**

By Darren Goode | 12/18/2015 12:03 PM EDT

Congress sent a massive spending deal to the White House Friday that would lift the 40-year-old ban on crude oil exports while extending clean energy tax breaks and preserving President Barack Obama's ability to adhere to the commitments he made as part of the global climate deal reached in Paris this month

The oil and renewable provisions negotiated as part of the \$1.1 trillion omnibus spending bill represent the most significant energy policy enacted in years, a compromise that delivered major wins to interests on either side of the ideological spectrum. The omnibus sailed through the House 316-113, with the winning votes split virtually evenly among the two parties. The omnibus was packaged with a \$680 billion tax cut package that passed the House Thursday, and the combined bill cleared the Senate, 65-33.

The compromise handed a major victory to Republicans and oil-state Democrats. Sen. Lisa Murkowski (R-Alaska) was the first to call for an end to the Ford-era ban on crude exports early last year, and the campaign quickly accelerated amid falling prices and the impending end to sanctions on Iran's oil industry. But it remains to be seen whether the ban's end will have much immediate impact, amid a global supply glut that has left prices well under \$40 a barrel.

But Democrats gained a big haul in return. The deal [extends](#) and phases out the wind production tax credit until 2020, and phases down the solar investment tax credit until 2022. That should provide a [bridge](#) until the administration's Clean Power Plan takes hold to further boost demand for carbon-free power.

And notably, the bill contains no Republican riders targeting major elements of President Barack Obama's environmental and climate agenda and legacy. It leaves in place EPA greenhouse gas restrictions for power plants and [its Waters of the U.S. rule](#), as well as Interior Department rules on hydraulic fracturing and stream buffer zone controls, among other high-profile initiatives.

The bill also [does not block](#) the administration's ability to contribute to the Green Climate Fund, the United Nations-run bank tasked with helping poor countries deal with the effects of climate change, to which Obama has pledged a total of \$3 billion.

House Minority Leader Nancy Pelosi overcame objections from progressive Democrats to lifting the oil export ban, arguing that Republicans' "desperate thirst" to do so led them to give up clean energy provisions that would "eliminate around ten times more carbon pollution than the exports of oil will add" and preserve the rest of the administration's climate agenda. In the end, just 18 House Democrats opposed the deal.

The lack of riders incensed some coal-state Republicans who said they were promised more by GOP leaders in a final deal. "I feel we were disregarded," said Rep. David McKinley (R-W. Va.), chair of the Congressional Coal Caucus, who voted against the spending deal.

House Appropriations Chairman Hal Rogers (R-Ky.) touted language [directing Interior to consult with states](#) on the stream buffer rule and an [infusion of economic assistance](#) to clean up abandoned coal mines, especially in Appalachia.

EPA funding would remain flat from last year around \$8.1 billion — which Republicans noted also was the lowest level of funding for the agency since 2008. The Interior Department would receive \$12 billion, more than \$1 billion above last year. The Energy Department would see [funding increased](#) across its accounts. And the Army Corps of Engineers would see its budget [rise 10 percent](#).

The White House backed the measure, noting it was "largely free of new unrelated ideological riders" and praised the wind and solar tax incentives as "driving significant reductions in carbon pollution and other dangerous air pollutants and providing certainty for investments in clean energy."

Despite these wins, the overall deal was viewed as a convoluted mixed bag, leading the League of Conservation Voters to [decline](#) to include it in its annual scorecard. Groups linked to the Koch brothers, as well as to more liberal environmental groups [both opposed](#) the deal, representing dissatisfaction on both poles of the energy-politics divide.

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**Date:** Thursday, December 21, 2017 5:46:09 AM

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By Anthony Adragna | 12/21/2017 05:43 AM EDT

*With help from Darius Dixon and Eric Wolff*

**PROGRAMMING NOTE:** [Morning Energy](#) will not publish from Dec. 25-Jan. 1. Our next [Morning Energy](#) newsletter will publish on Tuesday, Jan. 2. Please continue to follow Pro Energy issues [here](#).

**GETTING CR-AZY:** Less than 48 hours before the government shuts down, Republican leaders now plan to hold a separate votes today on a short-term government funding package and a massive \$81 billion disaster package responding to a string of hurricanes and wildfires, POLITICO's Rachael Bade and John Bresnahan [report](#). But there are significant internal tensions within the House GOP and it remains to be seen what the Senate does with whatever the House ultimately passes. And there's concern that resistance to the disaster aid package in the Senate may push its consideration into 2018, which would infuriate Texas and Florida lawmakers who have vowed not to leave town for the holidays until they get the disaster funding approved.

**Retiring Pennsylvania Rep. Charlie Dent summed it up:** "It would be an act of political malpractice, after a successful tax reform vote, to shut the government down. Talk about stepping on your own message. I mean really, how dumb would that be? But anything's possible around here. This is Congress."

**Twenty-four environmental groups** sent a letter to lawmakers asking them to ensure adequate funding for environmental programs, no anti-environmental policy riders and equal treatment for defense and non-defense programs as Congress mulls lifting budget caps. Link [here](#).

**A HOLIDAYS CHRISTMAS PRESENT!** Meanwhile, the Senate Finance Committee gave out special interest holiday gifts Wednesday in the form of [a bill](#) that will revive, extend or expand just about every energy credit anyone ever lobbied for, Pro Tax's Aaron Lorenzo [reports](#). Tax writers didn't do a bunch of creative heavy lifting, since they mostly changed the end dates for credits that were gone.

**Cold water:** Ways and Means Chairman [Kevin Brady](#) said Wednesday he "doesn't want to do extenders" right now, but said he'd turn to a strategy for how to advance them "after we get back" from the holiday break, Aaron also [reports](#). A spokesperson for Senate Finance Chairman [Orrin Hatch](#) wouldn't offer specifics on timing either but said the Utah Republican wants to addressing the extenders "in short order."

**The heavy hitters:** The bill includes all three of the credits that have attracted the most support: A nuclear tax credit extension, an expansion of the carbon capture tax credit, and the biodiesel blenders' credit. Those three credits bring the support of South Carolina's delegation, the Midwesterners, and the unusual combination of states concerned about climate change and states with heavy coal production.

**And the list:** Santa gathered up all the wishlists and compiled them together into this bill. This bill retroactively applies and extends tax credits through 2018 for biodiesel blenders, cellulosic biofuel producers, fuel cells, energy efficient homes, energy efficient commercial buildings, small wind, two-wheeled electric scooters, solar water heaters, geothermal heat pumps, and coal production on Indian land.

**The one that got away?** Sen. [Chuck Grassley](#) had made no secret that he wanted to convert the biodiesel blenders' credit, which goes to companies that mix biodiesel into petroleum diesel (think truck stops), into a producers credit, which would go to the folks who make the biofuel. He didn't get it. The Finance Committee simply extended the expired blenders' credit and made it retroactive.

**WELCOME TO THURSDAY!** I'm your host Anthony Adragna, and Andrew Wheeler correctly identified Oklahoma (and South Carolina) as the states who had elections for both Senate seats at the time in 2014. For today: Everyone now knows Don Young is the longest-serving current congressman, but who is the second-longest serving? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**MERRY FERCMAS:** To understate things a bit, this has been a bizarre year for FERC. The quorum loss, four chairs, four new members, and curious senior staffing choices. Like court opinions, every FERC decision is important to someone but let's be honest: The agenda for today's meeting is not the centerpiece of the agency's monthly get-together.

**Kevin McIntyre**, who has a term running into 2023, will smack down the FERC gavel publicly for the first time and set a tone for how he plans to lead and what his priorities are. For his part, McIntyre said, in an [agency podcast](#) recorded last week and posted Wednesday, he hopes to bring greater transparency to FERC's processes. As journalists, we hope that extends to a forthrightness with the press and clarity on a range of issues that happened over the past few months that set the rumor mill spinning. And between now and the agency's first meeting of 2018, FERC will take some "final action" on Energy Secretary Rick Perry's controversial grid resilience proposal.

**Oh, and about that agenda:** Although today's agenda isn't particularly long, it does include a rulemaking on "fast-start" power sources, one element of FERC's so-called price formation initiative that largely stalled when FERC lost its quorum in February. A year ago, FERC issued a proposed rule aimed at boosting market payments to resources that can cycle up quickly when grid operators need additional electricity. Today, FERC leaders seem poised to issue a final rule that sends instructions to the grid operators. The agenda also includes a new docket on cybersecurity incident reporting standards, which could be a proposed rule or something more early-stage, such as a request for information. The meeting starts at 10 a.m. at FERC headquarters and is [livestreamed](#).

**\*\* A message from the Renewable Fuels Association:** This week marks the tenth anniversary of the Renewable Fuel Standard, helping to provide consumer choice at the pump. The RFS has been an unmitigated success, helping to clean the air, lower gasoline prices, provide greater energy security and boost local economies. Learn more at <http://www.ethanolrfa.org/wp-content/uploads/2017/12/RFS2-Ten-Years.pdf>. \*\*

**ALASKANS TAKE VICTORY LAP:** Recognizing a long-held Republican policy goal of opening ANWR to drilling, the Alaskan congressional delegation took was front in center at the White House on Wednesday afternoon as President Donald Trump and congressional Republicans took their victory lap on the tax bill's [H.R. 1 \(115\)](#) passage. "Perseverance overcomes intelligence any day of the year" is how Alaska Rep. [Don Young](#) summed up the achievement, which he said he's been pushing for 37 years (after Trump mistakenly called him "Dan," prompting the gruff Alaskan to shoot back "It's Don!"). Senate Energy Chairman [Lisa Murkowski](#) and Sen. [Dan Sullivan](#) also spoke.

**Anyone think this is Harold Hamm?** Trump said during the press conference: "So a friend of mine called up about ANWR -- he's in the oil business — he said, 'You didn't get ANWR?' And I said, 'Tell me about ANWR.' He said, 'We've been trying to get that passed. The whole country — the world — they tried in Ronald Reagan. They tried with the Bushes. They tried with everybody. They never got ANWR.' But we got ANWR in this bill."

**Photo of Murkowski, Young and Sullivan** celebrating [here](#).

**But the victory lap may be short-lived:** Conservatives aren't pleased with a looming package — colorfully referred to by some as the "shit sandwich" — that will likely include billions in spending that won't be offset. POLITICO's Rachael Bade and Seung Min Kim with more [here](#).

**Quick analysis:** The American Council on Renewable Energy released a quick analysis of the tax package now headed to Trump's desk that it deemed "a measured victory for renewable energy." Read it [here](#).

**LAST NUKE STANDING:** The eyes of the nuclear energy community turn to Georgia this morning. Leaders of the Georgia Public Service Commission are considering an [order](#) from agency staff that would prevent Georgia Power from billing nearly \$500 million the company spent on the Vogtle nuclear project to consumers. Southern Co.'s Georgia Power has asked regulators to greenlight \$542 million in expenses it paid on the two-reactor project — the only units under construction in the U.S. — over the first six months of the year. But the commission's Public Interest Advocacy staff have said that the company should only be allowed to pass \$44 million to ratepayers, arguing that payments to Westinghouse, the lead contractor who filed for bankruptcy this spring, were "not deemed reasonable."

**Commission staff criticized Georgia Power**, which has the largest single stake in Vogtle, for offering less than "active" oversight of Westinghouse and said that it deserves blame for missing the window to receive nuclear production tax credits. The utility has also asked that if the project is eventually cancelled, that regulators let it "recover its prudently incurred investment in the partially completed facility along with the cost of carrying the unamortized balance of that investment." Commission will hold a special energy committee [meeting](#) at 9 a.m., followed immediately by a special administrative session to vote. The audio will be broadcast [here](#).

**So what'll happen?** Georgia Public Service Commission Chairman Stan Wise told [WABE](#) he expects the panel will allow the project to continue under certain conditions. "This commission will not say, 'Do not continue this plant,'" he said. "The commission will say, 'Here's what we think that you should have to do to continue the plant. Accept or reject.'"

**ASSESSING NEW EPA REGIONAL CHIEFS:** Anne Idsal, the new EPA Region 6 chief, told the [Dallas Morning News](#) she doesn't "necessarily" buy the consensus view that human

activity is driving climate change. "I think it's possible that humans have some impact on climate change, the extent of which I have not made up my mind on," she said. Meanwhile, critics warn Cathy Stepp, the new EPA Region 5 Administrator, left the Wisconsin Department of Natural Resources "in tatters" following her tenure there where she infamously scrubbed its website of climate change information. According to [MLive](#), prominent Midwest leaders including Wisconsin Gov. Scott Walker praised her selection.

**ANOTHER CITY SUES FOSSIL FUEL INDUSTRY OVER CLIMATE CHANGE:**

Santa Cruz County and the city of Santa Cruz on Wednesday filed [two lawsuits](#) against 29 oil, gas and coal companies asking them to be held accountable for the impacts associated with climate change including sea level rise and exacerbated wildfires. "It's time for oil companies to pay for the damage they've caused, rather than ask local residents to pick up all the costs associated with protecting us from sea level rise, increasing fires, and severe weather," County Supervisor Ryan Coonerty said in a statement. Similar lawsuits were filed over the summer by cities like San Francisco and Oakland.

**In response to the lawsuits**, Linda Kelly, senior vice president and general counsel of the National Association of Manufacturers, said: "Sadly this is just the latest in a long line of actions taken by wealthy activists and plaintiff's attorneys with an agenda to undermine manufacturing in America and rake in millions of dollars through the courts by politicizing natural disasters. The place to solve these issues is not in the courts."

**SCHNEIDERMAN BACKS CARBON TAX:** New York Attorney General Eric Schneiderman became the first New York statewide elected official to back a carbon tax this week, POLITICO New York's Danielle Muoio [reports](#). "That includes passing legislation to dramatically reduce greenhouse gas emissions, including a carbon tax, while expanding investment in the people and places hit hardest by climate change," he said in a statement.

**MILLIONS REMAIN WITHOUT POWER IN PUERTO RICO:** More than three months after Hurricane Maria hit, the Army Corps of Engineers doesn't think it will fully restore power to Puerto Rico until next May, CBS News [reports](#). Power restoration is expected to hit 95 percent in February. More than 3,600 linemen are working to restore electricity "neighborhood by neighborhood," a senior DOE official told the news service.

**ACCEPTED:** Sen. [Sheldon Whitehouse](#) announced Wednesday GAO had accepted his request to examine White House calculations of the social cost of carbon and other similar figures. The agency said it would begin its review in the coming months. Whitehouse and six other Democrats expressed concern in their [original request](#) that the Trump administration's lowered estimates could undermine a host of environmental regulations.

**MAIL CALL! TOO MUCH AUTONOMY?** A 16-state coalition of governors and attorneys general, led by Texas AG Ken Paxton, sent [a letter](#) to Trump on Wednesday calling for the administration to "extend greater regulatory oversight to independent agencies." Though they weren't mentioned by name, independent agencies affected by such a move could include FERC, NRC and the Chemical Safety Board.

**Information sought on sage grouse review:** Thirteen Democratic senators sent a letter to the Forest Service seeking information on its role in the review of management plans for the greater sage grouse and an extension of the public comment period by 45 days. Link [here](#).

**REPORT ROUNDUP! DRILL, MAYBE, DRILL?** Resources for the Future is out with a

report looking at how various local communities have coped and responded to volatility in local demand for drilling over the last decade. It found most local communities reported "net fiscal benefits" from expanded oil and gas drilling, and that fiscal conditions had generally improved in 2016 and 2017. Read it [here](#).

**Keep getting more efficient:** Energy efficiency programs in the electric utility industry saved 183 terawatt-hours of electricity in 2016 and savings have grown 45 percent over the past 5 years, according to [a report](#) from the Institute for Electric Innovation.

**Industry report: Methane emissions declining:** A [report](#) from Energy In Depth argues there have been continued reductions in methane emissions within the country's most productive shale basins. Emissions from the San Juan Basin, for example, have dropped 47 percent since 2011.

**THERE'S A TRADE GROUP FOR EVERYTHING:** The International Mountain Biking Association has split with its San Diego chapter over a proposal from Rep. [Tom McClintock](#) to allow bikes in federally designated wilderness areas, The Los Angeles Times' Evan Halper [reports](#). "Resentment of these cyclists over the longstanding ban on 'mechanized' transportation in that fraction of the nation's public lands presents a political opportunity for Republicans eager to drill fissures in the broad coalition of conservation-minded groups united against the GOP environmental agenda. 'People who enjoy mountain biking have just as much right to use the public trails as those who enjoy hiking or horseback riding,'" McClintock said during a hearing on the bill, which has passed committee. The mountain biking association opposes the bill, while the San Diego chapter supports it (h/t POLITICO Influence).

**LIGHTER CLICK!** Interior Secretary Ryan Zinke and his wife, Lola, sent out a holiday greeting complete with their pup Ragnar. Watch it [here](#).

## QUICK HITS

— Longtime oil and gas leader pushing energy tax in Oklahoma. [AP](#).

— EPA Using Controversial Process to Push Cleanup of America's Most Toxic Sites. [The Weather Channel](#).

— Trump signs executive order to expand critical minerals production, says it will end America's 'vulnerability'. [Washington Post](#).

— 3 competing offshore wind developers submit bids to produce electricity for Massachusetts utilities in Clean Energy RFP. [Mass Live](#).

— Pipeline Project Continues to Dominate News in North Dakota. [AP](#).

— Republicans Blow Their Chance to Pass a Carbon Tax. [The Atlantic](#).

## HAPPENING TODAY

\*Nothing\*

## THAT'S ALL FOR ME!

**\*\* A message from the Renewable Fuels Association:** The Renewable Fuel Standard,

**helping to clean the air**, was signed into law ten years ago this week. According to a January 2017 analysis by the U.S. Department of Agriculture, corn ethanol reduces greenhouse gas emissions by 43% compared to gasoline. Additionally, the same study found that by 2022, corn ethanol could reduce greenhouse gas emissions by 76% compared to gasoline. Ethanol is the best tool available to reduce tailpipe emissions of other harmful pollutants, including carbon monoxide, air toxics like benzene and fine particulate matter. Learn more at <http://www.ethanolrfa.org/wp-content/uploads/2017/12/RFS2-Ten-Years.pdf>. #thankyouRFS  
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*To view online:*

<https://www.politicopro.com/newsletters/morning-energy/2017/12/time-running-out-for-gop-to-avoid-shutdown-059392>

## Stories from POLITICO Pro

### Hatch releases tax extenders bill [Back](#)

By Aaron Lorenzo | 12/20/2017 05:12 PM EDT

Legislation to extend lapsed tax benefits related to race horses, race tracks, railroad maintenance and a raft of energy provisions officially emerged today.

The [bill](#), introduced by Senate Finance Chairman [Orrin Hatch](#) (R-Utah), would revive a range of tax extenders that expired at the end of 2016 under the PATH Act, which made a number of other extenders permanent and gave two- and five-year extensions to others.

The legislation would also extend and alter other energy credits, including the Investment Tax Credit, the nuclear production tax credit and the credit for carbon dioxide sequestration.

"Extending these provisions would help families, individuals and small businesses in Utah and across the country, and the chairman is committed to working with members to address the expiring extenders in short order," said an email from Katie Niederee, a Senate Finance spokesperson.

She offered no more specifics on timing, though pressures have been mounting from influence groups to attach extenders to any end-of-year legislation still moving through Congress.

*To view online [click here](#).*

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### GOP senators revive tax extender legislation, again [Back](#)

By Aaron Lorenzo | 12/20/2017 08:40 PM EDT

Senate Republicans introduced legislation Wednesday to breathe new life into a host of lapsed tax benefits, the same day they also passed a wider-reaching tax overhaul that they previously touted as the end of temporary tax policy.

The so-called extenders [bill](#), introduced by Senate Finance Chairman [Orrin Hatch](#) (R-Utah),

would give another two years of life to nearly three dozen tax provisions that expired at the end of 2016.

They include benefits related to owning race horses, building auto-racing tracks and ongoing railroad maintenance. The [bill](#) also would let homeowners continue to itemize their mortgage insurance premiums and would extend and alter energy credits, including the Investment Tax Credit, the nuclear production tax credit and the credit for carbon dioxide sequestration.

No cost for Hatch's bill was provided, but supporters of the broader tax legislation, [H.R. 1 \(115\)](#), already claimed a fiscal benefit.

They declared about \$500 billion in savings from the cost of extending the numerous tax provisions, using what's known as a current policy baseline, which assumes the provisions would stay on the books since they have been routinely extended. By contrast, using a current law baseline would recognize the scheduled expiration of the benefits, meaning proposals to extend them would cost money.

Hatch's House counterpart, Ways and Means Chairman [Kevin Brady](#) (R-Texas), declined to comment on the accounting method.

"You're talking to the chairman who doesn't want to do extenders," Brady said.

The extenders included in the new package were last renewed at the end of 2015 under the Protecting Americans from Tax Hikes, or PATH, Act. It made a number of extenders permanent and gave two- and five-year extensions to others.

The strategy to advance this new bloc of extenders hasn't been determined, Brady said.

"We'll turn to that after we get back" from the holiday break, he said. "That's my anticipation."

A spokesperson for Hatch, Katie Niederee, offered no more specifics on timing, though pressure has been mounting from influence groups to attach extenders to any end-of-year legislation still moving through Congress.

"Extending these provisions would help families, individuals and small businesses in Utah and across the country, and the chairman is committed to working with members to address the expiring extenders in short order," Niederee said in an email.

A [letter](#) to Hatch, Brady and other congressional leaders from about 60 trade associations representing energy, housing, transportation, agriculture and other interests called on Congress to preserve all the benefits dear to their member companies.

"Allowing these tax provisions to remain lapsed creates confusion in the marketplace, and effectively increases taxes on entities that create jobs and economic growth," said the letter. "Accordingly, we respectfully ask that Congress add a multi-year extension, beginning January, 2017, of these important tax provisions to any end-of-year legislative vehicle."

But conservative groups have weighed in with opposition.

Extenders represent tax code carve-outs to special interests and continuing them would be wrong, said Tim Phillips, president of Americans for Prosperity. The group, funded by the conservative, billionaire Koch brothers, worked closely with Brady, Hatch and other

congressional Republicans to get the broader tax overhaul legislation to President Donald Trump.

"We have not made any deals to look the other way on extenders," said Phillips, insisting that he wouldn't back down from opposing the effort to yet again revive temporary tax policy.

To view online [click here](#).

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## **Tax victory may be fleeting for Ryan and McConnell** [Back](#)

By Rachael Bade and Seung Min Kim | 12/20/2017 02:36 PM EDT

A beaming Speaker Paul Ryan high-fived and hugged his lieutenants after the House first passed the GOP tax bill Tuesday. As the Senate prepared to follow suit hours later, Majority Leader Mitch McConnell was elated.

"Couldn't be better," he said in an interview with POLITICO.

Capitol Hill Republicans have every reason to feel euphoric. Ryan and McConnell have ushered the biggest tax overhaul in a generation through Congress and delivered President Donald Trump his first major legislative victory since Inauguration Day.

But on the periphery is palpable angst, particularly in the House. Just hours before the Tuesday vote, some House Republicans fretted privately about the prospect of getting railroaded into propping up Obamacare by the end of the week. And conservatives have been stewing quietly over a looming legislative package coming in early January that most believe will increase spending and codify an Obama-era immigration program they believe is illegal.

"It's kinda like leaving a hospital finding out you're cancer free and getting run over by a Mack truck," said Republican Study Committee Chairman Mark Walker. On the one hand, the North Carolina Republican cheered passage of the tax plan. But he was also aghast that a unified Republican government was even discussing the possibility of enacting Obamacare subsidy payments they campaigned against for years.

Ryan and McConnell scored an undeniable win this week when Congress passed a sweeping tax overhaul. For the speaker, it was a chance to check his No. 1 policy goal off his bucket list. For the majority leader, it was an opportunity to regroup with a once-in-a-generation success, particularly after the Senate failed to repeal Obamacare this summer.

But the victory lap for both men may be short-lived.

By Friday Republicans will have to figure out how to fund the government, and there are no good options. House Republicans hoped to increase defense spending without giving Democrats any funding boost for their own priorities — an idea GOP leaders retracted after realizing it would go nowhere in the Senate. McConnell, for his part, recently backed the idea of adding Obamacare stabilization payments to the short-term spending bill — something House Republicans have flat-out rejected.

That's to say nothing of January, when Congress is expected to raise strict spending caps without equivalent cuts and potentially offer deportation relief to Dreamers. Both could repel the conservative base even more.

Republicans throughout Washington have begun calling the January legislative agenda the "shit sandwich."

"It's going to take a lot of the win away and a lot of the momentum away if we go back on our principles, and to me that's why the [Obamacare] payments are toxic," said Rep. Warren Davidson (R-Ohio), a Freedom Caucus member who enjoys a strong relationship with Ryan and even sat with him on the floor in the moments before the House vote Tuesday. On Wednesday afternoon, Sens. Lamar Alexander (R-Tenn.) and Susan Collins (R-Maine) said they would not push for an Obamacare stabilization measure to hitch a ride on this week's stopgap spending bill and would instead seek passage early next year.

Ryan may have sensed that other policy matters were about to infringe on the tax triumph: Just three hours before the House first passed the bill Tuesday, the Wisconsin Republican told his colleagues in a closed-door conference meeting to treasure the moment they passed the tax overhaul and remember it as Republicans tackle a series of thorny year-end issues. Be proud, Ryan said — and don't get bogged down in the drama.

Some heeded his advice; others did not. As Republicans streamed out of the room, several balked at Ryan's suggestion that McConnell might tack Obamacare subsidies onto the government-funding bill at week's end. Minutes later, when the gavel fell on tax reform in the House, some conservatives declined to join the party's standing ovation on the floor, frustrated over leadership's handling of the year-end to-do list.

Republicans' mixed emotions will again be on full display Wednesday: Around 3 p.m., GOP lawmakers will head to the White House for a celebration, where most will laugh and pat each other on the backs like one big happy family. But right after, House leaders expect to call a private conference meeting to discuss how to avert a shutdown — a discussion that's likely to displease conservatives, appropriators and defense hawks alike.

The Senate, a more bipartisan body comprised of more centrist Republicans, is having less heartburn for now. McConnell is determined that his hard-fought legislative victory on taxes — in which he kept together his fractious conference — not be swiftly overshadowed by a shutdown battle that could bruise Republicans.

"I think there's a bipartisan desire to wrap up our business here in a fairly non-contentious way, and I think you'll see that develop at the end of the week," McConnell told POLITICO. "This is not a place we haven't been before."

His top deputy, Senate Majority Whip John Cornyn (R-Texas), was also adamant that the looming battles wouldn't detract from the tax win: "I don't know anybody that believes we're going to shut down."

A shutdown just two days before Christmas would tar the victory that GOP leaders on both ends of the Capitol have spent months working toward. Democrats have criticized the messy legislative process and accused the GOP of rushing through the tax bill with little public scrutiny, charges Republicans dismiss.

"I think it's a real tribute to our majority leader that he's been able to get this up and hopefully out," Senate Finance Chairman Orrin Hatch (R-Utah) said.

Winning over Sen. Bob Corker of Tennessee, the lone GOP senator to reject the Senate's version of the tax bill, was also a feat for McConnell.

At a party lunch on Tuesday, Corker spoke to his fellow Republican senators about how he came around on the tax measure despite initially opposing it out of concerns it would blow through the deficit. He didn't mention, according to one senator, the controversy that exploded around him in the final days of the tax fight after a report suggested he flipped his vote only after securing provisions in the tax bill that would profit him personally.

McConnell came to Corker's defense in the interview with POLITICO, calling such suggestions about the Tennessee senator "absolutely outrageous."

The majority leader was unconcerned with the perception that some lawmakers could benefit financially from the tax overhaul. McConnell noted that his own accountant ran through how the Kentucky Republican would fare under the tax bill, and "I come out almost exactly where I am now."

"Every taxpayer in America has got a different set of facts," McConnell said. "Not a single member [was] casting a vote on this bill based upon their own personal tax situation."

In the House, there was never really a question about whether tax reform could pass. Ryan was able to muscle through an Obamacare repeal bill earlier in the year, and his conference was so sick of losing that they were willing to swallow almost any tax bill if it meant a legislative victory.

"It's a feather in his cap," said Rep. Bill Posey of Florida of Ryan. "He said this was one of his goals since the day he was on staff. And that says a lot, that it's been important to him — but also very important to the president and the country."

Even if GOP leaders iron out their government funding differences in the next three days with little drama, January is sure to be harder. While Republicans could pass tax and health care bills by themselves, negotiations on spending and immigration will require Democratic votes.

And Democrats, most lawmakers and aides on the Hill agree, have the upper-hand in those talks. That means it's only a matter of time before Republicans cut loose their right flank. But perhaps when that happens, and the intra-party bickering reaches a new crescendo, they'll look back to the day tax reform passed with fond memories.

"The nice thing about doing a big package that has been in the making and overdue for 31 years is this is going to have lasting impacts," said Sen. Shelley Moore Capito (R-W.Va.), who hopes Republicans will keep talking about tax reform well beyond the shutdown drama. "I don't think any of us are going to lose any of our enthusiasm or gonna stop talking about it."

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## **POLITICO Pro New York: Schneiderman expresses support for a carbon tax** [Back](#)

By Danielle Muoio | 12/20/2017 08:47 PM EDT

New York Attorney General Eric Schneiderman this week voiced his support for a state carbon tax, joining ranks with a statewide coalition pushing for the legislation.

His comments, made in the Flatiron District, make Schneiderman the first statewide elected official to endorse the implementation of a carbon tax. They come as Schneiderman prepares to sue the Trump administration over its decision to repeal the Clean Power Plan.

"New York must invest in an equitable transition to a clean energy future — one that creates jobs, protects workers, and supports the communities most affected by climate change," Schneiderman said in a statement. "That includes passing legislation to dramatically reduce greenhouse gas emissions, including a carbon tax, while expanding investment in the people and places hit hardest by climate change."

The coalition, called New York Renews, is composed of clean energy, environmental justice and labor groups. It has said it will push legislation in 2018 calling for a carbon tax that would generate revenue for investments in renewables and energy efficiency projects.

A carbon tax has been proposed in the Legislature, but this is the first time a large coalition of environmental groups have made a concerted campaign to pass the measure. The New York Independent System Operator, which runs the state's power market, has also begun the first stages of examining what such a tax may look like.

"Sea levels are rising, major storms are occurring with increasing frequency — and it is low-income communities and communities of color who are hit the hardest," ALIGN Executive Director Maritza Silva-Farrell, a coalition member, said in a statement. "New York must dramatically increase its use of renewable energy to combat the threat of climate change. ... The fairest and most effective way to do this is to put a fee on pollution."

Schneiderman expressed support for the Climate and Community Protection Act, also a main focus for the coalition. The act would turn New York's renewable goals into law and set benchmarks for clean energy initiatives.

The Cuomo administration has been [hesitant to support a carbon tax](#) outright, noting that federal action would be needed to ensure it doesn't hurt the state's economic competitiveness.

Gov. Andrew Cuomo has committed New York to reducing emissions by 40 percent by 2030 as part of his Reforming the Energy Vision. Under the plan, the state is tasked with getting 50 percent of its electricity from renewable sources by 2030.

*This report first appeared on [POLITICO Pro New York](#) on Dec. 20, 2017.*

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Yes, very



Somewhat



Neutral



Not really



Not at all

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**Date:** Tuesday, December 19, 2017 5:44:02 AM

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By Anthony Adragna | 12/19/2017 05:41 AM EDT

*With help from Eric Wolff and Emily Holden*

**DEJA VU ALL OVER AGAIN:** Even as Congress prepares to green-light its massive tax package as soon as today, there's little clarity from senior leaders about how to pass a separate bill before Friday keeping the government open and even less about what's going to be inside it. There's a push to stick disaster aid in the package — Senate Majority Leader [Mitch McConnell](#) backed that Monday — as well an effort to extend a lifeline to clean energy "orphan" tax credits.

**House lawmakers** rolled out a \$81 billion disaster relief package to help states and territories still recovering from hurricanes, wildfires and other natural disasters. It includes \$12.1 billion for the Army Corps of Engineers for immediate repairs after these storms, as well as provisions to expedite projects meant to mitigate the impacts of future ones. For those playing along at home, that means Congress would have spent more than \$130 billion on severe weather this year, outpacing the total amount of aid after both Hurricanes Katrina and Sandy, and the request would be nearly double the \$44 billion ask from the White House this go round. "We have a commitment to our fellow citizens that are in the midst of major rebuilding efforts in all areas, including Texas, Florida, California, Louisiana, Puerto Rico, and the U.S. Virgin Islands," Appropriations Chairman [Rodney Frelinghuysen](#) said in a statement.

**What other appropriators are reading:** Forty Senate Democratic caucus members, led by [Ben Cardin](#), sent a letter to senior chamber leaders urging them to keep end-of-the-year spending legislation free of any environmental riders. If the group holds together, that's enough to uphold a filibuster on the underlying package. Read it [here](#).

**Senate Democratic leader [Chuck Schumer](#)** didn't sound optimistic Monday on the floor, noting unresolved issues include addressing mine workers pension funding and "adequate" disaster relief. And he slammed Texas Gov. Greg Abbott for requesting immediate federal aid while refusing to tap into the Lone Star state's rainy day fund in the aftermath of Hurricane Harvey: "On its face, it's an absurd position for a routine critic of the federal government to take," Schumer said. "I for one don't want to vote a nickel for Texas unless they tap that rainy day fund."

**More than 50 groups** are out with [a letter](#) this morning urging Congress to tackle tax extenders before skipping town this year. That comes as more than 20 groups, including Alliance to Save Energy and National Association of State Energy Officials, asked senior lawmakers in [a letter](#) to extend several energy efficiency incentives that lapsed at the end of 2016. And six groups made a [similar pitch](#) for a retroactive, multi-year extension of the biodiesel tax incentive.

**Most likely outcome?** Via [Budget & Appropriations Brief](#): 1. The House passes its partisan "defense-only" spending bill, with mostly Republicans. That bill is [H.J. Res. 124 \(115\)](#), but it

is expected that today, its language will be attached by the Rules Committee to [H.R. 1370 \(115\)](#), which would then become the vehicle for the third continuing resolution. 2. The Senate strips out the extra Pentagon funding and adds a handful of riders. (Think "PAYGO" waiver, Alexander-Murray, FISA and maybe hurricane funding.) 3. The House eventually agrees to that bill, but on the backs of Democrats.

**Speaking of that tax bill**, the League of Conservation Voters sent a [last-ditch letter](#) urging members to oppose the conference report, [H.R. 1 \(115\)](#), raising particular alarm over language that would open the Arctic National Wildlife Refuge to oil and gas drilling. "This provision is being included in an attempt to generate \$1 billion in government revenue to somehow justify the \$1.5 trillion in tax cuts for the wealthy, but multiple analyses show that it is unlikely to raise anywhere close to even that miniscule amount," the letter states. Reminder of the energy-related provisions in the package [here](#).

**WELCOME TO TUESDAY!** I'm your host Anthony Adragna, and NRDC's Ed Chen was first to guess there are eight senators older than 80. For today: Same question, different chamber. How many House lawmakers are over 80? Send your tips, energy gossip and comments to [adragna@politico.com](mailto:adragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**SOMEBODY'S WATCHING ME?** EPA paid \$3,000 in March to have Administrator Scott Pruitt's office checked for surveillance bugs, according to an unnamed EPA source sharing documents with [The Hill](#). The sweep, by New Jersey-based Edwin Steinmetz Associates, did not uncover any bugs. Shortly after that, EPA spent \$25,000 on a [private phone booth](#) for Pruitt's office late this summer.

**PROBE SOUGHT IN EPA'S 'MEDIA MONITORING' CONTRACT:** American Oversight and the Environmental Working Group have [asked](#) EPA's inspector general to investigate the agency's \$120,000 no-bid contract with a firm tied to Pruitt to track news coverage of its activities. "The EPA's decision to award a no-bid contract to a highly political organization with close ties to the current EPA Administrator, particularly combined with the fact that a related organization has been using the Freedom of Information Act to investigate the agency's employees, raises numerous questions about how the EPA is allocating its funds and whether it is complying with all government contracting, legal, and ethical requirements," they wrote. An employee of the group, Definers Public Affairs, has also filed dozens of public records requests for information on employees who have been critical of the Trump administration.

**Meanwhile**, Public Citizen [asked](#) GAO to find the contract was awarded improperly and recommend it be rescinded.

**Won't back down:** One of EPA's top unions, the American Federation of Government Employees Local 704, vowed not to be scared off by the tactics in a statement. "None of us got into this work to be voices of dissent," Nicole Cantello, an official with the union, said. "But in the face of grave injustice and the dangerous actions of the Trump administration, we have a moral obligation to speak out and do everything within the bounds of the law that we can to fight back."

**\*\* A message from the Renewable Fuels Association:** This week marks the tenth anniversary of the Renewable Fuel Standard, helping to provide consumer choice at the pump. The RFS has been an unmitigated success, helping to clean the air, lower gasoline prices,

provide greater energy security and boost local economies. Learn more at [www.ethanolrfa.org](http://www.ethanolrfa.org).

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**ON AN EMISSION:** EPA will [take comments](#) on options for a proposal to replace the Clean Power Plan, rather than openly questioning its authority on greenhouse gas emissions, Pro's Emily Holden [reports](#). But any new rule is unlikely to significantly reduce greenhouse gas emissions. EPA is seeking feedback on ways for coal plants to run more efficiently, which could potentially raise some emissions if plants run more as result. A replacement could also take years to materialize.

**Reactions abound:** The Clean Air Task Force notes that the George W. Bush administration issued a similar advance notice of proposed rulemaking on the same question and never followed up. (See POLITICO's U.S. climate change [timeline](#).) "The Obama EPA has already engaged in this exercise, beginning nearly seven years ago with listening sessions and a full rulemaking effort with a robust and voluminous supporting record," CATF said in an emailed statement, adding that the Trump administration's own analysis found the rule would have prevented as many as 4,500 premature deaths each year by 2030. The U.S. Chamber of Commerce and the National Rural Electric Cooperative Association, which represents many coal-reliant co-ops, praised EPA's move.

**CONFIRMATION WATCH:** The Senate Banking Committee [convenes](#) at 10 a.m. today to vote on a host of nominations. But all eyes will be on the fate of former Rep. Scott Garrett's selection to run the Export-Import Bank. Remember Sen. [Mike Rounds came out against his nomination](#) last week, which could sink Garrett in the closely divided committee. South Carolina Republican Sen. [Tim Scott](#) is also likely a "no" on the nomination, McClatchy DC [reports](#).

**Boring but important:** The Senate Rules Committee [gathers](#) today at 2:30 p.m. to hear testimony on a resolution, [S. Res. 355 \(115\)](#), from Sen. [James Lankford](#). Among other things, the bill would lower the amount of procedural time that could be burned on most lower-level nominees from 30 to eight hours. The time for considering Supreme Court, circuit court and Cabinet-level nominees would remain unchanged. It would also lower the initial procedural requirement for beginning debate on legislation from 60 to 51 votes, while keeping in place the 60 vote threshold for final passage.

**CHALLENGED:** The New York Times sued the Interior Department on Monday for communications with Secretary Ryan Zinke concerning Bears Ears National Monument. Read it [here](#).

**MAIL CALL! MAJOR WORK NEEDED ON REUSE PROGRAM:** More than a dozen public health and environmental groups sent [a letter](#) to Pruitt urging him not to revive a coal ash reuse promotional program "unless and until significant changes are made to the program." They further ask the agency to evaluate existing "structural fill and beneficial reuse sites" to assess their impacts on human health and the environment. "EPA, or any other federal agency, must not promote coal ash reuse unless the safety of those practices has been fully evaluated and EPA has published peer-reviewed findings concluding that the specific reuses are safe for human health and the environment," the letter says.

**TOSSING OUT SOME TWEAKS:** The National Association of Regulatory Utility Commissioners sent [a letter](#) outlining a series of suggestions for revamping the Public Utility Regulatory Policies Act. "FERC already has the statutory authority to enact comprehensive

reforms of PURPA's implementing regulations, and it would be an enormous missed opportunity if FERC enacted only small changes to them," Travis Kavulla, past president of NARUC, said in a statement.

**FAA TO DRONES: BUZZ OFF OUR NUCLEAR SITES:** Drones must stay at least 400 feet from seven key DOE facilities, the FAA said Monday. The move marks the first time the FAA has restricted DOE sites from drones. ME knows there will be more than a few folks receiving nicely gift-wrapped drones soon, so here's the [map](#) of where not to go. Mostly you would do well to stay away from national labs and nuclear waste sites.

**'UNACCEPTABLE' CLIMATE REMOVAL:** GOP Rep. [Carlos Curbelo](#) slammed Trump's decision Monday to remove climate change as a national security risk from his strategy document and urged Congress to step up instead. "Congress needs to take action to ensure our military installations around the world are adapting and mitigating when it comes to climate change, and I challenge the Members of the Climate Solutions Caucus to step up to help lead that effort," the Florida Republican said. Curbelo didn't offer any specific policy ideas for doing so.

**STAFFING UP:** Tesla has added Holland & Knight to its roster of Washington lobbyists. Former Rep. Tom Reynolds (R-N.Y.) and three of his colleagues have been lobbying for Tesla on the GOP tax bill, [H.R. 1 \(115\)](#), and "solar tariffs" since Nov. 1, according to a disclosure (h/t POLITICO Influence).

**CHEEKY:** The Sierra Club is sending a Christmas card to 17,000 families in Oklahoma highlighting what they say are Pruitt's actions to weaken environmental protections. Check it out [here](#).

**MOVER, SHAKER:** Bud Albright, a longtime energy sector veteran, is launching his own firm, Albright Strategies, in January. "I plan to focus on my strengths in matters before the Energy and Commerce Committee, issues of oversight and crisis management, and all matters energy, telecom, health care, and environment related," he emails. Albright's previously been an undersecretary at DOE and former staff director of E&C, among many other stops.

## QUICK HITS

- US shale oil drillers set to kick off the new year with big production gains. [CNBC](#).
- Climate change hits Winter Olympic preparation. [Salt Lake Tribune](#).
- Canada oil producers exhaust options as pipelines, railroads fill. [Reuters](#).
- The coastal mortgage time bomb. [Inman](#).
- Public hearing Tuesday on natural gas pipeline that would cross the Potomac. [Washington Post](#).
- Lin-Manuel Miranda petition urges government to aid Puerto Rico. [The Hill](#).

## HAPPENING TODAY

10:00 a.m. — Senate Banking Committee [holds vote](#) on nominations including Scott Garrett's to run the Export-Import Bank, Dirksen 538

1:00 p.m. — Environmental and Energy Study Institute hosts a [briefing](#) about the takeaways from the latest global climate talks, Dirksen 562

## THAT'S ALL FOR ME!

**\*\* A message from the Renewable Fuels Association:** The Renewable Fuel Standard, **helping to save consumers money at the pump**, was signed into law ten years ago this week. The RFS saved consumers \$17.8 billion in gasoline expenses in 2015, the equivalent to \$142 per American household, according to a recent analysis in the *American Journal of Agricultural Economics*. Gasoline prices were 18 cents per gallon, or 9.5% lower, because of the RFS. In addition, the RFS has been responsible for increased federal tax revenues. Learn more at [www.ethanolrfa.org](http://www.ethanolrfa.org). #thankyouRFS \*\*

To view online:

<https://www.politicopro.com/newsletters/morning-energy/2017/12/with-tax-vote-looming-little-surety-on-government-funding-battle-056676>

## Stories from POLITICO Pro

### Solar, wind get reprieve in final tax bill [Back](#)

By Eric Wolff and Ben Lefebvre | 12/15/2017 06:57 PM EDT

The [conference tax bill](#) released Friday by Congressional Republicans resolves a slew of issues faced by the energy industry.

— **Wind and solar credits saved:** The final tax bill, [H.R. 1 \(115\)](#), follows the Senate's bill when it comes to the production tax credit and the solar tax credit, meaning both are left untouched. The House bill had proposed reducing the value of the PTC and changing when a project qualified for it, and it had proposed dropping the permanent 10 percent credit for the ITC. Both credits will phase down as agreed to in a deal struck in 2015.

— **MLP benefits added:** It also includes language Sen. [John Cornyn](#) (R-Texas) proposed that would give deductions to investors in master limited partnerships, the corporate structure for many pipeline companies.

— **EVs roll on:** A tax credit for electric vehicles was preserved.

— **Oil recovery restored:** Credits for abandoned oil wells and enhanced oil recovery that were eliminated in the House version were restored in the final bill.

— **Selling off the oil:** The bill retains the Senate language that would sell up to \$600 million in Strategic Petroleum Reserve oil to offset any shortfall from opening up the Arctic National Wildlife Refuge to drilling. The Senate language forecast drilling in ANWR would generate \$1 billion in revenue over 10 years, an estimate critics have said is too optimistic.

— **More revenue sharing:** The bill also temporarily lifts offshore Gulf of Mexico oil and gas production revenue sharing caps to \$650 million annually for fiscal years 2020 and 2021, up from a previous limit of \$500 million, to support coastal restoration and protection projects.

— **Base erosion eased for renewables:** Tax writers created some room to keep banks and

other financiers of renewable projects in the game by allowing them to take 80 percent of the credits for the PTC and the ITC.

— **No tax extenders:** Numerous senators have been saying it for weeks now, and the bill makes it official: None of the expired tax credits for small wind, fuel cells, and other "orphans" made it into the conference bill. The extension of the nuclear tax credit that was in the House bill has also been dropped.

— **Utilities still get to deduct interest:** The bill preserves provisions in both the House and Senate versions that allowed utilities to continue to deduct interest on loans without the limitation placed on other businesses.

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**EPA to kick off rewrite of Clean Power Plan** [Back](#)

By Emily Holden | 12/18/2017 02:56 PM EDT

EPA is launching a process to consider proposing a new rule to replace the Clean Power Plan, according to a regulatory [document](#) released today, a move that goes further than a previous draft that sought to determine whether the agency had the power to regulate greenhouse gases at all.

The new document, which the agency is expected to release soon, acknowledges that the Supreme Court ruled that the agency has authority to regulate greenhouse gases and that the agency found that those emissions harm human health, requiring it conduct a rulemaking. It also notes that EPA did not issue a separate endangerment finding for power plants, and instead relied on one it issued for motor vehicles.

EPA argues in the new document that if the agency writes a new rule, it can only apply to coal-fired power plants, not to the broader power system, as the Clean Power Plan did.

The agency is primarily focused on opportunities for power plant efficiency improvements, it said.

The notice lists examples of those possible upgrades.

**WHAT'S NEXT:** EPA will take comment on the notice for 60 days after it's published in the Federal Register.

To view online [click here](#).

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**The long road to an international climate deal** [Back](#)

By Emily Holden | 11/07/2017 05:02 AM EDT

It's been 25 years since the landmark U.N. summit that set the world on a path to climate agreements in Kyoto and Paris. And more than a decade has passed since the Supreme Court first ruled that the EPA can regulate greenhouse gas emissions. The Trump administration is withdrawing from the Paris Agreement and revoking Obama-era rules to limit those emissions from power plants, reversing decades of momentum behind policies to address the causes of climate change.

Let's take a look:

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**Trump Ex-Im Bank nominee will likely be blocked** [Back](#)

By Zachary Warmbrodt | 12/12/2017 04:20 PM EDT

Scott Garrett, President Donald Trump's pick to lead the Export-Import Bank, will likely be blocked by bipartisan opposition after he struggled to convince lawmakers that he should run an agency he once tried to kill in Congress.

Garrett's fate was all but sealed Tuesday when Sen. Mike Rounds (R-S.D.) said he would oppose the former congressman's confirmation when it comes up for a vote at the Senate Banking Committee on Dec. 19. The panel has 12 Republicans and 11 Democrats, and all the Democrats are expected to oppose Garrett.

"I believe him to be a proponent of the abolition of the bank rather than a reformer of the bank," Rounds told POLITICO. "I'm looking for reformers, not abolitionists."

Rounds had raised concerns that small contractors in his state could be hurt if their larger customers lost access to financing. U.S. companies rely on the agency to provide loan guarantees to the foreign buyers of American exports.

If Garrett's nomination were blocked or withdrawn, it would be a major victory for companies and manufacturing groups, including Boeing and the National Association of Manufacturers. They have fought to stop his Senate confirmation based on his record of trying to shut down the bank while serving in Congress.

Before losing reelection in his New Jersey district last year, Garrett said the bank "embodies the corruption of the free enterprise system." As he tried to save his nomination in recent months, he struck a less aggressive tone and pledged publicly to keep the bank running.

Garrett's attempts to shore up support fell flat, and opposition to his nomination could grow before next Tuesday's vote.

Other Republicans on the committee said they had not yet made up their minds.

Sen. Tim Scott (R-S.C.), whose vote is one of the most closely watched on the panel,

represents a state that's home to plants operated by Boeing and GE, two of the bank's most prominent beneficiaries. He has raised concerns with Garrett's record but has not announced how he would vote.

"My attention's all on the tax reform package," Scott said in an interview today. "I'm sure I'll have enough time before Tuesday to come to a decision."

Asked if Garrett will drop out or if the White House is looking for a new nominee, an administration official told POLITICO, "We plan on having a vote."

The administration has warned for months that if Garrett failed to advance then GOP lawmakers critical of the bank would hold up the confirmation of other nominees to head the agency. Sens. Pat Toomey (R-Penn.) and Richard Shelby (R-Ala.) have threatened to derail other Ex-Im appointees if Garrett were not cleared.

Four less controversial nominees for the bank's board are also scheduled for a committee vote on Dec. 19, and they're expected to move forward. Their confirmation would help the bank's board regain a quorum that's needed to approve transactions worth more than \$10 million.

Shelby said on Tuesday that if Garrett were blocked, "a lot of us will probably vote against all of them," but he conceded that "we're probably outliers — the minority."

In an interview Friday, White House director of legislative affairs Marc Short declined to say what the administration would do if Garrett fell short of the necessary votes in committee.

"There are some who look at it myopically and will say, 'Here's your challenge in committee,'" Short said. "But I think focusing on the committee in and of itself doesn't factor in other members of Congress who will oppose a different nominee."

Underscoring the wedge that the Export-Import Bank has driven between Republicans, manufacturers on Tuesday applauded Rounds for announcing his opposition, while conservative groups went on the attack.

"Sen. Rounds is placing special interests and lobbyists above the interests of the American people," Club for Growth President David McIntosh said. "A vote against Scott Garrett is a vote for business as usual in Washington. Rounds' opposition will serve to protect the swamp and its creatures rather drain it."

*Andrew Restuccia contributed to this report.*

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**Date:** Monday, September 25, 2017 5:56:10 AM

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By Anthony Adragna | 09/25/2017 05:53 AM EDT

*With help from Alex Guillén*

**NEW FUEL FOR THE CLIMATE SKEPTIC FIRES:** The small group of climate change skeptics, led by the Heartland Institute, has seized upon a recent peer-reviewed study to vindicate their calls for a debate on the fundamentals of climate change, Pro's Emily Holden [reports](#). The paper concluded the planet can tolerate more greenhouse gas emissions in the near future than previously thought, a finding its authors said does not undercut the basic consensus that human activity is causing temperatures to rise faster than normal. But Heartland Institute President Tim Huelskamp, whose group has submitted nominees for EPA Administrator Scott Pruitt's red team, blue team exercise and EPA's Science Advisory Board, says the report raises more questions. "This is exactly the type of debate discussion scientists need to be having," said Huelskamp, a former Republican congressman from Kansas. "If they were wrong 10 years ago, what makes their new modeling correct?"

**Scientists bash mischaracterizations:** Authors of the study said their work has been willfully misinterpreted for political purposes. While they expected their conclusions to be mischaracterized, they said they hadn't expected such an intense reaction. "We are not trained in PR.... Our job is to do solid science and communicate that. It's not really our job to guard against every possible critique, especially when they're not real critiques," said Damon Matthews, a study author and Concordia University Research Chair in Climate Science and Sustainability. "[T]here is no scientific result in our story that questions the basics of climate change and the imperatives for mitigation action."

**What did the report find?** The study found Earth has 20 years at the current rate of carbon dioxide emissions — 10 years more than the Intergovernmental Panel on Climate Change had estimated in its 2013 report — before average global temperatures grow 1.5 degrees Celsius. While previous research suggested countries had a "carbon budget" between 200 billion to 400 billion metric ton of carbon emissions before temperature increases exceeded 1.5 C, their paper pegged the figure above 700 billion metric tons. Some respected scientists have disagreed with the methodology the authors used to come to their conclusions.

**WELCOME TO MONDAY!** I'm your host Anthony Adragna, and the Glover Park Group's Hayley Moller was first to identify Tip O'Neil as the famous politician appearing in a 1983 episode of *Cheers* (clip [here](#)). For today: Which senator made a brief cameo in *Wedding Crashers*? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#), and [@POLITICOPro](#).

**FEARS OF A SOLAR SUNSET IN 2018:** Experts point to the last time the U.S. slapped steep tariffs on imported goods as a cautionary tale for President Donald Trump as he ponders whether to erect harsh trade barriers sought by Suniva and SolarWorld USA on imported solar panels, Pro's Eric Wolff [reports](#). Back in 2002, President George W. Bush put a 30 percent tariff on several types of steel imports, but the move led directly to a supply shortfall in the

U.S., causing wild fluctuations in prices, according to Tom Werner, CEO of SunPower Corp and a tariff opponent. "There's a very good chance it could end up the same way," said Tori Whiting, a research associate at the Center for International Trade and Economics at the conservative Heritage Foundation. A reminder that we're at this point due to Friday's International Trade Commission ruling that [opens the door](#) for Trump to penalize cheap Chinese solar imports through tariffs.

**Suniva and SolarWorld USA have both promised** to restart production at shuttered factories if they get trade protections, and they reject the notion that tariffs would cost jobs. But getting factories back into operation will take years and attracting capital may prove difficult since tariffs are limited to four years under the law.

**RAISING EYEBROWS, NOT PIPELINES, IN THE EMPIRE STATE:** Amid speculation he's positioning himself for a possible 2020 presidential bid, New York Gov. Andrew Cuomo has blocked three pipelines in the last 16 months, drawing national attention as his environmental policy has grown decidedly more progressive, POLITICO New York's Marie J. French [reports](#). Cuomo most [recently denied](#) a permit for Millennium Pipeline's 7.8 mile project — including a novel legal argument involving concerns about the greenhouse gas emissions from the power plant it would serve — after previously denying two other major pipelines permits over fears of how they'd affect water quality. "I think environmentalists have no choice but to pay some respect to Gov. Cuomo's moves — banning fracking was a big step, and he's followed it up with some other courageous decisions," 350.org co-founder Bill McKibben said. "We hope very much that he'll support the call for 100% renewable energy that's becoming the basic test for politicians going forward."

**\*\* A message from the U.S. Chamber's Global Energy Institute:** American energy is changing our economy. And now, it is changing the world. The U.S. Chamber of Commerce's Global Energy Institute is at the forefront of the policy discussions in Washington and around the nation that will help fuel the global energy revolution. Learn more at [www.globalenergyinstitute.org](http://www.globalenergyinstitute.org) \*\*

**GUESSING GAMES:** Trump's penchant for leaving himself wiggle room on contentious policy decisions like trade, taxes, immigration, health care and climate change is inducing whiplash in many of the political insiders, business leaders and even foreign governments with a stake in the outcomes, POLITICO's Emily Holden, Andrew Restuccia, Aaron Lorenzo and Ted Hesson [report](#). On the international climate front, diplomats have been left in the dark about what precisely the United States wants since June, when Trump announced his intention to exit the Paris agreement but "begin negotiations" to either reenter the nearly 200-nation accord or join an entirely new deal.

**White House spokeswoman Kelly Love said:** "President Trump was put into office precisely because he isn't beholden to lobbyists and special interests. If they're upset that they can't stroll into the White House and drive administration policy anymore, that's a badge of honor for a president who was elected to drain the swamp."

**BONN BONN BONNNNN:** Trump's decision to leave the Paris climate accord have raised the stakes for international climate negotiations in Bonn, Germany for nations around the world to reiterate their commitment to the accord, Pro's Eric Wolff [reports](#), citing an interview with the top climate negotiator for Fiji who's leading the meeting. "Our aim was changed by President Trump's announcement," Ambassador Nazhat Khan said. "Now we must deliver a visionary [conference]. Every work item for COP 23 is measured for the enhancing and

restating of the overall vision."

**RELIEF FINALLY BEGINS TO FLOW IN PUERTO RICO:** A ship carrying 1.6 million gallons of water, 23,000 cots, dozens of generators and food arrived Sunday in Puerto Rico — the first of many expected in the coming days — as millions of Americans brace themselves for potentially months without electricity and damaged drinking water infrastructure, the Associated Press [reports](#). Rep. [Nydia Velazquez](#) plans to request a one-year waiver from the Jones Act, a federal law requiring domestic cargo shipments to move only on U.S. vessels. "We will use all our resources," Velazquez said. "We need to make Puerto Rico whole again. These are American citizens."

**Dam worries linger:** There were [mixed reports](#) on the status of the Guajataca Dam in Northwest Puerto Rico. Some suggested the structure remained in danger of collapse Sunday after authorities previously evacuated 70,000 residents in that area, while others quoted local officials saying the risks were overblown.

**Congress plots relief efforts:** Lawmakers are beginning to plot potential relief options for the island, which may include tax breaks and more Medicaid funding, POLITICO Financial Services' Colin Wilhelm [reports](#). "This is a natural disaster in Puerto Rico like we haven't seen ever," said Carlos Mercader, executive director of the commonwealth's Federal Affairs Administration. "Think about Katrina but even worse because this is the whole island." In [an interview](#) with Colin on Sunday, Puerto Rico Gov. Ricardo Rossello called for Congress to treat Puerto Rico like a state in any comprehensive emergency aid package. Remember Puerto Rico was already dealing with a massive government debt crisis, crumbling infrastructure and a bankrupt electric utility before the storm.

**Relief not fast enough for many:** Cuomo, who visited Puerto Rico on Friday, jabbed Trump for his focus on the NFL instead of the emerging humanitarian crisis over the weekend: "Instead of arguing with football players, instead of obsessing about how to take health care from the poor, why don't we put the politics aside and focus on helping Americans in desperate need?" he said, according to [the Albany Times-Union](#). Hillary Clinton [tweeted](#): "President Trump, Sec. Mattis, and DOD should send the Navy, including the USNS Comfort, to Puerto Rico now. These are American citizens."

**Toxic waste removed in Texas:** Tucked away in a Friday press release was the disclosure EPA recovered 517 containers of "unidentified, potentially hazardous material" from Superfund sites in Texas affected by Hurricane Harvey but the agency isn't providing any additional information about the waste, the Associated Press [reports](#). EPA won't say what sites the material came from, whether they've been identified or if there's a human health threat.

**QUID PRO QUO?** EPA staff directed staff to take the first toward reversing the proposed veto of Alaska's Pebble Mine in July shortly after Pruitt met with Tom Collier, CEO of Pebble Limited Partnership, CNN [reports](#), citing interviews and government emails. "This is a process issue," Collier told CNN in an interview. "[Pruitt] is not saying he's not going to veto this project. He's just saying that the rule of law says that you do an environmental impact statement first, right? That's Mr. Pruitt's position." Collier said Pebble plans to file mining permit applications in December. Pruitt's move allows the company to submit a permit application but does not guarantee it would be approved.

**NATIONAL CLEAN ENERGY WEEK KICKS OFF:** A veritable who's who and VIPs of the clean energy world are in town this week to tout the benefits of clean energy technologies

and try to rally support in Congress and the administration for the sector's continued growth. Interior Secretary Ryan Zinke and Energy Secretary Rick Perry launch the festivities in earnest on Tuesday at 8 a.m. A full schedule is available [here](#).

**LET'S MAKE A DEAL?:** California may go along with some changes the Trump administration and automakers would like to see to vehicle emissions rules in the near future, as long as the White House and industry agree to tougher rules that would kick in later. Mary Nichols, chair of the California Air Resources Board, told [Bloomberg](#) that she has spoken with White House energy adviser Mike Catanzaro about the administration's review of EPA emissions standards through model year 2025.

**If EPA weakens those rules,** California would still be able to enforce its own, more stringent standards, which [13 other states](#) also have adopted. That would create a complex regulatory patchwork — or a protracted court fight over California's authority — that all parties would prefer to avoid, if possible. "The price of getting us to the table is talking about post-2025," Nichols told Bloomberg. California would be "willing to talk about specific areas if there were legitimate concerns the companies raised" as part of a larger discussion.

**MAIL CALL! REMEMBER THAT TALK WE HAD?** Six senators, led by [Sheldon Whitehouse](#), sent [a letter](#) to FERC Chairman Neil Chatterjee on Friday requesting the commission move "as quickly as possible" to complete a rule on better integrating energy storage and small renewable energy installation, which Whitehouse and Sen. [Ed Markey](#) discussed with Chatterjee prior to his confirmation. At the time of meeting, Whitehouse said he received a commitment the rule would not be "unduly delayed."

**CHINA MOVES TO CUT OFF OIL FOR NORTH KOREA:** Moving to implement the latest round of U.N. sanctions, China announced Saturday it would ban exports of condensates and liquefied natural gas immediately, Reuters [reports](#). The country also said it would limit exports of refined petroleum products from Oct. 1.

**GREENS APPEAL HFC DECISION:** ME readers previously [learned it was coming](#), but the Natural Resources Defense Council on Friday formally [asked](#) a federal appeals court for an en banc rehearing of last month's decision striking down an EPA rule limiting use of hydrofluorocarbons, potent greenhouse gases, Pro's Alex Guillén [reports](#) in Energy Regulation Watch. The group feels the D.C. Circuit erred in its 2-1 decision and are likely to be joined in their appeal by Honeywell, a U.S. manufacturer.

**GREENS OPPOSE FOUR EPA NOMINEES:** Ten environmental organizations, including the Sierra Club, League of Conservation Voters and Waterkeeper Alliance, sent [a letter](#) to senators Friday urging them to oppose the four nominees expected to shortly come before the Environment and Public Works Committee for confirmation hearings. "Each of these individuals have demonstrated a willingness to advance the agenda of polluters and industry before health protections and safeguards for clean air and clean water," they wrote of the nominations of Matthew Leopold to be general counsel, William Wehrum to run the air office, Michael Dourson to run the Office of Chemical Safety and Pollution Prevention and David Ross to run the water office

**MORE CONCERN OVER CADIZ PROJECT:** California Sen. [Dianne Feinstein](#) released [a letter](#) Friday from the Metropolitan Water District questioning of safety and viability of the controversial California water project. David Bernhardt, Interior's number two, previously did legal work on behalf of the Cadiz project while in the private sector and the issue [came up](#)

[repeatedly](#) during his confirmation process. Feinstein, a vocal opponent of the project, [accused the Trump administration](#) of trying to "muscle the Cadiz water project through" back in April.

**BILL NYE THE BACHELORETTE GUY:** A bunch of women dancing in an elevator ahead of a night out and in walks... Bill Nye. Watch [here](#).

## QUICK HITS

— Environmental advocates sue the EPA to implement stormwater plan. [Boston Globe](#).

— Tioga oil pipeline spill cleanup nearing milestone after 4 years, but work continues. [Bismarck Tribune](#).

— Interior Secretary Ryan Zinke says Hurricane Harvey recovery at 20%. [Austin American-Statesman](#).

— Failed pressure test may have caused the Valdez oil spill. [KTUU](#).

— Duke Changes Mind; Will Post Coal Ash Disaster Maps. [AP](#).

— Democratic Megadonor Tom Steyer Still Isn't Ruling Out a 2020 Run. [The Atlantic](#).

## HAPPENING THIS WEEK

### MONDAY

12:00 p.m. — "[The National Flood Insurance Program, Zoning Regulations, and Hurricanes: Lessons for Lawmakers](#)," The Cato Institute, 122 Cannon

### TUESDAY

7:30 a.m. — National Clean Energy Week symposium kicks off with remarks from Secretaries Zinke and Perry, Reserve Officers Association, 1 Constitution Avenue NE

9:30 a.m. — Institute for Policy Integrity green states [conference](#), New York University School of Law, 40 Washington Square South, Vanderbilt Hall, New York, N.Y.

10:00 a.m. — "[Powering America: Technology's Role in Empowering Consumers](#)," House Energy and Commerce Energy Subcommittee, Rayburn 2123

10:00 a.m. — "[Legislative Hearing on 4 Fishery Bills](#)," House Natural Resources Water, Power and Oceans Subcommittee, Longworth 1334

10:00 a.m. — Senate Energy and Natural Resources holds [hearing](#) on DOE nominations, Dirksen 366

10:00 a.m. — "[Building a 21st Century Infrastructure for America: Water Stakeholders' Perspectives](#)," House Transportation and Infrastructure Water Resources and Environment Subcommittee, Rayburn 2167

12:00 p.m. — "[Maryland's Offshore Wind and Energy Efficiency Policies](#)," Women's Council on Energy and the Environment, Dentons, 1900 K Street NW

12:00 p.m. — "The Future of Nuclear Power: Technology, Security and Geopolitics," Global American Business Institute, 1001 Connecticut Avenue NW, Suite 230

12:00 p.m. — "[Energy Transition and the Future of Hydrokinetic Energy in the United States](#)," Environmental Law Institute, 1730 M Street, NW, Suite 700

12:30 p.m. — Natural Gas Roundtable [hosts](#) David Carroll, president of the International Gas Union, for monthly luncheon, University Club, 1135 16th Street NW

2:00 p.m. — House Natural Resources Indian, Insular, and Alaska Native Affairs Subcommittee [hearing](#) on various bills, Longworth 1334

2:00 p.m. — "[Examining America's nuclear waste management and storage](#)," House Oversight and Government Reform Interior-Environment Subcommittee, Rayburn 2154

## WEDNESDAY

9:00 a.m. — "North America Energy Forum 2017," Wilson Center, 1300 Pennsylvania Ave. NW

10:00 a.m. — Senate Commerce Committee [hearing](#) on nominations, Russell 253

10:00 a.m. — "[Forest Management to Mitigate Wildfires: Legislative Solutions](#)," Senate Environment and Public Works Committee, Dirksen 406

2:00 p.m. — "[Encouraging the Next Generation to Visit National Parks](#)," Senate Energy and Natural Resources National Parks Subcommittee, Dirksen 366

3:00 p.m. — "[Global Lessons from the Thawing Arctic](#)," The Study of Environmental Arctic Change, 1200 New York Ave NW

## THURSDAY

9:30 a.m. — "[The Great American Eclipse: To Totality and Beyond](#)," House Science Space and Research and Technology subcommittees, Rayburn 2318

4:00 p.m. — International Trade Administration holds a meeting by teleconference of the Renewable Energy and Energy Efficiency Advisory Committee, RSVP: Victoria.Gunderson@trade.gov

## FRIDAY

9:00 a.m. — "[Global Hotspots and Security Challenges: A Conversation with Senator Joni Ernst](#)," Center for Strategic and International Studies, 1616 Rhode Island Avenue NW

## THAT'S ALL FOR ME!

**\*\* A message from the U.S. Chamber's Global Energy Institute:** Ten years ago, gasoline prices were at an all-time high, American dependence on foreign oil and natural gas was growing, and our energy future and security was at risk. The U.S. Chamber of Commerce and leaders in American business came together to form an institute to tackle these challenges head on. Now, 10 years later, we're excited to begin our second decade by transitioning to the

U.S. Chamber's Global Energy Institute, reflecting America's new role as a global energy superpower. We'll still provide insight and analysis on the big energy issues of our day, along with our unique ability to bring together the entire energy industry and reach thousands in our local and state Chamber network. Learn more about our Institute and the last decade of progress in this video: <http://bit.ly/2yeil2S> \*\*

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/09/climate-skeptics-find-new-favorite-talking-point-024740>

## Stories from POLITICO Pro

### Energized by Trump, climate critics seize on new study [Back](#)

By Emily Holden | 09/25/2017 05:04 AM EDT

A small, vocal community of climate change skeptics is using the Trump administration's climate policy rollback and its doubts about humans' role in boosting temperature to dig into unsettled issues — including a new report that indicated countries may have more latitude in curbing emissions.

While the vast majority of the world's scientists agree that human activity like burning fossil fuels is raising temperatures at a pace far faster than would naturally occur, studies are still staking out the specifics about the levels of greenhouse gas the atmosphere can absorb before the Earth reaches dangerous temperature benchmarks and how climate change influences extreme weather events.

A new [study](#) published in the peer-reviewed journal Nature Geoscience last week suggests the planet can tolerate more greenhouse gas emissions than previously forecast before reaching a critical point of 1.5 degrees Celsius of warming. Earth's temperatures are already up about 1 degree C above pre-industrial levels. Some respected scientists have disagreed with the methodology the authors used to come to their conclusions, but the study drew wide attention.

The conservative Heartland Institute, one of the biggest voices for U.S. climate skeptics, has seized on the research as proof that scientific models used to forecast temperature changes are wrong and overestimate the rate of global warming.

But the authors behind the study say their work has been willfully misinterpreted for political purposes. Damon Matthews, a study author and Concordia University research chair in climate science and sustainability, said the group had been prepared for its research to be mischaracterized, but hadn't expected the reaction to be so intense.

"We are not trained in PR. We don't have the resources to hire PR firms," Matthews said. "We're trying to balance teaching, research, media outreach. Our job is to do solid science and communicate that. It's not really our job to guard against every possible critique, especially when they're not real critiques."

Climate science of any kind is under increasing scrutiny, and EPA Administrator Scott Pruitt has called for public debates about whether humans are causing temperatures to rise. Trump administration officials [gathered](#) at the White House last week to hone their messaging on the issue.

Heartland Institute President Tim Huelskamp, a former Republican congressman from Kansas, told POLITICO the new study supports the need for Pruitt's debates.

"This is exactly the type of debate discussion scientists need to be having," he said. "This article proved that there can be a lot of debate about the fundamental issues."

Huelskamp said the study raises the question that "[i]f they were wrong 10 years ago, what makes their new modeling correct?"

Several scientists associated with the Heartland Institute have been nominated to EPA's Science Advisory Board that reviews environmental regulations, according to [E&E News](#). Heartland has also suggested researchers to take part in Pruitt's red-team, blue-team exercise, but Huelskamp declined to release any of their names.

Huelskamp said he saw no scientific consensus supporting man-made climate change, and argued his side has "dozens, hundreds, perhaps thousands that say that is not the case." The mainstream research community has said the climate skeptics overstate their numbers and are amplifying their message through the White House.

Climate scientists fear critics at advocacy groups like Heartland cherry-pick details from research to try to fuel doubt that climate change is real and poses dire threats to the environment and human health.

"[T]here is no scientific result in our story that questions the basics of climate change and the imperatives for mitigation action," Matthews said.

Pierre Friedlingstein, another co-author of the study and chair of mathematical modeling of climate systems at University of Exeter, said the new research showed the Earth has 20 years at the current rate of carbon dioxide emissions before lifting global average temperatures 1.5 C. That's more than the 10 years the Intergovernmental Panel on Climate Change had estimated in its 2013 report, but "certainly not a reason to encourage inaction. The emission mitigation challenge in front of us is still herculean and unprecedented," he said.

Previous research had estimated that countries had a total "carbon budget" between 200 billion to 400 billion metric tons of carbon emissions before temperatures climbed 1.5 C. But the new paper put the figure above 700 billion metric tons. That carbon budget is often used by policymakers to determine what actions they should take to curb climate change, and that's why the authors decided to take a second look.

Stefan Rahmstorf, the head of Earth System Analysis at the Potsdam Institute for Climate Impact Research, who outlined some doubts about the paper's findings in a [blog post](#) on RealClimate.org, said the paper didn't alter the science showing action to reduce emissions needed to be taken.

"At this point, debating whether we have 0.2 [degrees] C more or less to go until we reach 1.5 [degrees] C is an academic discussion at best, a distraction at worst. The big issue is that we need to see falling emissions globally very, very soon if we even want to stay well below 2 [degrees] C," he said.

The 2015 Paris climate agreement states the goal of keeping greenhouse gas emissions below the level that would cause 2 degrees C of warming, and the nearly 200 countries that signed on

backed a more ambitious goal of keeping a temperature increase at no more than 1.5 degrees C.

Many island nations say that any warming over that level would be catastrophic for them. Fiji will chair the next United Nations meeting on climate change in November in Bonn, Germany, giving those countries a bigger spotlight.

Asked about the study last week, Fiji's' COP23 Chief Negotiator Ambassador Nazhat Khan said she wanted to wait for the IPCC report to "see exactly how we're doing."

"It would be great news," she said. "We are committed to 1.5 degree target, and it is the 1.5 degree target that is going to give hope. ... On the question of whether things are better, we don't know. We hear on a daily basis of more intense cyclones, and in the Pacific Rim itself we have disappearing shoreline."

Richard Millar, the lead author of the new study and a research fellow at the University of Oxford, said the team tried to be clear that the paper does not argue for fundamentally revising ranges of uncertainty about how strongly the environment responds to carbon dioxide. Instead, the paper reinterpreted data that IPCC used to re-evaluate the world's carbon budget.

"It's because we're so close that we're thinking about how best to use the modeling tools we have available ... to really answer the direct question that's required by policymakers," Millar said.

Rahmstorf's blog suggested the researchers found a bigger carbon budget because they had used a different baseline year when counting rising emissions, and incorporated recent temperature data that may not account fully for Arctic warming.

Millar explained that the research took into account a slowing growth in emissions by developing countries that have begun to back away from coal, and said he was disappointed that the paper's conclusions have been "willfully manipulated."

"We tried our hardest to conduct a press briefing and put out there a clearly written, nontechnical blog trying to explain our finding," he said. "There certainly seemed to be a sort of snowball effect."

A first set of news articles covered the study well, he said, but then opinion writers followed and "facts got lost along the journey."

Matthews said he expects that to continue.

"It's fairly obvious that having people in the Trump administration who are openly questioning the science of climate change is going to give fuel to the people who were already doing that more quietly," he said.

*Eric Wolff contributed to this report.*

To view online [click here](#).

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## Tariff threat could foreshadow grim 2018 for solar industry [Back](#)

By Eric Wolff | 09/25/2017 05:04 AM EDT

The U.S. solar industry could face a grim 2018 if President Donald Trump slaps stiff tariffs on imported solar panels, according to solar industry and trade experts.

The U.S. International Trade Commission [ruling Friday](#) that domestic manufacturing had suffered injury because of solar equipment imports will give Trump the opportunity to hit the Chinese companies that own the lion's share of the global production of photovoltaic cells and modules. Proponents of steep trade barriers sought by Suniva and SolarWorld USA argue the U.S. capacity to build panels will disappear under the wave of imports from Asian countries.

But others, including the solar industry lobby group, warn that instituting tariffs or a floor price as Suniva has recommended would cost 88,000 jobs, double the price of solar installations and set the industry's growth back by years. And the last time the U.S. used the same trade tactic — under former President George W. Bush — could serve as a warning to the Trump administration.

The U.S. [installed 14.8 gigawatts](#) of solar capacity last year, fed by [imports of 12.8 gigawatts](#) of solar panels in 2016, according to the Energy Information Administration. U.S. production capacity of solar modules is less than [3.0 GW](#), leaving a gap that will require solar installers to rely on imports to meet the demand, even if companies that may be considering building U.S. manufacturing plants decide to shift operations to the U.S.

"U.S. manufacturing is extremely unlikely to fill in the gap between supply and demand in 2018. A near-zero chance," said Tom Werner, CEO of solar manufacturer and project developer SunPower Corp., who opposes the tariffs.

If Trump institutes tariffs — as administration officials say he is likely to do — he would be the first president since 2002 to use the safeguard provisions of the Trade Act. That year, Bush put a 30 percent tariff on several types of steel imports, a move Werner said led directly to a supply shortfall in the U.S., causing wild fluctuations in prices. One [paper](#) showed prices for some steel products jumped 80 percent, and steel-consuming industries shed 200,000 jobs, causing a loss of \$4 billion in wages.

"There's a very good chance it could end up the same way," said Tori Whiting, a research associate at the Center for International Trade and Economics at the conservative Heritage Foundation. "That's part of how the market works, and it's the same the case for solar when domestic production doesn't meet domestic demand."

The two petitioners in the case, Suniva and SolarWorld USA, are both in bankruptcy proceedings, but both have promised to restart production at shuttered factories if import measures are put in place. But revving up machinery, buying new equipment, or starting a factory from scratch takes months or even years, and getting investment may be difficult when tariffs are limited to four years under the law.

Recent [reports](#) indicate that some companies may consider shifting production to the U.S. if Trump puts trade barriers in place, though there are few firm plans. The most ambitious project underway now is the [Tesla and Panasonic panel plant](#) in Buffalo, N.Y., a project that has been delayed because of financial struggles of Tesla's SolarCity arm. It's slated to

eventually employ 500 people and reach 1 GW of module and cell production capacity by 2019.

"The idea that Suniva's tariff is going cost jobs is simply not true," a Suniva spokesman said in a statement. "The only thing at question here is how much we're going to grow as an industry, something even our critics acknowledge."

Building new factories takes time. SunPower's Werner said it could take at least a year to get a factory up and running at full capacity, leaving even a diminished U.S. solar market searching for supply, and potentially willing to pay tariff-inflated prices from importers.

That has happened in the lumber industry after Trump imposed tariffs of up to 31 percent on Canadian softwood imports. Strong U.S. demand for construction materials, spurred on by devastation from hurricanes Harvey and Irma, has drawn a steady flow of Canadian lumber — and pushed up material costs for house builders in the U.S. by 20 percent, [according](#) to Jerry Howard, chief executive officer of the National Association of Home Builders. That has benefited the Canadian companies, which supply more than a quarter of the lumber to the U.S. market, more than their U.S. counterparts.

But the solar sector is much more price sensitive. Residential rooftop systems already have high upfront costs, and utility-scale projects, which make up the bulk of the U.S. market, can be killed by small changes in panel costs. Solar Energy Industries Association CEO Abigail Ross Hopper said a crash in demand caused by higher prices will diminish the appetite for new factories.

"We have 36,000 workers in the solar manufacturing," she told reporters on a conference call last week. "If prohibitive tariffs are put in place, that number will decrease, not increase."

In 2003, the Bush administration withdrew its steel tariff after the World Trade Organization found that the U.S had violated the international rules. But since then, the division of the WTO that adjudicates trade disputes has become understaffed, and petitioners now face a six-month backlog. If the Trump administration were to implement tariffs around the end of the year, it would likely be at least another year before WTO would weigh in.

"I would be surprised if the WTO made its decision before December 2018, more likely middle of 2019," said Gary Hufbauer, a senior fellow with the Peterson Institute for International Economics. "The other important point about these cases [is] no retroactive relief, so during the next year, at least, and maybe longer, whatever remedy Trump decides, there will be no restitution for the importer."

*To view online [click here](#).*

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**Trade panel puts solar tariff decision in Trump's hands** [Back](#)

By Eric Wolff | 09/22/2017 11:18 AM EDT

A federal trade panel declared Friday that surging imports of solar panels have hurt U.S. manufacturers — a decision that will allow President Donald Trump to penalize Chinese

companies but could also choke off the fast-growing green energy industry in the U.S.

The U.S. International Trade Commission voted to uphold a complaint brought by two domestic solar manufacturers that complained that the low-cost imports had damaged their businesses. The decision was opposed by the much larger U.S. solar installation industry, which has seen the influx of the cheap panels spark a boom in construction of giant solar farms and rooftop systems around the country.

The issue will give Trump the opportunity to erect trade barriers he has hailed as key to his strategy to revive domestic manufacturing, and at the same time hit the Chinese companies that have largely evaded previous U.S. import penalties to become the leading suppliers of solar cells and panels. Administration officials say the trade case hasn't been a central one for the president, but they are increasingly confident Trump will favor tariffs when the commission sends the White House its recommendations in the next couple of months.

In a statement, the White House said Trump would make a decision that "reflects the best interests of the United States," and it praised the solar-makers, saying the domestic "solar manufacturing sector contributes to our energy security and economic prosperity."

The case could also give Trump a platform to advance his "America First" agenda and tout his effort to revive the ailing coal sector. Coal companies have complained that the Obama administration waged a regulation-heavy "war on coal" while tilting federal tax incentives and loans to renewable energy sources in order to advance climate change policies.

"[Trump] could easily reward his buddies in the coal industry who would really like to see high-priced solar panels competing with coal for space on the grid," said Clark Packard, a policy analyst and trade lawyer with the conservative think tank R Street Institute, which opposes tariffs. He added: "He may just want to stick it to people — your coastal elites who never would have voted for him who are more likely to use solar panels. He's looking for any circumstance to impose tariffs, it doesn't seem he cares what they are."

Trump has not weighed in on the case so far, though his administration has re-opened the landmark NAFTA agreement with Mexico and China, and he has regularly blasted China and other countries for what he calls unfair trade with the U.S.

"He's a protectionist, there's no doubt about it, and he's not very sympathetic to the renewable energy," Gary Hufbauer, senior fellow for the Peterson Institute of International Economics. "As much as you can predict any president, I think his conclusion is foregone."

The complaint brought by Georgia-based Suniva and Oregon-based SolarWorld USA has brought sharp opposition from most of the U.S. solar industry, which has seen its growth skyrocket as costs for the technology fell to a fraction of what they were a decade ago. Aided by federal tax incentives and state-level programs, large solar power installations have sprung up across the country, driving down costs for those plants to levels that are now competitive with coal and natural gas power power stations. That's lifted employment in the sector to 260,000 even as the number of U.S. companies that make solar cells and panels sinks.

The solar industry has warned that high tariffs would eliminate 88,000 U.S. jobs by boosting costs and making many projects uneconomic just as the industry, which generates \$29 billion in revenues, was starting to stand on its own.

"If companies are going to be injured, we're going to be bringing in employees who will lose their jobs, mayors and governors and senators and representatives," said Abigail Ross Hopper, head of the Solar Energy Industries Association. "We're going to be making sure folks understand the impact, and putting a human face to it."

The four members of the ITC will now begin to formulate a remedy to address the injury suffered by the U.S. manufacturers, and they will take recommendations from solar companies. Any remedies taken by the U.S. will not apply to imports from Canada.

Suniva brought the case under Section 201 of the Trade Act, a rarely used but powerful tool that gives the president the ultimate authority to take or discard the recommendations of the commission. Most trade complaints — including two solar cases acted upon by the Obama administration — are limited to imports from specific countries, but Section 201 allows the president to impose tariffs on all imports of a product. The authority was last used by President George W. Bush in 2002 to implement a tariff on imported steel, but it was withdrawn 15 months later.

The commission will hold hearings on potential remedies on Oct. 3 and send its recommendations to the White House by Nov. 13.

Unlike trade complaints that allege foreign companies had unfair advantages because of subsidies in their home countries or that companies were "dumping" products at below-market prices to squeeze out competitors, a case brought under Section 201 needs only to show that imports were harming the domestic industry. That lower standard appears to have been met by data showing imports from Asian countries surging as some 30 companies in the U.S. shuttered their manufacturing plants.

While solar manufacturers in China ship about 20 percent of the equipment that is imported in the U.S., many Chinese companies have moved production to countries like Malaysia or Vietnam to avoid trade penalties imposed during the Obama administration.

Suniva, which lodged the original complaint and filed for bankruptcy protection earlier this year, has said that putting tariffs or setting a floor price for imported solar equipment would generate new manufacturing jobs in the U.S.

"President Trump can remedy the industry's injury with relief that ensures U.S. energy dominance that includes a healthy U.S. solar ecosystem and prevents China and its proxies from owning the sun," Suniva, which is itself majority owned by a Chinese company, Shunfeng International, said ahead of Friday's decision.

The company has recommended a remedy that would set a price floor of 78 cents per watt, as well as a tariff that starts at 40 cents per watt and declines over four years — proposals that would more than double the current panel costs. Analysts have said that could erase five years of cost declines made by the industry.

"We are confident there is a way to strengthen and save U.S. solar manufacturing without harming the strong growth that has made America such a powerful market for solar products," said Timothy Brightbill, an attorney at Wiley Rein who is representing SolarWorld. That company is a unit of Germany's SolarWorld Industries GMBH, which has also filed for bankruptcy in its home country.

Several lawmakers and governors had urged the commission to reject the trade complaint, including in a letter sent Thursday by Govs. Brian Sandoval, of Nevada; John Hickenlooper, of Colorado; Charles Baker, of Massachusetts; and Roy Cooper, of North Carolina.

"At a time when our citizens are demanding more clean energy, the tariff could cause America to lose out on 47 gigawatts of solar installations, representing billions of dollars of infrastructure investment in our states," they [wrote](#) to ITC Chairman Rhonda Schmittlein.

A bipartisan group of 16 senators sent a letter last month to the ITC asking it to "carefully consider the negative impact" of an injury finding. Those lawmakers included Georgia Sen. [Johnny Isakson](#) and Kansas Sen. [Jerry Moran](#), both Republicans, along with coastal Democrats like Massachusetts Sen. [Ed Markey](#).

Conservative groups that support free trade have also opposed erecting the trade barriers. Earlier this month, a group of six conservative organizations, including the R Street Institute, the American Legislative Exchange Council and the National Taxpayers Union, published an open letter arguing against tariffs. The conservative Heritage Foundation, which was not on the letter, also opposes a policy of tariffs and has been tracking the Suniva case closely.

"We believe that policies that pick winners and losers by imposing tariffs are bad, pretty much no matter what they are," said Tori Whiting, a research associate at the Center for International Trade and Economics at Heritage.

Suniva and SolarWorld are not without their own defenders: Sen. [Ron Wyden](#) (D-Ore.) and two members of the Washington House delegation sent a letter of their own in favor of the tariffs, and House members from Georgia and Michigan have both backed the petition. The groups have also been backed by steel manufacturers.

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**Businesses struggle with Trump's indecision** [Back](#)

By Emily Holden, Andrew Restuccia, Aaron Lorenzo and Ted Hesson | 09/24/2017 05:04 PM EDT

President Donald Trump has threatened to pull out of NAFTA, the Paris climate agreement and the Iranian nuclear deal — unless he opts to stay. He decided to revoke legal protections for the DREAMers, then urged Congress hours later to enact new ones. And he has repeatedly demanded that lawmakers enact major legislation on health care, tax reform and a \$1 trillion infrastructure plan — without making it clear what he wants the final product to look like.

Of all the factors that have made the president's first year so turbulent, one of the most important has been Trump himself: Combining quick mood shifts, a rancorous White House staff and his own fuzziness on the details, the self-proclaimed dealmaker has left his options way open on a range of contentious decisions — while inducing whiplash in many of the political insiders, business leaders and even foreign governments with a stake in the outcomes.

Some business groups are making long-range decisions based on their best guesses of where

the administration will land, while others try to outflank the White House by talking to key lawmakers before Trump does.

"It's exhausting because there are so many places that you have to touch, so many different bases, because you never know who he's listening to," said Brian Wild, a Republican adviser to businesses on energy, tax, labor, transportation and health care at the law firm Brownstein Hyatt Farber Schreck. "You never know who's going to get the final 'yes.'"

One longtime GOP lobbyist added: "You would've never seen a situation with Bush or Obama when a position in the administration got flipped overnight. Sometimes you win, sometimes you lose, sometimes you get half a loaf, but rarely do you ever just change sides."

"I think he thinks of everything as a trial balloon," the lobbyist said of Trump.

The flux is especially vexing for conservatives who were invigorated after Trump won but now worry that their years of pushing to lower tax rates and repeal former President Barack Obama's health care law might have been in vain.

"Nobody is happy," said another Republican lobbyist. "It's very likely that at the end of the year, we'll be left with Obamacare and the same tax code."

White House spokespeople rejected the idea that the president has waffled on policy issues, saying he's been "abundantly clear" that he'll leave the Paris agreement if he doesn't get a better deal and has been "very clear" he wants Congress to act on immigration.

"President Trump was put into office precisely because he isn't beholden to lobbyists and special interests," White House spokeswoman Kelly Love said. "If they're upset that they can't stroll into the White House and drive administration policy anymore, that's a badge of honor for a president who was elected to drain the swamp. This president makes his decisions based on what's best for Main Street, not K Street."

But the frustration has repercussions far beyond the Beltway. As tax talks between the White House and lawmakers stall, more than half of CEOs surveyed by Business Roundtable said they would have to shelve plans to hire and invest more if an already long-delayed overhaul doesn't move through Congress.

The outcome of the tax debate will determine whether Guy Chemical Co. in Somerset, Pa., can buy extra equipment, hire 10 new employees and give raises to existing staff, company President Guy Berkebile said. But Berkebile, who was recently in Washington to urge lawmakers to lower business tax rates, said he's not getting his hopes up.

"I am already thinking what I will do with the extra money at Guy Chemical if business taxes are lowered," he said. "If tax reform does not get done, I will continue to grind away with the same typical investment I have put back into my company over the past 10 years."

The details of what Trump wants in a tax overhaul are [still in flux](#), complicating his sales pitch to conservative Republicans. The uncertainty includes whether the White House will insist on his oft-stated desire to cut the corporate tax rate to 15 percent, down from 35 percent.

On health care, Trump has spent the entire year pushing Congress to repeal Obamacare but has offered [vague, often contradictory clues](#) about what he wants to see take its place. At times he's promised "insurance for everybody," supported a House Republican bill that guaranteed

nothing of the sort, or mused about letting Obama's system "explode" on its own or [moving on](#) to other issues like taxes.

Trump's tough talk on trade has also left industries he's vowed to support hanging.

The United Steelworkers Union complains that foreign steel imports have "skyrocketed" since April, when the White House suggested the U.S. might limit them for national security reasons. Data from the American Iron and Steel Institute show that steel imports jumped more than 21 percent in the three months following the announcement versus the first three months of the year.

The Commerce Department was supposed to issue recommendations at the beginning of June but has delayed them indefinitely.

Vagueness and wishy-washiness might seem unlikely problems for Trump, who's shown no reluctance to speak his mind and often expresses his thoughts in the most caustic terms — including using the epithet "Rocket Man" last week for North Korean leader Kim Jong Un. He's spent years espousing certain consistently held policy beliefs, such as his charge that "stupid" trade deals are letting other countries rip off the U.S.

But that doesn't make it any easier to predict the details of what Trump will decide as president, especially on the myriad issues where he's offered no well-formed opinion. And he's changed his mind on a host of issues — such as endorsing an influx of new U.S. troops to Afghanistan after previously calling for a pullout. Or holding a Rose Garden celebration in May after the House passed a bill to repeal Obamacare, only to describe the same bill as "[mean](#)" a month later in a meeting with Republican senators. Or deciding in early September to [end the Obama-era program](#) that prevented deportations for thousands of young undocumented immigrants who were brought to the United States as children — only to say hours later that he has "love for these people" and wants Congress to "help them."

"Does anybody really want to throw out good, educated and accomplished young people who have jobs, some serving in the military?" he [tweeted](#) about the so-called DREAMers a week later. "Really!"

Despite those kind words, 29-year-old Dallas systems engineer Erik Burgos said Trump's decision threatens to turn his world upside-down.

"A lot of uncertainty and fear starts to creep in," said Burgos, who was brought to the U.S. from Mexico at age 2 and later enrolled for protection under the Obama program. After Trump's announcement, Burgos postponed his plans to purchase a house and wonders if Congress will find a fix before his permit expires.

Still, he said, Trump's unpredictability gives him "a glimmer of hope" that his ability to work legally will continue.

Trump is different from most politicians, said Wild, who previously served as an adviser to top Republicans such as then-House Majority Whip [Kevin McCarthy](#) and former Speaker John Boehner.

"Typically, all these candidates build out a pretty profound policy notebook throughout the campaign, and then when they get elected they're implementing that," Wild said. But with

Trump and his aides, "they're kind of building this policy notebook in real time."

The second Republican lobbyist also blamed congressional leaders for the uncertainty on many policy fronts, noting that House Speaker [Paul Ryan](#) and Senate Majority Leader [Mitch McConnell](#) have had trouble controlling their divided Republican caucuses on issues like health care.

White House aides insist that the lack of policy detail is sometimes strategic — though they acknowledge that Trump sees himself as a dealmaker, not an ideologue, and is apt to change his mind. A detailed set of legislative principles on issues like tax reform and infrastructure could draw attacks not just from Democrats but from conservatives who are essential to the passage of any bill. And having learned from the earlier collapse of Obamacare repeal efforts, the White House is eager to let Congress take the lead so Trump won't have the sole blame if a bill fails.

Wiggle room exists even in some of Trump's most starkly ideological decisions, on issues he alone controls.

In June, for example, he announced that the U.S. would withdraw from the 2015 Paris climate agreement, a decision championed by his most staunchly nationalist advisers. But he also said his administration would "begin negotiations" to either re-enter the nearly 200-nation accord or join an entirely new deal.

"So we're getting out," Trump said at the time. "But we will start to negotiate, and we will see if we can make a deal that's fair. And if we can, that's great. And if we can't, that's fine."

Since then, international diplomats have been left in the dark about what precisely the United States wants. (Some have even grouched privately that Trump should just pull the trigger and leave.) Many people missed the nuance in June about possibly remaining in the deal, until that detail provoked a welter of [confusing news headlines](#) last weekend following an international meeting of energy ministers in Montreal.

Despite all the back-and-forth, high-ranking officials only this week had a [meeting](#) on aligning their messaging on climate change.

Similar ambiguity reigns about Obama's 2015 nuclear deal with Iran, which Trump [denounced](#) at the United Nations this week as "one of the worst and most one-sided transactions the United States has ever entered into." He later said he had decided whether to exit the agreement — but refused to tell anybody, [including](#) British Prime Minister Theresa May, what his verdict was.

Trump has also threatened to withdraw from NAFTA unless Mexico and Canada agree to new terms and has raised the idea of a "sunset" provision, in which the agreement would terminate after five years unless the countries agreed to renew the terms.

Such a withdrawal "could endanger literally hundreds of thousands of jobs" and damage security cooperation among the countries, argued John Murphy, senior vice president for international policy at the U.S. Chamber of Commerce. Republican leaders in Congress have [expressed alarm](#) about the idea too. But a month after formal talks among the three nations began, it's unclear where the discussions are headed.

"In our trading relationships, we need certainty and security about what the terms of trade are going to be going forward, over multiple years," Murphy said. "Investments are made on the basis of that kind of certainty, and economic growth and job creation flow from it."

U.S. Trade Representative Robert Lighthizer said the countries were "moving at warp speed" to try to strike a deal by the end of the year, but he couldn't guarantee it would happen.

"We don't know whether we're going to get to a conclusion," Lighthizer said. "That's the problem. We're running very quickly somewhere."

In one key domestic policy, Trump has repeatedly pledged a big-ticket plan to rebuild the nation's roads and bridges — and [demanded](#) last month that Republican leaders "get back to work" and put "a great Infrastructure Bill on my desk for signing." But his administration hasn't offered much detail on what such a package would entail, aside from a six-page outline it issued last spring. Nor has it been clear how Trump would dole out his proposed \$200 billion in new federal infrastructure spending, although Transportation Secretary Elaine Chao said in May that some of the money would go projects meant to "lift the American spirit."

Marcia Hale, the president of the advocacy group Building America's Future, said the administration has done more behind the scenes on infrastructure than may be apparent — though she acknowledged that it has "been a little more, shall we say, hectic than even some of the most recent administrations, and a little less predictable."

"You always know with this administration that things could change quickly, or policies could change quickly, or allegiances could change quickly," Hale said. "So you just go with the flow."

Despite the confusion, some people trying to persuade the administration have found at least one common theme they can use for making their arguments.

"We're telling our clients that ... any argument that has a jobs impact has to be framed as a jobs argument," said Stewart Verdery, CEO of the Republican lobbying firm Monument Policy Group, who has represented tech companies including Amazon and Microsoft. "An intellectual argument, a fairness argument, even a federal spending argument is not nearly as powerful as a jobs argument."

*Megan Cassella, Tanya Snyder and Doug Palmer contributed to this report.*

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**Fiji ambassador: Trump's Paris move raises stakes for Bonn conference** [Back](#)

By Eric Wolff | 09/22/2017 02:06 PM EDT

The U.S. plan to withdraw from the Paris climate pact has raised the stakes for the upcoming international climate negotiations in Bonn, Germany, to reaffirm the international commitment to the agreement, according to the top climate negotiator for Fiji, which is leading the upcoming meeting.

"Our aim was changed by President Trump's announcement," said Ambassador Nazhat Khan told POLITICO. "Now we must deliver a visionary [conference]. Every work item for COP 23 is measured for the enhancing and restating of the overall vision."

The meeting, like the one in Marrakech, Morocco, last year, was intended to focus on implementing the 2015 Paris agreement. Most observers had expected next year's meeting in Katowice, Poland, to hold more drama as final decisions are made on funding and transparency around the international agreement.

But, according to Khan, the U.S. intention to withdraw from the agreement changed that.

"After the announcement of President Trump, what states were looking for ... is a very clear direction," she said. "We must act to maintain the direction of Paris together, and we aren't going to have other countries that express reservations. It's very important that we maintain this overall vision. ... The U.S. role has really shaped the way Fiji is approaching COP."

Khan said the U.S. had made clear its at previous international meetings it would remain engaged in the Paris process, despite its intention to leave. She said U.S. willingness to engage is "very encouraging."

**WHAT'S NEXT:** Fiji will host COP23 in Bonn, Germany, from Nov. 6 through Nov. 17.

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**Aid begins to flow to hurricane-hit Puerto Rico** [Back](#)

By Associated Press | 09/23/2017 11:01 PM EDT

Large amounts of federal aid began moving into Puerto Rico on Saturday, welcomed by local officials who praised the Trump administration's response but called for the emergency loosening of rules long blamed for condemning the U.S. territory to second-class status.

In northwest Puerto Rico, people began returning to their homes after a spillway eased pressure on a dam that cracked after more than a foot of rain fell in the wake of the hurricane.

The opening of the island's main port in the capital allowed 11 ships to bring in 1.6 million gallons of water, 23,000 cots, dozens of generators and food. Dozens more shipments are expected in upcoming days.

The federal aid effort is racing to stem a growing humanitarian crisis in towns left without fresh water, fuel, electricity or phone service. Officials with the Federal Emergency Management Agency, which is in charge of the relief effort, said they would take satellite phones to all of Puerto Rico's towns and cities, more than half of which were cut off following Maria's devastating crossing of Puerto Rico on Wednesday.

The island's infrastructure was in sorry shape long before Maria struck. A \$73 billion debt crisis has left agencies like the state power company broke. As a result the power company

abandoned most basic maintenance in recent years, leaving the island subject to regular blackouts.

A federal control board overseeing Puerto Rico's finances authorized up to \$1 billion in local funds to be used for hurricane response, but Gov. Ricardo Rossello said he would ask for more.

"We're going to request waivers and other mechanisms so Puerto Rico can respond to this crisis," he said. "Puerto Rico will practically collect no taxes in the next month."

U.S. Rep. Nydia Velazquez of New York said she will request a one-year waiver from the Jones Act, a federal law blamed for driving up prices on Puerto Rico by requiring cargo shipments there to move only on U.S. vessels as a means of supporting the U.S. maritime industry.

"We will use all our resources," Velazquez said. "We need to make Puerto Rico whole again. These are American citizens."

A group of anxious mayors arrived in the capital to meet with Rossello to present a long list of items they urgently need. The north coastal town of Manati had run out of fuel and fresh water, Mayor Jose Sanchez Gonzalez said.

"Hysteria is starting to spread. The hospital is about to collapse. It's at capacity," he said, crying. "We need someone to help us immediately."

The death toll from Maria in Puerto Rico was at least 10, including two police officers who drowned in floodwaters in the western town of Aguada. That number was expected to climb as officials from remote towns continued to check in with officials in San Juan.

Authorities in the town of Vega Alta on the north coast said they had been unable to reach an entire neighborhood called Fatima, and were particularly worried about residents of a nursing home.

"I need to get there today," Mayor Oscar Santiago told The Associated Press. "Not tomorrow, today."

Rossello said Maria would clearly cost more than the last major storm to wallop the island, Hurricane George in September 1998. "This is without a doubt the biggest catastrophe in modern history for Puerto Rico," he said.

Rossello and other officials praised the federal government for planning its response in detail before the storm hit, a contrast with what Puerto Rico has long seen as the neglect of 3.4 million Americans living in a territory without a vote in Congress or the electoral college.

"This is the first time we get this type of federal coordination," said Resident Commission Jenniffer Gonzalez, Puerto Rico's non-voting representative in Washington.

A dam upstream of the towns of Quebradillas and Isabela in northwest Puerto Rico was cracked but had not burst by Saturday night as water continued to pour out of rain-swollen Lake Guajataca. Federal officials said Friday that 70,000 people, the number who live in the surrounding area, would have to be evacuated. But Javier Jimenez, mayor of the nearby town of San Sebastian, said he believed the number was far smaller.

Secretary of Public Affairs Ramon Rosario said about 300 families were in harm's way.

The governor said there is "significant damage" to the dam and authorities believe it could give way at any moment. "We don't know how long it's going to hold. The integrity of the structure has been compromised in a significant way," Rossello said.

Some residents nonetheless returned to their homes Saturday as the water levels in the reservoir began to sink.

"There were a lot of people worried and crying, but that's natural, because the reservoir was about to break through," said Maria Nieves, 43. "They couldn't open the spillway until later in the night."

The 345-yard dam, which was built around 1928, holds back a man-made lake covering about 2 square miles. More than 15 inches of rain from Maria fell on the surrounding mountains.

Officials said 1,360 of the island's 1,600 cellphone towers were downed, and 85 percent of above-ground and underground phone and internet cables were knocked out. With roads blocked and phones dead, officials said, the situation may worsen.

At least 31 lives in all have been lost around the Caribbean due to Maria, including at least 15 on hard-hit Dominica. Haiti reported three deaths; Guadeloupe, two; and the Dominican Republic, one.

Across Puerto Rico, more than 15,000 people are in shelters, including some 2,000 rescued from the north coastal town of Toa Baja. Many Puerto Ricans planned to head to the mainland to temporarily escape the devastation.

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**Storm-battered Puerto Rico looks to Washington for help** [Back](#)

By Colin Wilhelm | 09/22/2017 01:52 PM EDT

As Puerto Rico reels from the devastation of Hurricane Maria, the Trump administration and Congress are pledging to provide more aid to the commonwealth, which is already suffering from a historic debt crisis.

Tax breaks and more Medicaid funding could be a part of a recovery package, and activists would like to see debt relief for the U.S. Virgin Islands attached as well. Though damage assessments have only begun, the post-Katrina and Sandy relief bills likely will serve as guideposts for Congress.

"This is a natural disaster in Puerto Rico like we haven't seen ever," said Carlos Mercader, executive director of the commonwealth's Federal Affairs Administration. "Think about Katrina but even worse because this is the whole island."

President Donald Trump vowed Thursday to visit Puerto Rico, which lost 100 percent of its electrical power in the Category 4 storm, and House Speaker Paul Ryan promised a second recovery bill in Congress after the House and Senate passed a disaster relief package after Hurricane Harvey.

Maria's crippling impact will also force Puerto Rico and the federal board that Congress created last year to oversee its finances to reassess how to bring the territory out of its debt crunch and decade-long recession.

Hurricanes Maria and Irma greatly complicate the [tangled debt web](#) that has ensnared Puerto Rico and the Virgin Islands. The storms come just months after Puerto Rico entered a court-supervised restructuring process for its \$70 billion debt — in what amounted to the largest municipal bankruptcy in U.S. history. And with a population of 100,000, the U.S. Virgin Islands owes even more money per resident on the \$6.5 billion held by creditors than does Puerto Rico.

Before Maria hit, Puerto Rico Gov. Ricardo Rosselló and the federal oversight board were locked in a battle over furloughs and pension cuts that the board said were necessary to balance the budget. The seven-member, bipartisan board had also approved a fiscal plan submitted by Rosselló that could face significant revisions after the storms.

"There's no way they'll make budget. There's just no way," said Luis Fortuño, who was governor of Puerto Rico from 2009 to 2013, and now a partner at the law firm Steptoe & Johnson. "Both the government and the oversight board had certain assumptions that are out the window now."

That fiscal plan affects every decision made by Puerto Rico's government and charts a course for the commonwealth for the next 10 years. The oversight board has final say over revenue and spending decisions, so it must approve any changes.

Late Thursday, the board essentially gave Rosselló a pass on that budget, allowing him to re-allocate up to \$1 billion at his discretion for emergency response efforts. The board also said it would help lobby federal agencies for further assistance.

"Furthermore, if the Government determines increases to the Territory Budget are needed to respond to Hurricane Maria, we stand ready to expeditiously approve such requests, in anticipation of much needed federal funding," the board wrote to Rosselló. "To that end, we will join the Government of Puerto Rico in actively seeking FEMA and any other potential sources of federal funds for the recovery and reconstruction of Puerto Rico."

This month's storms may also temporarily align groups of creditors that have fought the board, the commonwealth government and each other for years over the billions owed to them by Puerto Rico. Though lobbyists for creditors contacted by POLITICO had not yet made specific plans, they may be willing to cooperate because Puerto Rico will be able to pay its debts quicker if there's a robust recovery.

Ryan also offered words of sympathy and support.

"To our fellow citizens in Puerto Rico, they are front and center in our thoughts and we want them to know the federal response will be there," the House speaker said during a visit to sections of Florida damaged by Hurricane Irma.

Rep. José E. Serrano (D-N.Y.), a member of the House Appropriations Committee, which is likely to write the aid package, said he would reach out to its chair and ranking member over the weekend to urge funding to the territories affected by the storms. He also wants to see a panel set up for Puerto Rico similar to the one established for New York after Superstorm Sandy to guide reconstruction.

"I'm asking President Trump to do the same thing for Puerto Rico [as after Sandy], that looks at the needs they have now and the needs they have in the future," Serrano said.

Trump said yesterday that the U.S. is starting the process of helping Puerto Rico and will work with Rosselló. Mercader, the point person for Puerto Rico with the federal government, said the level of commitment and response from the Trump administration pleasantly surprised him.

"It's been more than what I expected," he said. The commonwealth and federal responders also hoped to bring online a joint operations center in San Juan's convention center by the end of the day Friday.

So far the government has confirmed six storm-related deaths, though the tally could climb much higher. Mercader's office in Washington was deputized to field emergency calls from Puerto Rico as most of the commonwealth's communications went offline.

Entire sections of the island have yet to be heard from, and even local government agencies were having a hard time reaching one another to coordinate, creating a "cloud of uncertainty," Mercader said. Mudslides and flooding continued in areas, and FEMA will send helicopters to try to reach towns that have become inaccessible by road.

In the longer term, the fallout from the recent hurricanes could also bring more attention to the debt crisis in the Virgin Islands.

Eric LeCompte, executive director of Jubilee USA, a religious-affiliated organization that lobbied on behalf of debt restructuring for Puerto Rico last year, said his group would push for the Virgin Islands to be treated as Puerto Rico was in disaster relief legislation.

"Congress is going to have to step in in some new ways," said LeCompte. "At this point, no one's going to get paid anyways."

Jubilee, which has ties to about 650 faith-based groups and organizations, would also push for the U.S. to lead the charge on a temporary debt moratorium on money owed to the International Monetary Fund by non-U.S. Caribbean islands affected by the storms. The U.S. holds more votes than any other country in the IMF.

"We're just looking at delaying payments for six months to a year," during the disaster recovery, LeCompte said.

Puerto Rico's government praised Trump and the Department of Homeland Security for their response efforts. But the territories, used to receiving less attention than states despite their own U.S. citizenship, remain concerned that Congress and the White House will forget them after floodwaters recede and the winds die down.

"There ought not to be a difference" between the response to Harvey's flooding of Texas and

Irma and Maria's buffeting of the U.S. Caribbean, Fortuno said.

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## **Puerto Rico's governor calls for greater federal response to Maria** [Back](#)

By Colin Wilhelm | 09/24/2017 10:44 PM EDT

Puerto Rico Gov. Ricardo Rossello called on the Pentagon to provide more search-and-rescue help and humanitarian resources to help the beleaguered island recover from "complete devastation" from Hurricane Maria.

"We need more resources from the Department of Defense so we can get helicopters and resources," Rossello told POLITICO in a phone interview Sunday night.

"We know that there are capabilities in the surrounding areas, helicopters, planes and so forth," he said. "And our petition is for us to be able to use them."

A Defense Department spokesperson said in an e-mail that six Navy helicopters and three Marine Osprey planes capable of vertical takeoff and landing had begun search-and-rescue operations and damage assessments.

Days after the category 4 hurricane battered the island, only a handful of municipalities have been able to make contact with San Juan or the outside world. That has prompted the commonwealth government to dispatch runners to make contact, since roads throughout much of Puerto Rico have been made impassable.

Rossello said that in addition to more military resources, he would petition the Trump administration to lower the threshold for disaster expenditures that the island would need to refund.

He did not criticize President Donald Trump personally and praised promises of help the president made before the hurricane, as well as the response of the Federal Emergency Management Agency. Still, the island awaits a federal disaster declaration for 24 out of its 78 municipalities.

Rossello also called on Congress to treat Puerto Rico like a state in any comprehensive emergency aid package.

"Whatever relief package we have, whatever impact we have, we are U.S. citizens," Rossello said. "We shouldn't be the lesser for it."

He called on the federal government to recognize Puerto Rico's dire fiscal situation and consider the possibility that residents could leave in droves if the commonwealth doesn't recover quickly, compounding the island's troubles.

If Congress doesn't step up, he said, "my fear is we're going to have some side effects that are devastating both for Puerto Rico and the United States. Mainly massive migration that would

deteriorate our [economic] base here in Puerto Rico and would provoke significant demographic shifting in other areas of the United States."

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## **Cantwell slams DOI nominee for water lobbying ties, nondisclosure agreement** [Back](#)

By Annie Snider | 05/18/2017 01:09 PM EDT

President Donald Trump's nominee for the No. 2 spot at the Interior Department on Thursday argued that the administration may be able to withhold information related to the transition from Congress, including about a Trump administration policy reversal that removed a major roadblock for a controversial water project he had a vested interest in.

During a hearing on David Bernhardt's nomination for deputy Interior secretary, [Maria Cantwell](#), the top Democrat on the Senate Energy and Natural Resources Committee, asked whether nondisclosure agreements signed by members of Trump's transition team could allow administration officials to withhold information from Congress, or whether the federal Whistleblower Protection Act would apply. Bernhardt, a lobbyist for Brownstein Hyatt Farber Schreck, led the Trump transition team for the Interior Department for a period of time.

"I hate to give you a lawyer's answer to a legal question in a hearing, but I think the first question would be whether or not the Whistleblower Act would even apply to the transition because it's my understanding that Trump for America is a nonprofit entity, so I'm not sure that the legal rubric that falls for government would even apply for that," Bernhardt said.

Cantwell particularly focused on Bernhardt's activities related to Cadiz Inc., a company seeking to build a 43-mile pipeline to pump water from the Mojave Desert to southern California communities. Cadiz has paid \$2.75 million in fees to Brownstein Hyatt since 2010, and one of the lobby firm's shareholders is chief executive of the company.

Bernhardt did legal work for the project, and his firm receives part of its compensation in stock shares. So far it has received 200,000 shares in Cadiz and is in line for another 200,000 if the project is built, according to filings with the Securities and Exchange Commission.

The Cadiz project is fiercely opposed by environmentalists and California Democratic Sen. [Dianne Feinstein](#), who say it would deplete a fragile aquifer feeding protected federal land.

The Trump administration last month [reversed](#) two Obama administration legal guidances that prevented the Cadiz project from skirting federal environmental review by building the pipeline in a railroad right-of-way. Bernhardt said he had "no involvement" with the issue during the Trump transition, and that neither he nor his firm had benefited financially from the policy shift as far as he knew.

Bernhardt, who has also lobbied for Westlands Water District, a group of powerful Central Valley agricultural growers, has said he will recuse himself from issues related to former clients for one year.

But Cantwell argued that isn't long enough, and that he should recuse himself for the entirety of his tenure.

"I personally think that Westlands and Cadiz represent such large public policy issues with financial interests that it would be better if you recused yourself for the entire time that you were at the department, not just one or two years," she said.

Berhardt said he would clear any issues related to his former lobbying interests with Interior's ethics office.

"If I get a whiff of something coming my way that involves a client or former client or my firm, I'm going to make that item run straight to the ethics office," he testified Thursday.

To view online [click here](#).

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## **Feinstein says Trump trying to push through controversial water project [Back](#)**

By Annie Snider | 04/04/2017 05:31 PM EDT

Opponents of a controversial California water project are accusing the Trump administration of reopening a loophole to allow infrastructure projects crossing federal land to avoid environmental review.

Last Wednesday, the Bureau of Land Management [rescinded](#) a pair of Obama administration memos laying out how any infrastructure project that uses a railroad right-of-way must be related to the railroad itself. These guidelines largely blocked proponents of oil, gas and water pipelines like the contentious Cadiz groundwater pipeline proposed in California's Mojave Desert from avoiding federal environmental review by building their projects along the many existing railroad rights-of-way.

In a statement today, Sen. [Dianne Feinstein](#) (D-Calif.) called the Trump administration's move "a blatant attempt to muscle the Cadiz water project through."

"This is clearly just an effort to circumvent an environmental review that any project of this magnitude on federal land would normally undergo," she said.

The proposed Cadiz pipeline would pump groundwater from a fragile desert aquifer across 43 miles of land, much of it federally owned. Project opponents have argued it would draw more water from the aquifer than can be recharged naturally, potentially drying up springs that are critical to wildlife at nearby nature preserve and a newly created national monument.

The project stalled after the BLM told Cadiz in October 2015 it could not use an existing railroad right-of-way and would need to apply for its own. The project has appeared on several recent lists of infrastructure projects being touted to the Trump administration.

**WHAT'S NEXT:** Cadiz could try again to use the existing railroad right-of-way for its project. However, an Interior Department legal interpretation saying that railroad rights-of-way must be used for purposes related to the railroad remains on the books. The Trump

administration could decide to write its own implementing guidelines.

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**From:** POLITICO Pro Energy  
**To:** [lori\\_mashburn@ios.doi.gov](mailto:lori_mashburn@ios.doi.gov); [POLITICO subscriptions](#)  
**Subject:** Morning Energy, presented by the U.S. Chamber's Global Energy Institute: Fears of humanitarian crisis in Puerto Rico as federal response ramps up — Not freaking out, yet, about Zinke's renewables comments — Pruitt's private plane rides  
**Date:** Wednesday, September 27, 2017 5:43:13 AM

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By Anthony Adragna | 09/27/2017 05:40 AM EDT

*With help from Ben Lefebvre, Emily Holden, Alex Guillén and Darius Dixon*

**FEARS OF HUMANITARIAN CRISIS IN PUERTO RICO:** Federal officials appeared to dramatically ramp up their response to the devastated Puerto Rico on Tuesday as the dire conditions became ever clearer. According to the [Defense Department](#), just 44 percent of the island's residents have potable drinking water while only 11 of 69 hospitals have fuel or power. In addition, 80 percent of the island's electricity transmission system and 100 percent of the distribution system are damaged. Florida Republican Sen. [Marco Rubio](#), who toured the island Monday, called for a "more aggressive" federal response and summed up the severity of the situation: "I'm concerned about human suffering and potential loss of life if aid doesn't reach the places it needs to reach quickly enough," he said.

**President Donald Trump, who one day earlier** appeared to partially blame the territory's plight on its "[broken infrastructure & massive debt](#)," touted the "amazing" response Tuesday. "We are literally unloading, on an hourly basis, water, food, supplies," he said. "And we are going to do far more than anybody else would ever be able to do. And it's being recognized as such, but it is a tough situation." Trump later convened two briefings on relief efforts, the second of which included EPA Administrator Scott Pruitt, Interior Secretary Ryan Zinke and Energy Secretary Rick Perry. EPA also approved [a waiver](#) for certain fuels on Puerto Rico on Tuesday. POLITICO's Andrew Restuccia and Louis Nelson with more [here](#).

**Both Senate Majority Leader [Mitch McConnell](#) and Speaker [Paul Ryan](#)** reiterated Congress would respond with additional hurricane aid when the administration made a formal request. "I also want the people of Puerto Rico to know that they are going to get the kind of help and aid that Texas and Florida enjoyed," Ryan said. But Pro Budget and Appropriations Brief's Sarah Ferris and Jennifer Scholtes [report](#) that formal request is likely several weeks away as officials focus right now on delivering supplies rather than requesting more funds.

**What about the Jones Act?** The Trump administration is not waiving the Jones Act for Puerto Rico, as it did for Florida and Texas after hurricanes ravaged those states earlier this year. And Sen. [John McCain](#) wants to know why. McCain, a long-time proponent of revamping the law requiring shipments between domestic ports be carried on U.S.-flagged vessels, sent [a letter](#) to DHS urging the agency to [reconsider its decision](#). "I am confident that repealing this law would lead to hastened recovery efforts where our country needs it most," he wrote.

**Separately, Tuesday, the unlikely duo of Sens. [Cory Gardner](#) and [Kamala Harris](#)** asked Perry in [a letter](#) to "work expeditiously" with utilities around the country to help get the lights back on. But Southern CEO Tom Fanning, co-chairman of the Electricity Subsector Coordinating Council, sought to keep expectations realistic in a Tuesday statement: "Puerto Rico is facing complicated logistical challenges for life and safety that need to be stabilized before full power restoration efforts can get underway."

**WELCOME TO WEDNESDAY!** I'm your host Anthony Adragna, and the American Chemistry Council's Jon Corley was first up to name Ralph Nader as the 1977 SNL host (his opening sketch [here](#)). For today: What legendary Hollywood star was also a five-term president of the National Rifle Association? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**NOT FREAKING OUT — YET:** Utility-scale solar developers and environmentalists remain hopeful BLM's ongoing leasing program will remain on track despite Zinke's comments Tuesday that large-scale solar development is a poor use of federal lands, Pro's Esther Whieldon and Eric Wolff [report](#). "Our hope is that he was just blowing off steam, it was just a casual off the cuff conversation and that it doesn't have any material or practical implications for the permitting process for our projects," Shannon Eddy, executive director of the Large-scale Solar Association, said referring to his comments at National Clean Energy Week event in Washington.

**ICYMI:** During his speech, Zinke highlighted some negative environmental consequences of renewables and said fossil fuel development was the best use of public lands. "I think the biggest opportunity in solar is the roof," Zinke said. "Because when I see solar cells out on land, that land is no longer useful for anything else but energy. But there's a lot of roofs. And I think the greatest opportunity for the solar industry is look at where the roofs are." But he also didn't mention the Obama-era solar leasing program at BLM, an omission that some are taking as an encouraging sign.

**BISHOP DEFENDS ZINKE'S LOYALTY COMMENT:** Interior Secretary Ryan Zinke faced heated criticism Tuesday for his Monday comment that one-third of his agency's workforce is "not loyal" to the administration, but House Natural Resources Chairman [Rob Bishop](#) told reporters that guess is "probably low." Bishop added: "The assumption is, you have a whole lot of professional staff — in quotes — that stay from administration to administration. So having that [lack of loyalty] would not surprise me."

**'Deeply insulting':** In a [joint statement](#), the Coalition to Protect America's National Parks, the Public Lands Foundation and the Association of Retired Fish and Wildlife Service Employees called Zinke's comments "simply ludicrous" and "deeply insulting." And top Natural Resources Democrat [Raul Grijalva](#) expressed similar outrage: "Secretary Zinke should clarify his comments and apologize to the public servants he is supposed to be leading," he said in a statement.

**IT'S A SECRET:** EPA has hired a Virginia contractor to build a "privacy booth for the administrator" at a cost of \$24,570, according to [records](#) first uncovered by The [Washington Post](#). As Pro's Alex Guillén [reports](#), the booth — known formally in Washington speak as a Sensitive Compartmented Information Facility — is secured against physical and electronic eavesdropping and hacking. The agency already has such a facility for classified discussions, the newspaper reports. EPA [contract records](#) also indicate the agency spent \$8,000 this month for another firm, Fairfax-based Secure Mission Solutions, to "remove CCTV equipment to accommodate a secure phone booth for the administrator's office."

**PRUITT'S PRICEY TRAVEL:** Turns out it's not just \$25,000 soundproof booths that Scott Pruitt has a taste for. On June 7, the EPA administrator flew from Cincinnati to New York on an Air Force jet with a cost to taxpayers of \$20,000, CBS News [reports](#). Then, on Aug. 4,

Pruitt took a private plane from Denver to Durango, Colorado and back for a meeting with state officials, but only after declining to fly on Colorado Gov. John Hickenlooper's plane. A spokesman said Pruitt, a self-described "fiscal conservative," booked the plane "after his flight was significantly delayed in order to ensure that he did not miss a critical meeting," and ethics officials were consulted. But the spokesman did not respond to requests for why he used a military plane for the earlier trip or why he declined to fly with Hickenlooper, CBS reports.

**\*\*A message from the U.S. Chamber's Global Energy Institute:** American infrastructure needs attention, and energy infrastructure should be front and center in that discussion. Today, it is too difficult to build infrastructure, and our electricity grid and pipeline network needs investment. Without ways to move energy of all kinds, our economy will stall. Visit [www.globalenergyinstitute.org](http://www.globalenergyinstitute.org) for more. \*\*

**HAMM TO PRESS PERRY ON EIA ESTIMATES:** Oil titan Harold Hamm, a major Trump supporter, will meet today with Energy Secretary Rick Perry to argue that EIA is missing the mark with its oil production estimates, he told POLITICO's Mike Grunwald, who [tweeted](#) a few tidbits from their conversation Tuesday. The Hamm-backed Domestic Energy Producers Alliance prepared [slides](#) outlining its case that EIA is too optimistic with its forecast of U.S. oil production growing to close to 10 million barrels a day next year. The group points out oil companies reported an overall second-quarter drop in production rates, while rig counts and well completion rates also fell — that implies activity is too slow to boost production from August's 9.2 million barrels a day. "EIA's Phantom Forecast needs huge growth to catch up to projections," DEPA argues in [slides](#) it shared with POLITICO. Hamm and the association have a vested interest in downplaying production rates — less oil coming out of the ground equals higher prices — but the EIA forecasts have been known to be wrong before. "The EIA analysts do credible, independent work. Of course, no one gets everything right 100 percent of the time," Raymond James energy analyst Pavel Molchanov told ME.

**GUARDIANS OF THE ENVIRONMENT:** New York Attorney General Eric Schneiderman asserted the U.S. was entering a new era of "progressive federalism" on Tuesday with a coalition of attorneys general responsible for guarding against environmental rollbacks, POLITICO New York Marie J. French [reports](#). "With the new administration clearly in the pockets of the fossil fuel industry, the chemical industry and others, and putting people in power who deny the most basic science, it's very important to recognize the brilliance of our federal system that there is this second tier of protection at the state level," he said.

**NEXT WEEK EYED FOR EPW NOMINEE HEARINGS:** Senate EPW Chairman [John Barrasso](#) told reporters Tuesday he plans to hold two separate nomination hearings next week on "seven or eight" of Trump's agency nominees. The committee declined to provide further details, but the hearings would likely include four EPA and one NRC nominees who saw their confirmation hearing postponed last week, as well as several Tennessee Valley Authority selections. Barrasso did say he planned to spread out the sessions between Wednesday and Thursday.

**LOOK TO FEBRUARY IN CHALLENGE TO CHEMICAL RULE FREEZE:** The legal challenge over Pruitt's decision to delay a key chemical facility safety rule until 2019 will stretch through February at least. The D.C. Circuit set a [briefing schedule](#) Tuesday beginning next month and stretching through Jan. 31, 2018.

**Don't mess with Texas (counties):** Harris County, Texas, has decided to sue Arkema, the owner of the Crosby chemical plant that burned in the wake of Hurricane Harvey's flooding.

The county had to dedicate "literally dozens of first responders" to that event rather than helping other people, county attorney Rock Owens told the [Houston Chronicle](#).

**FUEL TRANSPORTATION SAFETY PICKS GETS HEARING:** Skip Elliott, Trump's selection to run the Pipeline and Hazardous Materials Safety Administration gets a [nomination hearing](#) today at 10:30 a.m. before the Senate Commerce Committee. Also in the hot seat is Timothy Gallaudet, the administration's pick for the No. 2 position at NOAA.

**CLEAN ENERGY CHAMPS NAMED:** Citizens for Responsible Energy Solutions will today announce Govs. Kim Reynolds and Brian Sandoval, Reps. [Mia Love](#) and [Cathy McMorris Rodgers](#), and Sens. [Thom Tillis](#) and [Susan Collins](#) as its 2017 clean energy champions.

**SENATE PASSES BILL TO FIGHT ALGAL BLOOMS:** Lawmakers cleared by unanimous consent legislation [S. 1057 \(115\)](#) aimed at controlling harmful algal blooms. The bill would authorize the appropriation of \$110 million to NOAA over the 2019-2023 period.

**MAIL CALL! PRUITT'S MEETING RECORDS SOUGHT:** Rep. [Frank Pallone](#), top Democrat on the Energy and Commerce Committee, sent [a letter](#) Tuesday to EPA's inspector general asking for a "factual record" of Pruitt's meetings that may have violated the Antideficiency Act and other anti-lobbying provisions. Of particular interest is an April meeting with the National Mining Association where Pruitt [reportedly encouraged](#) members of the group to criticize the Paris climate accord.

**NEW MEXICANS: TOSS OUT INACCURATE MONUMENT REPORT:** Sens. [Tom Udall](#) and [Martin Heinrich](#), as well as Reps. [Ben Ray Lujan](#) and [Michelle Lujan Grisham](#), sent [a letter](#) to White House Chief of Staff John Kelly on Tuesday calling on the White House to reject Zinke's report urging changes to a host of national monuments after they claimed to find a number of factual errors surrounding recommended changes to two in their state. "The public deserves better than predetermined political conclusions based on hearsay and claims that are easily disproven if the Department had taken the time to listen to and work with local communities," they wrote.

**HOUSTON SUPERFUND SITE RESPONSE PROBED:** Texas Democratic Rep. [Gene Green](#), whose district took a direct hit from Hurricane Harvey, asked Pruitt in a Tuesday [letter](#) to provide a host of information concerning the agency's response to the U.S. Oil Recovery Superfund site, which was potentially damaged in the storm. "The apparent slow response and lack of transparency from your agency is already causing harm, by fostering fear and distrust," he wrote.

**ME FIRST — LOCAL OFFICIALS: NO CUTS TO EPA'S BUDGET:** More than 300 local elected officials are out with [a letter](#) today urging Congress not to cut EPA's budget as it considers fiscal 2018 spending packages. "Deep budget cuts will suddenly impose significant new funding requirements — including some unfunded mandates — on states," they write. "To the extent that states cannot make up for the loss of EPA grant funds, public health will be put at risk."

**GROUPS: PLEASE SPEND THAT MONEY:** A group of energy efficiency organizations, companies and trade associations are asking the [House](#) and [Senate](#) to ensure funds directed to critical energy efficiency and clean energy programs are actually spent by the Trump administration while longer-term funding is negotiated. "When letters and written inquiries are

not enough, we urge you to call on senior leaders to testify on the record about the status of programs and their plans to ensure their agencies are acting consistently with congressional intent," they write.

**DOE IG: AGENCY SLUGGISH TO TAKE ON ADDED IT SECURITY:** The Energy Department has been slow to setup multifactor logins across its computer systems, a new inspector general [audit says](#). "Although requirements existed for more than 10 years, none of the locations reviewed had fully implemented multifactor authentication for secure access to information systems and resources," the report says, while noting that DOE had nevertheless made progress on the issue. The IG's office studied 18 federal systems and "identified weaknesses related to ensuring adequate protections over access to network and application resources" and found that information DOE reported to OMB on a 2015 "Cybersecurity Sprint" initiative was not consistent. The lack of an agency-wide multifactor authentication process exposes DOE information to "a higher than-necessary risk of compromise," the audit says. DOE concurred with the IG's five recommendations and laid out a plan to square things up over the next year.

**READY TO FIGHT:** The environmental justice group Green for All kicked off its fly-in last night at a dinner featuring moms from Flint, Mich., and other communities hit hard by pollution. Today they'll visit Capitol Hill to protest EPA budget cuts and urge action on climate change. Rep. [Nanette Diaz Barragan](#), a California Democrat who sits on the House Natural Resources committee, said Republican members of the panel "won't even mention the words 'climate change,'" and she urged women in the group to run for public office.

**REPORT: REVAMP OF CLEAN WATER ACT NEEDED:** Today's the last day to comment on EPA's efforts to repeal the previous administration's Waters of the U.S. regulation, but the Regulatory Transparency Project, a venture of the Federalist Society, released a paper Tuesday questioning whether Congress needs to fundamentally revisit the Clean Water Act to clarify how to decide what constitutes a waters of the U.S. Read it [here](#).

**MAP ALLEGES BIG AIR POLLUTION RISKS FROM OIL, GAS PRODUCTION:** Earthworks is out this morning with an [updated analysis](#) finding 2.9 million children are at risk from toxic air pollution from active oil and gas production sites within half a mile of their schools.

## QUICK HITS

- Hawaii Lawmaker Presses SEC Chairman on Climate Change. [The Street](#).
- Failing Puerto Rico dam that endangers thousands not inspected since 2013. [Washington Post](#).
- Mnuchin Asks Judge to Toss Exxon's Suit Over Russia Drilling. [Bloomberg](#).
- Before U.N. Deadline, China Again Buys North Korean Coal. [Wall Street Journal](#).
- A small region in Iraq just became one of the oil market's biggest concerns. [CNBC](#).
- Kinder Morgan Canada ordered to stop some work on pipeline expansion. [Reuters](#).

## HAPPENING TODAY

9:00 a.m. — "North America Energy Forum 2017," Wilson Center, 1300 Pennsylvania Ave. NW

10:00 a.m. — Senate Commerce Committee [hearing](#) on nominations, Russell 253

10:00 a.m. — "[Forest Management to Mitigate Wildfires: Legislative Solutions](#)," Senate Environment and Public Works Committee, Dirksen 406

2:00 p.m. — "[Encouraging the Next Generation to Visit National Parks](#)," Senate Energy and Natural Resources National Parks Subcommittee, Dirksen 366

3:00 p.m. — "[Global Lessons from the Thawing Arctic](#)," The Study of Environmental Arctic Change, 1200 New York Ave NW

## THAT'S ALL FOR ME!

**\*\*A message from the U.S. Chamber's Global Energy Institute:** Pipelines Power America. America has over 2.6 million miles of pipelines that safely deliver natural gas and petroleum products throughout our nation. It would take over 750 tanker trucks a day to transport the same amount of energy as a single pipeline. While our analysis shows that certain regions like the Northeast face a critical lack of pipeline infrastructure that is contributing to higher prices and negative economic impacts, pipeline projects are under attack across the nation. It's time to end delays and allow for energy that is essential for our daily lives to move around our nation. Find out more about how Pipelines Power America here: <http://bit.ly/2wG6Ij9> \*\*

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/09/fears-of-humanitarian-crisis-in-puerto-rico-as-federal-response-ramps-up-024784>

## Stories from POLITICO Pro

**White House weeks away from formal funding request for Puerto Rico aid, sources say**  
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By Sarah Ferris and Jennifer Scholtes | 09/26/2017 03:01 PM EDT

The White House is likely weeks away from a formal funding request for Puerto Rico, as the storm-ravaged island enters its sixth day without power, according to Trump administration and congressional sources.

Senate Minority Leader [Chuck Schumer](#) is demanding that lawmakers approve a disaster aid package by week's end to help Puerto Rico and the U.S. Virgin Islands recover from Hurricane Maria. But aides familiar with the devastation on the Caribbean islands say the government is far more focused on delivering resources right now than getting more cash from Congress.

"The thing is, funding doesn't help them. Getting people and supplies there is what needs to happen," one administration aide said Tuesday. "There's no crunch in the short term for cash."

Still handling three simultaneous hurricane relief efforts, FEMA's staff is stretched thin. But the agency's disaster relief fund is still flush after Congress provided \$15 billion in disaster aid, [H.R. 601 \(115\)](#), earlier this month, as well as another \$6.7 billion that will kick in at the start of the fiscal year Oct. 1.

Advocates argue that funding for FEMA doesn't mean Puerto Rico's government can pay its own bills, however, including its already depleted Medicaid program.

While the federal government continues to calculate a damage estimate, responders deployed to the region are focused on logistics like getting food and water to millions of people who remain without power as temperatures hit 90 degrees and humidity hovers above 70 percent.

The administration contends that much of Puerto Rico and the Virgin Islands is so damaged that officials can't even begin damage assessment, meaning the federal government may not know for weeks how many roads, buildings or power lines will need to be rebuilt.

"The issue is not paying for any of this," the administration source said. "It's like: Paying for what?"

But Democrats say the administration's response is already wholly anemic, accusing President Donald Trump of taking potshots at the ailing islanders while neglecting to deploy the full force of federal resources.

"We have the greatest military the world has ever seen," Rep. [Joe Crowley](#) (D-N.Y.), chairman of the Democratic Caucus, told reporters on Tuesday. "We know how to invade other nations. We know how to bring that equipment in. We have paratroopers. We have sailors. We have Marines. We have men and women who would want to help their fellow countrymen in their time of need. It's time for the president to invoke that and to bring that type of response."

Trump said Tuesday that he plans to travel to Puerto Rico [early next week](#) to survey damage, more than a dozen days after Maria compounded devastation wrought by Hurricane Irma earlier this month.

The president has fielded criticism for neglecting to visit the islands as quickly as he arrived in Texas and Florida following Hurricanes Harvey and Irma. But he told reporters at the White House on Tuesday that his administration is "getting really good marks for the work we're doing" in Puerto Rico and the Virgin Islands.

Congressional Democrats have derided Trump for focusing on the NFL's national anthem controversy in the wake of the disaster and noting Puerto Rico's financial issues. "Texas & Florida are doing great but Puerto Rico, which was already suffering from broken infrastructure & massive debt, is in deep trouble," Trump [tweeted](#) late Monday.

Rep. [Nydia M. Velázquez](#) (D-N.Y.), who is the first Puerto Rican woman to be elected to Congress, said she is "offended and insulted" by the president's tweet.

"If you don't take this crisis seriously, this is going to be your Katrina," Velázquez told reporters Tuesday about Trump, suggesting the president appoint a military general to organize comprehensive emergency response.

Rep. [José E. Serrano](#) (D-N.Y.) said Tuesday that he has gotten commitments from House Appropriations Chairman [Rodney Frelinghuysen](#) (R-N.J.) and House Speaker [Paul Ryan](#) that Puerto Rico and the Virgin Islands will be "treated equally in any funding package to come.

"You can't look at this funding and say, 'Whatever is left over can go to the Virgin Islands and Puerto Rico.' No — it has to be equal to Texas, to Florida, to Louisiana, to Georgia. ..."

Serrano said. "Now it's incumbent on us to stay on top of the leadership to make sure that a certain segment of the other party doesn't break this promise that the speaker and the chairman of Appropriations have put out."

Congress approved its massive hurricane relief package on Sept. 8 — six days after Harvey made landfall in Texas — yet appropriators appear weeks away from an aid request devoted to Puerto Rico.

The White House believes there is "plenty of money" for the hurricane response in the short term, an administration aide said, acknowledging that much more will be needed in the months to come.

While White House officials plan to discuss that longer-term funding strategy this week, even a back-of-the-envelope estimate will be incredibly difficult, according to one person familiar with the damage assessment efforts.

The government officials charged with surveying the damage — including those from FEMA, the Defense Department and the Centers for Disease Control and Prevention — each have to come up with their own funding estimates. But many of the damage assessment teams are still working on recovery in states like Texas and Florida.

*Heather Caygle contributed to this report.*

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**White House denies Jones Act waiver for Puerto Rico** [Back](#)

By Ben Lefebvre | 09/26/2017 02:07 PM EDT

The Trump administration will not waive a rule banning foreign vessels from delivering fuel to hurricane-ravaged Puerto Rico, the Department of Homeland Security said today.

Waiving the Jones Act would not address the lack of port space needed for vessels to deliver the fuel to the island, DHS spokesman David Lapan said. DHS consulted with other federal agencies and found that "there is sufficient numbers of U.S.-flagged vessels to move commodities to Puerto Rico," Lapan told POLITICO in an email.

"The limitation is going to be port capacity to offload and transfer cargo, not vessel availability," Lapan said. "The fuel supply challenges facing Puerto Rico are not a function of the lack of fuel being shipped to the island, but caused by the devastation to Puerto Rico's transportation networks that have prevented fuel from being transported on the island to all of the places that need it."

The Jones Act stipulates that only U.S.-flagged ships can deliver fuel to domestic ports, keeping the number of vessels available to deliver fuel. Puerto Rico is running out of fuel and other necessitates after taking a direct hit from Hurricane Maria last week.

DHS waived the rule when hurricanes ripped through Texas and Florida in recent weeks, but

in those cases, the ships were necessary to replace lost fuel production after refineries were shut down during the storms, Lapan said.

**WHAT'S NEXT:** President Trump is scheduled to visit Puerto Rico next week.

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## **Solar industry stays calm after Zinke says it's a bad fit for public lands** [Back](#)

By Esther Whieldon and Eric Wolff | 09/26/2017 06:23 PM EDT

Renewable energy supporters are worried — but not yet panicked — after Interior Secretary Ryan Zinke slammed large-scale solar development as a poor use of federal lands.

Zinke urged solar companies to focus on smaller rooftop projects rather than sprawling installations on federal lands. But utility-scale developers and environmentalists remain hopeful that BLM's ongoing leasing program will remain on track.

"Our hope is that he was just blowing off steam, it was just a casual off the cuff conversation and that it doesn't have any material or practical implications for the permitting process for our projects," said Shannon Eddy, executive director of the Large-scale Solar Association.

Zinke's speech Tuesday at a National Clean Energy Week event in Washington offered the clearest indication to date of his preference for fossil fuel development over renewable energy.

"If you are operating on public land, extraction is going to be in the best public interest," he told the audience, which included representatives from the renewable energy, natural gas and nuclear industries.

In his speech, Zinke stressed his support for an "all of the above" approach to energy, though he focused more heavily on the negative environmental consequences of renewables than of fossil fuel development. He pointed to bird deaths or habitat loss that can be caused by wind and solar development, but said little about the air pollution or spills that can come with oil, gas or coal production. And climate change was hardly mentioned at all.

"I think the biggest opportunity in solar is the roof," Zinke said. "Because when I see solar cells out on land, that land is no longer useful for anything else but energy. But there's a lot of roofs. And I think the greatest opportunity for the solar industry is look at where the roofs are."

By the end of 2016, utility scale solar made up 70 percent of the industry's growth, according to the Solar Energy Industries Association, the largest solar trade association.

Environmentalists accused Zinke of trying to draw attention away from the harm the administration is doing to the environment by promoting fossil fuel production.

"It's a false choice to say that we can either protect our wildlife or advance renewables on public lands," said Alex Daue, assistant director for energy and climate campaign at The

Wilderness Society.

Zinke did not mention the solar leasing program at BLM, which was launched during the Obama administration, an omission that some are taking as an encouraging sign. If he does not formally tell BLM field staff to slow down or turn their attention to other matters, it could lessen the immediate effect on the environmental studies and other work happening on the ground, said Nathanael Greene, director of the Natural Resources Defense Council's renewable energy policy initiative.

Still, his general disinterest in the solar industry's priorities such as improved siting and streamlined permitting could amount to "death by neglect" for the program, he said.

Solar developers also could lose valuable federal tax incentives if BLM slow rolls its approval of their projects, Eddy noted.

Furthermore, it's unlikely that rooftop solar panels would be able to replace the potential generation available on public lands without unduly straining the electric grid, said Kim Delfino, Defenders of Wildlife California program director.

California "learned the hard way that ... we do have to have a certain amount of utility scale renewable energy as we work really hard to put in place the grid and policies to have rooftops," Delfino said in an interview Tuesday.

BLM [estimated](#) in 2012 that about 24,000 megawatts of solar panels could be installed on about 214,000 acres of federal land over a 20-year period. Under the Obama administration, BLM authorized 42 [projects](#) totaling 9,540 MW. No new leases are expected to be offered until next year at the earliest, officials have said.

Solar leasing is dwarfed by the amount of land occupied by the oil and gas industry. The oil and gas industry held 27 million acres under lease as of Sept. of last year, including 12 million acres under production, according to BLM data. And that figure is down from a peak in 1989 when the industry had 67 million acres under lease. BLM leased 62,000 acres to solar developers by October 2016.

The Interior Department and BLM did not respond to requests for comment Tuesday.

Zinke's remark may foretell yet more gloom and uncertainty for the solar industry, which already faces the [prospects of tariffs](#) on the cheap, imported solar panels that fueled its growth. Tariffs would likely jack up costs for developers and installers, leading to project slowdowns and the loss of as many as 88,000 jobs, the industry says.

The Solar Energy Industries Association, which represents both rooftop and utility-scale developers, offered an optimistic interpretation of Zinke's comments.

"The beauty of solar energy is it can be deployed in multiple ways. From rooftop panels to large scale installations owned by utilities, there is room for all solar energy and each one plays an important role in the diversification of our nation's electricity mix," SEIA CEO Abigail Ross Hopper said in a statement. "We are pleased both Sec. Zinke and [Energy Secretary Rick] Perry took part in National Clean Energy Week and we look forward to continued conversations with both of them on the ways in which solar is strengthening America."

Other proponents pointed to the wide support solar enjoys on both sides of the political aisle.

"I think there's bipartisan support for providing access to federal lands for energy development, I can't imagine it's been undermined, despite what the Secretary said today," said Todd Foley, senior vice president of policy and government affairs at the American Council on Renewable Energy. "To put it as some people do, we shouldn't be picking winners and losers."

*To view online [click here](#).*

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### **EPA building Pruitt secure communications room [Back](#)**

By Alex Guillén | 09/26/2017 03:59 PM EDT

EPA is building a special secure communications room for Administrator Scott Pruitt, according to [contract records](#) first reported today by the [Washington Post](#).

EPA hired Richmond, Va.-based Acoustical Solutions to construct a "privacy booth for the administrator" at a cost of \$24,570, according to the contract details. It is expected to be completed by Oct. 9.

The privacy booth will serve as a Sensitive Compartmented Information Facility, EPA spokeswoman Liz Bowman told the Post. SCIFs, as they are known in Washington lingo, are rooms specially secured against physical and electronic eavesdropping and hacking that are used for discussing classified issues.

EPA already has a SCIF facility used for discussing sensitive matters, the Post reported. The agency's SCIF appears to have existed for years; an [agency guide](#) on national security issues dated 2006 includes information on accessing and maintaining the agency's CIA-accredited SCIF facilities.

EPA last week [said](#) employees will have to complete new rounds of training for handling sensitive information, including classified data on critical infrastructure.

*To view online [click here](#).*

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### **How Bannon and Pruitt boxed in Trump on climate pact [Back](#)**

By Andrew Restuccia and Josh Dawsey | 05/31/2017 08:00 PM EDT

Donald Trump's chief strategist and Environmental Protection Agency administrator maneuvered for months to get the president to exit the Paris climate accord, shrewdly playing to his populist instincts and publicly pressing the narrative that the nearly 200-nation deal was effectively dead — boxing in the president on one of his highest-profile decisions to date.

Steve Bannon and Scott Pruitt have sought to outsmart the administration's pro-Paris group of advisers, including Trump's daughter Ivanka, who were hoping the president could be swayed by a global swell of support for the deal from major corporations, U.S. allies, Al Gore and even the pope. But some of that pro-Paris sentiment wound up being surprisingly tepid, according to White House aides who had expected that European leaders would make a stronger case during Trump's trip abroad in May.

Those who want Trump to remain also faced an insurmountable hurdle: The president has long believed, rightly or wrongly, that the U.S. is getting a raw deal under the accord, and it proved nearly impossible to change his mind.

The internal reality show will culminate Thursday when Trump finally announces his decision, after a rush of [leaks](#) Wednesday from administration officials saying he was on the verge of pulling the plug on U.S. participation in history's most comprehensive global climate agreement.

"I will be announcing my decision on Paris Accord, Thursday at 3:00 P.M.," Trump [tweeted](#) Wednesday night, without revealing the outcome. "The White House Rose Garden. MAKE AMERICA GREAT AGAIN!"

Some White House aides held out the prospect that the president still might take the middle course that Ivanka Trump and others had advocated — staying in the deal while drastically scaling back the Obama administration's nonbinding carbon cleanup promises. But three White House officials said Wednesday that they expect Trump to make a clean break by withdrawing from the agreement, though they noted it's possible the president will change his mind at the last minute.

In recent months, Pruitt and Bannon made sure Trump heard from a parade of conservative leaders and Republican lawmakers who raised concerns that the deal would hobble his pro-fossil-fuel energy agenda.

"We made very much the economic message argument," said Club for Growth President David McIntosh, whose group wrote letters to the White House and spoke to senior staff. "It was bad for the U.S. economy. It would stifle economic growth and the United States should withdraw."

As the news of the impending decision spread Wednesday, White House chief of staff Reince Priebus began calling and fielding calls from lawmakers, indicating that the U.S. was unlikely to stay in the agreement, one person familiar with the conversations said.

If Trump withdraws, Paris' foes will have Pruitt and Bannon to thank.

One Republican close to the White House called it the "classic split" and said conservative activists had flooded the White House in recent weeks, after seeing increasing chatter that Trump might stay in. This person said Bannon and Pruitt worked quietly to make sure Trump was hearing their side and touched base occasionally on political strategy to woo him.

"You had the New Yorkers against it, and all the campaign loyalists for it," this person said, referring to the push to withdraw. "When the New Yorkers get involved, it gets complicated for Trump and everyone else around him."

Pruitt and Bannon have told others repeatedly for months that Trump will pull out of the agreement, as they aggressively pushed a narrative that they hoped would prove to be true, even as White House aides continued to debate the issue.

"Some of the debate was for show to help the moderates feel like they had their say," said one person who has spoken to Pruitt. "Pruitt has believed all along that this was never in doubt."

Pruitt, who frequently attacked the EPA's regulations in court when he was Oklahoma's attorney general, used his new post as EPA administrator to orchestrate an aggressive campaign to marshal conservative opposition to the Paris agreement.

He [bashed the deal](#) during a closed-door April meeting of the National Mining Association's executive committee, telling the group that the agreement would hurt the economy. Pruitt's staff also urged lawmakers and conservative groups to publicly criticize the agreement, sources familiar with the issue told POLITICO, which had the effect of increasing public pressure on Trump.

Bannon similarly argued in meetings with Trump and his team that the president would be breaking his campaign promise to "cancel" the agreement if he decided to remain. And he argued that the accord is a bad deal for the United States because other countries aren't doing enough to curb their emissions.

Pruitt and Bannon's anti-Paris campaign was meant to counter a separate offensive by members of the administration who supported staying in the pact, including Ivanka Trump and her husband, Jared Kushner.

In recent months, Ivanka Trump set up a process in which the president would regularly hear from people who supported remaining in the agreement, according to administration officials.

The "remain" camp believed, perhaps naively, that Trump could be influenced by the support the Paris deal has received from major corporations, including Exxon Mobil, which Secretary of State Rex Tillerson led for more than a decade.

"Ivanka is doing what she can to get him to stay," one official said. "But that doesn't mean he's going to do it."

White House aides outlined a plan to remain in the agreement while [weakening](#) former President Barack Obama's pledge to cut domestic greenhouse gas emissions. They made the case that Trump could use the goodwill generated from remaining to [negotiate better economic incentives for fossil fuels](#), and they even won the buy-in of [several coal companies](#) that detested Obama's climate policies.

They hoped European leaders could convince Trump he would risk damaging diplomatic relations if he withdrew. Ivanka Trump also brought Gore to Trump Tower to try to sway her father's mind during the presidential transition, and Pope Francis handed the president a copy of his papal encyclical on climate change when the two men met at the Vatican last week.

Trump took calls from a parade of business leaders and foreign leaders in recent weeks, most pressing him to remain, according to a senior administration official — and the calls continued on Wednesday.

"He had tremendous pressure from international leaders, from members of his own Cabinet

and advisers in the international sphere not to pull out of the accord because of the perceived loss of face," said McIntosh, the Club for Growth president.

But while the leaders of G-7 nations all pressed Trump to remain in the agreement during last week's summit in Italy, Paris supporters in the White House have privately grouched that they didn't make an aggressive enough case.

European officials countered they tried not to push Trump too much during the meetings, believing that a hard sell could backfire. And they were buoyed by [early signals](#) from White House officials ahead of the summit that Trump was open to remaining.

Indeed, European officials received a series of mixed messages from Trump's team during the summit. National Economic Council Director Gary Cohn, a Paris supporter and the only U.S. official permitted to attend meetings with G-7 leaders, told reporters that Trump was "evolving" on climate change, which many interpreted to mean that he would remain.

White House officials chalked up Cohn's comments to Trump's habit of echoing the perspective of the last person he talked to. By that time, Bannon and other opponents of the agreement had returned to the United States. But Trump's decision to delay a final verdict on the agreement gave Pruitt and Bannon a final opportunity to make their case. Pruitt met with Trump to discuss Paris on Tuesday.

Most European officials were unwilling to comment about the prospect that Trump will withdraw, as they have not yet received official word from the White House and are still holding out hope that the president will change his mind.

The officials have already begun looking to other countries for support on climate change, with the European Union set to promise [deeper cooperation](#) with China. Some officials have even adopted a new informal nickname for the major remaining countries that support action on climate change: the G-6.

Some Trump administration officials were reeling on Wednesday after the news first broke that Trump was prepared to withdraw.

Trump had not officially told his entire team of senior aides he was considering leaving the agreement Wednesday when news leaked out. "Everyone assumed that's what was going to happen, but we weren't called all in and told, 'Oh, we're putting this story out today,'" one person said.

Having learned a lesson after Trump changed his mind about pulling out of NAFTA, administration officials cautioned against definitive reporting, warning that the president is notoriously fickle. As administration officials began tamping down reports that Trump's decision was final, White House aides were swamped with calls, emails and texts from lobbyists and diplomats seeking clarification.

Officials close to Trump sometimes leak information before it is final — hoping to back him into a corner, or believing that comments during a private meeting represent his ultimate view. White House officials put out word in April that he was [pulling out of NAFTA](#), even though Trump had not made up his mind, and news leaked during the campaign that he would pick Mike Pence as his running mate even as he weighed other candidates.

"Sometimes people close to Trump put things into the media environment to see how he'll react to it," one adviser said. "If your idea gets good coverage, it's likely to help him decide to go with what you're saying."

One of the biggest lingering questions: If he withdraws, how will Trump do it?

He could abide by the formal procedures in the underlying text of the agreement, which mandate that a formal withdrawal will not go into effect until Nov. 4, 2020, at the earliest. Or he could pull out of the United Nations Framework Convention on Climate Change, the underlying 1992 treaty that governs the negotiations, which would allow for a speedier pullout — a far more radical step that would see the U.S. abstain from the entire climate negotiating process.

He could also declare that the agreement is a treaty, which would require a two-thirds-majority ratification vote in the Senate that would certainly fail.

Whatever he does, supporters of the climate agreement expect a harsh reaction from the United States' friends if the country pulls out.

"I think the diplomatic backlash will be worse than it was when the U.S. rejected Kyoto," said Susan Biniarz, the State Department's longtime former climate change lawyer, referring to the George W. Bush administration's decision to spurn the 1997 Kyoto climate agreement.

One former U.S. official agreed: "Will global leaders trust the U.S. to negotiate a climate treaty ever again? After Kyoto and Paris, who will trust us to keep our word as a nation? Our credibility is gone."

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**Date:** Thursday, September 28, 2017 5:43:06 AM

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By Anthony Adragna | 09/28/2017 05:40 AM EDT

*With help from Esther Whieldon and Ben Lefebvre*

**NOT FLYING SOLO:** EPA chartered a plane for Administrator Scott Pruitt to visit the Gold King mine because he otherwise would not have been able to travel with a member of his security detail, according to documents obtained by ME. EPA officials have said Pruitt had to take the charter flight from Denver to Durango, Colo., because his commercial flight had been delayed and no other arrangements were available. However, Pruitt apparently could have taken another commercial flight or caught a ride with Gov. John Hickenlooper on a state-owned plane, but neither option would have allowed Pruitt to be accompanied by a member of his around-the-clock security detail. Instead, EPA booked a charter plane, which cost taxpayers more than \$5,000.

"**While there was one potential alternative identified** that had only one seat available (and the airline may have gone as far as to reserve that seat in case we determined it would meet the travel needs requirements), [chief of staff Ryan Jackson]'s understanding from the security detail was that there was not any additional seat for a Special Agent to accompany the Administrator and, therefore, that flight did not meet the travel and security needs," wrote Kevin Minoli, EPA's acting general counsel, in an Aug. 4 detailing his decision to approve the commercial travel. "Similarly, there was only one seat available on the plane with the Governor, so without the Governor removing someone else from the trip that was not an option either." The email was included with an Aug. 24 memo from Minoli formally authorizing the flight, [copies](#) of which EPA shared with ME.

EPA has spent at least \$58,000 for Pruitt and his entourage to fly on private or government-owned planes this year, according to reports in the [Washington Post](#) and [CBS News](#) Wednesday, citing records provided to Sen. [Sheldon Whitehouse](#). The Washington Post also noted that Pruitt "flies either in business or first class when those seats are available on commercial flights. Multiple EPA travel documents state that Pruitt 'is entitled to business class accommodation due to security concerns.'" His non-commercial flights also included:

—An early June flight from Cincinnati to New York on an Air Force plane so he could make his flight to an international energy ministers meeting in Italy. That trip cost \$36,068.50. Approval [here](#).

—A July 27 trip on an Interior plane from Tulsa to the tiny outpost of Guymon, Okla. to discuss water regulations with farmers that cost \$14,434.50. The agency argued "time constraints" prevented Pruitt from making the five-hour drive. Approval [here](#).

—An Aug. 9 trip on North Dakota's state aircraft so Pruitt could participate in a roundtable at the University of North Dakota's Environmental Research Center at a cost of \$2,144.40.

**Any other non-commercial flights?** "This is it," a spokesman told ME on Wednesday, adding he believed Pruitt had only flown by helicopter once to survey hurricane damage.

**Expanded IG probe sought:** Three senior House Energy and Commerce Democrats — [Frank](#)

[Pallone](#), [Diana DeGette](#) and [Paul Tonko](#) — asked EPA's inspector general to expand its ongoing probe into Pruitt's travel habits to include his use of private and military aircraft. Letter [here](#).

**REMINDER:** President Donald Trump suggested Wednesday he might fire HHS Secretary Tom Price for [spending \\$300,000 on private flights](#). This isn't going away.

**WELCOME TO THURSDAY!** I'm your host Anthony Adragna, and API's Khary Cauthen was first up to identify Charlton Heston as the actor-turned-NRA president. For today: Which NBA Hall-of-Fame center endorsed Richard Nixon in the 1968 presidential election? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**GUIDE TO TAX REFORM — Easily understand and explain tax reform.** Tax reform is complicated, to say the least. Download POLITICO Pro's Guide to Tax Reform and become an expert. Includes six tax-related infographics. [GET YOUR GUIDE TO TAX REFORM](#).

**MEXICO, U.S. SIGN NEW WATER DEAL:** Officials with the U.S. and Mexico announced an agreement at a Santa Fe, N.M. water conference to help preserve the Colorado River, the Associated Press [reports](#). Under the agreement, the U.S. will spend \$31.5 million in water conservation projects in Mexico and any water saved would then be split between the two countries and environmental projects. Pro's Annie Snider took [an in-depth look](#) at the backstory and negotiations last November. The river supplies water to about 40 million people and 6,300 square miles of farmland in the U.S. alone.

**BIOFUEL BACKERS FEAR TRUMP BETRAYAL:** Biofuels producers and their farm-state backers in Congress fear the Trump administration is wavering in its commitment to Renewable Fuel Standard, Pro's Eric Wolff reports. Sen. [Joni Ernst](#) on Wednesday slammed EPA's [notice](#) seeking input on whether to reduce the already set 2018 biomass-based biodiesel requirement and shrink the mandate in 2019. In [a letter](#) to Trump, Ernst said she hoped "that your EPA has not forgotten about the pledges that were made to my constituents and to farmers across the country." More from Eric [here](#).

**What's more,** EPA is considering a policy shift within the next few months that would allow all domestically produced biofuel to count toward annual biofuel compliance quotas, Bloomberg [reports](#), citing people familiar with the discussions. That would lower costs for refiners but come at the expense of corn farmers.

**CLIMATE NOW CONSIDERED IN PIPELINE CASE:** FERC [announced](#) Wednesday it added a [new 5-page analysis](#) of the Southeast Market Pipelines Project to ensure it complied with a federal court's requirement that it include an assessment of greenhouse gas emissions from the Florida power plants that may use the fuel, Pro's Darius Dixon [reports](#). FERC has until Oct. 6 to decide whether it will appeal the D.C. Circuit's Aug. 22 ruling, though the move to issue a supplemental EIS on greenhouse gas emissions suggests an appeal is less likely. The analysis found that the pipeline would increase Florida's annual greenhouse gas emissions between 3.7 percent and 9.7 percent compared to 2014 levels for the state.

**MIXED SIGNALS ON JONES ACT WAIVER:** Several House Democrats introduced [legislation](#) Wednesday permitting Jones Act waivers for humanitarian relief. That came after Trump [said](#) he was "thinking about" granting a waiver to help deliver fuel and other goods to Puerto Rico, but noted "we have a lot of shippers and a lot of people and a lot of people who

work in the shipping industry that don't want the Jones Act lifted." DHS [previously said](#) it was unlikely to grant the request, arguing the problem wasn't the number of ships with supplies but the lack of delivery logistics on the island.

**Status update:** All of Puerto Rico remained without electricity and 44 percent of the island's residents still lacked drinking water, according to [status reports](#). "Right now we are in emergency mode," Gov. Ricardo Rosselló [told CNN](#) on Wednesday. "Our focus is not necessarily restoring energy. The energy grid has been destroyed. ... And we need to rebuild it. That does not get rebuilt in days."

**IN OTHER PRUITT NEWS:** His agency has threatened to cut off support for a program within Justice Department's Environment and Natural Resources Division that reimburses DOJ for Superfund litigation seeking to force polluting entities to pay to clean up toxic contamination they caused, The New York Times [reports](#), citing budget documents. EPA payments accounted for 27 percent of the division's budget — amounting to \$810 million — between 1987 and 2016.

**ENERGY GROUPS WEIGH IN ON TAX PLAN:** The oil and gas industry are among the early fans of the Republican tax proposal released Wednesday, Pro's Eric Wolff [reports](#). One principle in the plan, allowing companies to fully expense their spending, is of particular interest to the sector, which says it pours an average of \$232 billion a year in capital expenditures in the U.S. "The right pro-growth tax policies can accelerate these economic investments and create more jobs while keeping energy affordable for consumers," American Petroleum Institute President Jack Gerard said.

**Utility and renewables industries are withholding their verdicts for now.** The Edison Electric Institute is concerned about the potential loss of the interest tax deduction. "For us, the interest deduction is how we raise capital," Eric Grey, EEI's director of government affairs, told Eric. "Our companies are in the debt and equity markets every single day trying to build the necessary financing for the large [capital expenditure] we do." The Solar Energy Industries Association and the American Wind Energy Association both said they were still studying the proposal.

**\*\* A message from the U.S. Chamber's Global Energy Institute:** Energy security is a top priority. For decades, we lacked a tool to measure our progress and assess the impact of policy decisions. Our *Index of Energy Security Risk* changed all that and gives us an objective, quantitative way to track it. See our Index here: <http://bit.ly/2xGeOvL> \*\*

**PENCILS DOWN ON WOTUS REPEAL:** More than 190,000 comments had already flooded the government's [inboxes](#) on the last day to submit comments on the Trump administration's proposal to replace the Obama-era Waters of the U.S. rule with an earlier version while EPA and the Army Corps of Engineers write a new one. Everyone seems to have stuck to well-worn talking points, but a couple of highlights here:

—**Agricultural groups:** They argued in [separate letters](#) the Obama-era EPA regulation "ignores the limits and structure that Congress put in place" for the Clean Water Act and urge the agencies to "move quickly" on a new regulation after rescinding the 2015 version.

—**Environmental groups:** The Southern Environmental Law Center, on behalf of dozens of other groups, [vehemently opposed](#) the proposal and said reviving "an under-protective, case-by-case regime would result in renewed uncertainty and an unlawful abdication of the agencies' responsibility for protecting clean water." The Natural Resources Defense Council

said in its [own comments](#) the proposal represents "woefully misguided and unlawful environmental policy" without adequate public input opportunities.

—**Senate EPW Republicans:** Lawmakers commended the administration for pulling the earlier rule, which they said in [a letter](#) stemmed from "the erroneous premise that federal jurisdiction over water is whatever the federal wants it to be" and unlikely to survive legal challenges. They asked for a new regulation that "respects the intent of Congress" ASAP.

**GREENS GIVE GREEN:** The League of Conservation Voters Action Fund, NRDC Action Fund PAC and NextGen America today are announcing they've raised or contributed \$3 million to state and federal candidates so far the 2017-2018 cycle. The groups hit the mark after a 48-hour fundraising push, GreenStorm, meant to boost priority candidates like New Jersey's Phil Murphy, Virginia's Ralph Northam and Oregon Gov. Kate Brown.

**SECRETARIES IN PENNSYLVANIA — PERRY VISITING COAL COMPANY:** Energy Secretary Rick Perry, along with Rep. [Lou Barletta](#), visits the Jeddo Coal Mine in Wilkes-Barre, Pa. today at 1 p.m. He'll view rare earth elements extraction site, take questions from employees and observe anthracite mining operations.

**About two hours away,** Interior Secretary Ryan Zinke visits the Valley Forge National Historic Park in King of Prussia for an update on the park and to visit with National Park Service employees.

**ZINKE WON'T SPEAK TO MINING GROUP:** Zinke dropped out of addressing the National Mining Association's annual fall meeting at the Trump Hotel next week, the group tells ME. "He was scheduled, but is not speaking now," NMA spokesman Luke Popovich said. "He will not be attending." NMA did not give the reason for the cancellation, and Interior did not respond to questions. The meeting, first [reported](#) in The Intercept, drew criticism for NMA money flowing into a business of which Trump is still a majority owner. Zinke has also come under [fire](#) from public watchdog Citizens for Responsibility and Ethics in Washington for addressing the American Petroleum Institute at the hotel and conducting at least one lunch there.

**INTERIOR TO SEEK COMMENT ON SAGE GROUSE PLANS:** The Interior Department could as early as today issue a request for public comment on potential changes to how it manages sage grouse populations in the West, including to make it easier for fossil fuel development and livestock grazing, according to sources familiar with the situation. Zinke in August ordered staff to move forward on internal staff recommendations to change BLM's land-use conservation plans for the bird, revise guidelines for fossil fuel leases and allow states to set population targets.

**EPW NOMINATION HEARING SET FOR OCT. 4:** The Senate EPW Committee plans to hold a confirmation hearing for four EPA and one NRC nomination on Oct. 4, your ME host [reports](#). For EPA, lawmakers will consider the selections of Matthew Leopold to be general counsel, William Wehrum to run the air office, Michael Dourson to run the Office of Chemical Safety and Pollution Prevention and David Ross to run the water office. They'll also consider Jeff Baran's renomination to the NRC.

**MAIL CALL! E&C LEADERS ASK GAO TO PROBE DOE CONTRACTORS:** Eight bipartisan Energy and Commerce Committee members asked GAO in a Wednesday [letter](#) to examine so-called data calls from DOE contractors, requests for various information from the contractors running the national labs and performing other projects for the agency.

**CBD SEEKS RECORDS ON BLM DECISION LINKED TO CADIZ:** The Center for Biological Diversity has filed a public records request with the Interior to figure out why the agency earlier this month reversed a legal interpretation it made under the Obama administration that would have required Cadiz Inc. to go through an environmental review process to use a railroad right of way for its controversial water pipeline in California. Interior's second in command, David Bernhardt, was a lobbyist for Cadiz before joining the agency but an Interior spokesman in an emailed statement said Bernhardt was not involved in the decision to revoke the legal finding.

**COAL ASH DEBATE, DELAYED:** Arguments over EPA's 2015 coal ash rule will now take place on Nov. 20 rather than Oct. 17 after the D.C. Circuit Court of Appeals granted a [one-month delay](#), Pro's Alex Guillén [reports](#).

**GINA SPEAKS OUT!** If you happen to be anywhere near Columbia Law School tonight in New York, former EPA Administrator Gina McCarthy delivers what's sure to be an interesting lecture entitled "The President and Future of EPA." Details [here](#).

**TAKE A GLANCE!** The American Bar Association and the Environmental Law Institute released a primer Wednesday on the Trump administration's environmental actions since January. Read it [here](#).

**I'M ALL FERC-AKE:** Commissioners Cheryl LaFleur and Robert Powelson served up some mighty tasty looking cake in honor of FERC's 40th anniversary. [Pic](#).

**MOVER, SHAKER:** Former U.S. Ambassador Laura Holgate is joining Third Way as a non-resident expert focusing on the intersection of climate change, advanced nuclear energy, and security. She was previously U.S. representative to the Vienna Offices of the United Nations and International Atomic Energy Agency.

## QUICK HITS

- Maryland sues EPA over interstate air pollution. [Baltimore Sun](#).
- Pennsylvania not fully capitalizing on its Marcellus shale, energy economic potential, energy leaders say. [Trib Live](#).
- Blackstone, Apollo team up for Westinghouse bid - sources. [Reuters](#).
- Pollution could increase as Rauner EPA moves to rescue coal plants. [Chicago Tribune](#).
- National parks struggle with overcrowding. [New York Times](#).
- Weather extremes, fossil fuel pollution cost US \$240 billion: study. [Reuters](#).
- 1 dead, 1 hurt in rockfall at Yosemite National Park's El Capitan. [Los Angeles Times](#).
- Worker exposed to potential unsafe dose of radiation at federal lab. [Washington Post](#).

## HAPPENING TODAY

9:30 a.m. — "[The Great American Eclipse: To Totality and Beyond](#)," House Science Space and Research and Technology subcommittees, Rayburn 2318

9:30 a.m. — "[Rural Development and Energy Programs: Perspectives for the 2018 Farm Bill](#)," Senate Agriculture, Nutrition and Forestry Committee, Hart 216

12:30 p.m. — Rep. Jimmy Gomez, concerned community members and activists discuss their Clean Buses for Healthy Niños campaign, Rayburn 2203

4:00 p.m. — International Trade Administration holds a meeting by teleconference of the Renewable Energy and Energy Efficiency Advisory Committee, RSVP: [Victoria.Gunderson@trade.gov](mailto:Victoria.Gunderson@trade.gov)

## THAT'S ALL FOR ME!

**\*\*A message from the U.S. Chamber's Global Energy Institute:** Pipelines Power America. America has over 2.6 million miles of pipelines that safely deliver natural gas and petroleum products throughout our nation. It would take over 750 tanker trucks a day to transport the same amount of energy as a single pipeline. While our analysis shows that certain regions like the Northeast face a critical lack of pipeline infrastructure that is contributing to higher prices and negative economic impacts, pipeline projects are under attack across the nation. It's time to end delays and allow for energy that is essential for our daily lives to move around our nation. Find out more about how Pipelines Power America here: <http://bit.ly/2wG6lj9> \*\*

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/09/more-pruitt-non-commercial-travel-emerges-024806>

## Stories from POLITICO Pro

### Price traveled by private plane at least 24 times [Back](#)

By Rachana Pradhan and Dan Diamond | 09/21/2017 05:58 PM EDT

Health and Human Services Secretary Tom Price has taken at least 24 flights on private charter planes at taxpayers' expense since early May, according to people with knowledge of his travel plans and a review of HHS documents.

The frequency of the trips underscores how private travel has become the norm — rather than the exception — for the Georgia Republican during his tenure atop the federal health agency, which began in February. The cost of the trips identified by POLITICO exceeds \$300,000, according to a review of federal contracts and similar trip itineraries.

Price's use of private jets represents a sharp departure from his two immediate predecessors, Sylvia Mathews Burwell and Kathleen Sebelius, who flew commercially in the continental United States. HHS officials have said Price uses private jets only when commercial travel is not feasible.

But many of the flights are between large cities with frequent, low-cost airline traffic, such as a trip from Washington to Nashville that the secretary took on June 6 to make a morning event at a medication distributor and an afternoon speech. There are four regular nonstop flights that leave Washington-area airports between 6:59 a.m. and 8:50 a.m. and arrive in Nashville by 9:46 a.m. CT. Sample round-trip fares for those flights were as low as \$202, when booked in advance on Orbitz.com. Price's charter, according to HHS' contract with Classic Air Charter,

cost \$17,760.

HHS spokespeople did not respond to questions about specific aspects of Price's travels, including how many charter trips he has taken. Charmaine Yoest, the agency's top spokesperson, said Price's travel for official business "comes from the HHS budget."

In a statement, Yoest said, "The Secretary has taken commercial flights for official business after his confirmation. He has used charter aircraft for official business in order to accommodate his demanding schedule. The week of September 13 was one of those times, as the Secretary was directing the recovery effort for Irma, which had just devastated Florida, while simultaneously directing the ongoing recovery for Hurricane Harvey . . . Some believe the HHS Secretary should be Washington-focused. Dr. Price is focused on hearing from Americans across the country."

Nonetheless, POLITICO identified at least 17 charter flights that took place before the first storm — Hurricane Harvey — hit in late August, and included flights that did not appear to be for urgent HHS public health priorities.

For example, Price took a Learjet-60 from San Diego to the Aspen Ideas Festival — a glamorous conference at the Colorado resort town — that arrived at 3:33 p.m. on Saturday afternoon, June 24, nearly 19 hours before his scheduled panel. That flight likely cost more than \$7,100, according to one charter jet agency estimate.

"If you're going to a conference, you have some [advance] flexibility to book travel" and shouldn't need last-minute charters, said Walter Shaub, who was the Barack Obama-appointed director of the United States Office of Government Ethics until July. "This shows a complete disregard for the expense to the taxpayer."

Since being confirmed in early February, Price has developed a reputation inside the agency for flying on private charters rather than taking other means of transportation, people inside and outside the Trump administration said.

After a POLITICO [investigation](#) identified five private flights that Price took up and down the East Coast last week, Price took a charter jet to Oklahoma on Tuesday of this week, Sept. 19, where he met with Native American tribes and toured health care facilities by car — although HHS initially explored flying him by charter around the state, two people with knowledge of Price's travels said. "There was a push from political [staff] at HHS to fly him and not drive him to these small communities," said one of the people.

Price's staff cut short his news conference in Oklahoma on Wednesday when reporters raised questions about his use of taxpayer funds, an attendee said.

Price's frequent trips around the country have rankled staff inside the White House, with a senior official saying many trips aren't related to priorities like Obamacare repeal and other items on the president's agenda. While Price has flown to Maine, New Hampshire, Oklahoma and Pennsylvania since last Wednesday, President Donald Trump and Senate Republicans have been frantically rallying support to pass an Obamacare repeal bill by Sept. 30. After that date, the GOP will need 60 Senate votes, not 50, to overturn the 2010 health law.

"No one is quite sure what [Price] is doing," a senior White House official said. "You look at this week, we're doing a last final push trying to get this over the finish line, and he's nowhere

to be found."

Many of Price's trips have centered on making announcements related to the use of opioids and holding listening sessions about the epidemic, which Trump labeled a national emergency and continues to contribute to rising death rates from drug abuse. Price has labeled fighting the opioid epidemic one of his top priorities.

But rather than fly commercially to these events, which are scheduled well in advance, Price tends to rent corporate-style jets. Sometimes, he ferries big-name guests along with him. In May, Price and Kellyanne Conway — the White House counselor and former Trump campaign manager who traveled with Price to Philadelphia last week to tour an addiction treatment center — made stops in four different states in the span of two days.

The pair traveled to Lansing, Michigan, and Charleston, West Virginia, for opioid-related meetings in the morning and early afternoon on May 9. That happened to be the same day Trump abruptly fired FBI Director James Comey. On May 10, Conway and Price were in Augusta, Maine, and Concord, New Hampshire, for more opioid-related events.

On July 6, Price again made an opioid-related visit to Chattanooga, Tennessee, where he took a private plane, according to two sources with knowledge of the situation. According to records, HHS signed a \$14,570 charter plane contract for Washington to Tennessee travel with a July 6 effective date.

In June, Price spoke at a physicians association conference in San Diego, where he [vowed](#) to wring out wasteful spending in the government's health care programs. Getting "value" for spending "is incredibly important," he said.

Price took a private plane to get to the meeting, which was one stop on a five-state sprint of charter travel that cost \$50,420.

*Josh Dawsey and Josh Gerstein contributed to this report.*

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**Trump win churns U.S.-Mexico water talks** [Back](#)

By Annie Snider | 11/26/2016 07:41 AM EDT

Negotiations between the U.S. and Mexico to seal a water-sharing deal over the dwindling supplies on the Colorado River are confronting a new deadline: the inauguration of Donald Trump.

A 16-year drought has sent water levels at the river's most important reservoir, Lake Mead, to their lowest point since it was first filled in the 1930s, threatening supply cuts for 40 million people across seven U.S. states and two Mexican states. It's also raising the stakes for the two countries as they try to hammer out an extension of a four-year-old agreement on how to share the water.

That agreement expires at the end of 2017, but negotiators who have worked for years are pressing to finish a new pact before President Barack Obama leaves office — or put at risk years of fruitful collaboration on the sharing of cross-border water supplies that are vital to both countries.

The fear is not only that Trump — who has called Mexicans criminals and vowed to erect a massive border wall — could derail any potential deal, but that even turning the talks over to new negotiators would stall the process at a critical moment, since it would take them months to get up to speed.

The issue is just one of dozens of crucial international topics, from relationships with NATO and Russia to Asian trade deals, that may take a dramatic shift under a Trump team that campaigned on an "America First" platform.

Farmers and cities in Arizona and Nevada could face their first cuts in water supplies a year from now, just as the existing agreement ends. Without a new agreement with Mexico, it is unclear whether or how those cuts could be shared across the border, raising the prospect of either deeper, swifter cuts to U.S. states or a bitter cross-border dispute.

Water policy experts say that even before Trump's election, the Obama administration had been pressing to tie up a new deal for the Colorado River and avoid any delays caused by the change in administrations.

"There's pressure to finish off any type of arrangement that you start with one administration," said Carlos de la Parra, a Mexican water analyst who advised his country's lead negotiator on the previous water sharing deal. "Now there's this surprise, and there's a President-elect Trump, and obviously that becomes a little more acute given his discourse."

The Colorado River provides the lifeblood of much of the American Southwest, feeding desert metropolises including Phoenix, San Diego and Las Vegas, and supplying farmers who grow 15 percent of the nation's food. The river rises on the Continental Divide in Rocky Mountain National Park, and snakes 1,450 miles before finally draining into the Gulf of California on the Mexican side of the border — although most of the time there's barely a trickle left by the time the river reaches its delta.

Experts say the arrival of a potentially hostile new U.S. president doesn't necessarily mean Mexico will settle for less than it wants. Mexico holds significant leverage since its water is the most protected as a treaty obligation. It also has the right to take the U.S. to international arbitration, and controls the delivery of Rio Grande water to American farmers in Texas.

While Mexico has been "very fair to the U.S. — more than it had to be" in previous negotiations, the water treaty is a sovereignty issue that "gets down to the raw material of Mexican nationalism," said Stephen Mumme, a political science professor at Colorado State University.

"There are big incentives on both sides to get this done, and done in a way that's sustainable," he said. "But it's not going to come at Mexican expense and Mexico cannot be bullied or pressured in this. I think that's one of those things that's going to be a little bit of a wake-up call for the Trump administration."

Negotiators are focusing on the technical aspects of crafting a water-sharing deal and hoping

to keep politics out of the talks. Sally Spener, foreign affairs officer at the International Boundary and Water Commission, the U.S.-Mexican agency that negotiates and applies the treaties, said the American commissioner "has instructed his staff to continue with our work and we continue to do that."

Roberto Salmon, the lead Mexican negotiator, told POLITICO the primary urgency to sign a new deal comes from the ongoing drought and dire predictions for the basin, rather than "political issues or political aspects or the political life of either country." But keeping calm heads only stands to get harder as flows on the river continue to dwindle.

Under a 1944 treaty with Mexico, the U.S. must send 1.5 million acre-feet of water — nearly half a trillion gallons — across the border each year, an amount that's roughly enough to supply 3 million homes. But the treaty's provisions laying out rules on what happens during a drought are vague and undefined.

Moreover, hydrologists now realize that the period in the early 20th century when the Colorado River's water supply was divvied up was unusually wet. And as temperatures rise and climate change shrinks the winter snow pack that feeds the Colorado, the river is likely to carry even less water in the future.

The strain is already being felt: Water levels behind the Hoover Dam at Lake Mead this year plummeted to the lowest level since the reservoir was built. Under existing law, Arizona and Nevada must start taking cuts when water levels reach 1,075 feet above sea level in late summer. The Bureau of Reclamation estimates a 50-50 chance that the lake will hit that level next year, triggering the first supply cuts for the U.S. — and potentially Mexico — in 2018.

In fact, if the existing compacts and treaties had been strictly followed, the cuts would already have begun. But after years of battling each other in court and across the negotiating table, the U.S. and Mexican governments and the seven U.S. states in the Colorado River basin decided to stop fighting and start working together, ultimately staving off water delivery cuts for several years.

In the U.S., the lower basin states of Arizona, Nevada and California have struck several deals to undertake and fund aggressive water conservation programs. The U.S. and Mexico struck a similar deal as part of the water sharing agreement signed in 2012 that is set to expire next year. Under that deal, called Minute 319, the states and the U.S. government are investing \$21 million in water conservation programs in Mexico like lining canals to reduce leaks and improving water efficiency at farms.

That deal also takes steps to restore the parched river delta south of the border, and allows Mexico to store some of its Colorado River water supplies in Lake Mead to make up for capacity that was lost in Mexico after a 2010 earthquake damaged its dams. That helped Mexico solve its shortage problem while bolstering water levels at the critical reservoir.

But that history of collaboration may be tested if the negotiations drag on into the new Trump administration, which has focused much of its most bombastic rhetoric on international trade agreements and immigration from Mexico.

"All this blustering, all of these insults being hurled around just doesn't help, because we depend on Mexico in so many ways," Mumme said.

Trump hasn't spoken about the Colorado River's issues, and his transition team did not respond to a request for comment. But during the campaign he championed the plight of farmers in the Central Valley of California, who have had their water deliveries cut because of a five-year drought combined with endangered species protections that restrict pumping from the Sacramento-San Joaquin delta in the northern part of the state. In a May campaign stop in Fresno, Trump vowed to fix the state's "insane" water problem to "bring jobs back."

And in what could be signal of the type of policies to expect, David Bernhardt, a former Interior Department solicitor who is now the top lobbyist for a powerhouse Central Valley water district, was tapped to lead Trump's initial transition for the Interior Department.

Getting a Colorado River deal done before Trump's inauguration will be a heavy lift. Mexico has indicated it doesn't want to sign the deal until a separate but related agreement is in place on the U.S. side of the border. That deal, a drought contingency plan among California, Arizona and Nevada, calls for the states to conserve additional water above and beyond mandatory cuts in order to increase reservoir levels and stave off the most severe scenarios. Although the states have agreed to top-line numbers, they've haven't yet worked out with their farmers, cities and other users how to share the cuts. And in Arizona, the state legislature must give its approval to any pact.

Water experts agree it's only a matter of time until a shortage declaration is declared on the river, and without a new U.S.-Mexico deal in place, what would happen then is anyone's guess.

The U.S. could simply implement the delivery cuts agreed to under the 2012 deal, hoping that Mexico wouldn't object to extending those provision under the expired deal. But it's not clear whether those cuts would still be acceptable to Mexico.

"Without a U.S.-Mexico agreement, it's entirely possible that Mexico asserts that it does not have to take a shortage," said Jennifer Pitt, Colorado River project director for the National Audubon Society.

Moreover, whatever the U.S. does on the Colorado River could have knock-on effects elsewhere. In particular, the same treaty that governs the Colorado River also covers the Rio Grande, where Mexico is obliged to deliver water to the U.S.

It was Mexico's failure to deliver agreed-upon water volumes from the Rio Grande to the U.S. that last raised U.S.-Mexico water issues to the presidential level. That was in 2005 under President George W. Bush, who was acutely aware of the importance of that water to farmers in his home state of Texas.

Cross border tensions were also high in the mid-2000s, when some of the United States' Colorado River water was seeping into the ground and over the border and being pumped by Mexican farmers. The two countries also feuded during the late 1960s over salinity levels in the water that the U.S. was sending south, a dispute still fresh in the minds of water experts on both sides of the border. Mexico repeatedly threatened to sue the U.S. over that issue, and ultimately President Richard Nixon appointed a special ambassador to deal with the problem.

Key players on the Colorado River hope that relations won't get that bad anytime soon, even as they acknowledge that Trump's fiery campaign rhetoric presents a major wild card.

"On the merits, having Mexico conserve more water to improve the reliability of the Colorado River water supply for 36 million users in the U.S., for 15 percent of U.S. agricultural output, that seems to me to have enormous value," Pitt said.

"On that basis, I have confidence. But on the basis of how rhetoric can sometimes get detached from those merits — I don't know," she said.

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## **Biofuel producers unite against potential EPA biodiesel cuts** [Back](#)

By Eric Wolff | 09/27/2017 06:57 PM EDT

Biofuels producers and their farm-state backers in Congress are keeping the pressure on EPA, accusing the agency of betraying President Donald Trump's promises to back the Renewable Fuel Standard after the agency signaled it would cut its biodiesel volume mandates.

EPA's Tuesday [notice](#) seeking input on whether to reduce the already set 2018 biomass-based biodiesel requirement and shrink the mandate in 2019 is drawing opposition from both biodiesel and ethanol producers, who say EPA's move marks its second attempt to undermine the program this year.

The new EPA notice has already driven down prices for biofuel credits, which are used by refiners to meet the obligations under the RFS. That's a boon to refiners like CVR Energy, the company owned by former Trump adviser Carl Icahn who had joined with other fuel processors like Valero Energy earlier this year in an unsuccessful effort to shift the compliance burden of the RFS away from their companies.

Trump has repeatedly offered public support for ethanol producers and the RFS, and just last month, he told Sen. [Chuck Grassley](#) (R-Iowa) to [assure Iowans](#) he had their backs on the RFS — a position Trump staked out early in his presidential campaign and which helped him carry Iowa and other Midwestern states.

On Wednesday, Sen. [Joni Ernst](#) (R-Iowa) blasted the new EPA move, saying in [a letter](#) to Trump that the biodiesel cut would be "bad for American farmers, American manufacturing and American rural communities," adding that she hoped "that your EPA has not forgotten about the pledges that were made to my constituents and to farmers across the country."

That letter came a day after Grassley said the proposal "seems like a bait-and-switch from the EPA's prior proposal and from assurances from President Trump himself and Cabinet secretaries in my office. ... This all gives me a strong suspicion that Big Oil and oil refineries are prevailing, despite assurances to the contrary."

And biodiesel makers are drawing strong support from the ethanol industry, who see the EPA's move as a step toward undercutting the RFS.

"This would undermine renewable fuel production in the U.S. and cause severe harm to our friends in the biodiesel industry," Robert Walther, vice president of federal advocacy for

ethanol producer POET, told POLITICO. "That harm would radiate throughout the entire biofuel value chain from starch biofuel plants, to cellulosic facilities now scaling up, to the corn and soybean farmers who voted overwhelmingly for Trump."

In its Tuesday notice, EPA relied on letters from Valero, the American Petroleum Institute, and the American Fuel and Petrochemical Manufacturers to argue the agency expects biodiesel prices to climb because of the expiration of a tax credit last year — as well as the [new tariffs](#) the administration is putting on biodiesel imports from Argentina and Indonesia.

As a result, the agency asked for comment on revising down the amount of biodiesel to be used in 2018 by 15 percent, and on setting 2019 biodiesel requirements possibly as low as the 1 billion gallon floor laid out in the law, less than half the original 2018 level of 2.1 billion gallons.

Biodiesel credits are linked to the ethanol credits — called Renewable Identification Numbers — since U.S. ethanol producers typically fall short of supplying the volumes required under the RFS program. Oil refiners then must buy biodiesel RINs to meet requirements, according to research by University of Illinois economist Scott Irwin.

While corn ethanol credit prices are cheaper than biodiesel RINs, the two tend to move in tandem, so the effect of EPA's notice on RIN prices for ethanol, advanced biofuel and biodiesel was immediate: a 20 percent decline in prices for credits of biodiesel and ethanol after EPA's notice, according to the fuel price tracking service OPIS.

The proposal to cut the biomass-based fuel shocked the biodiesel makers such as Gene Gebolys, CEO of World Energy, who said the industry "froze" as soon as the notice came out.

"The more baffling part is Trump has been consistently supportive of the RFS, over and over and over and over again, he has been supportive of the RFS," he said. "This has been a frontal assault on the RFS. You have to ask yourself, is EPA taking direction from the White House or the oil industry?"

EPA also did not respond to a request for comment. Nor did API or Valero, both of whom EPA cited in its notice, although the AFPM trade association was pleased by the action.

"EPA is on the right track in adjusting renewable fuel requirements," AFPM CEO Chet Thompson said in a statement. "This proposal more appropriately advances Congress's stated purpose of bolstering America's energy independence. American drivers shouldn't have to shoulder more costs to help foreign biofuel producers."

But ethanol producers think EPA may be putting key states in play if it follows through and makes cuts to biodiesel.

"If I am a Democrat thinking of taking Trump on in Iowa and Wisconsin in 2020, I am licking my chops," Walther from POET said.

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## **FERC amends pipeline study to add climate impact [Back](#)**

By Darius Dixon | 09/27/2017 04:31 PM EDT

FERC [announced](#) today that it is amending an environmental study for a natural gas pipeline to meet a federal court's requirement that it include an assessment of greenhouse gas emissions from the power plants that may use the fuel.

The [new 5-page analysis](#) of the Southeast Market Pipelines Project, which consists of three natural gas pipelines under construction in Alabama, Georgia and Florida, conducted by FERC staff says they "would not result in a significant impact on the environment" so long as the developer followed the mitigation measures mentioned in the final 2015 environmental impact statement.

The original EIS didn't include an assessment of carbon dioxide, methane and nitrous oxide emissions associated with use and combustion of the natural gas that would be transported by the project when it was done. Last month, the D.C. Circuit Court of Appeals sided with the Sierra Club and [vacated](#) FERC's approval of the project, saying the agency must redo the EIS it used in its decision.

FERC's move to issue a supplemental EIS on greenhouse gas emissions suggests that it may not appeal the court's decision.

The analysis also states that using the social cost of carbon in its greenhouse gas analysis "is not appropriate for use in any project-level NEPA review."

**WHAT'S NEXT:** FERC has until Oct. 6 to decide whether it will appeal the D.C. Circuit's Aug. 22 ruling, which could require the agency to revisit the EISs it conducted for several pipelines.

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## **Trump: Shipping industry doesn't want Jones Act waiver for Puerto Rico recovery [Back](#)**

By Ben Lefebvre | 09/27/2017 03:40 PM EDT

President Donald Trump cited objections from the shipping industry when asked today why his administration has not waived the Jones Act to help deliver fuel and other goods to hurricane-ravaged Puerto Rico.

"We're thinking about that, but we have a lot of shippers and a lot of people and a lot of people who work in the shipping industry that don't want the Jones Act lifted," Trump told reporters outside the White House today. "And we have a lot of ships out there right now."

The Jones Act stipulates that only U.S.-flagged vessels can ship goods between domestic ports.

DHS [said](#) earlier today that it was not likely to grant a Jones Act waiver to Puerto Rico, where

water, fuel and other necessities are in short supply since Hurricane Maria hit the island last week. Enough ships are available to deliver goods to the U.S. territory, with the problem being the lack of delivery logistics on the island itself, a department spokesman said.

DHS waived the Jones Act for fuel deliveries to Texas and Florida after hurricanes hit those states earlier this year.

**WHAT'S NEXT:** Congress has promised to ramp up aid to Puerto Rico.

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**DHS says it hasn't denied Jones Act waiver for Puerto Rico — yet** [Back](#)

By Tanya Snyder | 09/27/2017 11:35 AM EDT

DHS officials said today that they have not yet decided how to act on the Jones Act waiver [request](#) sent Monday from eight members of Congress.

However, senior DHS officials made it clear that a waiver is unlikely and that an official determination could take days or weeks, as it requires coordination with other federal agencies.

Under statute, the Jones Act, which requires that goods moved between U.S. ports must be carried on U.S.-owned and -operated vessels, can only be waived for reasons of "national defense" or if there aren't enough U.S.-flag vessels to meet demand. In the wake of Hurricanes Harvey and Irma, the Department of Defense requested a Jones Act waiver for Texas and Florida, which was issued quickly. In the absence of a Pentagon request, DHS needs to make those determinations itself, consulting with MARAD on vessel availability.

DHS officials also told reporters that the department had "not received a formal waiver request," since Congress is not a traditional pathway for these kinds of requests. Still, the officials said they are evaluating the request and working as quickly as possible to make a determination.

The officials also reiterated that a Jones Act waiver would not help move goods within the island, which is the real problem Puerto Rico is facing right now.

The U.S. Virgin Islands are statutorily exempt from the Jones Act.

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**Oil industry backs GOP tax proposal, but utilities, renewables industries wary** [Back](#)

By Eric Wolff | 09/27/2017 04:02 PM EDT

The oil and gas industry praised the [tax proposal](#) released Wednesday by Republican leaders, though the utility and renewables industries withheld their verdicts for now.

The "Big Six" Republican tax writers — consisting of Treasury Secretary Steven Mnuchin, National Economic Council Director Gary Cohn and key congressional leaders — called for lowering the corporate tax rate for businesses to 20 percent, and allowing companies to write off the full value of capital investments. But they [left many details out of the plan](#), including how to pay for their tax cuts. The proposal would partially curb the interest tax deduction for businesses, and it would alter how overseas profits would be taxed.

Allowing companies to fully expense their spending would benefit the oil and gas sector, which says it pours an average of \$232 billion a year in capital expenditures in the U.S. The proposal also shifts international taxes to a territorial system, under which profits from overseas subsidiaries would not be taxed, and it allows profits currently held overseas to be repatriated without being taxed.

"The right pro-growth tax policies can accelerate these economic investments and create more jobs while keeping energy affordable for consumers. This includes strong cost-recovery provisions, which are a critical part of any pro-growth tax code to allow new investment and help fuel the U.S. economy," American Petroleum Institute President Jack Gerard said.

Wednesday's tax proposal was vague on the fate of the interest tax deduction, saying it would be "partially limited" but leaving tax-writing committees to work out the details.

The Edison Electric Institute, which represents Investor-owned utilities, said it was still reviewing the proposal; but in an interview earlier this week, Eric Grey, EEI's director of government affairs, said the group was concerned about the loss of the interest tax deduction. EEI says utilities spend \$125 billion a year on capital investments, and they depend on debt and equity markets to fund transmission lines, substations and wires. Grey said utilities wouldn't get an immediate benefit from 100 percent expensing.

"For us, the interest deduction is how we raise capital," Grey said. "Our companies are in the debt and equity markets every single day trying to build the necessary financing for the large [capital expenditure] we do."

The Solar Energy Industries Association and the American Wind Energy Association both said they were still studying the proposal. SEIA CEO Abigail Ross Hopper told POLITICO last week that the industry was concerned about the interaction between the investment tax credit and full expensing.

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**EPW to host EPA, NRC nomination hearing Oct. 4 [Back](#)**

By Anthony Adragna | 09/27/2017 04:25 PM EDT

The Senate Environment and Public Works Committee will hold a confirmation hearing Oct. 4

on a host of President Donald Trump's picks for posts at EPA and the Nuclear Regulatory Commission.

The session will include four EPA nominees: Matthew Leopold to be general counsel, William Wehrum to run the air office, Michael Dourson to run the Office of Chemical Safety and Pollution Prevention and David Ross to run the water office. Lawmakers will also consider Jeff Baran's re-nomination to the NRC.

The committee [shelved a hearing](#) planned for last week on the picks after the Senate adjourned earlier than expected for Rosh Hashanah. Wehrum's and Dourson's nominations have attracted the most controversy from Democrats and the environmental community.

**WHAT'S NEXT:** The full EPW Committee will consider the nominees at the Oct. 4 hearing.

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**Court delays coal ash arguments to November** [Back](#)

By Alex Guillén | 09/27/2017 04:54 PM EDT

The D.C. Circuit Court of Appeals today [granted a one-month delay](#) in arguments over EPA's 2015 coal ash rule following Administrator Scott Pruitt's [decision to reconsider](#) key parts of the regulation.

Arguments had been scheduled for Oct. 17, but a three-judge panel ordered them delayed until Nov. 20.

The judges ordered EPA to reveal by Nov. 15 which portions of the rule will be reconsidered "and setting forth with specificity the timeline for reconsideration." In addition, all sides, including industry and environmental challengers, are supposed to file new briefs by Oct. 11 addressing whether the new [state-based coal ash permitting program](#) that passed Congress as part of the Water Infrastructure Improvements for the Nation Act at the end of 2016 affect the broader lawsuit at all. And the court told attorneys to be ready at arguments to discuss whether a longer delay in the lawsuit is appropriate, opening up the possibility of further delay.

The court set 90 minutes' worth of arguments in total, split into four sections: Three dealing with various legal and technical challenges to the rule and one on whether the case should be delayed longer.

The case will be heard by Judges Karen LeCraft Henderson, a George H.W. Bush appointee, and two Obama appointees, Judges Patricia Millett and Cornelia Pillard.

**WHAT'S NEXT:** The parties must submit briefs regarding the permitting program by Oct. 11. Oral argument is scheduled for Nov. 20.

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**Date:** Tuesday, September 26, 2017 5:46:24 AM

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By Anthony Adragna | 09/26/2017 05:42 AM EDT

*With help from Esther Whieldon and Ben Lefebvre*

**AN OPENING FOR ANWR?** Senate Republicans intend to use their fiscal 2018 budget blueprint to lay the groundwork for new energy production in the Arctic National Wildlife Refuge by using special rules that would allow them to avoid a Democratic filibuster, Pro's Ben Lefebvre and Sarah Ferris [report](#), citing sources familiar with the process. While the budget document couldn't mandate specific policies, it would enable Senate Energy Chairman [Lisa Murkowski](#) to write legislation that would remove restrictions on drilling in ANWR that could be bundled into a massive tax reconciliation package that needs just 50 votes in the Senate.

**Doing so would realize a long-standing** goal of Republicans and oil companies, while attracting vehement opposition from environmental groups and virtually all Democrats. The U.S. Geological Survey [estimates that part of ANWR](#), a wide swath of tundra on the northern Alaska coast, home to polar bears, porcupine caribou and a landscape that hasn't been touched in thousands of years, could hold up to 12 billion barrels of oil. But Senate Republicans have little margin for error since two members of their caucus — Sens. [Susan Collins](#) and [John McCain](#) — have opposed similar bills in the past, though they'd be forced to consider that provision as part of the broader tax effort. A McCain spokeswoman says he's open to a "full debate" on the subject despite his past opposition. Collins told ME Monday night that ANWR has been far from her mind recently. "I've been focused on health care," she said, just after coming out against the latest Obamacare repeal effort.

**There are a number of key questions.** Some wonder if Murkowski's prior breaks with GOP leadership and the White House will hamper her pursuit of other priorities. Current low oil prices might make opening ANWR less urgent than in the past and there's some question whether oil and gas companies would flock to the area at today's crude price of \$50 a barrel (though that answer would likely depend on the company). Infrastructure is not likely to be a major barrier, though, with the biggest requirement a short pipeline to connect drilling wells in ANWR to the main Trans-Alaska Pipeline System pipeline. "A pipeline is not a big lift," said one oil and gas company representative who asked to speak on background to discuss the matter. "If the oil is there like they think it is, it's not prohibitive."

**WELCOME TO TUESDAY!** I'm your host Anthony Adragna, and API's Carrie Domnitch was the first (of many) to identify Sen. [John McCain](#)'s cameo in "Wedding Crashers." For today: Way back on Season 2 of "Saturday Night Live," this future presidential candidate hosted an episode. Who was it? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**Pro Policy Summit Highlights:** Don't miss the highlights from the 2017 Pro Policy Summit. The Pro newsroom has assembled must-read stories, scoops and video content from a day

packed with breaking news and insightful policy discussion. [Summit Highlights](#).

**LOTSA GROUND COVERED:** Energy Secretary Rick Perry and Interior Secretary Ryan Zinke covered a wide array of topics during a Monday appearance at the National Petroleum Council. Highlights from that event via Pro's Ben Lefebvre:

—**New infrastructure study coming:** DOE Deputy Secretary Dan Brouillette, in coordination with the National Petroleum Council, will lead a study on how to improve the permitting process for pipelines and other energy infrastructure, Perry announced. The former Texas governor also called on the group to study how to make carbon capture, utilization and storage infrastructure economically viable. More [here](#).

—**Interior reorganization still under consideration:** Zinke expects to complete an evaluation of whether to combine the Bureau of Safety and Environmental Enforcement and Bureau of Ocean Energy Management within the next couple months. He's also mulling the possibility of establishing Interior offices according to 13 watershed areas and moving BLM and Bureau of Land Reclamation headquarters out West. More [here](#).

—**Zinke's report on national monuments remains** under review by the White House. "We're working on it. Most people will find it to be a very reasoned approach," he said.

—**Perry touts benefits of energy industry:** After being interrupted several times by protesters, Perry launched an extended diatribe against environmentalists criticizing the industry's record on climate change. "If you want to talk to something that saves lives, it's energy across the globe. You're involved in an industry that saves lives, lots of them, every year, around the globe," he said.

—**On loyalty to the administration:** Zinke said about a third of his workforce remained loyal to the previous administration. "I know that when I assumed Interior that I have 30 percent of the crew that's not loyal to the flag," he said. "I had a Fish & Wildlife Service that hated people to a degree."

**\*\* A message from the U.S. Chamber's Global Energy Institute:** Insightful analysis is an important part of our mission. From economic modeling of proposed policies to our groundbreaking energy security index, the Global Energy Institute's reports and analysis are helping to shape the discussion on energy policy. Click here to learn more: <http://bit.ly/2huaJ4F> \*\*

**DEMOCRATS CALL FOR FOCUS ON PUERTO RICO:** FEMA Director Brock Long and Homeland Security adviser Tom Bossert arrived Monday on the devastated island, but congressional Democrats expressed concern the administration wasn't doing enough. "Puerto Rico has taken a serious punch to the gut and they need our help. They need it now," Senate Minority Leader [Chuck Schumer](#) said. "The administration must quickly prepare an appropriate aid package for Florida, Puerto Rico, the U.S. Virgin Islands and the Western States for Congress to act on in the near future," he added. Speaker [Paul Ryan](#) said: "Our fellow citizens in Puerto Rico remain in our prayers as we make sure they have what they need."

**Jones Act waiver sought:** Seven House Democrats requested a one-year waiver from the Jones Act to expedite hurricane relief aid to Puerto Rico, Pro Transportation's Tanya Snyder [reports](#). An Energy Department status [report](#) Monday found nearly all of the island remained

without power.

**POLITICO's Jacqueline Klimas [reports](#) from San Juan** that political leaders on the island are once again afraid their needs are an afterthought in Washington. "The important part is to make sure it's not forgotten," Sen. [Marco Rubio](#) said. "We have a fundamental obligation to a U.S. territory and American citizens to respond to a hurricane there the way we would anywhere in the country."

**Governor assumes dam will collapse:** Puerto Rico Gov. Ricardo Rosselló said he's operating under the assumption the Guajataca Dam will collapse, a fear that led to the evacuation of tens of thousands of area residents. "Some of the dam has fallen apart," he [told CNN](#) Monday. "I'd rather be wrong on that front than do nothing and having it fail and costing people their lives."

**The president tweets:** "Texas & Florida are doing great but Puerto Rico, which was already suffering from broken infrastructure & massive debt, is in deep trouble," President Donald Trump said in a [statement released via his Twitter account](#) Monday night. "It's (sic) old electrical grid, which was in terrible shape, was devastated. Much of the Island was destroyed, with billions of dollars...owed to Wall Street and the banks which, sadly, must be dealt with. Food, water and medical are top priorities - and doing well." he [added in](#) a pair of follow-up tweets.

Trump's first words on Puerto Rico since Sept. 20 came after the White House forcefully [defended](#) his fixation with NFL players' protests, which generated more than a dozen tweets since Friday.

**U-TURN ON CLIMATE RULE:** Reversing course, DOT told a federal judge in New York in [a letter](#) it will publish [a regulation](#) requiring states to track emissions from highways and craft reduction goals, Pro's Alex Guillén [reports](#). Once published, the regulation takes effect immediately. Environmental groups and Democratic attorneys general had sued Federal Highway Administration for placing the rule on hold indefinitely. "Our lawsuit held the Trump administration accountable for illegally halting a common-sense tool to curb carbon pollution from transportation," said the NRDC's Amanda Eaken in a statement. The regulation is expected to run in the Federal Register Sept. 28.

**ZINKE, PERRY SPEAK AT NATIONAL CLEAN ENERGY WEEK:** It's a day of events as National Clean Energy Week kicks off in earnest today with a breakfast discussion at 8 a.m. featuring Perry and Zinke (hosted by former GOP Sen. Kelly Ayotte). Also expected to speak throughout the day are Sen. [Lindsey Graham](#), House Republican Conference Chair [Cathy McMorris Rodgers](#) and Reps. [Derek Kilmer](#) and [Ryan Costello](#). Full details [here](#).

**But greens cry foul:** Twelve environmental organizations sent [a letter](#) to Congress arguing that technologies like biomass, carbon capture or nuclear energy should not be considered clean. "The sponsors of 'National Clean Energy Week' include some of the dirtiest actors in the energy industry," the groups, which include 350.org, Food & Water Watch and Oil Change International, wrote.

**HEARING ROUNDUP — TWO DOE NOMINEES IN SPOTLIGHT:** Murkowski's push to quickly advance agency nominees continues today as her committee [examines](#) Steven Winberg's nomination to be assistant Energy secretary for fossil energy and Bruce Walker's selection to be assistant Energy secretary for electricity, delivery and energy reliability. Winberg previously headed up research and development for CONSOL Energy and also was a

member of DOE's National Coal Council, while Walker's resume includes stints at National Grid and Consolidated Edison. Things get going at 10 a.m. in Dirksen 366.

**E&C LOOKS AT ADVANCED ENERGY TECHNOLOGIES:** The House Energy and Commerce Energy Subcommittee holds the latest in its "Powering America" series of hearings today with [an examination](#) of "the role advanced energy technologies play in empowering the nation's electricity consumers." Witnesses include representatives from Advanced Energy Economy, Holy Cross Energy, ComEd and LO3 Energy, among others. The hearing is set for 10 a.m. in Rayburn 2123.

**GATHERING INPUT ON WATER INFRASTRUCTURE NEEDS:** The House Transportation and Infrastructure Subcommittee on Water Resources and Environment hosts a hearing at 10 a.m. today with a panel of public and private sector witnesses on what they'd like to see for water infrastructure in a forthcoming legislative package. The full list of witnesses for the hearing in Rayburn 2167 is available [here](#).

**MAIL CALL! CEQ VETERANS CALL OUT NEPA SHORTCUTS:** Trump's efforts to streamline environmental reviews leave his administration's decisions more vulnerable to being overturned in court because they don't allow for enough input from the public, four veterans of the Council on Environmental Quality warned in [a letter](#) to the White House Monday. "Emphasizing speed over quality sends the wrong message to agencies and creates significant legal risk that future environmental reviews of federal actions will be rejected by the courts and need to be redone," wrote Katie McGinty, Nancy Sutley, Christy Goldfuss and Brenda Mallory, all of whom served in Democratic administrations.

**STATE AGs DISCUSS TRUMP-ERA ENVIRONMENTAL LITIGATION:** A session at 2:45 p.m. with three attorneys general — Maryland's Brian Frosh, Illinois' Lisa Madigan and New York's Eric Schneiderman — discussing ongoing environmental litigation fighting White House efforts to weaken environmental protections is among the highlights of the [Institute for Policy Integrity's](#) state climate action conference today. Follow along [here](#).

**DEMOCRATS SEEK INFORMATION ON MINE SAFETY PICK:** Sens. [Sheldon Whitehouse](#) and [Bob Casey](#) released [a letter](#) Monday seeking information on Mine Safety and Health Administration's investigations into Rhino Resource Partners, which mine safety nominee David Zatezalo worked at in a variety of senior roles between 2007 and 2014. They asked for the records no later than Sept. 29.

**FAA, FLOOD INSURANCE FLOPS:** Democrats blocked a Republican push to fast-track an FAA extension that also included additional provisions on flood insurance and tax credits for victims of recent hurricanes, POLITICO's Heather Caygle and Lauren Gardner [report](#). The chamber is expected to consider the measure again later this week under a rule, which requires a simple majority, unlike Monday's fast-track procedure that required a two-thirds vote.

**STUDY: RAIL DAMPENING PIPELINE INVESTMENTS:** New [research](#) out from the National Bureau of Economic Research finds the flexibility associated with crude-by-rail shipping has led to decreased investments in long-term pipeline projects given the high upfront costs of such infrastructure. "The ability to ramp rail shipments up and down is valuable to crude oil shippers, and it reduces incentives to make long-run investments in pipeline capacity," Ryan Kellogg, a professor at the Harris School of Public Policy who co-authored the study, said in a statement.

**CHAMBER URGES REJECTION OF GARRETT:** Count the U.S. Chamber of Commerce as the latest group urging senators to reject former Rep. Scott Garrett's nomination to head the Export-Import Bank, Pro Financial Services' Zachary Warmbrodt [reports](#). In a Monday [letter](#), senior executive vice president Suzanne Clark expressed concern Garrett could use his position to prevent the agency from properly functioning while voicing strong support for four other nominees: Kimberly Reed, Claudia Slacik, Judith Pryor and Spencer Bachus.

**ZINKE SPENT \$2.5K ON TRAVEL IN MARCH:** Zinke spent \$2,508 in flights, lodging and meals meet with members of the Blackfeet Nation, agency staff and toured national parks in Wyoming and his home state of Montana in his first month in office in March, according to [public records](#) the agency released Monday. Zinke stayed at his home in Whitefish for most of his first trip, according to the secretary's [trip itinerary](#) for March through July the agency released earlier this month. Unlike Health and Human Services Secretary Tom Price who POLITICO earlier [reported](#) took private jets, Zinke's flights were commercial.

**GRID-CONNECTED BATTERIES TAKING OVER RESIDENTIAL STORAGE MARKET:** Homeowners are increasingly installing electricity batteries that connect to the grid instead of closed systems that feed power only to the residence, GTM Research says in a [report](#) out today. The report does not cite a specific reason for the change but notes customers are looking for back-up power in case of electric outages and to save money, while utilities are encouraging adoption to mitigate the impacts of growing solar power. Grid-connected projects will make up 57 percent of annual deployments by the end of this year, the report says.

**DOESN'T LOOK STRESSED:** Murkowski doesn't look like the heated health care debate is getting to her in this picture with a pink polar bear she [tweeted out](#) Monday from her visit over the weekend to the Anchorage Museum.

**ALL-TIME HIGH:** Bolstered by more than 500,000 people who've joined since last November, the Natural Resources Defense Council tells ME it now has three million-plus members and online activists.

**MOVER, SHAKER:** Ann Bartuska has joined Resources for the Future as vice president in its newly formed land, water, and nature program. She comes after serving as deputy undersecretary for research, education and economics as well as chief scientist at USDA.

## QUICK HITS

- In World's Hottest Oil Patch, Jitters Mount That a Bust Is Near. [Bloomberg](#).
- After Hurricane Maria, what will it take to turn Puerto Rico's power back on? [The Verge](#).
- OPEC's Efforts Pay Off: Oil is Back in Bull Market. [Wall Street Journal](#).
- Companies building failed nuclear project 'were looking to cut corners' as state's top cop asked to investigate. [The Post and Courier](#).
- FPL, JEA to shut down Jacksonville coal electric plant. [Palm Beach Post](#).

## HAPPENING TODAY

7:30 a.m. — National Clean Energy Week symposium kicks off with remarks from Secretaries Zinke and Perry, Reserve Officers Association, 1 Constitution Avenue NE

9:30 a.m. — Institute for Policy Integrity green states [conference](#), New York University School of Law, 40 Washington Square South, Vanderbilt Hall, New York, N.Y.

10:00 a.m. — "[Powering America: Technology's Role in Empowering Consumers](#)," House Energy and Commerce Energy Subcommittee, Rayburn 2123

10:00 a.m. — "[Legislative Hearing on 4 Fishery Bills](#)," House Natural Resources Water, Power and Oceans Subcommittee, Longworth 1334

10:00 a.m. — Senate Energy and Natural Resources holds [hearing](#) on DOE nominations, Dirksen 366

10:00 a.m. — "[Building a 21st Century Infrastructure for America: Water Stakeholders' Perspectives](#)," House Transportation and Infrastructure Water Resources and Environment Subcommittee, Rayburn 2167

12:00 p.m. — "[Maryland's Offshore Wind and Energy Efficiency Policies](#)," Women's Council on Energy and the Environment, Dentons, 1900 K Street NW

12:00 p.m. — "The Future of Nuclear Power: Technology, Security and Geopolitics," Global American Business Institute, 1001 Connecticut Avenue NW, Suite 230

12:00 p.m. — "[Energy Transition and the Future of Hydrokinetic Energy in the United States](#)," Environmental Law Institute, 1730 M Street, NW, Suite 700

12:30 p.m. — Natural Gas Roundtable [hosts](#) David Carroll, president of the International Gas Union, for monthly luncheon, University Club, 1135 16th Street NW

2:00 p.m. — House Natural Resources Indian, Insular, and Alaska Native Affairs Subcommittee [hearing](#) on various bills, Longworth 1334

2:00 p.m. — "[Examining America's nuclear waste management and storage](#)," House Oversight and Government Reform Interior-Environment Subcommittee, Rayburn 2154

## **THAT'S ALL FOR ME!**

**\*\*A message from the U.S. Chamber's Global Energy Institute:** Today, America's diverse energy resources are providing abundant, reliable and affordable electricity that is critical to our economy. Unfortunately, that mix is at risk. A new report by IHS Markit cosponsored by the Global Energy Institute explains just how important a diverse set of resources really is. Our current energy mix, including nuclear and coal, is saving us \$114 billion per year in electricity costs—lowering the average price by 27%. Without all of our resources, America could lose 1 million jobs within 3 years and \$158 billion in GDP, and each American household could see a loss of up to \$845 in income each year. To read the report and learn more about how a balanced set of electricity resources is key to our economy and security, click here: <http://bit.ly/2huaJ4F> \*\*

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/09/republicans-eye-budget-process-for-anwr-opening-024761>

## Stories from POLITICO Pro

### Reconciliation may provide opening for ANWR [Back](#)

By Ben Lefebvre and Sarah Ferris | 09/25/2017 06:07 PM EDT

Senate Republicans plan to open the door to oil drilling in an Alaskan wildlife refuge using special rules that would allow them to avoid a Democratic filibuster, according to sources tracking the budget process.

The Senate Budget Committee is still drawing up its fiscal 2018 blueprint, which is expected to lay the groundwork for tax reform using special budget reconciliation rules. Two sources familiar with the ongoing negotiations say the document also is expected to lay the groundwork for new energy production in the Arctic National Wildlife Refuge — a longtime goal of Republicans and oil companies.

It's a potentially risky strategy, with two Republican senators on record opposing similar bills in the past: Sens. [John McCain](#) of Arizona and [Susan Collins](#) of Maine. If those two remain in opposition, Senate leadership couldn't lose a single other GOP vote without jeopardizing their entire reconciliation package, centered on tax reform.

Congress last tried to open ANWR more than a decade ago, and any legislation to do so would run into fierce opposition from environmental groups and virtually all Democrats. But proponents of the idea say their chances have improved since the election of President Donald Trump, who has sought to increase U.S. oil, gas and coal production.

"Energy dominance requires ANWR," said Matt Shuckerow, a spokesman for Alaska Rep. [Don Young](#), invoking a favorite Trump administration catch-phrase. "We are working with leadership and looking at reconciliation."

The Senate budget resolution is expected to give special deficit-reducing instructions to the Energy and Natural Resources Committee in the upcoming fiscal year, totaling about \$1 billion over a decade.

While budget writers can't mandate specific policies, sources say it would enable ENR Chairman [Lisa Murkowski](#) to write legislation that would remove restrictions on drilling in ANWR or other currently off-limits areas.

Opening up drilling in the arctic could raise as much as \$5 billion over a decade, the CBO [estimated](#) in 2012, when oil was selling for about twice as much as it is now.

That measure could then be bundled into a massive tax reconciliation package, which will need just 50 votes in the Senate.

The House's budget, which has been stalled for months amid GOP infighting, goes even further. That version calls for \$5 billion in extra energy revenues, and a House GOP aide says ANWR is "definitely on the table in terms of reconciliation."

The White House also "will continue to push for more domestic production," an administration official said. Trump's budget request sought \$1.8 billion from opening new areas to energy production.

ANWR is a wide swath of tundra on the northern Alaska coast, home to polar bears, porcupine caribou and a landscape that hasn't been touched in thousands of years. Congress designated the 19-million-acre area a wildlife refuge in 1980, but set aside a 1.5-million-acre parcel known as "10-02" for possible future drilling if future lawmakers approved such a plan.

The U.S. Geological Survey [estimates that part of ANWR](#) could hold up to 12 billion barrels of oil.

In the past, drilling in the refuge only became a hot issue when gasoline prices were high, said Athan Manuel, director of lands protection program for the Sierra Club, which has been lobbying heavily against its development.

"Now it's completely become an ideological and political fight," Manuel added. "There are fewer moderate Republicans than we need. The vote numbers for us are difficult on the Senate side if they go to budget reconciliation."

Young, the Alaska Republican who has spent much of his career advocating for expanded Arctic drilling, has raised ANWR with Interior Secretary Ryan Zinke, Shuckerow said.

Zinke is quietly working to allow oil companies to conduct seismic exploration in the region, The Washington Post [reported](#) this month. But actually letting them extract oil and gas from ANWR would require action by Congress.

The GOP has tried twice in the past to open ANWR for energy development through budget reconciliations. An attempt in 1995 failed after President Bill Clinton vetoed the overall budget package, while a second attempt in 2005 could not overcome a Democratic filibuster in the Senate.

Even using reconciliation, Republicans have little margin for error with only 52 seats in the Senate. And two of their caucus have voted against ANWR provisions in the past.

A spokeswoman for McCain, Julie Tarallo, said despite his past opposition the senator "is open to having a full debate in Congress about the United States' energy policy." Collins' office did not respond to requests for comment.

At least one Democrat, West Virginia Sen. [Joe Manchin](#), may join Republicans if they try to use reconciliation to open ANWR.

"The energy we receive from Alaska is much needed for American energy independence," Manchin told POLITICO. "If it can be done in a safe way, and I think we've proven it can, we should look at every option we have."

Murkowski, who joined McCain and Collins to kill the Senate's Obamacare repeal bill in August, has introduced legislation that would direct the Interior Department to offer oil-and-gas production leases for at least 300,000 acres in ANWR, [S. 49 \(115\)](#). But she told POLITICO last week that Interior had not yet reached out to her about its push to open ANWR for seismic exploration or to form strategy on how to possibly open the area to drilling.

Some question whether her earlier breaks with GOP leadership and the White House will hamper her pursuit of other priorities.

"Murkowski is on the outside looking in" when it comes to GOP energy policy, said one energy lobbyist who requested anonymity to discuss political matters.

Another problem is current low oil prices. More than a decade of into the shale oil boom, the country looks cushioned from a possible oil supply shock, something that could make opening ANWR less urgent than in the past.

"Now that we're in this age of oil supply adequacy, the negotiating power of energy has diminished," said Kevin Book, managing director of energy consultancy ClearView Energy Partners. "What adequacy has done has increased the political cost of opening up ANWR for production."

Another question is whether oil and gas companies would flock to ANWR at today's crude price of \$50 a barrel.

Chevron and BP drilled one exploratory well in the area in the early 1980s at the behest of a local native tribe, according to Alaska Oil and Gas Association President Kara Moriarty. The drilling was done with the permission of the Interior Department, with which Chevron shared the data, but a strict confidentiality agreement keeps the results a closely held secret.

The answer would depend on the company. Prices are expected to rise eventually, and the refuge's onshore topology would make ANWR a more tempting target than the choppy waters and extreme winds off of Alaska's coastline, Moriarty said.

The steady spread of oil and gas pipeline networks immediately outside ANWR also means that bringing any oil from the refuge to market would be easier than it was in decades past, Moriarty added.

The biggest infrastructure requirement would be a short pipeline to connect drilling wells in ANWR to the main Trans-Alaska Pipeline System pipeline taking the crude south.

"A pipeline is not a big lift," said one oil and gas company representative who asked to speak on background to discuss the matter. "If the oil is there like they think it is, it's not prohibitive."

Chevron put itself in the group of companies that would welcome the chance to set rigs there permanently.

"Chevron supports increased access to federal and private land for the responsible exploration and development of oil and natural gas resources, including the ANWR coastal plain," Chevron spokeswoman Veronica Flores-Paniagua said.

Environmental groups and other Democrats are already alarmed about how far the talk of opening ANWR has come this year. Interior's move to allow seismic exploration, if approved, could harm the polar bears, caribou, wolves and other wildlife already feeling the effects of climate change in the region, and the oil brought from under the tundra would add to greenhouse gas emissions, environmental and Alaskan native groups said.

"Protecting the Arctic Refuge has broad public and bipartisan support and deserves a full debate in regular order, not rushed through as part of the budget process," said Alaska Wilderness spokesman Corey Himrod.

Sens. [Ed Markey](#) (D-Mass.) and [Michael Bennet](#) (D-Colo.) in April offered legislation to enshrine the entire region as a wilderness area protected from drilling. The bill, [S. 820 \(115\)](#), was introduced with 37 Democrats and Independent [Bernie Sanders](#) (Vt.) as original co-sponsors.

"We're going to battle this," Markey told POLITICO, arguing that expanded shale oil production has made ANWR moot. "With efficiency gains and growth of fracking in the lower 48 states, there's no need to open ANWR."

*Nick Juliano contributed to this report.*

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### **Perry calls for study on expanding energy infrastructure** [Back](#)

By Ben Lefebvre | 09/25/2017 04:14 PM EDT

Energy Secretary Rick Perry called for a study on how to improve the permitting process for pipelines and other energy infrastructure, saying protests against those plans were slowing economic growth.

Perry asked the National Petroleum Council, whose membership includes various heads of the energy industry, to conduct the study with help from the Energy Department.

While domestic oil production has steadily increased since the mid-2000s, pipelines, railways, oil storage "and related system components" needed to move fossil fuel from well to market have to be "expanded, upgraded and maintained," Perry said.

With the rise of oil and natural gas fields in North Dakota, environmentalists have objected to major oil pipeline projects, including Keystone XL and the Dakota Access Pipeline.

"We have to ensure we have an uninterrupted flow of energy product," Perry said. "In recent years, objections to and restrictions on the construction of needed transportation infrastructure have increased, slowing the development of new infrastructure and hindering economic growth."

Perry also called on the NPC to study how to make carbon capture, utilization and storage infrastructure economically viable.

The event also attracted protesters, two of whom were escorted from the room after demanding Perry and Interior Secretary Ryan Zinke address climate change.

**WHAT'S NEXT:** Perry designated DOE Deputy Secretary Dan Brouillette to coordinate on the study with the NPC.

To view online [click here](#).

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**Zinke: BOEM-BSEE study expected in two months** [Back](#)

By Ben Lefebvre | 09/25/2017 05:48 PM EDT

The Interior Department expects within two months to complete a study on the feasibility of combining its bureau that regulate offshore drilling safety with one that sells leases, Secretary Ryan Zinke said today.

Zinke said he hasn't yet decided whether to combine the Bureau of Safety and Environmental Enforcement and Bureau of Ocean Energy Management, which were carved out of the former Minerals Management Service in 2010.

Rejoining BOEM and BSEE is one of several ideas Zinke is considering to reorganize the department around the Trump administration's goal of increasing domestic energy production. Zinke also floated the possibility of establishing Interior offices according to 13 watershed areas and moving BLM and Bureau of Land Reclamation headquarters out West.

"There's no reason for BLM to be where they don't have holding. Push your generals out to where the fight is," Zinke told members of the National Petroleum Council today.

Zinke blamed a lag in oil and gas project permitting on the abundance of choke points in the existing process.

"There's too many ways in the present process for someone who doesn't want to get it done to put it in a holding pattern," he said.

He also estimated that a third of Interior's workforce remained loyal to the previous administration.

"I know that when I assumed Interior that I have 30 percent of the crew that's not loyal to the flag," Zinke said, comparing his tenure to "capturing a prize ship at sea and only the captain and first mate row over."

**WHAT'S NEXT:** Zinke said he expected the report on BOEM and BSEE to be ready within 60 days.

To view online [click here](#).

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**Lawmakers ask for Jones Act waiver for Puerto Rico** [Back](#)

By Tanya Snyder | 09/25/2017 06:35 PM EDT

Rep. [Nydia Velázquez](#) (D-N.Y.) and six other Democrats are asking the Trump administration for a one-year Jones Act waiver to expedite hurricane relief aid to Puerto Rico.

In a [letter](#) to Homeland Security Secretary Elaine Duke, the lawmakers, most of them

members of the Congressional Hispanic Caucus, asked for a "one-year comprehensive waiver of the Jones Act requirements for Puerto Rico." The Jones Act, which requires that all goods shipped between U.S. ports be carried on U.S.-built, -owned and -operated vessels, is often blamed for driving up prices in Puerto Rico.

"The island is now facing an unprecedented uphill battle to rebuild its homes, businesses and communities," the lawmakers wrote in the letter. "Temporarily loosening these requirements — for the express purpose of disaster recovery — will allow Puerto Rico to have more access to the oil needed for its power plants, food, medicines, clothing, and building supplies."

In a separate statement, Velázquez noted that the storm has brought about a sustained and complete shutdown of Puerto Rico's power grid, which "already faced serious infrastructure problems." Local officials predict it could take six months to get the power fully restored.

"Even before Maria made landfall, the Island was already suffering from economic and financial crisis," she said. "Now, at the worst time possible, the Island has endured a natural disaster of historic proportions ... We cannot and will not turn our backs on them."

To view online [click here](#).

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### **In Puerto Rico, another desperate plea for help [Back](#)**

By Jacqueline Klimas | 09/25/2017 09:39 PM EDT

SAN JUAN, Puerto Rico — Days after Hurricane Maria barreled through here virtually no people are on the streets and the usually bustling tourist area is littered with curled sheets of metal. Lines of cars waiting to fill up on gas are backed up along the highway off-ramps.

"We haven't forgotten about you," Adm. Paul Zukunft, the commandant of the U.S. Coast Guard, told a gathering on Monday after what the governor has called the "biggest catastrophe" in the U.S. territory's history.

But the political leadership of Puerto Rico worries that the suffering of its 3.5 million U.S. citizens is once again an afterthought in Washington.

"We don't have a voice in the Senate unless it's Marco Rubio," Jenniffer Gonzalez-Colon, Puerto Rico's single nonvoting member of the House of Representatives, said at an emergency operations center here, where POLITICO accompanied visiting dignitaries before touring the Coast Guard's main base in the region, which suffered extensive damage.

"We don't have two senators," added Rep. Stacey Plaskett (D-Virgin Islands), whose constituents have been similarly hard hit by the season's historic storms and similarly lack a vote in Congress.

President Donald Trump has come [under fire](#) for failing to focus more attention on the plight of Puerto Rico and the nearby Virgin Islands over the weekend, while tweeting over a dozen times about the National Football League. The crisis was also largely absent from the 24-hour news networks, where Hurricanes Harvey in Texas and Irma in Florida received wall-to-wall

coverage.

Trump on Monday tweeted about the island's plight but seemed to blame Puerto Rico itself for its woes.

"Texas & Florida are doing great but Puerto Rico, which was already suffering from broken infrastructure & massive debt, is in deep trouble," he tweeted. "It's old electrical grid, which was in terrible shape, was devastated. Much of the Island was destroyed, with billions of dollars owed to Wall Street and the banks which, sadly, must be dealt with. Food, water and medical are top priorities — and doing well."

It's an all-too-familiar predicament for disenfranchised residents of Puerto Rico, which is poorer than all 50 states, has an unemployment rate of nearly 12 percent, and is still reeling from a financial crisis of historic proportions in which it declared a form of [bankruptcy](#) earlier this year.

After Maria, the territory's leaders are hoping their strongest leverage to get long-term aid from Washington will be the sizable populations of Puerto Ricans who reside on the mainland and constitute a powerful voting bloc, especially in places like New York and Florida.

They are focused on building a coalition of lawmakers to gain support for a new federal aid bill. Congress has already passed a \$15 billion package to assist those affected by Hurricane Harvey in Texas, but House Speaker Paul Ryan has signaled that more aid is on the way.

While Puerto Rico does not have a vote in Congress, large populations of Puerto Ricans on the U.S. mainland do have a voice in the midterm and presidential elections, and some experts predict how the White House and Congress respond could have an impact at the ballot box.

About 20 percent of Puerto Ricans live on the U.S. mainland, said Robert Stein, who teaches urban politics at Rice University's Baker Institute for Public Policy. The two states with the largest Puerto Rican populations, Florida and New York, control 54 House seats and 58 votes for president in the Electoral College.

"This may be a big issue in upcoming elections," Stein predicted.

Rubio of Florida said on Monday that helping Puerto Rico is personal for him.

"The important part is to make sure it's not forgotten," the former GOP presidential hopeful said. "We have a fundamental obligation to a U.S. territory and American citizens to respond to a hurricane there the way we would anywhere in the country."

Rubio said it will be a challenge to get more hurricane aid through the Senate, but said lawmakers knew the first aid bill "would not be enough."

"There's an acknowledgment that we have to go back and do more, and now maybe sooner than anticipated," he said, noting that he expects Congress to address a funding bill for Maria and Irma later this month or early next.

Florida's other senator, Democrat Bill Nelson, who is up for reelection in 2018, [tweeted](#) Monday that he is "calling on U.S. military to send additional search & rescue, medical and construction teams to Puerto Rico."

Even before Maria, Nelson and Rubio sent a letter to Trump last week urging a greater role for the federal government in assisting U.S. territories after recent storms emanating from the Caribbean, including Puerto Rico and the U.S. Virgin Islands.

Other Puerto Rican officials also argued it is time for lawmakers to make the territory's needs a greater priority.

"Let them know that we are committed U.S. citizens, that we are proud U.S. citizens, that we helped others when they were going through difficult times not more than 10 days ago and that now it's the time to help Puerto Rico back," Gov. Ricardo Rossello told reporters Monday.

The situation in Puerto Rico, where downed trees and power lines and roofs and siding ripped off of buildings are now commonplace, could become more dire before it improves.

Residents lack basic necessities, including food and clean drinking water, and the island could have no electricity for many months. Many residents have no safe place to live. And a lack of temporary housing means residents are at greater risk of disease, such as dengue fever or other mosquito-borne ailments.

Early reports from the island's rich farmland also suggest its agricultural sector, which along with tourism is a major element of its already shaky economy, could be set back for a year or more.

Over the weekend, reports of hysteria started to spread from areas outside the capital, including a [warning](#) that a hospital full to capacity was at risk of collapsing, along with a major dam. Rossello, calling Maria the "biggest catastrophe" in the island's history, appealed for far more assistance, especially from the Pentagon.

"We still need some more help. This is clearly a critical disaster in Puerto Rico. It can't be minimized and we can't start overlooking us now that the storm passed, because the danger lurks," he told the [The Washington Post](#).

Plaskett, who was elected to the at-large Congress seat in 2014, also said she expects Rep. Nydia Velazquez (D-N.Y.), the first Puerto Rican woman elected to Congress, and Rep. Carlos Curbelo (R-Fla.), who has previously worked on legislation to address Puerto Rico's problems, to take the lead for Puerto Rico on a recovery bill in the House.

But Plaskett said she is also aware that her fellow lawmakers from the mainland can easily get distracted once Puerto Rico's plight drops from the headlines.

"They have their own interests to look out for as well," she said.

Compounding the island's dire situation is the fact that Hurricane Maria itself followed two other major storms in the 2017 season: Harvey in Texas and Irma in Florida.

"We're tired," Zukunft told POLITICO en route to Puerto Rico on Monday to assess the damage. "Hopefully we get a chance to take a knee at some point in time."

At Coast Guard Sector San Juan, the power is still off but sunlight streams in through gaping holes in the roof. There is the overwhelming smell of mold.

A Coast Guard cutter is anchored just off shore to ensure those helping with the storm

response have some communications. (Zukunft related that tons of cocaine are aboard because the ship had to be quickly diverted from its drug interdiction mission to aid in storm relief).

But the bigger challenge may be ahead as the government tries to manage the rebuilding of economies from Texas to Florida to Puerto Rico.

"There's no doubt that agencies are being stretched to their limits. As much as they've been challenged up until this point, the real challenge lies ahead," said Gary Webb, the chair of emergency management and disaster science at the University of North Texas. "It's a totally different ballgame managing the recovery from three disasters."

Rubio assured Puerto Rican leaders Monday that he would be a solid voice for them among his colleagues on Capitol Hill.

"I will do everything I can when I get back to Washington tonight to be sure you have the resources and support not just to be able to respond now, but to get ready for the next one," Rubio told a room full of first responders in San Juan.

But experts predict it will have to be a multiyear investment by Congress to truly rebuild the island. The territory was already suffering from a debt crisis before the storm, and now the hurricane has wiped out its other major industry: tourism.

When asked if he thought there was an appetite in Congress to provide funding over the longer term to support rebuilding Puerto Rico, Rubio, responded, "I don't know, I hope so."

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**White House defends Trump's NFL fixation as Puerto Rico seeks help [Back](#)**

By Matthew Nussbaum and Colin Wilhelm | 09/25/2017 06:56 PM EDT

The White House on Monday defended President Donald Trump's muted response to the devastation Hurricane Maria left behind in Puerto Rico, brushing off criticism that he's been more interested in kneeling NFL players than a U.S. territory suffering from a humanitarian crisis.

Before Monday night, Trump last tweeted about the storm on Sept. 20, writing, "Governor @RicardoRossello- We are with you and the people of Puerto Rico. Stay safe! #PRStrong."

For five days after that, as the scale of the devastation became apparent, Trump did not address the catastrophe from his Twitter account. Over the same period, he tweeted twice about Hillary Clinton, three times about Sen. Luther Strange (R-Ala.), once about NBA star Steph Curry and 12 times about the NFL, along with numerous additional posts about the national anthem that did not explicitly mention the NFL.

"It really doesn't take that long to type out 140 characters and this president is very capable of doing more than one thing at a time and more than one thing in a day," White House press secretary Sarah Huckabee Sanders said Monday, arguing that Trump's Twitter feed should not

be taken as an indication of his priorities.

Several hours after Sanders spoke, and after four days of back and forth with the NFL, Trump wrote a series of tweets about the dire situation Puerto Rico, contrasting it with Texas and Florida, which he said were "doing great" after Hurricanes Harvey and Irma. Puerto Rico, he said, was in "big trouble" and had already been suffering from "broken infrastructure & massive debt."

"It's old electrical grid, which was in terrible shape, was devastated. Much of the Island was destroyed, with billions of dollars.... owed to Wall Street and the banks which, sadly, must be dealt with. Food, water and medical are top priorities — and doing well. #FEMA," the president tweeted.

Earlier Monday, Sanders called the Trump administration's response to the storm "unprecedented," even as it has been far less public than the responses to Irma and Harvey. Maria has left much of Puerto Rico — a U.S. territory of 3.4 million citizens — without power and with limited access to food and water.

"We've done unprecedented movement in terms of federal funding to provide for the people of Puerto Rico and others that have been impacted [by] these storms, we'll continue to do so," Sanders said, noting that FEMA Administrator Brock Long and Homeland Security Adviser Tom Bossert had traveled to the island to assess the damage and the response efforts.

She also pushed back against the idea that Trump is sending a message by tweeting attacks against NFL players for kneeling during the national anthem and not tweeting about Puerto Rico or the U.S. Virgin Islands, which also took a big hit.

"He's not emphasizing sports. You're missing the entire purpose of the message," Sanders said.

Trump, however, has been noticeably less engaged with Maria's devastation.

After Harvey and Irma ripped through Texas and Florida, Trump told several advisers he was very pleased with the administration's handling of the storms, and senior administration officials were buoyed by the idea that the response caused his poll numbers to climb.

But Trump has not seemed as focused on Maria, administration officials say, though they note he has called Puerto Rico's governor, Ricardo Rossello, to ask about the damage.

Rossello has so far praised FEMA's response and other parts of the Trump administration, but has had to petition the government for more military resources, mainly aircraft, for searches and air drops of essential goods to towns cut off by the natural disaster.

"We know that there are capabilities in the surrounding areas, helicopters, planes and so forth. And our petition is for us to be able to use them and be flexible in using them with making sure that resources arrive to those areas of that are more vulnerable in Puerto Rico," Rossello told POLITICO on Sunday night.

Rossello stopped short of criticizing Trump's level of engagement.

"I think he's paid attention," Rossello said. "He's called me three times and he offered two pre-

landfall emergency declarations before both storms hit Puerto Rico," though Rossello said Trump had overlooked the "granular detail" of declaring a federal disaster for every section of the island.

But criticism against Trump has mounted from other corners. And reports that a White House disaster-aid request might not reach Congress until October further fanned the flames.

"Hey @realDonaldTrump you can't wait that long," Lin-Manuel Miranda, the "Hamilton" playwright of Puerto Rican descent, wrote on Twitter. "There will be a lot of American deaths on your watch if you wait that long."

"Just spoke w/ fmr Gov [@luisfortuno51](#): 'PR on brink of humanitarian disaster.' USVI too. DC must put aside controversies, prioritize rescue," former GOP presidential candidate Mitt Romney tweeted.

Trump's election rival Hillary Clinton also called on Trump's administration to do more, and to recognize Puerto Ricans as U.S. citizens.

"President Trump, Sec. Mattis, and DOD should send the Navy, including the USNS Comfort, to Puerto Rico now. These are American citizens," Clinton tweeted on Sunday, referring to Defense Secretary Jim Mattis.

Puerto Rico's government, which is effectively bankrupt and in over \$70 billion of debt, has asked the federal government to waive the costs the commonwealth might have to pay out of pocket. A majority Republican federal oversight board put in place last year to oversee the island's economic recovery already loosened its budgetary requirements on the local government to allow Rossello to spend more in the immediate response, though Puerto Rico had limited resources to begin with.

Though implicit, Rossello's fears about being forgotten came across. During his interview, Rossello underscored the uniquely precarious situation Puerto Rico faces because of its long-term economic struggles, while maintaining that Americans in Puerto Rico and U.S. Virgin Islands should receive no less aid than the residents of any state.

"Whatever relief package we have, whatever impact we have, we are U.S. citizens. We shouldn't be the lesser for it," the governor said. If a response proves lackluster, Rossello predicted "massive migration that would deteriorate our [economic] base here in Puerto Rico and would provoke significant demographic shifting in other areas of the United States."

On Monday the governor, who like Trump is highly active on Twitter, retweeted a statement from Puerto Rico's last Republican governor, Luis Fortuno.

"The Federal Gov needs to act immediately to assist PR," it said. "Congress should support the 3.5 m US citizens residing in PR in same way as TX and FL."

*Josh Dawsey contributed to this report.*

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## **DOT reverses course, will publish highway emissions rule** [Back](#)

By Alex Guillén | 09/25/2017 04:55 PM EDT

The Transportation Department will allow an Obama-era rule aimed at reducing greenhouse gas emissions from big highways to take effect following lawsuits from environmental groups and Democratic attorneys general.

The Federal Highway Administration delayed the rule from taking effect several times earlier this year before placing it on hold indefinitely.

But DOT today reversed course. In a [letter](#) to a federal judge in New York, the Justice Department said the rule has been submitted to the Federal Register and is expected to run on Sept. 28. The rule will take immediate effect upon publication, DOJ wrote.

The [rule](#) will require states to track emissions from highways and craft reduction goals.

"Our lawsuit held the Trump administration accountable for illegally halting a common-sense tool to curb carbon pollution from transportation," said the NRDC's Amanda Eaken in a statement. "Now the Federal Highway Administration should get busy working with planners nationwide to clean up the air, protect our health and provide smarter transportation options for Americans such as more public transit, bikeways and pedestrian walkways."

**WHAT'S NEXT:** DOT says the rule is expected to be published in Thursday's Federal Register.

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## **House Democrats block FAA extension** [Back](#)

By Heather Caygle and Lauren Gardner | 09/25/2017 12:25 PM EDT

House Democrats on Monday blocked a Republican push to fast-track an FAA extension , with just days to go until current law expires Sept. 30.

Top Democrats announced plans to vote against the six-month extension earlier in the day, citing opposition to unrelated Republican add-ons dealing with flood insurance, tax credits for victims of recent hurricanes and expiring health care programs.

The bill failed 245-171. The fast-track process used to consider the bill requires two-thirds support of members for passage.

House Republicans are expected to bring up the bill again under a rule — which requires only a simple majority for passage — later this week. But Senate Democrats are also uneasy with the extension, and it's unclear whether they would block the bill in the upper chamber.

Speaker Paul Ryan blasted Democrats for their opposition, accusing them of playing politics

while federal aviation programs hang in the balance.

"It is a sad day when House Democrats will — in the name of politics — vote against disaster relief and air traffic safety measures," Ryan (R-Wis.) said in a statement Monday afternoon.

House Minority Leader Nancy Pelosi said in a statement that the "sprawling" bill goes far beyond just extending federal aviation programs and includes many provisions that don't have Democratic backing, including language dealing with the federal flood insurance program and tax credits for hurricane victims.

The Democratic leader also cited Republican inaction on the Dream Act — the bipartisan bill that would provide a path to citizenship for some young, undocumented immigrants known as Dreamers — as reason for her opposition.

Ryan said Republicans are committed to addressing Deferred Action for Childhood Arrivals (DACA), the program that shields Dreamers from deportation, before it ends in March. But, Ryan said, that issue should remain separate from the six-month FAA extension.

"These are two unrelated and bipartisan initiatives with broad support from both sides of the aisle," he said. "It's shameful that politics will trump meaningful relief for families suffering from these devastating hurricanes. House Democrats are willing to shut down air traffic control to make a political point."

Some Republicans who oppose House Transportation Committee Chairman Bill Shuster's separate effort to divorce air traffic control functions from the FAA have said they also oppose the extension. These lawmakers think the Transportation chairman should accept that the Senate has no interest in such an overhaul and don't want the agency to operate in fits and starts under stopgap measures.

Rep. Peter DeFazio (D-Ore.), the top Democrat on the Transportation Committee, called Republicans "a bunch of losers" for continuing to push breaking up the FAA.

"We're here today because the chairman of the committee has stubbornly persisted in trying to privatize air traffic control," DeFazio said, blasting Shuster on the House floor.

Senate Democrats are reviewing the legislation, but, like House Democrats, believe the flood insurance provisions are problematic and noted that the tax breaks included in the FAA bill weren't offered to Hurricane Sandy victims in 2012, according to a senior aide.

Pelosi panned the bill's tax relief provisions for citizens affected by hurricanes Harvey, Irma and Maria for not "treat[ing] all families recovering from natural disasters the same."

The California Democrat also criticized Republicans for not quickly acting on other programs that need reauthorization — such as the children's health insurance program — and reiterated her call for a vote on the Dream Act.

"Instead of acting on these priorities, House Republicans are advancing a sprawling FAA extension package laden with completely unrelated and inadequate items," she said.

House Minority Whip Steny Hoyer, top Transportation Committee Democrat Peter DeFazio of Oregon and other Democrats also signed onto a Dear Colleague [letter](#) opposing the bill.

*Brianna Gurciullo and Seung Min Kim contributed to this report.*

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## **Chamber urges Senate to reject Garrett for Ex-Im, confirm other nominees** [Back](#)

By Zachary Warmbrodt | 09/25/2017 02:58 PM EDT

The U.S. Chamber of Commerce is joining the chorus of business groups calling on lawmakers to block the confirmation of former Rep. Scott Garrett to head the Export-Import Bank.

In a [letter](#) sent today to Senate Banking Committee leaders, U.S. Chamber senior executive vice president Suzanne Clark said the group was "extremely concerned" about reports that the bank's critics might try to derail the confirmations of other appointees to the export agency if Garrett's nomination were rejected.

"Each nominee deserves to stand or fall on his or her own merits," Clark said. "We trust that senators from both parties will reject any attempt to hold qualified nominees who enjoy the support of the majority of the Senate hostage in an attempt to gain leverage for the approval of a nominee who does not enjoy the support of a majority of the Senate."

Business groups have been lobbying to stop Garrett's appointment after he worked to kill the Export-Import Bank while in Congress.

The Chamber strongly supports the nominations of Kimberly Reed, Claudia Slacik, Judith Pryor and Spencer Bachus to serve on the Export-Import Bank's board, Clark said. But Garrett could use his position to prevent the agency from properly functioning, she added.

"As Chairman of the Ex-Im Bank, Mr. Garrett would have extraordinary powers to stop transactions from being voted on by the board, even when they have the support of a majority of Board members," she said. "While the temporary lapse in Ex-Im's charter and the lack of a quorum for the Ex-Im board have hobbled the bank's activities from the outside, confirming an opponent of Ex-Im as its chair would have the same impact regardless of a quorum."

**WHAT'S NEXT:** The Senate Banking Committee has not scheduled a vote on the nominees.

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## **Price's private-jet travel breaks precedent** [Back](#)

By Dan Diamond and Rachana Pradhan | 09/19/2017 10:30 PM EDT

In a sharp departure from his predecessors, Health and Human Services Secretary Tom Price

last week took private jets on five separate flights for official business, at a cost of tens of thousands of dollars more than commercial travel.

The secretary's five flights, which were scheduled between Sept. 13 and Sept. 15, took him to a resort in Maine where he participated in a Q&A discussion with a health care industry CEO, and to community health centers in New Hampshire and Pennsylvania, according to internal HHS documents.

The travel by corporate-style jet comes at a time when other members of the Trump administration are under fire for travel expenditures, and breaks with the practices of Obama-era secretaries Sylvia Mathews Burwell and Kathleen Sebelius, who flew commercially while in the continental United States.

Price, a frequent critic of federal spending who has been developing a plan for departmentwide cost savings, declined to comment.

HHS spokespeople declined to confirm details of the flights or respond to questions about who paid for them, with a spokesperson saying only that Price sometimes charters planes when commercial flights aren't feasible. All three organizations that hosted Price last week — the Massachusetts-based health IT firm athenahealth, Goodwin Community Health Center in New Hampshire and the Mirmont Treatment Center in Pennsylvania — told POLITICO they did not pay for his flights or other travel costs.

"As part of the HHS mission to enhance and protect the health and well-being of the American people, Secretary Price travels on occasion outside Washington to meet face to face with the American people to hear their thoughts and concerns firsthand," an HHS spokesperson said, adding, "When commercial aircraft cannot reasonably accommodate travel requirements, charter aircraft can be used for official travel."

Price's spokespeople declined to comment on why he considered commercial travel to be unfeasible. On one leg of the trip — a sprint from Dulles International Airport to Philadelphia International Airport, a distance of 135 miles — there was a commercial flight that departed at roughly the same time: Price's charter left Dulles at 8:27 a.m., and a United Airlines flight departed for Philadelphia at 8:22 a.m., according to airport records.

Sample round-trip fares for the United flight ranged from \$447 to \$725 per person on [United.com](https://www.united.com), though the price would have been lower if booked in advance or if Price's party received government discounts. Similarly priced commercial flights also left from Reagan National Airport and Baltimore Washington International. By contrast, the cost of chartering the plane was roughly \$25,000, according to Ultimate Jet Charters, which owns the Embraer 135LR twin jet that ferried Price and about 10 other people to the clinic event.

In addition, Amtrak ran four trains starting at 7 a.m. that left Washington's Union Station and arrived at Philadelphia's 30th Street Station no later than 9:58 a.m. The least-expensive ticket, on the 7:25 a.m. train, costs \$72 when booked in advance. It is just a 125-mile drive from HHS headquarters in downtown Washington to the Mirmont Treatment Center outside of Philadelphia, where Price spoke. Google Maps estimates the drive as about 2½ hours. A one-way trip was estimated by travel planners to be about \$30 in gasoline per SUV plus no more than \$16 in tolls.

An HHS spokesperson declined to answer questions on how many private charter flights Price

has taken since being confirmed as secretary on Feb. 10, but wrote in an emailed response, "Official travel by the secretary is done in complete accordance with Federal Travel Regulations."

Current and former staffers, speaking on the condition of anonymity, say Price has been taking private jets to travel domestically for months.

Ethics experts say the use of private charters by government officials, while legal, is highly dubious and in most cases a misuse of taxpayer funding.

"I can understand why the secretary might have to use a charter flight to get to a hurricane-devastated region, but Philadelphia is not one of those regions this year," said Walter Shaub, who was director of the United States Office of Government Ethics until July. "I find it hard to believe he couldn't find a suitable commercial flight to Philadelphia."

"This wasteful conduct reflects disdain for the ethical principle of treating public service as a public trust," said Shaub, who was appointed by former President Barack Obama. "Public office isn't supposed to come with frivolous perks at taxpayer expense."

Shaub said that the trips violate the "spirit" of the Federal Travel Regulations, citing the express guidance contained in the regulations that "taxpayers should pay no more than necessary for your transportation."

Members of the Trump administration have come under scrutiny for excessive use of government travel resources. The president and his family have rung up travel expenses at a faster rate than previous presidential families. The inspector general of the Environmental Protection Agency recently announced a probe into Administrator Scott Pruitt's frequent travel to his home state of Oklahoma. The Treasury Department's inspector general is looking into Secretary Steve Mnuchin's use of a government jet on a trip to Fort Knox, Kentucky, that involved viewing the solar eclipse. Most recently, ABC News reported that Mnuchin had requested a government plane to take him on his overseas honeymoon. The request was withdrawn on the grounds that it was unnecessary.

Price is an orthopedic surgeon who served in the U.S. House for 12 years representing a district in suburban Atlanta. After President Donald Trump nominated him to be HHS secretary in January, Price came under fire from Democrats and ethics watchdogs for having made stock trades in health-care companies while serving on a House panel overseeing Obamacare and other health issues.

He has also positioned himself as a champion of fiscal efficiency, backing major spending reductions to agencies he oversees and legislation that would cull hundreds of billions of dollars from health entitlement programs. This month, Price had been scheduled to submit a department reform plan to the White House that is expected to propose new spending and staffing cuts. He also backed a nearly \$6 billion proposed cut to the National Institutes of Health in March, and an overall 18 percent spending cut to HHS included in Trump's first budget proposal.

"Tough choices had to be made to identify and reduce spending within the department," Price said in a statement to Congress about his budget request. "Our goal is to ... [try] to decrease the areas where there are either duplications, redundancies or waste ... and get a larger return for the investment of the American taxpayer."

Price's travel itinerary last week included five charter flights that charter operators estimated would cost at least \$60,000. The itinerary, according to airport records and sources with knowledge of Price's travels, began on Wednesday, Sept. 13 (arrows do not represent actual flight paths):

- Price and staff took a private charter that left Dulles that Wednesday at 2:26 p.m. and arrived in Waterville, Maine, at 3:37 p.m., where he then traveled to the Point Lookout resort and spent the night.
- On Thursday, Sept. 14, Price held a fireside chat with the CEO of athenahealth at the Point Lookout resort. He then took a private jet that departed Waterville, Maine, at 11:41 a.m. and arrived in Portsmouth, New Hampshire, at 12:09 p.m. for a scheduled visit to nearby Goodwin Community Health Center.
- Later on Thursday, Price made an announcement about grants for fighting the opioid epidemic, after which he took a private jet that left Portsmouth at 2:34 p.m. and arrived at Washington Dulles at 3:45 p.m.
- On Sept. 15, Price, accompanied by White House counselor Kellyanne Conway, left Dulles aboard a charter at 8:27 a.m. and touched down at Philadelphia International Airport at 9:01 a.m. for a scheduled visit to Mirmont Treatment Center, a local addiction treatment facility.
- Also on Sept. 15, Price, Conway and other staff departed Philadelphia aboard a charter plane at 12:39 p.m. and touched down at Dulles at 1:19 p.m., where the plane was met on the tarmac by two SUVs and a police escort.

The round trip to the Philadelphia airport, which is about 15 miles from Mirmont Treatment Center, where Price and Conway met with staff and patients — cost about \$25,000, an official with the charter agency told POLITICO.

Eddie Moneypenny of Ultimate Jetcharters, who confirmed that his company's 30-seat jet was used for a Dulles-Philadelphia roundtrip last week, said he wasn't aware that the trip was for a government official and the charter had been booked through a third party.

Other charter services confirmed that charter flights between Washington and Philadelphia run tens of thousands of dollars when retaining the same plane.

"I've been doing this for seven years," said Jake Sheeley of EvoJets, another charter service. "I've never seen a flight like this for less than \$20,000." Sheeley also estimated that an itinerary modeled on Price's three-flight trip between Washington, Maine and New Hampshire would cost about \$40,000.

Several former HHS staffers who had close knowledge of the travel plans of former HHS secretaries Burwell and Sebelius could not recall booking a charter flight for short-haul travel.

Staff for Burwell and Sebelius said booking even a single charter flight was, in the words of one, a "non-starter" within the department. For example, for last year's Obamacare enrollment kick-off, HHS staff had planned a multi-city tour for Burwell to urge Americans to sign up for coverage. The effort, which would have required charter aircraft, was ultimately scrapped because of its estimated \$60,000 cost.

"We were worried about the optics and the cost to taxpayers," said one former staffer involved in the planning.

In her more than five years as a Cabinet secretary, Sebelius says she took a charter flight only to get to remote areas in Alaska, which she and staff said were otherwise inaccessible.

"The basic rules that our scheduling team worked under were, you flew commercial and you flew economy," she said in an interview. "That's just what they did."

Tracking Price's travel and meetings has been much more difficult than tracking those of his predecessors. His office only recently began informing reporters of trips ahead of time, and have declined to post most of his remarks and speeches to the HHS website despite his frequent speaking engagements.

Nonetheless, he's spent much of his tenure on the road. POLITICO identified at least 24 separate flights that Price has taken to conduct HHS business in the past four months alone. Those flights don't include Price's weekend trips home to Georgia. An HHS spokesperson said, "Secretary Price pays for personal travel out of his own pocket."

One of those unannounced trips was to last week's conference hosted by athenahealth, the health information company, at the Point Lookout resort in Maine. Price held a wideranging fireside chat with athenahealth CEO Jonathan Bush, the nephew of former President George H.W. Bush and first cousin of former President George W. Bush.

The HHS secretary apparently used his remarks to tweak the government's role as would-be reformers.

"Don't assume the federal government is gonna do the right thing in health care," Price [said](#), according to one account of his talk.

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**Date:** Friday, September 29, 2017 5:44:03 AM

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By Anthony Adragna | 09/29/2017 05:41 AM EDT

*With help from Esther Whieldon*

**ZINKE JOINS FLIGHT CLUB:** Turns out Interior Secretary Ryan Zinke has also used military and charter airplanes while in office, including a charter plane he took to events in his hometown in Montana and private flights between two Caribbean islands, Pro's Ben Lefebvre [reports](#), citing documents and a department spokeswoman. That makes him at least the fourth member of President Donald Trump's Cabinet to bill the costs of non-commercial flights to U.S. taxpayers while in office. Interior spokeswoman Heather Swift said the agency selected those options because they couldn't find commercial flights that would work with Zinke's schedule and that ethics officials had given them the all-clear.

**Among the most notable trips** is a June 26 charter flight Zinke and several staffers took from Las Vegas to an airport about 20 minutes from his residence in Whitefish, Mont., at a cost of \$12,375. Commercial flights between Vegas and Glacier Park International Airport in Kalispell, Mont., are available for several hundred dollars, according to travel planning websites. During his time in Vegas, Zinke gave a motivational speech at an event for the city's new NHL team hosted by Bill Foley, chairman of Fidelity National Financial, a company whose employees were among Zinke's largest donors during his two congressional campaigns, according to [The Washington Post](#), which also reports the plane Zinke flew on was owned by oil and gas executives.

Zinke and staff also took two chartered flights on March 31 from St. Croix to St. Thomas in the U.S. Virgin Islands to attend the centennial of the Danish government turning the islands over to the United States. No other arrangements were available, according to Swift, though websites show commercial flights between the two islands generally run a few hundred dollars.

**As for your next question:** Swift said she had not spoken to Zinke about whether he would reimburse the government for the cost of the flights, as HHS Secretary Tom Price [said he would](#) late Thursday. But Zinke will be at the Heritage Foundation today for what's billed as "a major policy address" entitled "A Vision for American Energy Dominance" and slated to take questions. More information [here](#).

**CAN YOU PUT A PRICE ON PRUITT'S NON-COMMERCIAL FLIGHTS?** Amid growing criticism from members of both parties on Capitol Hill, EPA said late Thursday that Administrator Scott Pruitt wouldn't pay out of pocket for the \$58,000 worth of non-commercial flights he and his staff have taken on four occasions, Pro's Emily Holden [reports](#). "If a reimbursement was necessary, we would have been told during the approval process and acted accordingly," agency spokeswoman Liz Bowman said. EPA's general counsel provided [ethics approvals](#) for at least three of the four trips.

**Concern from some Republicans:** [Lisa Murkowski](#) expressed openness to adding language to a spending bill that would prevent Pruitt from taking private flights but hoped it wouldn't

come to that, your ME host [reports](#). "I don't think it's appropriate," Murkowski said regarding Pruitt's and Price's use of private aircraft. (We spoke to her before the Zinke news broke.) Meanwhile, Sen. [Chuck Grassley](#) asked Trump in [a letter](#) Thursday for information on what steps Cabinet secretaries are taking to ensure the "most fiscally responsible travel."

**But not everyone was so concerned.** EPW Chairman [John Barrasso](#) wanted more information before he could judge appropriateness of Pruitt's flights and would only commit to having him testify "this year." Barrasso and Majority Whip [John Cornyn](#) were among the Republicans who wouldn't answer the broad question of whether Cabinet officials should take private transportation. And others like Sen. [Jim Inhofe](#) defended the flights. "If there is a problem with it, then there would be a rule against it and there isn't one," Inhofe, a friend of Pruitt's, said. "That's why he checked first to make sure there wouldn't be a problem."

**Meanwhile, Sen. Tom Udall**, top Democrat on the Appropriations subpanel responsible for EPA spending, asked Pruitt in [a letter](#) for details on his flying habits and further information on his "privacy booth" that cost taxpayers \$25,000. "I do think we can both agree that a fundamental part of any federal agency's 'core mission' must be the proper and responsible stewardship of taxpayer dollars," he wrote. And three House Democrats introduced [a bill](#) — the SWAMP FLYERS Act (points for creativity) — barring the U.S. of taxpayer funds on non-commercial travel.

**WE MADE IT TO FRIDAY!** I'm your host Anthony Adragna, and Growth Energy's Chris Bliley was first up to identify Wilt Chamberlain as the NBA Hall-of-Famer who endorsed Richard Nixon in 1968. For today: Which congressman worked as speechwriter for President Ronald Reagan for seven years? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**PUERTO RICO STILL REELING:** More than a week after Hurricane Maria struck, most of Puerto Rico remains without electricity, phone services and potable water as fuel shortages persist and supplies remain trapped at the port. Trump's Homeland Security Adviser Tom Bossert said the administration was providing "as much federal relief into Puerto Rico and the U.S. Virgin Islands as we can muster," but the government sent a three-star general, Lt. Gen. Jeff Buchanan to help coordinate the response.

**More aid sought now:** House Democrats are banging the drums for another relief package now, according to Pro's [Budget & Appropriations Brief](#). "This has to happen soon, not weeks from now, not in late October," [Nydia Velazquez](#) said at a press conference. "We need to see action as early as next week." But Speaker [Paul Ryan](#) said those aggressive timelines aren't what first-responders on the ground actually need and vowed to act on a disaster request once received from the White House. Meanwhile, 19 House Democrats [asked](#) the Natural Resources Committee to hold an oversight hearing on the government's response.

**Three tweets from POTUS:** "FEMA & First Responders are doing a GREAT job in Puerto Rico. Massive food & water delivered. Docks & electric grid dead. Locals trying.....really hard to help but many have lost their homes. Military is now on site and I will be there Tuesday. Wish press would treat fairly!...Puerto Rico is devastated. Phone system, electric grid many roads, gone. FEMA and First Responders are amazing. Governor said "great job!"

**THEY MADE A DEAL!** U.S. and Mexican negotiators overcame tensions between the two nations because of Trump's immigration and trade stances to address issues caused by

shrinking supplies from the Colorado River, Pro's Esther Whieldon [reports](#). "Water is the lifeblood of this region," Jennifer Pitt, Colorado River Project director for the National Audubon Society, said. "It's just too important for the two countries not to have good relations over (it) and not have a plan in place about how to manage supplies reliably for that enormous population." Failing to reach a deal risked years of litigation in a crisis that would force choices between cutting off water supplies to either farms and sensitive wildlife habitats or to major population centers.

**COMPANIES TWEAK SOUGHT SOLAR RELIEF:** Suniva and SolarWorld USA submitted a joint brief to the International Trade Commission recommending different remedies to imported solar equipment but said that either option could be selected, Pro's Eric Wolff [reports](#). Suniva recommends a price floor for all solar modules that starts at 74 cents per watt and declines over the four years of the tariff, as well as tariffs for both modules and the solar cells. SolarWorld said it was seeking a quota of 220 MW on imported cells and 5,700 MW on imported modules. Trump has the final call on what to select.

**Group: Use caution:** The Advanced Energy Buyers Group released [a letter](#) Thursday asking the ITC not to set "excessive remedies" on imported solar products as it considers a response to the initial ruling last week that imports harmed U.S. manufacturers of solar panels. "We recommend a balanced approach with respect to remedies that avoids unduly increasing the cost of solar energy," they wrote. "This case has already had a damaging effect on solar projects, raising costs as solar providers prepare for shortages."

**FAMED WOTUS JUDGE GETS A PROMOTION:** The Senate confirmed Judge Ralph Erickson, 95-1, Thursday to a seat on 8th U.S. Circuit Court of Appeals. Massachusetts Sen. [Elizabeth Warren](#) was the lone vote against. Among energy watchers, Erickson gained national attention when he issued a nationwide stay on the Obama-era Waters of the U.S. regulation back in 2015.

**A LITTLE HELP FROM MY FRIENDS:** Zinke's loaded up his advisory board on staffing and personnel issues with just political appointees, including several former industry lobbyists, Pro's Ben Lefebvre [reports](#). The move contradicts federal guidelines that recommend giving career employees an equal voice in such discussions with the Executive Resources Board.

**EPA CONFIRMS DAMAGE TO HOUSTON-AREA SUPERFUND SITE:** After confirming the protective cap on the San Jacinto River Waste Pits Superfund site sustained damage during Superfund Harvey, EPA directed International Paper and Industrial Maintenance Corporation, the potentially responsible parties at the site, to take "immediate action" to repair the damage. Sampling from one of the areas showed dioxins present at 70,000 nanograms per kilogram, far above the recommended clean up levels of 30 ng/kg.

**EPW DEMOCRATS WANT SUPERFUND ANSWERS:** All the EPW Democrats sent [a letter](#) to Pruitt Thursday asking him to affirm his agency would continue to reimburse Superfund litigation costs assumed by the DOJ Environment and Natural Resources Division, after the New York Times [reported](#) those payments may be on the chopping block. "If these cuts are adopted, neither EPA nor State regulators will be able to adequately fund site clean-ups or enforce clean-up agreements, and DOJ will be unable to prosecute polluters in order to compel clean-ups to be paid for by those who caused the contamination in the first place," they wrote.

**FLOOD INSURANCE-LESS FAA BILL CLEARS CONGRESS:** Senators stripped out

controversial private flood insurance language and the House then approved a stopgap FAA measure [H.R. 3823 \(115\)](#) on Thursday, Pro Transportation's Lauren Gardner [reports](#). A bipartisan group of senators objected to language in the original package encouraging private insurance companies to enter the flood arena. "We can't have a situation happen where people can't sell or buy property because you can't get a mortgage unless you get flood insurance, and you can't get flood insurance because there's none available that's cost-effective," Sen. [Marco Rubio](#) said.

**\*\* A message from the U.S. Chamber's Global Energy Institute:** Coming soon, our team of policy experts will be providing timely reactions and analysis of energy news as it happens at *Fuel for Thought*, the Global Energy Institute's new blogging hub. Sign up now to receive these updates in your inbox: <http://bit.ly/2yJpM29> \*\*

**MAIL CALL! BISHOP SEEKS REVIEW OF MINERAL WITHDRAWALS:** House Natural Resources Chairman [Rob Bishop](#) sent [a letter](#) to Zinke and USDA Secretary Sonny Perdue asking for them to review mineral withdrawals done over the past eight years of the Obama administration. "Millions of acres of federal lands were inappropriately withdrawn from mineral access due to false premises of environmental protectionism and the intentional misuse of statutory authority," he wrote.

**PELOSI CRITICIZES TIMING OF BILL WITH GUN MEASURE:** House Minority Leader [Nancy Pelosi](#) criticized the House GOP for pushing a sportsmen's package with a provision that relaxes rules on purchasing gun silencers — expected to come up for a vote shortly — so soon after welcoming back House Majority Whip [Steve Scalise](#), POLITICO's Heather Caygle [reports](#). "This is not a sportsmen's package. This is an NRA wish list," a spokesman for Pelosi said. No date for a vote has yet been announced.

**PERRY'S IN OHIO:** He had to cancel a planned July trip to DOE's Portsmouth Gaseous Diffusion plant due to a Cabinet meeting, but Energy Secretary Rick Perry will be in Piketon, Ohio today to tour the Cold War nuclear site that has been undergoing decommissioning since 2011. Joining Perry are Ohio Sens. [Rob Portman](#) and [Sherrod Brown](#) as well as Reps. [Bill Johnson](#) and [Brad Wenstrup](#).

**The secretary tweeted** out a bunch of pictures from his Thursday visit to a Pennsylvania coal mine (sample [here](#)), as well a shot of him enjoying a local delicacy, "[cold pizza](#)."

**NO FLY ZONE:** The FAA and Interior announced Thursday they had restricted the operation of drones within 400 feet of the boundaries of ten Interior sites, including the Folsom, Glen Canyon, Grand Coulee, Hoover and Shasta dams. The restrictions, which also include the Statue of Liberty and Mount Rushmore, take effect Oct. 5. More information [here](#).

**N.Y. POL PICKED FOR EPA REGION 2:** Pruitt announced Thursday his selection of New York assemblyman Pete Lopez to run EPA's Region 2 office, which covers New York, New Jersey, Puerto Rico and U.S. Virgin Islands, Pro's Alex Guillén [reports](#). Lopez, a Republican, has been in the state assembly since 2007 and currently represents a district southwest of Albany.

**PAGING LOLA ZINKE!** Troy Downing, a Big Sky businessman challenging incumbent Montana Sen. Jon Tester in 2018, faces seven misdemeanor charges accusing him of trying to buy Montana resident hunting or fishing licenses as an out-of-state resident, the Bozeman Daily Chronicle [reports](#). Lola Zinke, wife of the Interior secretary, chairs his campaign.

**PEER BLASTS ZINKE'S STAFF LOYALTY COMMENTS:** Public Employees for Environmental Responsibility is slated today to send a letter to its subscribers blasting Zinke for earlier this week questioning the loyalty of staff and not following through on his promise to give the front-line staff more say over decisions. "Public employees work for the public, not for politicians," PEER will say. The very idea of a civil service "was to replace a spoils system where employment was based on political allegiance."

**NOT MINCING WORDS:** Former FWS biologist Felix Smith, who in the 1980s [blew the whistle](#) on the mass poisoning of migratory birds in California's Kesterson National Wildlife Refuge, sent an angry email to Zinke Wednesday blaming him for any pushback he is getting from staff. "You and President Trump have chilled or killed the moral of a large portion of the rank and file of DOI. I hope they hunker down until this experiment with democracy passes," Smith said in an email obtained by ME.

**TAKE A GLANCE!** The Institute for Policy Integrity New York University School of Law is out with [a report](#) Thursday arguing the Trump administration's cost-benefit analysis for its Waters of the U.S. rule repeal selectively ignores data on the benefits of the rule based on the age of supporting research studies. It says similar tactics likely appear throughout various regulatory proposals.

**BIG BENEFITS FROM REDUCING AIR POLLUTION:** Reductions in nitrogen oxides and ozone pollution saved \$800 million a year in reduced medication use and benefits of \$1.3 billion a year in 1,975 fewer deaths each summer, according to a [new report](#) from the Energy Policy Institute at the University of Chicago

## QUICK HITS

- Global carbon emissions stood still in 2016, offering climate hope. [The Guardian](#).
- China Sets Tough Electric-Car Production Target. [Wall Street Journal](#).
- Majority of Americans now say climate change makes hurricanes more intense. [Washington Post](#).
- Standing Rock tribal head who led Dakota Access pipeline fight voted out. [Argus Leader](#).
- Spicer Says Rolling Back Regulations Helping Economy. [The Allegheny Front](#).
- Fighting the Toxic Nightmare Next Door. [Bloomberg Businessweek](#).

## HAPPENING TODAY

9:00 a.m. — "[Global Hotspots and Security Challenges: A Conversation with Senator Joni Ernst](#)," Center for Strategic and International Studies, 1616 Rhode Island Avenue NW

11:30 a.m. — Secretary Ryan Zinke delivers remarks and takes questions at the Heritage Foundation, 214 Massachusetts Avenue, NE

## THAT'S ALL FOR ME!

**\*\* A message from the U.S. Chamber's Global Energy Institute:** For the last decade, we've been at the forefront of energy discussions in Washington and around the nation. Now, as the

Global Energy Institute, we're ready for an even larger role, reflecting America's growing influence as an energy superpower. Without our vast grassroots network, we're positioned to help lead the charge for common sense energy solutions that will grow our economy and improve our security. Visit our website to learn more. [www.globalenergyinstitute.org](http://www.globalenergyinstitute.org) \*\*

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/09/zinke-took-non-commercial-pricey-flights-too-024828>

## Stories from POLITICO Pro

### Interior Secretary Zinke traveled on charter, military planes [Back](#)

By Ben Lefebvre | 09/28/2017 07:54 PM EDT

Interior Secretary Ryan Zinke and his aides have taken several flights on private or military aircraft, including a \$12,000 charter plane to take him to events in his hometown in Montana and private flights between two Caribbean islands, according to documents and a department spokeswoman.

Zinke is at least the fourth senior member of the Trump administration to have used non-commercial planes at taxpayer expense, along with EPA Administrator Scott Pruitt, Treasury Secretary Steven Mnuchin and HHS Secretary Tom Price. President Donald Trump has [fumed](#) at Price's pricey travel, and Democrats say the revelations demonstrate a cavalier attitude by Cabinet members toward excessive spending.

Interior Department spokeswoman Heather Swift said Zinke's charter or military plane trips were booked only after officials were unable to find commercial flights that would accommodate Zinke's schedule, and that all were "pre-cleared by career officials in the ethics office." Swift said she had not spoken to Zinke about whether he would reimburse the government for the cost of the flights, as [Price plans to do](#) for some of the \$400,000 tab he racked up on charter flights.

On June 26, a Beechcraft King Air 200 carried Zinke and several staffers from Las Vegas to Glacier Park International Airport in Kalispell, Mont., about a 20-minute drive from Zinke's home in Whitefish, according to his [official schedule](#). The flight cost \$12,375, Swift said.

Zinke left after speaking at an event for the city's new professional hockey team, the "Vegas Golden Knights Development Camp Dinner," according to his schedule. Earlier in the day, he had been in Pahrump, Nev., for an announcement related to public lands.

Zinke's flight left Las Vegas at 8:30 p.m. PST and landed around 1:30 a.m. MST in Kalispell. The secretary stayed overnight at his residence, Interior documents show.

Las Vegas is one of the main [connecting](#) airports for commercial flights to Glacier International. Commercial flights between the two cities are available for several hundred dollars a ticket, according to travel planning websites.

In Whitefish, Zinke attended the Western Governors' Association's annual meeting, where he spoke for about 20 minutes without taking questions. He then had a private lunch with association members. In the afternoon Zinke was the subject of a photo shoot with GQ magazine at Lake McDonald and fished while being interviewed by Outside Magazine, the

records show.

Zinke and staffers flew commercial back to Washington, D.C., the next day, according to the records.

The trip was not the first in which Interior booked a private jet for Zinke. [On March 31](#), Interior chartered two flights to take Zinke and staff from St. Croix to St. Thomas in the U.S. Virgin Islands to attend the centennial of the Danish government turning the islands over to the United States. Another two flights were chartered to return to St. Croix later that night.

Swift said she did not know how much the flights cost but that no other arrangements were available.

Commercial flights between the two islands generally run a few hundred dollars, according to travel booking websites.

In May, Zinke and his wife, Lolita, used a military aircraft to travel to Norway. From there, they flew on a military plane to Alaska for events organized by the Senate Energy and Natural Resources Committee. The trip included charter planes to travel within Alaska, a common occurrence in the large, remote state. The Zinkes paid for Lolita's share of the trip, the full cost of which was not immediately available, Swift said.

Zinke also took a military helicopter from Fort Bliss to review the Organ Mountains monument in New Mexico in June, and he used a Bureau of Land Management helicopter to review the Basin and Range National Monument on July 30. "It is difficult to survey a half-million-acre piece of land with few roads by foot or car in an hour and a half," Swift said.

Along with Agriculture Secretary Sonny Perdue, Zinke took a military plane to Ravalli County, Mont., to check on wildfires in the area in August. "The military plane was used because of a very tight travel window, with no viable commercial airline options to transport two secretaries, security details, and associated USDA, Forest Service and Interior staff to Missoula in the time required," said USDA spokesman Tim Murtaugh. The cost of the flight was not immediately available, but the two agencies plan to reimburse the Air Force, Murtaugh said.

*To view online [click here](#).*

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**Price says he'll repay taxpayers for his private jet travel [Back](#)**

By Rachana Pradhan | 09/28/2017 04:23 PM EDT

Health and Human Services Secretary Tom Price said he will write a personal check to the federal government for his costs of traveling on private jets and will permanently halt his use of charter flights.

"The taxpayers won't pay a dime for my seat on those planes," Price said in a statement Thursday afternoon.

The announcement follows a POLITICO investigation that found Price has taken at least 26 charter flights costing taxpayers more than \$400,000 since May to conduct official business within the country. Price's travel, which was first reported over a week ago, has increasingly come under fire from President Donald Trump and former colleagues in Congress.

HHS confirmed to several media outlets that Price will write a check to the U.S. Treasury worth \$51,887.31 — just a fraction of the total travel costs. The department did not confirm those details to POLITICO, which broke the story of his chartered flights. HHS did not address the costs of the staff and security officials who accompanied Price on those flights.

Price, whose use of private jets is being investigated by the HHS inspector general and Congress, said he will no longer charter flights for official business. "No exceptions," he said.

President Donald Trump on Wednesday wouldn't commit to keeping Price in his administration, saying only "we'll see" when asked whether Price would be fired. Trump has privately fumed over Price's use of expensive charter jets, and some aides have [called for firing](#) Price. Hours before Price's announcement, the White House on Thursday said it had ordered HHS to halt all private flights.

"As the president said yesterday, he's not thrilled — certainly not happy with the actions," White House press Secretary Sarah Huckabee Sanders said.

Many of Price's flights were between major cities that offered inexpensive alternatives on commercial airlines, including Nashville, Philadelphia and San Diego. On some of those trips, Price mixed official business with personal affairs.

Price's statement came after increasing scrutiny from the Hill. The House Oversight Committee on Wednesday launched a bipartisan investigation into the use of private planes by all Cabinet secretaries. Sen. Chuck Grassley on Thursday sent a letter asking the White House to rein in officials' travel costs.

Price's decision to reimburse just the costs of just his airfare is unlikely to satisfy Democratic lawmakers, who've ripped him for lavishly spending taxpayer dollars while advocating for major cuts to health insurance programs covering low-income Americans.

"Until @SecPriceMD has paid back the full amount of his private jet flights he is still ripping off taxpayers," tweeted Sen. Ron Wyden, the top Democrat on the Finance Committee.

Price, who appeared at a White House event on opioid abuse with First Lady Melania Trump on Thursday, gave no indication that he planned to step down amid the outcry over his private travel. Earlier in the day, Price told reporters he believed the president still supported him, but he later refused to say whether he was worried about losing his job.

"I work at the pleasure of the president," Price said on Fox News, adding that he hopes to "regain the trust" of the American people and those working in the administration. Price said he's complying with the inspector general's review and contended that all his trips passed legal review.

Other Cabinet officials' travel has also come under recent scrutiny. Department auditors are reviewing private and military flights taken Treasury Secretary Steve Mnuchin and EPA Administrator Scott Pruitt

Price, who represented Georgia for more than a decade in the House, has a longstanding reputation as a fiscal hawk and a staunch opponent of Obamacare. As a former chair of the House Budget Committee, he proposed federal spending plans that would have repealed the 2010 health law and culled hundreds of billions from health care entitlement programs. During his time as secretary, Price backed the White House's proposal to cut \$6 billion from the National Institutes of Health and slash overall HHS spending by 18 percent. Congress has opposed those cuts.

On Thursday, Price said he regretted the concerns that his travel practices has raised.

"All of my political career I've fought for the taxpayers," Price said. "It is clear to me that in this case, I was not sensitive enough to my concern for the taxpayer."

To view online [click here](#).

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### **Pruitt won't cover costs for private flights [Back](#)**

By Emily Holden | 09/28/2017 06:48 PM EDT

EPA Administrator Scott Pruitt doesn't plan to pay out of pocket for the \$58,000 worth of non-commercial flights he and his staff have taken on four occasions, according to an agency spokeswoman.

Pruitt has taken three private government flights and one chartered plane. EPA has said those flights represented the only travel options for reaching scheduled events in time, including taking an Air Force plane to New York at a cost of \$36,068.50 to travel to events ahead of an international energy ministers' meeting in Italy. The agency received [ethics approvals](#) from EPA's acting general counsel for three of the four trips.

"If a reimbursement was necessary, we would have been told during the approval process and acted accordingly," agency spokeswoman Liz Bowman said.

HHS Secretary Tom Price today said he would [write a personal check](#) to the federal government to cover the cost of his seat on private jet flights that cost more than \$400,000 since May.

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### **Senate Republicans offer mixed reviews on Pruitt's pricey plane trips [Back](#)**

By Anthony Adragna | 09/28/2017 05:14 PM EDT

Senate Republicans were split Thursday over whether to condemn, defend or sidestep questions about EPA Administrator Scott Pruitt's expensive use of charter and military planes.

[Lisa Murkowski](#), who oversees the Appropriations subpanel responsible for EPA funding, said she was open to adding language to a spending bill that would prevent Pruitt from taking private flights, after reports this week revealed EPA spent more than \$58,000 for charter flights on private or government-owned planes. But the Alaska Republican said she hopes it doesn't come to that.

"I don't think it's appropriate," Murkowski said regarding Pruitt's and HHS Secretary Tom Price's use of private aircraft. "That is clearly something that the executive reins in. You tell your people, 'Look, there's no charter flights.' You set the standard. You set what is acceptable. And I think that should be done."

Pruitt used non-commercial flights during trips to Oklahoma, North Dakota and Colorado, as well as to ensure he made a connecting flight to an energy ministers meeting in Italy. The agency's general counsel signed off on the trips, though their high cost has drawn criticism as the Trump administration seeks to slash the agency's budget by one-third.

But not everyone was ready to criticize the trips.

[Jim Inhofe](#) (R-Okla.), the former Environment and Public Works chairman and a friend of Pruitt, defended the administrator's flights.

"If there is a problem with it, then there would be a rule against it and there isn't one," Inhofe told POLITICO in an interview. "That's why he checked first to make sure there wouldn't be a problem."

Current EPW Chairman [John Barrasso](#) (R-Wyo.) said he was "going to wait and see what comes out" before weighing in on the appropriateness of Pruitt's flights. He did not commit to holding a hearing on the issue, saying only that Pruitt would testify before the committee sometime this year.

Asked if it was generally appropriate for Cabinet officials to take private aircraft, or if he would have similarly held off criticism if it were an Obama administration official involved, Barrasso said, "I want to see what the information is." He added, "With Cabinet members, sometimes it's the only way to get from place to place."

Other Republicans declined to answer the broad question of whether Cabinet officials should take private transportation or said they were unaware of the details of Price and Pruitt's travel. "Good to talk with all of you," Majority Whip [John Cornyn](#) (R-Texas) told reporters when asked if Cabinet officials should fly in private jets.

[Chuck Grassley](#) (R-Iowa), meanwhile, said he has more questions about Pruitt's and Price's plane tabs. Grassley sent [a letter](#) to President Donald Trump requesting information on what steps Cabinet secretaries are taking to ensure the "most fiscally responsible travel."

Democrats demanded a full accounting of the trips and wanted to know if Trump officials are getting different treatment than Obama Cabinet members.

"I wonder why Scott Pruitt is different from [former EPA Administrator] Gina McCarthy in terms of his needs," [Brian Schatz](#) (D-Hawaii) said. "Whatever they need [in terms of security], I think we ought to give it to them, but they shouldn't get anything more than they need."

[Tom Carper](#) (D-Del.), top Democrat on EPW, called for Pruitt to testify in the near future.

"This is one of those situations where the best disinfectant is sunshine," Carper said.

To view online [click here](#).

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## House Democrats want White House briefing on Puerto Rico [Back](#)

By Heather Caygle | 09/28/2017 02:02 PM EDT

House Democrats want top Trump administration officials to brief the caucus as soon as possible on what lawmakers say has been the White House's anemic response to the devastation in Puerto Rico and the U.S. Virgin Islands.

House Democratic Caucus Chairman Joe Crowley (D-N.Y.) on Thursday invited White House Chief of Staff John Kelly and acting Homeland Security Secretary Elaine Duke to come speak to the caucus, according to [a letter](#) obtained by POLITICO.

"We are deeply concerned by the unfolding humanitarian crisis in Puerto Rico and the U.S. Virgin Islands as a result of the recent devastating hurricanes, and what has seemed to be an inadequate response by the federal government to date," wrote Crowley and several other Democrats with close ties to Puerto Rico.

"Natural disasters know no political bounds and have no party affiliations. That is why a meeting between the both of you and the House Democratic Caucus is needed," they added.

Democrats also say they're concerned by reports that the White House might not send Congress a formal request for disaster aid until several weeks from now, something lawmakers say is unacceptable given the state of the two U.S. territories.

Puerto Rico remains without power and many of its 3.5 million U.S. citizens have limited access to basic human necessities including food and clean water. The U.S. Virgin Islands and its more than 100,000 inhabitants were also devastated by the storm.

Lawmakers on both sides of the aisle have chided the Trump administration for what they say is an indefensibly slow response to help the territories after they were devastated by Hurricanes Irma and Maria.

The White House [said Thursday](#) it would temporarily grant Puerto Rico a reprieve from the Jones Act, a decades-old law that blocks non-U.S. ships from transporting goods to the island.

The Trump administration denied a similar request two days ago, with the president telling reporters Wednesday that the shipping industry had objected to granting the waiver.

But some Democrats criticized the move saying the waiver — which will last for 10 days — doesn't provide nearly enough time for supplies to get to the island to start the rebuilding process. DHS has said the waiver can be extended if necessary.

Democrats, in the letter, inviting Kelly and Duke, say the administration should also be sending telecommunication supplies to Puerto Rico to restore phone service and refrigeration units for food and medicine.

"We also cannot forget that residents of Puerto Rico and the U.S. Virgin Islands are citizens of the United States, and they are deserving of our federal government's full attention and resources," the lawmakers wrote.

Other members who signed the letter include House Democratic Caucus Vice Chair Linda Sanchez (D-Calif.), Reps. Bennie Thompson (D-Miss.), Nydia Velázquez (D-N.Y.), José Serrano (D-N.Y.), Luis Gutiérrez (D-Ill.), Darren Soto (D-Fla.) and U.S. Virgin Island Delegate Stacey Plaskett.

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**U.S., Mexico set aside Trump tensions for Colorado River deal** [Back](#)

By Esther Whieldon | 09/29/2017 05:02 AM EDT

The water-sharing pact signed this week by the U.S. and Mexico emerged despite tensions caused by President Donald Trump's policies on immigration and trade, showing the negotiators' willingness to take on problems caused by shrinking supplies from the Colorado River, according to western water experts.

That deal signed Wednesday was supported by state water agencies and major users in both countries, and sets out procedures to reduce off-take during times of drought that are expected to persist for the foreseeable future.

"Water is the lifeblood of this region," Jennifer Pitt, Colorado River Project director for the National Audubon Society, said in an interview. "It is fundamentally important to the economies of southwestern U.S. and northwestern Mexico. ... It's just too important for the two countries not to have good relations over [it] and not have a plan in place about how to manage supplies reliably for that enormous population."

Representatives from the International Boundary and Water Commission of the United States and Mexico signed the pact, called [Minute 323](#), that largely carries forward for another nine years a prior agreement that was due to expire this year. Water levels at the Colorado River's most important reservoir, Lake Mead, have been plummeting, and both the U.S. and Mexico could have faced the threat of mandatory supply cuts starting as early as next year.

The river supplies drinking water to tens of millions of people in both countries and irrigation for millions of acres of agriculture, both of which would suffer unless the countries reached a deal.

Federal officials failed to sign a deal before the end of the Obama administration, [raising fears](#) that Trump's calls to build a wall along the Mexican border and the reopening of NAFTA would undo years of progress in the negotiations. But the officials, supported by state water agencies and Mexico water license holders, knew they had to reach a deal or risk years of litigation in a crisis that would force them to choose between cutting off water supplies to farms and sensitive wildlife habitats or to major population centers.

"In a crisis, you would have winners and losers, and some of the biggest losers would be agriculture and the environment," said Ted Kowalski, director of the Colorado River initiative at the Walton Family Foundation. "I think it's highly unlikely the Bureau of Reclamation is going to turn off the city of Las Vegas or the city of Phoenix."

So the officials continued plodding away at negotiations, hoping the Trump administration would in the end agree to a deal.

The water agency officials were "largely insulated from the political conversation between Washington, D.C., and Mexico," said Chuck Cullom, Colorado River programs manager for the Central Arizona Project. The water managers "focused on providing the greatest benefits for the country and the communities ... rather than the political winds that might be blowing in a number of directions," he said in an interview.

The basin states made reaching a deal a top priority this year, according to Pitt.

"There's a long-standing balance of power between the states and the federal government on the Colorado River where the federal government tries to as much as possible defer to the states, who are really the owners of the water. So as the states made it clear to the incoming administration this was a priority, the administration said, 'We will support you on this,'" she said.

A key sticking point in the negotiations had been Mexico's insistence that the lower basin states of California, Arizona and Nevada first agree to a drought contingency plan under which they would voluntarily conserve additional water beyond mandatory cuts in order to increase reservoir levels.

Mexico officials were worried they would be left holding the bag if a water crisis occurred before the states reached a deal. But Mexico eventually agreed to make additional cuts once the states pass a contingency plan.

Mexico is very dependent on the upstream dams in the U.S. for its water delivery, since a 2010 earthquake damaged its dams. But Mexico also took the position that the original 1944 treaty between the countries only required it to cut supplies if the U.S. suffered extreme drought, a vague term that left too much open to interpretation.

"That was a big concession for Mexico to follow our lead," said Tom Buschatzke, director of the Arizona Department of Water Resources. But the U.S. also agreed to fund \$31.5 million in water efficiency projects in Mexico through 2026 and to explore the possibility of investing in a desalinization plant that could help address future water supply challenges.

What made the deal possible is "the hard work that long preceded Trump," said Stephen Mumme, a political science professor at Colorado State University. "This is a classic example of ... a situation where not doing it could be really costly, and the sheer complexity of the number of players and the importance of the U.S. stake in this policy arena really overrode the Trump administration," he said.

"It's a good example in my mind of the limits of rhetorical breast beating and name calling and wall building."

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### **Suniva, SolarWorld modify remedy proposal in trade case [Back](#)**

By Eric Wolff | 09/28/2017 07:20 PM EDT

Suniva and SolarWorld USA are pressing a U.S. trade panel to recommend that President Donald Trump institute either a floor price for imported solar equipment or tariffs plus a quota that caps the amount of solar panels and cells that can enter the country.

The two solar panel manufacturers filed a joint brief to the U.S. International Trade Commission, and each recommended different remedies, though they said that either option could be selected.

Suniva recommends a price floor for all solar modules that starts at 74 cents per watt and declines over the four years of the tariff, as well as tariffs for both modules and the solar cells. SolarWorld said it was seeking a quota of 220 MW on imported cells and 5,700 MW on imported modules.

"Both co-petitioners agree that an effective remedy must include either the co-petitioners' requested tariff plus Suniva's requested module floor price or the co-petitioners' requested tariff plus SolarWorld's requested quota," the companies said in a joint statement.

Briefs were due on Wednesday to the ITC, and the companies publicly released their proposals to today, excluding proprietary company information.

The ITC voted unanimously last week that low-cost imports had harmed the domestic solar manufacturing industry. Under the "safeguard" provisions of the Trade Act, Trump will have the final say in what tariffs to impose.

**WHAT'S NEXT:** The commission will have a hearing on remedies on Oct. 3.

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## Zinke stacks staffing board with political aides, former lobbyists [Back](#)

By Ben Lefebvre | 09/28/2017 03:41 PM EDT

Interior Secretary Ryan Zinke has assigned only political appointees, including several former industry lobbyists, as members of an advisory board on staffing and personnel issues, a move critics say sidelines members of the government workforce who are supposed to get a seat at the table.

The makeup of the Executive Resources Board contradicts federal guidelines that recommend giving career employees an equal voice in such discussions, and it is fueling criticism Zinke is crowding out independent experts and giving too much voice to the industries his department oversees.

The nine-member board is being led by Deputy Secretary of the Interior David Bernhardt, a former [lobbyist](#) whose clients included oil and gas interests; Associate Deputy Secretary James Cason, who worked energy issues for Kelly, Anderson & Associates, Inc.; and White House liaison Lori Mashburn, among other political staff with history of lobbying for the oil and gas industry.

Zinke established the board to "oversee all aspects of the management of executive resources," including senior managers, scientists and policy staff at the department, according to an Aug. 11 [memo](#).

"This is very much of a pattern," said Chris Saeger, executive director of the Western Values Project, which obtained the memo through a Freedom of Information Act request and shared it with POLITICO. "They have made a practice of shuffling career staff, marginalizing them. They're sending a very clear message, that they want to consolidate power with people who are loyal to Zinke and President. "

Interior spokeswoman Heather Swift did not answer questions about why Zinke included only political appointees as members of the ERB. She did point out that two career employees, acting Deputy Assistant Secretary for Human Capital and Diversity Mary Pletcher and Deputy Solicitor for General Law Ed Keable, will serve as advisers to the board.

Zinke came under fire earlier this week when he [questioned](#) the loyalty of many Interior staffers, and he has previously raised eyebrows for [shuffling senior employees](#) into jobs they did not seem suited for, in one instance reassigning a manager overseeing climate change issues to a job collecting oil and gas royalties. Interior's inspector general has launched an investigation into the staff moves.

The secretary's decision does not comport with recommendations from the Office of Personnel Management, which has suggested that such boards consist of a mix of career staff, senior executive staff and political staff.

"It is not advisable to have an ERB that is exclusively or predominantly career executives, nor is it recommended to have an ERB that is exclusively or predominantly political appointees; both perspectives should be well represented to ensure a balanced view, when possible," OPM said in a 2009 [report](#).

*To view online [click here](#).*

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## House clears FAA stopgap, avoiding shutdown [Back](#)

By Lauren Gardner | 09/28/2017 04:24 PM EDT

Congress Thursday voted to extend the FAA's tax authority for six months after senators jettisoned private flood insurance language that had threatened the bill's chances, with just days before portions of the FAA's authorities were set to lapse.

After wrangling between the House and Senate over the flood insurance language, Congress wrapped the measure, [H.R. 3823 \(115\)](#), up two days before the FAA's authority to collect and spend excise taxes was set to expire.

Allowing that authority to lapse would have led to a partial shutdown of the FAA, affecting the agency's airport funding, equipment and research and development functions and leading to the furlough of thousands of employees. (Air traffic control and safety operations would have continued, albeit without pay for the employees.)

The House was forced to act a third time on the measure after a bipartisan group of senators objected to the original package's language encouraging private insurance companies to enter the flood arena.

While some of those members support changes to the National Flood Insurance Program, they've argued that any effort to promote a private market should be considered as part of broader legislation that addresses the existing federal program.

"We can't have a situation happen where people can't sell or buy property because you can't get a mortgage unless you get flood insurance, and you can't get flood insurance because there's none available that's cost-effective," Sen. [Marco Rubio](#) (R-Fla.) said.

Thursday wasn't the first time this week the House had to take a mulligan on the extension bill.

GOP leaders put the legislation, which also includes tax relief provisions for victims of recent hurricanes and extensions for certain health care programs, on the suspension calendar Monday, meaning they needed two-thirds of lawmakers present to vote in favor of the bill for it to pass. But Democrats revolted, and the vote came up short.

House leaders then tweaked the bill to broaden eligibility for tax breaks to U.S. citizens in Puerto Rico and the U.S. Virgin Islands — addressing a criticism lobbed by Democrats — and prepared it for a quick floor debate where only a simple majority was needed for passage; it succeeded.

But senators who are active on NFIP policy began agitating against the House bill, with Senate Commerce Chairman [John Thune](#) conceding Thursday evening that his colleagues would likely change the bill and kick it back to the House.

House leaders had left themselves some breathing room for such a scenario through the way the rule governing debate on their bill was crafted. But it wasn't clear whether the Senate

would try to jam the House until Thursday afternoon, when leadership surveyed lawmakers on whether they would object to an FAA extension that dropped the flood insurance language.

While this week's drama over the FAA extension was tied to policy outside the aviation space, House Transportation Chairman [Bill Shuster](#) (R-Pa.) is still gunning for a massive overhaul of the FAA's air traffic control operations.

His broader bill, [H.R. 2997 \(115\)](#), which would strip those functions from the agency and put them under the control of a nonprofit corporation, could get a floor vote next month, provided he rounds up enough support.

To view online [click here](#).

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### **Pruitt taps New York lawmaker for EPA Region 2 job** [Back](#)

By Alex Guillén | 09/28/2017 11:27 AM EDT

EPA Administrator Scott Pruitt has picked New York Assembly member Pete Lopez to run EPA's Region 2 office, which covers New York and New Jersey — as well as the hurricane-devastated Puerto Rico and U.S. Virgin Islands.

Both territories suffered significant damage to their electric and water systems, with an estimated 42 percent of Puerto Ricans without access to potable water, [according to](#) the FEMA.

Lopez, a Republican, has been in the state assembly since 2007 and currently represents a district southwest of Albany. He ran to replace Rep. [Chris Collins](#) (R-N.Y.) but dropped out of the race early last year.

"His familiarity with the region and his experience working to solve environmental problems in New York will be invaluable in helping EPA serve Americans in the Northeast and the Caribbean," Pruitt said in a statement.

Judith Enck, the Obama administration's previous Region 2 chief, [told the Times Union](#) that Lopez "cares about the environment" and is "is as good as it's going to get in this administration."

To view online [click here](#).

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**Date:** Friday, December 01, 2017 5:44:59 AM

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By Anthony Adragna | 12/01/2017 05:42 AM EDT

*With help from Alex Guillén and Eric Wolff*

**ANOTHER TAX BILL WARNING OVER ANWR?** Even as Senate Republicans [scrambled](#) Thursday evening to rewrite their tax package [H.R. 1 \(115\)](#), a small bloc of House Republicans objected to including ANWR drilling in the package — adding a new potential complication for the bill's passage once the chambers head to conference. A dozen House Republicans, six of whom voted for their chamber's bill previously, sent [a letter](#) to their party's leaders raising "concerns with any proposal that would implement an oil and gas leasing program" in ANWR though they stopped short of threatening to pull their support for the bill if it was not removed, Pro's Nick Juliano [reports](#).

**GOP Reps.** [Dave Reichert](#), [Brian Fitzpatrick](#), [Carlos Curbelo](#), [Ryan Costello](#), [Pat Meehan](#) and [Mark Sanford](#) all backed the tax package on the floor, but are now expressing unease with the ANWR provision, along with six colleagues who opposed the initial bill over issues such as the state and local tax deduction. Remember Speaker [Paul Ryan](#) can only afford 10 additional defections from the original November [vote tally](#) for the final package to pass, meaning the small bloc holds some juice in the negotiations.

**Other former Republican leaders oppose:** A group of seven former Republican officials, including the first EPA Administrator William Ruckelshaus and former Interior Deputy Secretary Lynn Scarlett, sent their [own letter](#) to congressional leaders warning there's "simply no need to reverse protections" for ANWR and that fiscal projections for revenue are "highly speculative." They added that tacking the provision into the package would "complicate passage of important and vitally needed tax reform."

**ICYMI,** Senate Republicans [tweaked](#) drilling language in their bill to propose selling more oil from the Strategic Petroleum Reserve. What's interesting is the lack of criticism from Republicans who previously been outspoken against such efforts. (EPW Chairman [John Barrasso said in 2012](#) tapping the SPR is "for emergencies — not political disasters.") Sen. [Bill Cassidy](#) summed up the party's thinking to ME: "I'm okay with that, because obviously the Strategic Petroleum Reserve is about energy security, and if ANWR is developed that is far more important to energy security than two days of SPR."

**WELCOME TO DECEMBER!** I'm your host Anthony Adragna, and the State Energy & Environmental Impact Center's Chris Moyer correctly identified Michelle Lujan Grisham as the niece of former Interior Secretary Manuel Lujan now running for office. For today: Which senator once ran the public schools of his state's largest city? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

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**MURRAY LABELS OIL GIANTS 'ENEMIES' OF FOSSIL FUELS:** Three of the major oil and gas corporations are "enemies" of fossil fuels because of their past advocacy for climate action, including a carbon tax, coal executive Robert Murray said Thursday at a conference hosted by the Heritage Foundation and the Texas Public Policy Foundation. Prompted by comments from TPPF's Brooke Rollins calling their carbon tax advocacy "so disingenuous," Murray declared BP, Shell and Exxon Mobil "our enemies," citing politics and shareholders. "They're not doing our grandchildren justice, those three companies. The other oil and gas companies, they realize that once our enemies get rid of coal, they're next," Murray said. "But those three companies are all about politics and shareholders and I don't buy those products." Oil and gas executive Bud Brigham agreed: "It's cronyism that they chose to have a seat at the table with the government and collusion with special interests a la Elon Musk, etc. It's very disappointing."

**Murray math:** The coal magnate dropped some eyebrow-raising stats during his appearance, including that he has met with EPA Administrator Scott Pruitt a whopping seven times so far this year. Murray also said he has received 71 death threats, "some serious," although he did not specify over what period those were received.

**MORE THAN A LITTLE SHAVE:** During his swing to Utah next Monday, President Donald Trump is expected to cut the 1.353-million-acre Bears Ears National Monument down to about 201,400 acres and break it into two new monuments called Indian Creek National Monument and Shash Jaa National Monument, Pro's Esther Whieldon [reports](#), citing [proclamations](#). He'll also divide the existing Grand Staircase-Escalante monument into three parts — Grand Staircase National Monument, Kaiparowits National Monument and the Escalante Canyons National Monument. The action is certain to set off a fierce legal battle almost immediately.

**House Natural Resources Chairman [Rob Bishop](#)** welcomed the move and pledged to attend the ceremony. "The president has stood against prior abuses of executive power and his administration has demonstrated a commitment to work in concert with local communities to protect unique public antiquities and objects the right way," he said in a statement. But Sen. [Tom Udall](#), joined by Native American and environmental groups, will discuss what they're calling an "illegal abuse of power" during an 11 a.m. telephone press conference today.

**ZINKE HEADS TO LOUISIANA:** This Saturday Interior Secretary Ryan Zinke heads to Louisiana for events on coastal restoration and the state's plan for addressing it along with Sen. [John Neely Kennedy](#), Cassidy and Rep. [Garret Graves](#). They'll participate in events in Baton Rouge, Thibodaux, and Ama, La.

**But faces ads in Washington:** The Western Values Project is out with a [six-figure ad](#) this morning on Fox News and up digitally in Utah urging Trump to reject Zinke's recommendations on national monuments. "One Cabinet member in Washington has become one embarrassment after another for President Trump," it starts. The final line: "Don't let this wannabe cowboy embarrass you once again."

**LAST CALL!** Today's your last chance to [weigh in](#) Interior's vows to redo sage grouse conservation plans. Advocates, including the Audubon Society and the National Wildlife Federation, say they've submitted at least 163,000 already in support of the existing plans. And

a group of fish, wildlife and natural resources professionals [urged](#) Interior to ensure any changes made to sage grouse management plans are backed up by appropriate science.

**PRUITT PROMISES FINAL WOTUS BY MID-2018:** Pruitt is due to make remarks to farmers and biofuels groups today in Nevada, Iowa, today fresh off his agency's biofuels decision on Thursday and a swing through Kentucky. During a speech to the Kentucky Farm Bureau Thursday, Pruitt promised a final replacement to the Waters of the U.S. regulation by mid-2018 that he said would focus on "navigability," according to [video posted](#) by WHAS. He also met with Kentucky Gov. Matt Bevin.

**On his relationship with Trump:** "It is a blessing to serve him and my desire each and every day is to bless him as he makes decisions."

**GREENS DEMAND DOURSON DOCS:** American Oversight and the Environmental Working Group are beginning a joint investigation this morning into EPA chemicals office nominee Michael Dourson's early work at the agency prior to his Senate confirmation. They're sending out six FOIA requests seeking copies of his [communication with senior political staff](#); [ethics and recusal documentation](#); [calendar and telephone logs](#); [records of political appointees discussions about Dourson](#); [contacts with outside groups](#) like Koch Industries and DuPont; and [interactions with anyone helping Dourson](#) on his confirmation. "Michael Dourson has been at the EPA for more than a month, and if he's been using his position to help his old clients in the chemical industry, the public needs to know before the Senate votes on his confirmation," Austin Evers, executive director of American Oversight, said. Reminder: Dourson appears to be short the votes needed for Senate confirmation.

**FROM FARM TO CAR:** EPA issued [its rule](#) Thursday making official the Renewable Fuel Standard requirements for 2018 and 2019. Cellulosic ethanol got a 50 million gallon increase because, EPA said in the rule, the agency received updated data that suggested greater production capacity. The requirement is still lower than it was this year.

**Biodiesel doesn't lose:** Biodiesel producers wished for a larger target, but EPA also abandoned its October threat to make deep cuts. EPA had said that it was concerned about import tariffs, feedstock problems, and the expiration of a biodiesel tax credit crimping supply, and so it wanted to make big reductions. The agency is still concerned about those forces, but, it said, "We find it unnecessary to resolve whether to adopt such interpretations at this point in time because under any approach we would find exercise of these waiver authorities not appropriate based on the record before us."

**QUICK SENATE ACTION ON BROWNFIELDS EYED:** The House passed legislation [H.R. 3017 \(115\)](#) reauthorizing EPA's Brownfields program Thursday afternoon and Sen. [Jim Inhofe](#) said he thought it could pass by unanimous consent in the Senate in the near future. "There's no one opposed to it that I know of," he told reporters. The bill cleared the House by an overwhelming 409-8 [tally](#) with eight Republicans voting no.

**CRITICISM OF PUERTO RICO CONTRACTS:** Two former Obama administration officials are out with [an op-ed](#) this morning in POLITICO urging the Trump administration to stop its practice of awarding massive reconstruction contracts in Puerto Rico to single companies, such as Whitefish Energy. And that comes as the top Homeland Security Democrat [Claire McCaskill](#) sent [a letter](#) to FEMA asking questions about why it awarded \$30 million in contracts to a newly-formed Florida company that was unable in the end to complete the work on the hurricane-ravaged island.

**WEST VIRGINIA'S SENATORS ON BLANKENSHIP BID:** Even as convicted coal baron Don Blankenship released [his first ad](#) in his Senate bid, his possible opponent Sen. [Joe Manchin](#) didn't seem perturbed by his entry "I'd just say, 'jump in, the water's fine," he told ME. Republican Sen. [Shelley Moore Capito](#) told ME she expected a lively primary campaign and added: "I was surprised and I said, 'It's a free country.'"

**MAIL CALL! DO YOU REMEMBER?** Top House Energy and Commerce Democrat [Frank Pallone](#) sent [a letter](#) to Chairman [Greg Walden](#) demanding oversight hearings and investigations into the use of private planes by Trump Cabinet officials. "It is critical that we ensure there are effective Agency controls that exist to prevent the risk of fraud, waste, and abuse related to leadership and staff travel," he wrote. Both Perry and Pruitt used non-commercial aircraft, and their agencies fall under the committee's jurisdiction.

**INHOFE ON ENDANGERMENT FINDING: NOW OR NEVER:** Though it hasn't come up in his conversations with Pruitt, Inhofe wants his fellow Oklahoman to make a push to overturn the endangerment finding now. "If there's a chance of getting it done, I don't see a downside," he told reporters. "I would recommend he do that."

**Inhofe spoke with Pruitt on Tuesday** and said he was upbeat. "He's warding off the harassment, the opposition, the death threats and these things," Inhofe said. "He's just real happy in his job."

**LOOKING FOR WEEKEND PLANS?** Hundreds of faith leaders, environmental activists, native tribes, business owners and others gather on Saturday to encircle the Virginia State Capitol on Saturday in protest of the Atlantic Coast and Mountain Valley pipelines. More information [here](#).

**TAKE A GLANCE!** Resources for the Future released a study Thursday examining multiple potential alternative versions of Perry's proposed grid resiliency rule and their corresponding impacts to human health, the environment, consumers' cost of electricity and power plant owners' profits. Read it [here](#).

**COOL NEW TOOL:** ProPublica released an application documenting the military's 40,000 hazardous waste sites across the country. Check it out [here](#).

## QUICK HITS

- From Yarn Bunnies to Amazon, Tech Fights Trump Coal Plan. [Bloomberg](#).
- Climate activists delay U.S. gas pipeline approvals: regulator. [Reuters](#).
- Traces of petroleum, lead found in water at Rover Pipeline work site. [MLive](#).
- Workers Finish Cleaning up Nuclear Burial Ground. [AP](#).
- A New Study Offers Further Proof That North Texas Earthquakes Are Drilling- and Fracking-Related. [Texas Monthly](#).
- Citgo formally announces Chavez as new CEO. [Houston Chronicle](#).

## HAPPENING TODAY

11:00 a.m. — Sen. Tom Udall, Native American and sportsmen representatives hold call on Trump's national monuments decision, RSVP: Ahenderson@nndoj.org

## **THAT'S ALL FOR ME!**

*To view online:*

<https://www.politicopro.com/newsletters/morning-energy/2017/12/another-anwr-wrinkle-in-tax-revamp-battle-037561>

### **Stories from POLITICO Pro**

#### **Republicans rewriting tax bill — with fight pushed into Friday [Back](#)**

By Seung Min Kim and Colin Wilhelm | 11/30/2017 10:59 AM EDT

Senate Republicans are still scrambling to win over enough votes to pass their massive tax code overhaul, with major changes to the bill still up in the air and debate pushed into Friday.

Senate Majority Leader Mitch McConnell (R-Ky.) said the next vote in the tax debate will come at 11 a.m. Friday, as work continues behind the scenes to win over skeptical deficit hawks and other swing votes.

Multiple GOP senators leaving the chamber after a dramatic late afternoon vote said a key proposal for deficit hawks — a trigger to raise tax rates if sufficient economic growth did not materialize — would not pass procedural muster and would need to find something else to satisfy the bloc of deficit hawk holdouts, led by Sen. Bob Corker (R-Tenn.).

"It doesn't look like the trigger is going to work, according to the parliamentarian," Senate Majority Whip John Cornyn (R-Texas) said. "So we have an alternative, frankly: a tax increase we don't want to do to try to address Sen. Corker's concerns."

Corker told reporters: "My understanding is, that the parliamentarian has ruled against it so they're just going to automatically put [tax increases] in, period." Corker and Sen. Jeff Flake (R-Ariz.) said the revenue raised with tax increases — which senators say would kick in six years after the enactment of the tax legislation — would total about \$350 billion, although Cornyn suggested that figure may need to go higher.

Late Thursday, Republicans huddled with leadership and tax policy staff to work on a solution.

Sen. Thom Tillis (R-N.C.), who supports the current package, estimated that Republicans needed to find an additional \$370 billion to \$400 billion within their package to placate concerns about increased deficits.

"What we're trying to do right now is get to the point where nobody's going to get exactly what they want but enough for us to get the bill passed," he told reporters.

The sudden need to regroup came after extended drama on the Senate floor Thursday during an otherwise mundane procedural vote, when Corker, Flake and Ron Johnson (R-Wis.) initially withheld their support on a vote to move forward with the bill. Ultimately they aligned with their party, but it suggested real concerns remained, including friction among Republicans over whether to stick to the 20 percent corporate tax rate rate insisted on by the

White House.

Johnson withheld his vote during the standoff in exchange for votes on his amendments, including one that would further increase a tax deduction for pass-through businesses to around 25 percent.

The legislation would slash the corporate tax rate and lower rates for many, though not all, individuals. Senate Republicans have said their plan would boost the economy but not by nearly as much as some lawmakers hope, a new official analysis shows.

The nonpartisan Joint Committee on Taxation said Thursday that the GOP plan would fall well short of covering its \$1.5 trillion cost through additional economic growth; it predicted \$407 billion in additional revenue would come in by boosting the economy by 0.8 percent over the next decade.

That would mean a \$1 trillion deficit increase, which is problematic for lawmakers like Corker, who has said he would vote against a tax bill that increased the deficit. A Senate Finance Committee aide noted that the analysis was "incomplete" since the bill text has yet to be finalized.

Democrats have blasted Republicans for rushing the bill to the floor while considering significant eleventh-hour changes to the sprawling tax code rewrite.

"This is tax, one of the most complicated issues before us," Senate Minority Leader Chuck Schumer said on the floor Thursday. "These changes and the way the majority leader is handling this make it impossible for any independent analyst to get a good look at the bill and how it would impact our country."

Yet, Sen. John McCain, who gave Republicans a boost earlier in the day when he broke his long silence and said he would back the legislation, signaled he was satisfied with the process, noting the bill went through "a thorough mark-up in the Senate Finance Committee."

The Arizona Republican, who helped tank the party's Obamacare repeal efforts earlier this year, had said going through a regular legislative process was one of his major concerns.

But it was clear Senate Republicans still have myriad issues to resolve in order to lock down at least 50 votes to ensure final passage of the tax bill on the floor. Republicans are using powerful budget procedures to evade a Democratic filibuster.

Other key GOP votes such as Corker, Flake and Susan Collins of Maine have yet to commit to the bill, for varying reasons. And Johnson and Steve Daines of Montana are trying to secure even more generous treatment of small businesses after extracting a boost in an earlier round of negotiations.

Collins plans to offer a half-dozen amendments, including one that would hike the proposed corporate tax rate of 20 percent to restore a deduction for up to \$10,000 for property taxes. She is among a handful of Republican senators who say they are open to raising the proposed corporate rate in order to fund other tax provisions in the bill.

The moderate senator is also seeking to extract some health care assurances because the current tax bill repeals Obamacare's requirement that everyone carry insurance or pay a penalty. She has pushed for two separate health care bills — one to stabilize the markets and

another to protect pre-existing conditions and use high-risk pools — to be grafted to a short-term spending bill that would need to pass before government funding expires Dec. 8.

Conservatives in the House Freedom Caucus, a group of about 40 Republicans that frequently buck their party's leadership, rejected the notion of supporting those health care bills.

Members of the group also said they opposed amendments that would raise the proposed corporate income tax rate above 20 percent, and bristled at the idea of a delayed cut, which the Senate's bill does largely due to budgetary rules.

"It's a great strategy if you're looking to put the Democrats in the majority and give them credit for what we did," Rep. Louie Gohmert (R-Texas) said of the Senate's proposed one-year delay to a corporate tax cut.

*Brian Faler, Bernie Becker and Elana Schor contributed to this report.*

To view online [click here](#).

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## **ANWR drilling in tax bill draws opposition from a dozen House Republicans [Back](#)**

By Nick Juliano | 11/30/2017 06:33 PM EDT

A dozen House Republicans raised concerns today about a rider in the Senate tax bill that would allow drilling in the Arctic National Wildlife Refuge.

The lawmakers did not mention the tax bill by name in [their letter](#), and they stopped short of promising to pull their support if ANWR drilling is included. But they said they had "concerns with any proposal that would implement an oil and gas leasing program in the Refuge" and questioned whether new drilling there was necessary.

"Further, the resources beneath the Refuge's Coastal Plain simply are not necessary for our nation's energy independence," wrote Reps. [Brian Fitzpatrick](#), [Dave Reichert](#) and 10 of their GOP colleagues.

Six of the 12 lawmakers already voted against the House tax bill earlier this month, citing objections such as its elimination of the state and local tax deduction.

Opening ANWR is a priority for Sen. [Lisa Murkowski](#), a key swing vote in the upper chamber, which hopes to pass its version of the bill as soon as this week.

To view online [click here](#).

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## **GOP tweaks Arctic drilling language to bump up revenue [Back](#)**

By Sarah Ferris | 11/30/2017 11:51 AM EDT

Senate Republicans have reworked language on Arctic drilling in their tax bill to further boost revenue, hoping to resolve a procedural hiccup before the impending passage vote.

Senate Budget Committee leaders have tweaked provisions that would authorize drilling in the Arctic National Wildlife Refuge, altering the language in a way they believe will comply with so-called Byrd rule requirements, a GOP committee aide confirmed today.

The budget panel had expected to raise \$1 billion over a decade by opening up ANWR for drilling. But a report from the CBO, shared internally with budget staffers, estimated it would fall short by about \$366 million, according to a Senate Democratic aide.

The GOP's revised drilling language would propose selling more oil from the Strategic Petroleum Reserve, potentially producing hundreds of millions of dollars in additional revenue, the aide said.

If approved by the Senate parliamentarian today, the new language will be formally added before the high-stakes Senate floor vote on the tax plan, [H.R. 1 \(115\)](#).

The fate of the provision — championed by swing vote Sen. [Lisa Murkowski](#) (R-Alaska) — was [called into question](#) Wednesday after a warning from the parliamentarian.

Each part of the GOP's tax plan must comply with a complex set of budget reconciliation rules that allow the legislation to avoid a Democratic filibuster.

*To view online [click here](#).*

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**Documents show Trump set to shrink Bears Ears, Grand Staircase monuments** [Back](#)

By Esther Whieldon | 11/30/2017 04:35 PM EDT

President Donald Trump will shrink Utah's Bears Ears National Monument by 85 percent and Grand Staircase-Escalante National Monument by about 41 percent, according to copies of the [proclamations](#) and maps obtained by POLITICO.

Trump is expected to travel to Utah on Monday to make the announcement about the monuments that were established by former presidents Barack Obama and Bill Clinton, and which Utah lawmakers and conservative groups have complained were created over their objections. Trump has called Obama's creation of Bears Ears in the waning days of his presidency an "egregious abuse of federal power."

Both of the Utah monuments contain fossil fuel resources and Trump's move is sure to touch off a legal battle over the president's authority to dramatically alter his predecessors' actions under the Antiquities Act, which environmental groups view as one of the nation's bedrock conservation laws.

Trump's proclamations, which were first [reported](#) by The Washington Post, would cut the

1.353-million-acre Bears Ears down to about 201,400 acres and break it into two new monuments called Indian Creek National Monument and Shash Jaa National Monument. In addition to oil and gas resources, the area also holds uranium deposits.

Trump would divvy the Grand Staircase-Escalante monument into three parts — Grand Staircase National Monument, Kaiparowits National Monument and the Escalante Canyons National Monument — ending protections over swatches of areas high in mineral resources. The land will remain under federal control.

The newly drawn monuments are "confined to the smallest area compatible with the proper care and management of objects," the proclamations state.

The move will be welcomed by Utah's congressional delegation and other Republican lawmakers who had accused Obama of federal overreach by creating monuments despite local opposition and using the Antiquities Act to head off commercial activity. Obama created dozens of land and marine monuments, protecting more than 5.7 million acres — the most any president has set aside under the century-old Antiquities Act.

Trump's expected order is the latest move in his effort to roll back Obama's regulations and federal decisions that he has said hinder the economy and fossil fuel development.

But Trump's order on the Bears Ears monument, which was created to protect thousands of sensitive archaeological sites, is certain to spark a court fight with tribes and conservation groups that have complained the Native American ruins there were being damaged and would be threatened by oil and gas development in the area.

Environmental groups and tribal organizations are planning a [protest](#) at the Utah state capitol this weekend over Trump's planned visit.

Democrats have criticized Interior Secretary Ryan Zinke's review of more than two dozen monuments for being conducted in secrecy, and they have chided Zinke for not releasing copies of his full report to the White House. Senate Minority Whip [Dick Durbin](#) had put holds on four of Trump's Interior nominees in order to force Zinke to brief him on the monument plans. He [lifted](#) two of those holds after a meeting with Zinke.

[Rob Bishop](#)'s House Natural Resources Committee in October reported out a bill, [H.R. 3390](#), that would amend the Antiquities Act to more clearly define a president's authority to change monuments. Previous legislative attempts by the Utah delegation to curb federal monuments have failed.

The White House and Interior Department did not immediately respond to requests for comment.

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**From:** POLITICO Pro Energy  
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**Date:** Wednesday, November 29, 2017 5:45:11 AM

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By Anthony Adragna | 11/29/2017 05:42 AM EDT

*With help from Darius Dixon*

**ANWR SLIPPING THROUGH BELOW THE SURFACE?** With Senate Republicans barreling towards a floor vote on their [tax package](#) as soon as this week, Democrats are worried their battle to keep oil and gas drilling out of the untouched Arctic National Wildlife Refuge is being lost in the broader debate, Pro's Ben Lefebvre [reports](#). "It's really not gotten the attention that it should," Sen. [Tammy Duckworth](#) said of [legislation](#) that easily cleared the Energy and Natural Resources Committee. "It's not just the budget discussion. It's about everything else that's going on, the flurry of all sorts of other news."

**Democrats don't have the votes to stop ANWR drilling** since it's hitching a ride on the tax bill moving under budget reconciliation rules. The Budget Committee cleared its filibuster-proof package Tuesday, and there were several other signs of momentum for the GOP tax overhaul effort, POLITICO's Seung Min Kim, Bernie Becker and Colin Wilhelm [report](#). Sen. [Susan Collins](#), a key swing vote who's opposed ANWR drilling in the past, said she'd "certainly try" to remove drilling language from the package but that doing so would not be a prerequisite for her support of the overall bill.

**It wasn't always this way.** President Bill Clinton vetoed a budget package in 1995 over ANWR, and Democrats fought off another attempt to open a slice of the refuge 10 years later. But this time around, the issue "hasn't drawn as much extremist opposition because it is completely overshadowed by tax reform," says Chris Guith, senior vice president of the U.S. Chamber of Commerce's Global Energy Institute. Environmentalists decried that approach. Republicans "know they can't pass it under regular order, that's why they're doing a sneak attack," said Tiernan Sittenfeld, the League of Conservation Voters' senior vice president of government affairs.

**Environmental groups have targeted a few congressional districts with ads opposing ANWR drilling.** Vet Voice Foundation and Sierra Club Military Outdoors released ads Tuesday urging GOP Reps. [Brian J. Mast](#) and [Lee Zeldin](#) not to support the final tax proposal. The ads highlight what the groups say are the unacceptable risks of ANWR drilling. Sample ad [here](#).

**Senate Energy Chairman [Lisa Murkowski](#)'s ANWR push** directs Interior to hold two lease sales over the next decade and CBO said it would raise \$1 billion over that period, meeting budgetary instructions. But critics argue the Republican tax package would actually harm energy-producing states. That's because it would trigger required "pay-as-you-go" cuts to mandatory spending programs, such as an energy royalty revenue sharing program carried out through the Mineral Leasing Act that would cost Murkowski's Alaska [an estimated \\$15 million](#) in energy royalty payments next year alone. "This is yet another example of the consequences associated with forcing through legislation to add \$1.5 trillion to the deficit in order to give tax cuts to the wealthy," House Minority Whip [Steny Hoyer](#) said in a statement.

**WELCOME TO WEDNESDAY!** I'm your host Anthony Adragna, and the Union of Concerned Scientists' Katherine Catalano named former Hawaii Rep. Patsy Mink as the most recent person to win reelection posthumously. For today: Alabama Sen. [Richard Shelby](#) was once part of a group of conservative southern Democrats known by what name? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**DECISION DAY IN EPW:** Two key Trump administration nominations, Kathleen Hartnett White's selection to run the White House Council on Environmental Quality and Andrew Wheeler's to be EPA's No. 2, get votes today at Senate EPW, where they're expected to pass on a party-line vote. Chairman [John Barrasso](#) confidently told reporters he anticipated both clearing the panel, though the wild card (at least for White's nomination) is Iowa's [Joni Ernst](#). White didn't win Ernst's backing immediately after [backtracking](#) on her previous sharp criticism of the Renewable Fuel Standard during her confirmation hearing, and her office didn't respond to requests for comment on her current stance. White's responses to questions for the record from ranking member [Tom Carper](#) are [here](#).

**WELL, I SWEAR (IN):** It's not clear exactly when it will happen, but Democrat Rich Glick formally joins FERC at some point today. There's no word on when Kevin McIntyre, Trump's pick to be FERC chairman, will be sworn in, but ME is reupping Chairman Neil Chatterjee's [words from Tuesday](#) pushing back on some rumblings: "There is no intentional delay or dragging things out to some nefarious end. ... It's simply a matter of timing, prioritization, getting documents signed and once the documents were signed. ... People have to unwind their own professional obligations in their current jobs."

**PRUITT'S TRAVELS:** EPA Administrator Scott Pruitt reportedly plans to swing by Iowa Friday, one day after the final biofuel volumes are due under the Renewable Fuel Standard. Iowa Agribusiness Radio Network [reports](#) Pruitt will attend an invite-only town hall in the city of Nevada (confusing, ME knows).

**Pruitt also made a day trip to Disney World** on Monday to highlight a program taking food waste and converting it into electricity, the Wall Street Journal [reports](#). One comment he made: "When you think about those things, the Paris [climate] accord or the CPP, none of those produce results."

**Back for more:** Meanwhile, EPA gathers in Charleston, W.Va., for its second day of public testimony on its proposed repeal of the Clean Power Plan. Pruitt did not attend Tuesday's opening of the agency's only public hearing on the subject and hasn't announced plans to show up today. The agency didn't respond to requests for comment.

If Tuesday was any indication, don't expect a ton of new developments. A preliminary list of witnesses for Day Two is available [here](#). Nearly 550 members of Environmental Entrepreneurs urged Trump and Pruitt not to move forward with their planned withdrawal in [a letter](#). And Climate Hawks Vote released [an analysis](#) Tuesday finding a much more muted reaction from both parties to the proposed repeal than its original proposal or Trump's withdrawal from the Paris climate accord

**TILLERSON TALKS EUROPEAN ENERGY COOPERATION:** Secretary of State Rex Tillerson said in Tuesday [remarks](#) the U.S. would work to ease rules on shipping crude oil and liquid natural gas to Europe given Russia has previously used energy as a "political weapon." "We're eager to work with European allies to ensure the development of needed infrastructure

like import terminals and interconnecting pipelines to promote the diversity of supply to Europe," he added during remarks at The Wilson Center.

**LAWSUIT FILED OVER CADIZ APPROVAL:** Two advocacy groups — the Center for Biological Diversity and Center for Food Safety — filed [a lawsuit](#) challenging the administration's [effective approval](#) of a proposed Cadiz Inc. water pipeline in California's Mojave Desert back in October. The legal challenge argues BLM's decision to allow Cadiz to use an existing railroad right of way is "illegal."

**California Sen. Dianne Feinstein**, a longtime opponent of the project, hailed the lawsuit: "The company's recent 'pause' indicates it has no plan to address the many problems associated with its project. Instead, it relied on its friends in the Trump administration to clear any hurdles. This lawsuit shows Cadiz that won't happen without a fight."

**AROUND THE HILL TODAY! LOOKING AT AGENCY DEREGULATORY ACTIONS:** Two House Oversight subcommittees hear from senior EPA, Interior and DOE officials on their implementation of deregulatory executive orders today at 10 a.m. Deputy Interior Secretary David Bernhardt; Daniel Simmons, who runs DOE's energy efficiency and renewables office; and Brittany Bolen, EPA's deputy associate administrator in its Office of Policy, all testify. If lawmakers and their staffs are feeling particularly wonky, Simmons' appearance would be a good chance to ask about DOE's [information request](#) this week aimed at vetting ways of getting "additional flexibilities" into its appliance efficiency rulemaking process. More [here](#).

**Taking a look at NEPA:** The House Natural Resources Committee holds [a hearing](#) entitled "Modernizing NEPA for the 21st Century" today at 10 a.m. It'll then kick off [a markup](#) on seven bills with opening statements at 4 p.m. (more on those bills in Thursday's ME).

**WOTUS gathering:** ME goofed Tuesday and the House Science subcommittee hearing on the future of the waters of the U.S. regulation is actually today at 10:15 a.m. Former Obama-era EPA waters chief Ken Kopocis is among those testifying. Watch [here](#).

**E&C looks at financial trading:** The House Energy and Commerce Energy Subcommittee convenes at 10:15 a.m. to examine the role of "financial trading in the nation's wholesale electricity market." Witnesses representing PJM Interconnection, California ISO, NRG Energy, Power Trading Institute, Financial Marketers Coalition and a former FERC general counsel are among those slated to testify. More [here](#).

**WHAT A COINCIDENCE?** The Center for Biological Diversity [filed a FOIA](#) request seeking information on a trip taken by Greg Sheehan, acting director of the Fish and Wildlife Service, to Tanzania during which his agency announced it would overturn a ban on elephant trophies from two African nations. (It subsequently abandoned those plans.)

**GRIJALVA DISPUTES HOSTILE WORKPLACE REPORT:** Rep. [Raúl Grijalva](#), ranking member on the Natural Resources Committee, pushed back strongly on [a report](#) that he offered a former aide five months' severance pay to settle a hostile workplace claim related to alleged alcohol use, POLITICO's Elana Schor [reports](#). He accused The Washington Times of eventually publishing "a misleading article trying to link me to sexual harassment complaints made against other people." Grijalva's alleged behavior was not sexual in nature.

**GREEN TECH LAWSUIT ENSURES SEVERAL VIPS:** Virginia Gov. Terry McAuliffe

and former Democratic presidential candidate Hillary Clinton's brother Anthony Rodham are among those caught up in a fraud lawsuit filed by Chinese investors over investments in Greentech Automotive, POLITICO's Josh Gerstein [reports](#). The lawsuit says each Chinese investor lost \$560,000 apiece as a result of misrepresentations made by McAuliffe and Rodham about the electric car company that appears to be struggling to survive.

**SOLAR REPORT DELUGE!** There's now nearly double the amount of solar power installed at schools around the country than in 2014, according to [a report](#) out this morning from The Solar Foundation. That comes as GTM Research [finds](#) Brazil, Egypt, Mexico, the Netherlands and Spain will cross the 1-gigawatt mark in annual PV installations by the end of this year with five more countries expected to top that threshold by the end of 2018. And the Solar Energy Industries Association released [a guide](#) for valuing installed residential solar energy systems.

**TAKE A GLANCE!** Public Citizen released [a report](#) Tuesday finding the Trump administration withdrew 457 rulemakings in its first semi-annual report on regulations, known formally in Washington-speak as the Unified Agenda. That's more than any administration ever. "Administration officials have taken a victory lap to celebrate their efforts to halt regulations but have largely avoided discussing the details of the rulemakings they have stopped," Michael Tanglis, a senior researcher with the group, said.

**NEW TOOL:** Resources for the Future released a new calculator Tuesday meant to estimate the impacts of a carbon tax on various fossil fuel prices. Check it out [here](#).

## QUICK HITS

— We Energies' coal-fired power plant in Pleasant Prairie to be shut down in 2018. [Journal Sentinel](#).

— Ohio State researcher defies EPA advisory board policy, refuses to resign. [The Lantern](#).

— TransCanada ordered to run Keystone pipeline at reduced pressure. [Reuters](#).

— Reject oil-by-train terminal for Vancouver, Wash., state panel urges Gov. Inslee. [Seattle Times](#).

— "Campaign to elect a pipeline:" Va.'s most powerful company ran multi-front fight. [Washington Post](#).

— OPEC won't deliver the 9-month extension to output cuts the market is expecting, Citi warns. [CNBC](#).

— Shell, to Cut Carbon Output, Will Be Less of an Oil Company. [New York Times](#).

## HAPPENING TODAY

10:00 a.m. — "[Modernizing NEPA for the 21st Century](#)," House Natural Resources Committee, Longworth 1324

10:00 a.m. — Senate Environment and Public Works Committee holds [business meeting](#) on Hartnett White and Wheeler nominations, Dirksen 406

10:00 a.m. — "[Supplemental Oversight: U.S. Forest Service](#)," House Appropriations Subcommittee on Interior, Environment and Related Agencies, Rayburn 2007

10:00 a.m. — "[Regulatory Reform Task Forces Check-In: Part III](#)," House Oversight and Government Reform Subcommittees on Environment and Intergovernmental Affairs, Rayburn 2154

10:00 a.m. — The American Petroleum Institute holds a lunch event to showcase a new study on "STEM education and the energy workforce of the future," George Washington University - Elliott School of International Affairs, City View Room, 1957 E Street NW

10:15 a.m. — "[Powering America: Examining the Role of Financial Trading in the Electricity Markets](#)," House Energy and Commerce Energy Subcommittee, Rayburn 2322

10:15 a.m. — "[The Future of WOTUS \(Waters of the United States\): Examining the Role of States](#)," House Science, Space and Technology Subcommittee on Energy, Rayburn 2318

11:00 a.m. — "[Supplemental Oversight - US Army Corps of Engineers](#)," House Appropriations Energy and Water Subcommittee, Rayburn 2362-B

2:15 p.m. — National Academies hold [open meeting](#) to review draft Fourth National Climate Assessment, National Academy of Sciences Building, 2100 C St. NW

## **THAT'S ALL FOR ME!**

*To view online:*

<https://www.politicopro.com/newsletters/morning-energy/2017/11/anwr-skating-under-the-radar-in-broader-tax-fight-035165>

## **Stories from POLITICO Pro**

### **Democrats worry ANWR being lost amid tax debate [Back](#)**

By Ben Lefebvre | 11/28/2017 03:44 PM EDT

Democrats' fight to keep oil and gas rigs out of the Arctic National Wildlife Refuge is losing ground as the Republican tax plan advances — and it's almost as if no one has noticed.

The prospect of drilling in the untouched Alaskan tundra is as close to reality as it's been in more than a decade, with none of the political drama that in past decades turned the refuge's fate into a top-tier rallying cry for liberals. Legislation to allow drilling in ANWR is quietly hitching a ride on the tax code overhaul that Senate Republicans [hope to complete](#) by the end of the week, overshadowed by larger debates on whether the bill is a giveaway to rich people and corporations at the expense of the poor and working class.

"It's really not gotten the attention that it should," [Tammy Duckworth](#) (D-Ill.), a member of the Energy and Natural Resources Committee, told POLITICO about the ANWR provision. "It's not just the budget discussion. It's about everything else that's going on, the flurry of all sorts of other news."

[Angus King](#) (I-Maine) said Republicans were trying to shield ANWR from opposition by adding it to the larger bill rather than bringing it to the floor on its own under rules, which

would require it to win support from 60 senators to overcome a filibuster.

"Well, clearly the strategy is to try to get it through as part of this tax reform effort and thereby avoid a direct up-or-down vote," King said in an interview earlier this month.

The nonstop news cycle and preponderance of other concerns with the tax bill are making it difficult to focus on an issue that normally fires up Democratic voters.

"I do think that putting ANWR in the budget reconciliation package hasn't drawn as much extremist opposition because it is completely overshadowed by tax reform, which is the center of the package," said Chris Guith, senior vice president of the U.S. Chamber of Commerce's Global Energy Institute. "But there are some who aren't exactly supportive of tax reform that support ANWR, and it's possible to see ANWR bring a vote or two to help pass tax reform."

Senate Energy Chairman [Lisa Murkowski](#) (R-Alaska) easily advanced [legislation](#) through her committee directing the Interior Department to hold two lease sales for drilling in ANWR over the next decade. It would raise \$1 billion over that period, according to the Congressional Budget Office, making it eligible for inclusion in a budget reconciliation package that Democrats cannot filibuster.

The reconciliation package also will include Republicans' tax plan and a repeal of the Obamacare individual mandate. While Murkowski helped scuttle the Obamacare repeal push earlier this year, she says she [supports](#) ending the mandate. Murkowski's office did not respond to a request for comment.

ANWR, a swath of tundra on the northern Alaska coast, is home to polar bears, porcupine caribou and a landscape that hasn't been touched in thousands of years. Congress designated the 19-million-acre area a wildlife refuge in 1980, but it set aside a 1.5-million-acre parcel known as "10-02" for possible future drilling if future lawmakers approved such a plan. The U.S. Geological Survey [estimated in 1998](#) that part of ANWR could hold up to 12 billion barrels of oil, and President Donald Trump and Alaska Republicans have called it essential for their plans for American "energy dominance."

Sen. [Susan Collins](#) (R-Maine), who is undecided on the tax bill for a several reasons, said she will support an amendment on the Senate floor to eliminate the ANWR language, but she said success there is not a prerequisite for her to vote for the underlying bill. "No it is not, but I would certainly try to get it out of the package," Collins told reporters Tuesday. Collins was the only Republican to cross the aisle on an unsuccessful [amendment](#) to keep pro-drilling language out of the underlying budget resolution, meaning it is unlikely that she would be able to strip the ANWR provision from a reconciliation bill.

But Democrats say that passing a deficit-increasing tax bill in order to open ANWR would actually harm energy-producing states. That's because the \$1.5 trillion shortfall from the GOP tax cuts would trigger required "pay-as-you-go" cuts to mandatory spending programs, according to a CBO [analysis](#) sent to House Minority Whip [Steny Hoyer](#) (D-Md.).

One of the programs on the PAYGO chopping block would be the energy royalty revenue sharing program carried out through the Mineral Leasing Act. Cutting those payments would lose Alaska [an estimated \\$15 million](#) in energy royalty payments next year alone, an amount important to a state already facing budget shortfalls.

"Communities throughout the West would be impacted by the loss of revenue, which is used to support a variety of needs including infrastructure, school funding, conservation, and recreation," Hoyer said in a statement to POLITICO. "This is yet another example of the consequences associated with forcing through legislation to add \$1.5 trillion to the deficit in order to give tax cuts to the wealthy."

PAYGO cuts also would hit popular programs like Medicare and student loans, but Congress can waive the law with 60 votes in the Senate. Democrats [are not yet on board](#) with that approach.

The current push to open ANWR, coming amid a swarm of competing headlines and buried in larger legislation, has come nearer to succeeding than in the GOP's two previous attempts. President Bill Clinton vetoed a budget package in 1995 that included language opening ANWR, while a Democratic filibuster thwarted a second attempt in 2005.

What public engagement environmental groups have made has targeted only a handful of congressional districts. The League of Conservation Voters also spent \$550,000 on television ads in three Republican congressional districts. The LCV also paid for a bipartisan polling firm to probe public opinion on opening ANWR, but even that focused only on registered voters in eight congressional districts.

"The reason they're trying to sneak it into the tax package is they know they don't have the votes otherwise," said Tiernan Sittenfeld, the league's senior vice president of government affairs. "They know they can't pass it under regular order, that's why they're doing a sneak attack."

Even ANWR supporters are staying out of the spotlight.

"I haven't seen any full out, front-page ads, nothing like that," Alaska Oil and Gas Association President Kara Moriarty said. "We're a little battle weary, to be honest. Alaskans support opening up ANWR. There's been a few statements reiterating that."

*Nick Juliano contributed to this report.*

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**Senate GOP gets breathing room as tax plan advances** [Back](#)

By Seung Min Kim, Bernie Becker and Colin Wilhelm | 11/28/2017 12:33 PM EDT

Senate Republicans got some sorely needed momentum behind their tax overhaul Tuesday as key GOP swing votes inched closer to backing the legislation — after Senate leaders launched a frenzied round of negotiations to convince the holdouts.

The Senate Budget Committee voted to advance the GOP tax reform bill on Tuesday on a party-line vote, with both Sens. Bob Corker (R-Tenn.) and Ron Johnson (R-Wis.) backing the measure a day after threatening to withhold their support. That critical vote came after President Donald Trump came to Capitol Hill to rally the troops in the tax battle.

Johnson voted for the tax bill after a back-and-forth with Trump during the lunch, according to multiple sources, over the Wisconsin Republican's main concern: that the current proposal gives more benefits to corporations than to businesses that pay taxes through the individual system.

At one point, Johnson — who has persistently pressed his case for so-called pass-throughs to other senators — said jokingly that no one grandstands better than him, according to one senator who attended the lunch.

Corker, one of the fiscal hawks concerned about the deficit impact of tax cuts, said he was satisfied with details for a "trigger" to reverse tax cuts if economic growth fell short of projections in years to come. He expects details to be released Thursday.

"I've got details but I want to get it all sort of put to bed," before disclosing them, he told reporters. "It's an agreement in principle, a very strong agreement, with [Senate Majority Leader Mitch] McConnell, with [the] Finance Committee, and of course the White House has been in the midst of all this too."

The agreement was primarily brokered between Corker and Sen. Pat Toomey (R-Pa.), a member of the tax-writing Finance Committee, according to one GOP source. The two key lawmakers struck an agreement in September on the overall price tag of \$1.5 trillion for the Senate plan.

Corker has also been working on the trigger idea with Republican Sens. Jeff Flake of Arizona and James Lankford of Oklahoma.

Corker said he believes there is a viable workaround if a trigger violates budget rules of the Senate that Republicans plan to use to pass their tax bill along party lines.

The Budget Committee vote became even more dramatic after Capitol Police were forced to escort multiple protesters out of the room. Chants of "kill the bill, don't kill us" repeatedly disrupted the panel's proceeding.

Despite Tuesday's developments, Senate Republicans have a way to go before locking down at least 50 votes in favor of the tax bill. The GOP has not formally unveiled changes that would appease the likes of Corker, Flake and Lankford, as well as Johnson.

Several other Republican senators remain wild cards as the chamber races to a vote by the end of the week.

Earlier in the day, Senate Majority Leader Mitch McConnell, members of his leadership team, and key Senate Finance Committee Republicans met with Sen. Steve Daines (R-Mont.) — who, like Johnson, has concerns about the bill's treatment of so-called pass-through businesses.

"It's a challenging exercise," McConnell said Tuesday. "Think of sitting there with a Rubik's Cube trying to get to 50."

Another critical Republican swing vote — Sen. Susan Collins of Maine — is seeking several provisions before she is willing to endorse the tax bill, including passage of separate legislation to stabilize the health insurance markets.

The tax bill includes a repeal of the Obamacare individual mandate that everyone carry health insurance, and Collins told reporters Tuesday afternoon that Trump committed to backing a stabilization measure from Sens. Lamar Alexander (R-Tenn.) and Patty Murray (D-Wash.), as well as a bill from her and Sen. Bill Nelson (D-Fla.) to protect pre-existing conditions and use high-risk pools.

The commitments from the president came in a separate meeting with Collins, Alexander and Sen. Lindsey Graham (R-S.C.), Collins said.

"I think they're eager to help me get to 'yes,'" she said.

The moderate senator also said in an interview earlier Tuesday that she wants the top individual tax rate to remain at the current 39.6 percent, restore the state and local tax deduction on property taxes to aid those in high-tax states, and make the child care tax credit refundable "so it would help lower-income working families."

She also wants to kill a proposal in the plan that would eliminate the ability of employees of the government as well as nonprofits, churches and others to make catch-up contributions to their 401(k) retirement plans, saying "this makes no sense whatsoever — we should be encouraging people to save for their retirement, and there seems to be a receptivity to fixing that provision."

Meanwhile, Corker and other fiscal hawks have become increasingly vocal about their concerns that the bill might fall short of paying for itself, as its chief backers claim.

"If we could take the entire individual side of this, throw it in the trash can and take it directly to the incinerator, I would be thrilled," Corker said on CNBC. "But I'm willing to swallow the individual side, which to me is not what it needs to be, to get the business side as long as we're not increasing deficits."

And the addition of the health care battle has further complicated matters. Top Democratic senators have said that every member of their 48-person caucus supports the stabilization measure, but that calculus is sure to change if Republicans are using the Alexander-Murray deal to try and mitigate the impact of repealing the individual mandate.

"You can't sabotage the entire system and then say you're going to do a small little fix on top of that sabotage," Senate Minority Leader Chuck Schumer said Tuesday.

Senate Democrats from states Trump won handily signaled they felt little political pressure to support the current effort, though they walked a fine line between arguing the Senate's tax reform bill could be improved on a bipartisan basis and shutting the door on supporting it.

"If you've heard the rhetoric that Democrats don't want tax reform, that's false," said Sen. Joe Manchin (D-W.Va.). "We want tax reform. The country needs meaningful tax reform."

Sen. Heidi Heitkamp (D-N.D.), who accompanied Trump to a tax reform event in her home state earlier this year, knocked the bill as "a moving target" that still contains a number of provisions that concern her, particularly tax cuts that it would benefit wealthy individuals more than they would benefit middle-class taxpayers.

"Every member of Congress is going to be a winner" under the current Republican tax bill, she

said. "But I've got constituents who aren't going to be winners who make a lot less than I do."

When asked whether moderate Democrats might support the Republican tax reform effort at the end of the day, Manchin said Democrats "haven't seen the final version" and noted that several Republicans remain on the fence.

"We think they're still trying to find ways to get 51 votes," he said. "We're saying, why work on getting 51 votes, why don't you work on getting 60 votes?"

The Senate budget panel was required to green-light the tax bill because Republicans are using a budget maneuver that would allow them to pass the bill with only 51 votes. Under those procedural rules, the committee could not substantially change the legislation before it heads to the floor for a full vote.

"Our work today is of a ministerial nature," Budget Committee Chairman Mike Enzi (R-Wyo.) said during the markup.

*Brian Faler and Sarah Ferris contributed to this report.*

To view online [click here](#).

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## **CEQ nominee White flips on biofuel support [Back](#)**

By Eric Wolff and Alex Guillén | 11/08/2017 11:37 AM EDT

Kathleen Hartnett White reversed her position on biofuels at her confirmation hearing today, telling senators she now backed the federal program she once criticized as "ethically dubious."

Hartnett White, who has been nominated to lead the Council on Environmental Quality, was pressed by Sens. [Mike Rounds](#) (R-S.D.), [Joni Ernst](#) (R-Iowa) and [Deb Fischer](#) (R-Neb.) on her past comments calling for the elimination of the Renewable Fuel Standard. President Donald Trump has been a strong backer of ethanol producers and the RFS.

"I solidly support his support," she told Rounds.

Hartnett White said her past views were based on flawed data.

"In the early years of the program, I made some particularly critical questions about whether ethanol would challenge the global food supply," she said.

But, she said, Ernst had shared newer data with her. "What a great victory, and I congratulate the corn industry" on increasing production, she said.

CEQ has no direct regulatory role over the RFS, but it provides advice to the president on environmental matters like the biofuels program.

"As a child of rural American, I have painfully observed over my lifetime the decline of vibrant small towns. ... An industry like ethanol has really contributed to giving new life to

rural communities and keeping families together," she said.

**WHAT'S NEXT:** The Senate Environment and Public Works Committee will schedule a vote on Hartnett White's nomination.

To view online [click here](#).

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**Glick to be sworn in at FERC Wednesday** [Back](#)

By Darius Dixon | 11/28/2017 12:11 PM EDT

Democrat Rich Glick is slated to be sworn in as a FERC commissioner on Wednesday, FERC spokeswoman Mary O'Driscoll said today.

There were no updates on when Kevin McIntyre, President Donald Trump's pick to be FERC chairman, would do the same.

Both McIntyre and Glick were confirmed by the Senate early this month, and though their paperwork cleared the White House shortly before Thanksgiving, neither have officially joined the agency. That delay had fueled speculation among FERC watchers that there was a dispute over staffing decisions or Energy Secretary Rick Perry's controversial grid proposal.

Current FERC Chairman Neil Chatterjee sought to tamp down the rumors today.

"There is no conspiracy here. There is no intentional delay or dragging things out to some nefarious end," he told reporters after a Consumer Energy Alliance event. "It's simply a matter of timing, prioritization, getting documents signed and once the documents were signed ... people have to unwind their own professional obligations in their current jobs."

Chatterjee also said it was unfair to compare the slow pace in bringing McIntyre and Glick aboard to the quicker process that put him and Commissioner Rob Powelson on the commission in August, when the agency had gone months without a quorum.

"There was considerable pressure to get the paperwork signed and moved as quickly as possible," he said. "The circumstances here are different because we have a functioning quorum."

To view online [click here](#).

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**BLM clears the way for Cadiz California water pipeline** [Back](#)

By Esther Whieldon | 10/16/2017 06:06 PM EDT

The Bureau of Land Management has ruled the proposed Cadiz Inc. water pipeline in

California's Mojave Desert can move forward without agency approval, effectively clearing the biggest remaining federal hurdle for the project.

In a Friday [letter](#), which Cadiz released today, BLM acting Director Mike Nedd reversed a 2015 finding by the Obama administration that the project could not use an existing railroad right of way and would need to apply for its own.

The proposed pipeline would pump groundwater from a desert aquifer across 43 miles of land, much of it federally owned, and the project's opponents have argued it would draw more water than the aquifer can recharge naturally.

The Interior Department in September also reversed a legal interpretation made under the Obama administration and found railroads have broad discretion to lease their rights of way. The Center for Biological Diversity has filed a public records request with Interior to figure out why the agency revoked that legal interpretation.

David Bernhardt, Interior's second-in-command, did legal work for Cadiz before joining the agency. An Interior spokeswoman in an emailed statement said "the Deputy Secretary has absolutely no role in anything related to Cadiz."

**WHAT'S NEXT:** Cadiz in a [statement](#) said it will begin working on final engineering designs, contracts and obtaining a conveyance agreement with the Metropolitan Water District of Southern California. A Cadiz spokeswoman in an email said the storage component of the project will still require federal permits.

To view online [click here](#).

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## **Grijalva blasts report on hostile workplace allegations** [Back](#)

By Elana Schor | 11/28/2017 02:43 PM EDT

Rep. Raul Grijalva (D-Ariz.) on Tuesday demanded an apology from the Washington Times for a report that he paid more than \$48,000 from his office's budget to settle a former aide's hostile workplace environment claim related to alleged alcohol use.

Grijalva pushed back after the newspaper reported that he had offered a former aide five months' severance pay to settle her claim, which was never taken to Capitol Hill's workplace misconduct adjudicators at the Office of Compliance.

The Arizonan is the second House Democrat in one week to become embroiled in a growing scandal over Congress' secret system for settling workplace misconduct complaints, with a third woman coming forward Tuesday to [allege](#) sexual harassment by Rep. John Conyers (D-Mich.).

Grijalva's alleged behavior was not sexual in nature — although he claimed Tuesday that the Times initially contacted him about a sexual misconduct case.

"Last week, the Washington Times contacted me seeking comment on what it described as a

sexual harassment claim that, in fact, had never been made," Grijalva said in a statement. He accused the newspaper of eventually publishing "a misleading article trying to link me to sexual harassment complaints made against other people."

Grijalva acknowledged the basic facts of the report that he and the former aide "mutually agreed on terms for a severance package, including an agreement that neither of us would talk about it publicly," with the assistance of the House's chief employment counsel. That office is tasked with representing the interests of lawmakers during such negotiations with employees.

"The terms were consistent with House Ethics Committee guidance," Grijalva added. "The severance funds came out of my committee operating budget. Every step of the process was handled ethically and appropriately."

The Times "owes me an apology," Grijalva added.

The \$27,000 settlement Conyers reached in 2015 with a former aide accusing him of sexual harassment was paid through his personal office's budget, meaning that the compliance office did not tally the payment in its annual reporting of workplace misconduct settlements on the Hill.

It is unclear, beyond the House employment counsel's office, which entity on the Hill maintains a comprehensive record of workplace misconduct settlements that lawmakers pay using their taxpayer-funded personal budgets.

*To view online [click here](#).*

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**Chinese investors sue McAuliffe, Rodham over green-car investments [Back](#)**

By Josh Gerstein | 11/28/2017 01:22 PM EDT

Virginia Governor Terry McAuliffe and former Democratic presidential candidate Hillary Clinton's brother Anthony Rodham are facing a \$17 million fraud lawsuit from Chinese investors in Greentech Automotive, an electric car company that appears to be struggling to survive.

A group of 32 Chinese citizens filed the suit last week in Fairfax County, Virginia court, claiming that they were swindled out of about \$560,000 apiece as a result of misrepresentations made by McAuliffe and Rodham—two of the most prominent and politically connected proponents of the venture aimed at manufacturing electric cars in the U.S.

The suit is yet another headache for McAuliffe as he mulls a potential presidential bid in 2020, buoyed in part by Democrats' strong showing in the state in the election earlier this month. McAuliffe confirmed last year that his business dealings with foreign nationals were under investigation by the FBI and federal prosecutors. It's unclear whether that probe involved Greentech or whether the inquiry is still ongoing.

The Chinese investors plowed their money into Greentech with the promise of winning

permanent residency in the U.S. under a program that awards green cards to foreign-funded ventures that generate U.S. jobs. However, the suit contends that the investors now face the threat of deportation from the U.S. because the Department of Homeland Security has determined that Greentech did not generate the number of jobs required to sustain the number of visas issued through the so-called EB-5 program.

"Plaintiffs now face the prospect of having to uproot their families once again, with the expense and stress of deportation to China looming before them," [the suit](#) says, accusing McAuliffe, Rodham, Greentech founder Charles Xiaolin Wang and others of running a "scam."

McAuliffe and Rodham did [several tours through China to seek investments](#) in the electric car startup, the suit says. As brother-in-law of President Bill Clinton and as brother of the then-secretary of state—Rodham appeared to serve as a means of attracting Chinese interest in the project. The suit contends that Rodham's involvement conveyed that the electric-car firm was politically-connected and likely to prosper.

"Defendants milked these connections in marketing materials," the suit says. "Defendants exploited those relationships to assure investors of both the success of the company and their ability to obtain U.S. Citizenship and Immigration Services ("USCIS") approval of the visa applications."

A spokeswoman for McAuliffe, Crystal Carson, disputed the claims and noted that the governor gave up his role in the firm years ago.

"We strongly reject this baseless suit which has no merit whatsoever. The claims, which regurgitate old political attacks regarding a company that Governor McAuliffe left five years ago, were brought by a lawyer with conservative ties," Carson said. "We are confident it will be dismissed."

One of the attorneys who drafted the suit, Scott Abeles of Los Angeles-based Gerard Fox law, disputed any political motivation.

"I represented the Chamber of Commerce once or twice...I'm not a conservative dude," he said in an interview Tuesday.

As McAuliffe prepared to run for Virginia governor, Greentech was a bright spot on his resume, combining entrepreneurial spirit with environmentalism and an effort to bring jobs to an impoverished area of Mississippi. A 2012 ribbon-cutting for the Mississippi factory drew former President Bill Clinton and Mississippi Governor Haley Barbour generated [glowing press coverage](#).

However, the firm soon ran into trouble finding its footing. Production was repeatedly delayed. Hiring for the assembly line fell well short of the 350 jobs promised.

McAuliffe was once the largest individual investor in the company but stepped down as chairman in 2012 and sold his shares as he prepared to be sworn in as governor in 2014.

Once McAuliffe took office, bad publicity for the firm kept coming. It emerged that the Securities and Exchange Commission had an investigation into the company, although no charges were ever brought.

A [Department of Homeland Security inspector general report](#) issued in 2015 said USCIS Director Alejandro Mayorkas created "an appearance of favoritism and special access" by responding to entreaties from McAuliffe and Rodham to speed up action on applications related to the project. The report did not accuse McAuliffe or Rodham of wrongdoing.

The Mississippi factory apparently closed in January. In July, the state's auditor said Greentech's employment in the state peaked at 143 and the firm now owes the state \$6.4 million for failing to live up to promises it made to get a \$5 million financing package from the government there.

Earlier this month Attorney General Jim Hood (D-Miss.) filed [a lawsuit](#) against the firm seeking about \$3 million in damages, plus forfeiture of land used for the factory in Tunica.

Abeles said the Chinese involved in his suit approached his firm as a group, although the group grew somewhat before the case was filed.

"We had done one or two of these EB-5 cases out there in California," he said. "This group came to us."

A key challenge for the investors' suit will be proving that McAuliffe, Rodham or Wang should be individually liable for any losses. Typically, use of a corporation to solicit investments makes it difficult to recover against the people involved, but Abeles said the companies are little more than paper structures.

"As we see it, these people invested in Terry McAuliffe. They invested in Anthony Rodham. They invested in Charlie Wang," Abeles said. "More than the typical case, the individuals drove the bus here."

Greentech did not respond to messages seeking comment for this story. Wang and Rodham could not be reached for comment.

To view online [click here](#).

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**Date:** Wednesday, November 01, 2017 5:43:45 AM

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By Anthony Adragna | 11/01/2017 05:41 AM EDT

*With help from Eric Wolff and Emily Holden*

**'PURGE' OF EPA SCIENCE BOARDS FEARED:** EPA Administrator Scott Pruitt framed his move to bar researchers who get agency grants from serving on its advisory boards as ensuring true scientific independence, but science advocates and Democrats slammed it as a "purge" of qualified scientific advice that will profoundly alter the information Pruitt uses for evaluating public health risks and writing regulations, Pro's Emily Holden [reports](#).

**Reactions from critics:** "He is single-handedly doing the most violence to science itself of any member of any administration in recent history," Sen. [Brian Schatz](#) told ME. And Robert Johnston, an economics professor at Clark University who has been on the Science Advisory Board for five years, said: "I've put a lot of work into trying to do my best to help the EPA use the best science possible to make good decisions on behalf of the public," Johnston said. "I think it's really unfortunate that that role is now being politicized in a way that it never has before under any administration."

**Who's affected?** At least five of the 47 current Science Advisory Board members appear to receive funding under EPA grants, and Pruitt may ultimately be able to replace more than half the members of SAB, Emily reports. At risk of losing their spots are scientists from Harvard University, Stanford University, Carnegie Mellon University and the University of California at Berkeley, who study cancer, immunology and respiratory diseases, as well as the effects of exposure to chemicals. Pruitt said SAB members "will have to choose: either the grant or service, but not both."

**What will they do?** Johnston said he got a call from EPA yesterday notifying him of the change. He will cede his advisory role, rather than give up the grant project with his students that is considering what value people place on various water quality improvements. Francine Laden, a board member who has funding to study how exposure to pollution impacts low-income communities, said she also would likely opt to keep her grant, adding she has "serious concerns about the motivations and implications of this decision."

**Coming aboard:** Michael Honeycutt, of the Texas Commission on Environmental Quality, will chair the Science Advisory Board. Tony Cox, a statistician from Cox Associates, will head the air advisory board. Both have argued against the benefits of reducing smog. Paul Gilman, chief sustainability officer at Covanta and a former EPA official under President George W. Bush, will serve as chairman of the panel that advises the Office of Research and Development. Several potential incoming members to various boards, which Pruitt said he'd announce in the coming weeks, are from state environment agencies and have been critical of Obama-era regulations. Stan Young, a scientist who formerly worked for major pharmaceutical companies and is affiliated with the Heartland Institute, and Richard Smith, a longtime consultant for the American Petroleum Institute who has opposed stricter ozone standards, are also expected to be named.

**WELCOME TO NOVEMBER EVERYBODY!** I'm your host Anthony Adragna, and the American Chemistry Council's Jonathan Corley correctly picked turnips as the original jack-o'-lantern material (creepy pic [here](#)). For today: How many redheads currently serve in Congress? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**TODAY! FLASH BRIEFING on Facebook, Google Hearings:** POLITICO and The Information are partnering to offer an insider flash briefing for real-time analysis, key takeaways, and the impact that Congressional testimony about Russian involvement in the 2016 Election by representatives of Facebook, Google, and Twitter will have. Jessica Lessin will moderate a discussion and Q&A featuring POLITICO's Nancy Scola and The Information's Cory Weinberg on the hearings and their impact on legislation, the latest intel about possible connections to the Trump and Clinton campaigns, and insight into how these tech giants are responding to Russian propaganda arms like RT. Sign up for today's Flash Briefing [here](#) (\$1 trial offer for The Information), and sign up for POLITICO's Morning Tech for all latest tech news in your inbox each morning [here](#).

**GOP EYES RULE CHANGE TO SPEED CONFIRMATIONS:** Frustrated with the slow pace of confirmations, Senate EPW Chairman [John Barrasso](#) said Tuesday he wants to lower the amount of time that can be used post-cloture to speed confirmations of various nominees. "I believe it is time to change the rules of the Senate ... so that President Trump can get his team in place," he said.

**Majority Leader [Mitch McConnell](#) appeared to back** the proposed change, POLITICO's Elana Schor [reports](#). Another member of Senate Republican leadership, [Roy Blunt](#), added: "Protections of the minority in the Senate rules is only there until the minority takes advantage of those protections." ME would note Republicans routinely dragged out the process on Obama-era nominations, and some of the current delays stem from internal Republican disputes.

**Speaking of which,** Energy Chairman [Lisa Murkowski](#) said there had been no progress in freeing a host of DOE, FERC and Interior nominations from being held up due to a hold [Jim Inhofe](#) placed on Democratic FERC nominee Richard Glick over inaction on multiple EPA and NRC picks. "Inhofe is making good progress in working with leadership to prioritize floor consideration of EPA nominees," a spokeswoman told ME. "He is optimistic that they will come to an agreement soon and he can lift his hold on Richard Glick."

**HELP WANTED:** Puerto Rico's utility asked two trade groups — American Public Power Association and the Edison Electric Institute — in [a letter](#) Tuesday to send mainland crews to help get the lights back on the island and both agreed. "While this will not be a typical restoration process, we are fully committed to overcoming those challenges and to bringing our experience and resources to Puerto Rico," the groups said in a [letter](#) in response.

**FEMA: Nothing spent on Whitefish deal:** FEMA Administrator Brock Long told a Senate committee "not one dollar" of the agency's funds were spent on the now-cancelled \$300 million contract awarded to Montana-based Whitefish Energy for grid restoration work on the island. "There's no lawyer inside FEMA that would've ever agreed to the language that was in that contract to begin with," Long said.

**On the Hill today,** House Democrats hold a press conference with San Juan Mayor Carmen Yulín Cruz at 10:30 a.m. in HVC-210 Alcove in the Capitol Visitor Center after the Homeland

Security Committee axed a planned hearing with her. "What are they afraid of?" she asked in [a video](#) posted to Twitter.

**Murkowski planning trip to island:** Murkowski says she's planning to visit the devastated island, where just 33 percent of people have electricity, "shortly" and said her priority remains getting the lights on as quickly as possible following the Whitefish contract's cancellation. "My real interest is going to be to ensure that we don't have a delayed or protracted delay in getting to the work," she told reporters. "Really, we got to get moving here."

**DOE OUTLINES OBAMA-ERA NON-COMMERICAL TRAVEL:** Obama-era Energy officials used government aircraft on three occasions and a non-commercial plane once during 2016, according to [records](#) submitted to the House Oversight Committee on Tuesday. Then-Energy Secretary Ernest Moniz flew on a government plane while traveling on official business to Mexico City in January 2017 and took a Bonneville Power Administration plane during a trip in Washington in August 2016. Then-Deputy Secretary Elizabeth Sherwood-Randall also used a Bonneville aircraft to tour the Grand Coulee Dam in February and a Southern Co. plane to visit the Vogtle and Kemper plants in March 2016.

**TAX ROLLOUT KICKED:** House Ways and Means members postponed the rollout of their much-anticipated tax bill until Thursday as many of the critical details remain undecided, POLITICO's Rachael Bade, Bernie Becker, Brian Falter and Aaron Lorenzo [report](#). Critically, lawmakers have yet to iron out how to pay for their proposed \$5.5 trillion in tax cuts, since any major revenue-generator is certain to antagonize some powerful lobby or group of lawmakers who could defeat it.

**MAJOR ENERGY DISCUSSION DRAFT RELEASED:** After months of gathering input, House Natural Resources Chairman [Rob Bishop](#) released a [discussion draft](#) of legislation overhaul onshore and offshore energy development regulations. "This comprehensive overhaul of upstream energy policy creates the regulatory certainty that is needed to spur economic investment on federal lands," he said in a statement. A Natural Resources subcommittee holds a legislative hearing Nov. 7 on the draft.

**Forest bill gets a vote:** House lawmakers today take up the Resilient Federal Forests Act [H.R. 2936 \(115\)](#), which overhauls forest management activities on public lands. Critics say it eviscerates bedrock environmental laws.

**MURKOWSKI: FULL CONFIDENCE IN ZINKE:** Concerns over his non-commercial travel, the controversial \$300 million Whitefish Energy contract and various campaign activities haven't shaken Murkowski's faith in Interior Secretary Ryan Zinke. "What I can tell you is [that on] the issues that we have been working with him on, he is dogged, he is focused," she told reporters. "We're good."

**Attractions yet to come:** Murkowski has no plans to bring Zinke or Energy Secretary Rick Perry before the committee this month, but hopes to schedule a hearing with Perry after the comment period on his grid resiliency push closes at FERC. "That would be an interesting hearing," she said. "There's been a lot of focus on that and a lot of interest in it."

**UH OH:** Current emissions reduction pledges [fall far short](#) of meeting the Paris climate agreement's goals and make a temperature increase of at least 3 degrees Celsius by 2100 "very likely," the United Nations Environment program warned Tuesday. POLITICO Europe's Kalina Oroschakoff [has more](#).

**But some good news for Paris supporters:** Alaska Gov. Bill Walker announced Tuesday his state intends to hit the goals of the Paris climate accord and announced a new committee to address climate change impacts, Pro's Eric Wolff [reports](#). Walker, an independent, called climate change a "nonpartisan issue."

**CONFIRMATION HEARING WATCH — GARRETT GETS HIS DAY:** Ahead of his hearing today on his nomination to run the Export-Import Bank, former Rep. Scott Garrett switched positions and said in [prepared testimony](#) that, if confirmed, "the Export-Import bank will continue to fully operate, point blank." But look for committee members to aggressively press him on that: "Simply saying he now supports the bank this way doesn't mean his personal attitude about the bank has actually changed," Sen. [Heidi Heitkamp](#) told reporters. The Senate Banking Committee kicks [the session](#) off at 10 a.m.

**NASA pick up as well:** Oklahoma Rep. [Jim Bridenstine](#) gets a Senate Commerce confirmation hearing today on his controversial NASA chief nomination at 10 a.m. Look for questions about his views on climate change to pop up among panel Democrats. Watch [here](#).

**Clovis still moving forward:** Senate Agriculture Chairman [Pat Roberts](#) said he still intends to move ahead with Sam Clovis' controversial selection to be USDA's chief scientist and described him as "a fully cooperative witness" in the Senate's investigation into Russian interference in the 2016 election, Pro Agriculture's Catherine Boudreau and Josh Dawsey [report](#). That comes as NBC News [reports](#) Clovis met with special counsel Robert Mueller's team and testified before the investigating grand jury last week.

**WATCH THE FLOOR:** Climate Solutions Caucus members, led by Rep. [Dan Lipinski](#), plan to hit the House floor late this afternoon during so-called special orders to discuss their priorities for climate action in the coming year. Republicans and Democrats are both expected to participate.

**MAIL CALL! CONCERNS OVER RUSSIAN MEDDLING IN ENERGY MARKET:** House Science Chairman [Lamar Smith](#) sent letters to [Facebook](#), [Twitter](#) and [Alphabet](#) seeking information on "Russian entities purchasing anti-fracking or anti-fossil fuel advertisements or promotions" on their platforms.

**New England lawmakers bash EPA scientist censorship:** Four New England senators and seven congressmen sent Pruitt [a letter](#) Tuesday seeking information about the decision to cancel the presentations of three scientists at a workshop on the health of Narragansett Bay. "You would not have taken kindly to Washington bureaucrats telling scientists in Oklahoma they couldn't speak with Oklahoma organizations to come up with 'neighborhood solutions' to better protect public health and a critical economic asset," they wrote. "Neither do we."

**Time for an update:** Seventeen House lawmakers, led by [Tim Walberg](#), sent FERC Chairman Neil Chatterjee [a letter](#) asking for a list of changes and reforms to the Public Utility Regulatory Policies Act the commission it believes it can make under existing authority. Among the changes they seek is undertaking "needed modernization to the Commission's PURPA one-mile rule regulations while taking into consideration non-geographic factors as well."

**Truckers want biodiesel blenders credit, not producers:** A group of trucking organizations want Congress to revive the biodiesel blenders tax credit and phase it down slowly. And they don't want it turned into a producers credit, as some Midwestern senators like [Chuck Grassley](#). "Shifting to a producer credit on the other hand would limit supply and raise the price of both

diesel fuel and heating oil," NATSO and the other organizations wrote in a [letter](#) to House Ways and Means and Senate Finance leadership. "It would also subject the United States to potential trade policy disputes."

**TAKE A GLANCE:** Oceana is out with [new maps](#) highlighting what it says are Defense Department concerns that 94 percent of the waters off Virginia's coast and an estimated 78 percent of the waters off Georgia's coast are incompatible with offshore drilling due to military operations.

**MUCH UNUSED ALASKAN ACREAGE:** The Wilderness Society is out with a memo today ahead of a Thursday hearing in the Senate Energy and Natural Resources on drilling in ANWR that more than 22 million Arctic Alaskan acres currently available for lease are untouched. Read it [here](#).

**MOVER, SHAKER:** Paul Wight has joined Bracewell LLP as a partner in its energy regulatory group. He comes from Skadden, Arps, Slate, Meagher & Flom LLP.

### QUICK HITS

— Boulder asks EPA to meet with residents about Clean Power Plan repeal. [Daily Camera](#).

— Gov. Dannel P. Malloy Signs Millstone Bill, But Points to Power Plant's Profitability. [Hartford Courant](#).

— Gov. Greg Abbott makes pitch in Washington for \$60 billion in Texas Harvey aid. [Dallas Morning News](#).

— Top Trump environmental pick said goal of UN 'climate crusade' is 'all-powerful' government. [CNN](#).

— U.S. gasoline demand rises modestly in August: EIA. [Reuters](#).

### HAPPENING TODAY

9:30 a.m. — Center for American Progress hosts call to discuss potential opening up of ANWR to drilling, RSVP: [Gwen@AlaskaWild.org](mailto:Gwen@AlaskaWild.org)

10:00 a.m. — Senate Commerce Committee confirmation [hearing](#) for Commerce and NASA nominees, Russell 253

12:30 p.m. — "[A Practitioner's Approach to Financing Energy Efficiency in Emerging Market](#)," Bernstein-Offit Building, 1717 Massachusetts Avenue NW, Room 500

3:00 p.m. — "[Developing Low Carbon Economies in Latin America](#)," The Wilson Center, One Woodrow Wilson Plaza, 1300 Pennsylvania Ave. NW

6:00 p.m. — American University's Center for Environmental Policy hosts a conversation with former EPA Administrator Gina McCarthy, Kerwin Hall, Room 301

### THAT'S ALL FOR ME!

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/11/assessing-the-impact-of-pruitts-science-board-changes-025322>

## Stories from POLITICO Pro

### **Pruitt seeks independent science advisers, critics see purge** [Back](#)

By Emily Holden | 10/31/2017 05:22 PM EDT

EPA Administrator Scott Pruitt banned researchers who get EPA grants from serving on its advisory boards Tuesday, a move critics say will purge the influential bodies of top scientists and replace them with advisers from energy companies and conservative groups.

The move is the latest shift at EPA by Pruitt, who long contended during his previous role as Oklahoma attorney general that the agency had ignored states and businesses it regulated. Pruitt's move is expected to alter the advice from the scientific boards that is used for evaluating public health risks and writing regulations.

Pruitt said his new directive was designed to ensure the scientists who were giving EPA advice were truly independent, and not receiving agency funding. Current science board members had received \$77 million in research funding over the past three years, he said.

"To the American people across the country, we want to ensure that there's integrity in the process and that scientists that are advising us are doing so with not any type of appearance of conflict," he told an event at EPA headquarters with Rep. [Lamar Smith](#) (R-Texas), who heads the House Science Committee, and Sens. [Jim Inhofe](#) (R-Okla.) and [Mike Rounds](#) (R-S.D.).

Environmental advocates and Democrats quickly condemned the announcement as hypocritical, since many of the industries that could have representation on the boards stand to benefit from Pruitt's efforts to roll back or stall environmental standards.

"It flies in the face of a long history of Republicans and Democrats who took their jobs seriously as EPA administrator," Sen. [Brian Schatz](#) (D-Hawaii) told POLITICO. "He is single-handedly doing the most violence to science itself of any member of any administration in recent history."

Sen. [Tom Carper](#) (D-Del.) said Pruitt's "efforts to delegitimize the work of nonpartisan scientists doesn't just offend the long tradition of this science-based agency," but also "endangers the health of every American."

"Mr. Pruitt has repeatedly worked to silence EPA scientists, deny the facts and discredit science inconvenient to his agenda; now he's trying to get rid of agency access to scientific advice altogether," Carper said in a statement.

The new policy applies to EPA's Science Advisory Board, which considers whether the research the agency uses to make decisions on protect public health is rigorous enough, as well as the Clean Air Scientific Advisory Committee, which is required by law to recommend science-based standards to control air pollution. It also applies to the Board of Scientific Counselors, which advises EPA's Office of Research and Development.

At least five of the 47 current SAB members appear to receive funding under EPA grants, according to an analysis by the Union of Concerned Scientists.

Members, Pruitt said, "will have to choose: either the grant or service, but not both."

Three other SAB members who are serving unexpired terms did not appear on an [unconfirmed list](#) of prospective members, while some other members' terms won't be renewed. In all, Pruitt could fill more than half the spots on the panel.

"The real intention of doing this is so he can wipe out the current composition of the Science Advisory Board," said Joe Arvai, a researcher from the University of Michigan whose SAB term ended in September and will not be renewed. "They know the numbers. They know if they can do this, they can effectively wipe from the rolls the vast majority of people the previous administration appointed."

Arvai said the new directive would allow Pruitt to stack the board with "scientists for hire who would be more than happy to rubber-stamp his deregulatory agenda."

Angela Nugent, a staffer for the SAB from 1998 to 2015, said that board's vetting for potential conflicts of interest was already extensive, and she noted that industry scientists already held spots on the SAB, which has reviewed such controversial issues as the environmental impacts of fracking for oil and gas.

"We try to get eminent scientists on the SAB, its standing subcommittees and its panels," Nugent said. "We want to get people who can speak authoritatively from their disciplinary perspective."

The other board, CASAC, recommends acceptable levels of pollutants such as soot, smog, lead, sulfur dioxide, nitrogen dioxide and carbon monoxide. It has long been a target for Republicans and industry groups who say EPA scientists have an anti-business bias and conceal data they use to come to conclusions. But the courts have repeatedly required the agency to abide by CASAC recommendations.

The dismissals appear to hit scientists from Harvard University, Stanford University, Carnegie Mellon University and the University of California at Berkeley who study cancer, immunology and respiratory diseases, as well as the effects of exposure to chemicals.

Their replacements, according to the list of new appointees, could include Richard Smith, a longtime consultant for the American Petroleum Institute and University of North Carolina professor who has [opposed](#) tougher ozone standards and [questioned](#) benefits the Obama administration claimed for lowering particulate matter levels.

Another new appointee is Stan Young, a scientist who formerly worked for major pharmaceutical companies and is affiliated with the Heartland Institute, an advocacy group that argues there is no link between human activity and climate change.

Several potential incoming members are from state environment agencies, including former North Carolina Department of Environmental Quality Donald van der Vaart, a chemical engineer. Van der Vaart opposed the Obama EPA's climate standards for power plants, which Pruitt has begun to unwind.

Myron Ebell, an early EPA adviser to the Trump administration who works at the conservative Competitive Enterprise Institute, said van der Vaart is an "outstanding" choice, citing his doctorate in chemical engineering from Trinity, Cambridge, a law degree, and a substantial

publication record in science and law.

"But on top of that he knows how science interacts with regulation and also how the EPA interacts with state environmental agencies because he has been an air regulator in N.C. for over 20 years and served for several years as secretary of environmental protection in the McCrory administration," Ebell said.

Pruitt also announced the heads of the three panels on Tuesday and said he will disclose other appointees in the next week.

Michael Honeycutt, of the Texas Commission on Environmental Quality, will chair the Science Advisory Board, while Tony Cox, a statistician from Cox Associates, will head the air advisory board. Both have argued against the benefits of reducing smog, which irritates the lining of the lungs and can cause asthma attacks.

Paul Gilman, chief sustainability officer at Covanta and a former EPA official under President George W. Bush, will serve as chairman of the panel that advises the Office of Research and Development.

Among the scientists losing their positions is Robert Johnston, an economics professor at Clark University who has been on the Science Advisory Board for five years. His research team receives EPA funding to study how and why Americans value and benefit from different kinds of improvements to water quality improvements, one of the core causes that Pruitt has repeatedly said he supports.

Johnston said his grant hasn't affected his advice to EPA on a range of issues, from toxicology assessments to methods for evaluating the benefits and costs of environmental regulations.

"I've put a lot of work into trying to do my best to help the EPA use the best science possible to make good decisions on behalf of the public," Johnston said. "I think it's really unfortunate that that role is now being politicized in a way that it never has before under any administration. In my personal view, this doesn't have anything to do with science, it has to do with politics."

Scientists at academic institutions typically get their funding from a variety of government sources and foundations, as well as some companies who are seeking unbiased information on specific issues.

Former EPA officials familiar with the boards stressed that they review each member's work history for any appearance of bias.

"There are systems to make them competitive, independently reviewed and selected away from the politics of EPA," said Tom Burke, the head of the Office of Research and Development under former President Barack Obama. "So the question becomes, why would EPA choose to eliminate from service to our national EPA the best and brightest from the fields of environmental science?"

*Anthony Andragna and Eric Wolff contributed to this report.*

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## McConnell floats rules change to limit debate on nominations [Back](#)

By Elana Schor | 10/31/2017 04:07 PM EDT

Senate Majority Leader Mitch McConnell (R-Ky.) suggested on Tuesday that he would support a rules change limiting Democrats' ability to delay confirmation of President Donald Trump's nominees.

Although they cannot filibuster Trump's nominees because of previous rules changes, Democrats have tied up the Senate floor with lengthy confirmation debates — from [Cabinet](#) nominees to a series of less-senior names whose approvals were delayed during the tense battle over Obamacare repeal.

McConnell has [committed](#) to maintaining the Senate minority's power to filibuster legislation, but on Tuesday he left the door open to backing further limits on Democratic slowdowns of the confirmation process.

The consideration process for presidential nominees "is a different matter" than the legislative filibuster, McConnell said, lambasting recent Democratic slowdowns as "just simply ridiculous."

McConnell's protest rings hollow for Democrats who keenly recall his obstruction of former President Barack Obama's nominees, including Judge Merrick Garland's failure to get a hearing after Obama nominated him to the Supreme Court.

"Sen. McConnell does not come to the court with clean hands on these issues," Senate Minority Leader Chuck Schumer (D-N.Y.) told reporters when asked about the Kentucky Republican's suggestion of a future rules change. "He delayed and blocked so many of Obama's nominees."

Schumer, like many of his fellow Democrats, also noted that Trump already has gotten more judges confirmed to the federal bench than Obama did at the same point in his presidency, despite the GOP's [push for](#) a faster pace of confirmations.

McConnell cited a proposal crafted by Sen. James Lankford (R-Okla.) that would limit the minority's power to run out the clock after debate has been formally curtailed. Lankford began [floating](#) the idea in April as Democrats forced a procedural showdown over the confirmation of Supreme Court Justice Neil Gorsuch — who occupies the seat Garland had been nominated to fill.

The Senate currently has 30 hours of floor time to discuss a nominee after cloture is invoked to limit debate, and Lankford's plan would limit that to 8 hours.

McConnell said on Tuesday that "there may be a possibility to adjust" the amount of time Democrats have to prolong floor debate on nominees after cloture is invoked "in a way more consistent with the Senate, and the administration getting its positions filled in a timely fashion."

McConnell suggested that Lankford is seeking Democratic buy-in for the rules change, and

Lankford said through a spokesman: "Conversations with my colleagues about my proposal have been positive. The American people expect us to get more work done."

But another member of GOP leadership said that bipartisanship shouldn't be a requirement in order to limit the minority's ability to force lengthy confirmation debates.

If Democrats don't scale back their delays, "I think we should do whatever is necessary, either with cooperation or without, to stop that procedure from being used to keep us from the other work we need to do," said Missouri Sen. Roy Blunt, No. 5 in Republican leadership. "It's obvious that's what they're doing."

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### **House GOP delays tax bill rollout [Back](#)**

By Rachael Bade, Bernie Becker, Brian Faler and Aaron Lorenzo | 10/31/2017 05:43 PM EDT

House Republicans postponed the much-anticipated rollout of their tax reform proposal Tuesday night, an ominous sign for a direly needed legislative accomplishment for President Donald Trump and his party.

House Ways and Means Committee members spent all day Tuesday holed up in conference rooms trying to iron out last-minute disagreements. Senior committee staff worked through the night Monday and were expected to do the same on Tuesday to unveil the bill at a GOP Conference meeting at 9 a.m. Wednesday.

But in a move that foreshadows the difficulties awaiting the party of Reagan, GOP leaders and tax writers postponed their big reveal to buy themselves more time. They now hope to release the bill Thursday but privately acknowledge they have a number of disagreements to resolve first.

The delay comes despite the half-decade Republicans have spent readying themselves for this very moment. The Ways and Means Committee for years has held tax hearings and working groups, but overhauling the code means creating winners and losers in a politically sensitive environment.

The stakes couldn't be higher. After failing to repeal Obamacare, tax reform could mean the difference between a Republican majority and a Democratic takeover in 2018.

But for the bill to pass, Republicans — known for their constant infighting — will have to unify. That's proving easier said than done.

Rumors of a potential postponement started to spread Tuesday afternoon. At the center of the problem were questions about how to pay for the proposed \$5.5 trillion in tax cuts, since any major revenue-generator is certain to antagonize some powerful lobby or group of lawmakers who could defeat it.

"Our plan is to release the bill tomorrow," Ways and Means Committee Chairman Kevin

Brady told reporters Tuesday afternoon, leaving himself some wiggle room for a delay. Asked whether the expected Wednesday release would be legislative text, Brady responded: "When we release the bill, it will be text."

Later, Brady issued a statement formally announcing the delay, adding, "We are pleased with the progress we are making and we remain on schedule to take action and approve a bill at our Committee beginning next week."

Some details of the bill started leaking out Tuesday after Speaker Paul Ryan briefed conservative leaders on text that had been finalized. The proposal, sources in the meeting said, would lower the corporate tax rate to 20 percent, meeting their initial goal. They've also decided to keep the current top 39.6 percent tax rate on the wealthiest individuals — though they have not settled on which incomes would be hit by that rate.

Ryan told conservative group leaders Thursday that the income threshold for the top rate would likely be higher than it currently is, likely between \$750,000 and \$1 million. He said the estate tax would likewise be repealed but may have to be phased out to save money in the short term.

But it's the unresolved issues that caused Ways and Means members the most heartburn this week — and ultimately led to the delay. Those include: how to win over GOP lawmakers from high-tax states that are balking over curbing the state and local tax deduction, which their constituents rely on. There are also question about how to ensure that wealthy individuals don't take advantage of the lower 25 percent small business or "pass-through" rate.

Many of the unresolved items are hot-button issues, including what to do with 401(k) retirement plans.

Trump asked Brady in a phone conversation last week to drop his plans to curb such tax preferred savings. And some senior House Republicans who believe that doing so would incite severe pushback have been urging Brady to leave the matter alone.

But Brady has refused to ditch the idea of imposing some limitation on the popular retirement plans. The reason comes down to basic math: Republicans want to lower the corporate tax rate to 20 percent, and collapse and lower individual rates into four brackets — and targeting 401(k) plans could help pay for those cuts.

The search for cash is one reason the panel earlier this week briefly considered the idea of phasing in the lower corporate tax rate over several years instead of immediately all at once — an idea Senate tax writers has discussed.

But the White House and more than a few GOP tax committee members quickly nixed that proposal, and it is not expected to be included in the legislation.

"We're not looking for that, no," Trump told reporters when asked Tuesday whether he was open to such a phase-in. "We're not looking for that. Hopefully not."

Ways and Means members have been trying to tweak other provisions in search of savings. Sources say the panel has been sending proposals to the Joint Committee on Taxation several times a day to see how much money they would save, and then shopped the ideas to panel members.

"I would say there is a lot of Red Bull and Monster being drank in there right now," said Rep. Doug Collins (R-Ga.), vice chairman of the House Republican Conference. "The whole Ways and Means crew knew this would be a tough lift — and we've not even gotten to the rollout of the actual details yet!"

The vast majority of House Republicans have only an inkling of what's in the legislation. The details, including the key question of who loses under the legislation, have been closely held by party leaders for months in order to keep lobbyists at bay. Even tax aides to members of the Ways and Means committee have not yet been briefed on the plan.

Ryan "said the committee is 'turning the dials' and getting it to work. It's all last-minute stuff," said Scott Hodge, president of Tax Foundation, as he left Ryan's office after meeting with the speaker. "I think they have all this — it's just a matter of tweaking ... addressing certain members' interests and concerns."

During a gaggle Tuesday, Brady suggested there were plenty of key decisions that still needed to be made before a measure could be rolled out, and that the GOP Conference's response would likely lead to some changes in the bill before it's considered by his committee — a mark-up that's supposed to be next week.

Without offering details, Brady said the House bill would either strengthen retirement accounts or leave them as is, and noted that he still planned to have further meetings with GOP lawmakers from New York and New Jersey concerned about the state and local tax deduction ahead of the tax overhaul's release.

"We certainly are listening very carefully to make sure that we're delivering tax relief for those families," he said.

And asked whether final decisions had been made on expanding the child tax credit and where to set individual brackets, Brady would offer only: "I think we have a real good feel for all of this."

Time is running out to move those dials, however. And Republicans may have to release their tax plan without all the wrinkles ironed out.

Some Republicans think that's exactly what will happen with the dispute over the state and local tax deduction. As a middle ground, Brady has floated the idea of allowing people to deduct their property taxes. But leaders are not sure the change would be enough to win over Republicans from New York and California who could block any tax bill that hurts their constituents.

By leaving some matters unresolved, GOP leaders risk blowback at a time when they're in desperate need of momentum. House leaders hope to pass the tax bill by Thanksgiving and send the bill to Trump before the end of the year.

They could know as early as Thursday afternoon whether that's an impossible feat. Within just a few hours of unveiling their Obamacare replacement bill last spring, GOP leaders knew they had a serious problem: Conservatives came out swinging against the plan, which they dubbed "Obamacare lite."

Something similar happened when former Ways and Means Chairman Dave Camp (R-Mich.)

released his own tax bill in 2014. The Republican Conference turned on him and the bill, scoffing at the pay-fors and leaving the bill dead in the water.

GOP leaders and Brady are doing their utmost to safeguard against such a situation this time.

Ryan (R-Wis.) huddled with Trump at the White House on Tuesday afternoon before meeting with conservative tax leaders who are expected to help defend the tax plan against attacks from Democrats or K Street. And they're expected to try to rally the GOP Conference around the bill Thursday morning — if there's a bill by then.

Even if the already-delayed rollout goes smoothly, the tax bill has a long road ahead.

The Senate tax bill, expected to be released next Wednesday, is likely to look different from the House's. Some of the tough choices that the House made might not fly among Senate Republicans, who have a narrow margin for passage and can lose only two GOP votes.

Sen. John Thune, the chamber's No. 3 Republican, for instance, said the Senate is undecided about what to do with the state and local tax deduction.

"We're trying to sync this up as much as we can, but we realize there's going to be differences of opinion," said Thune.

Sen. Bob Corker (R-Tenn.) suggested that resolving those issues might drag them well past New Year's Eve.

"I know there's going to be a lot of hype around the fact that if Republicans somehow don't pass tax reform by the end of the year, then X happens, but I'm a lot more focused on the details of the policies that we put in place," he said. "If it takes longer to get it done right, that's not an issue to me."

*Nancy Cook, Josh Dawsey and Colin Wilhelm contributed to this report.*

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**Alaska to tackle climate change, meet Paris goals** [Back](#)

By Eric Wolff | 10/31/2017 03:55 PM EDT

Alaska Gov. Bill Walker (I) said today the state will try to meet the goals of the Paris climate accord, and he announced the creation of a new committee to address the impacts of climate change.

Walker, a former Republican turned independent in 2014, called climate change a "nonpartisan issue."

"We're going to follow the goals of the Paris accord," he said. "We're going to do them in our time frame, and in our way. "

President Donald Trump earlier this year promised to withdraw the U.S. from the Paris climate agreement, but some states and cities aim to comply on their own.

Walker said he recognized the contradiction in trying to address climate change from a state whose economy is 70 percent based on oil and natural gas production.

"There are those who will say, 'How do you balance the two?' But we have to," he said. "We will continue to responsibly develop our non-renewable resources and use that as the bridge funding to do what we need to do deal with the impact of climate change on Alaska."

At least 10 villages in Alaska will have to be uprooted before they are swamped by rising sea levels, and Walker said he was "not confident" the federal government will help with relocation costs.

**WHAT'S NEXT:** Lt. Gov. Byron Mallott (I) will chair Walker's Climate Change for Alaska Leadership Council, and he will seek nominees for the rest of the board's seats.

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**Clovis said to be 'cooperative witness' in Senate Russia probe** [Back](#)

By Catherine Boudreau and Josh Dawsey | 10/31/2017 12:44 PM EDT

Sam Clovis, President Donald Trump's controversial nominee to be the Agriculture Department's chief scientist, has been "a fully cooperative witness" in the Senate Intelligence Committee's investigation of Russian interference in the 2016 election, Senate Agriculture Chairman Pat Roberts told POLITICO.

Clovis, a former co-chair and policy adviser to Trump's campaign, knew that another campaign adviser, George Papadopoulos, was talking to Russians, according to documents released Monday as part of special counsel Robert Mueller's probe and campaign and administration officials.

Papadopoulos was arrested in late July and pleaded guilty to a charge that he made false statements to the FBI about his contact with a professor who has ties to the Kremlin and promised thousands of pages of emails related to Hillary Clinton.

Meanwhile, NBC News reported Tuesday that Clovis has been questioned by Mueller's team and has testified before Mueller's grand jury.

Clovis' nomination to the top scientific job at the Agriculture Department has already drawn significant opposition from Democrats and scientists who have raised concerns about his climate-change skepticism, his credentials and his history of making disparaging statements about blacks, women, LGBT individuals and others. But there's been no public opposition from Republicans.

Roberts said Monday that he planned to continue with a scheduled Nov. 9 confirmation hearing. But on Tuesday, when asked whether he'd consider delaying the hearing amid the

Russia developments, he said that was "to be determined."

"I don't think he's a target of any investigation," Roberts said of Clovis on Monday, describing him as someone likely on the fringes of the inquiry.

Clovis brought Papadopoulos into the campaign in March 2016, when he was asked to put together a foreign-policy advisory committee, according to the administration and campaign officials, who spoke on the condition of anonymity. Trump felt pressure to hastily assemble a team because he was getting criticism for a lack of foreign policy manpower, these people said.

But Clovis, an Air Force veteran and radio host who taught management and public policy at Morningside College in Iowa until 2015, didn't have foreign-policy connections and scrambled to find people willing to align themselves with Trump. He brought in a group of people with little vetting, the officials said.

Papadopoulos had little contact with most campaign insiders, but he was in touch with Clovis, the people said.

Victoria Toensing, a lawyer representing Clovis, said in an e-mailed statement that after an initial meeting of the advisory panel, all of Papadopoulos' communications with the campaign were "self-generated," and that Clovis did not believe an improved relationship with Russia should be a foreign policy focus of the campaign.

"Dr. Clovis always vigorously opposed any Russian trip for Donald Trump or staff," Toensing said. "However, if a volunteer made any suggestions on any foreign policy matter, Dr. Clovis, a polite gentleman from Iowa, would have expressed courtesy and appreciation."

Neither Senate Intelligence Committee officials nor the USDA press office responded to a request for comment.

Minority Leader Chuck Schumer and Agriculture ranking member Debbie Stabenow, along with a handful of other Democrats, have publicly announced their opposition to Clovis. They argue that Clovis does not have the academic and research background required for the post, and also point to the disparaging comments, including some about former President Barack Obama and House Minority Leader Nancy Pelosi.

*Elana Schor contributed to this story.*

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By Anthony Adragna | 12/13/2017 05:45 AM EDT

*With help from Emily Holden, Alex Guillén, Eric Wolff, Ben Lefebvre and Sara Stefanini*

**LET'S MAKE A DEAL?** The White House is hoping it can get out of a bind between its oil industry supporters and its agricultural supporters by bringing representatives for the two groups together today for a preliminary meeting on a grand bargain for the Renewable Fuel Standard, Pro's Eric Wolff [reports](#). Refiners, with some backing from unions, say they're drowning under heavy RFS compliance costs, and the biofuel industry insists it needs the mandates in the RFS to keep expanding and to grow advanced biofuels.

**Who's attending?** Aides from the pro-ethanol Sens. [Chuck Grassley](#), [Joni Ernst](#) and [Deb Fischer](#) will be there for the corn-state contingent, while staffers for Sens. [Ted Cruz](#) and [Pat Toomey](#) will make the case for refiners. Staff from EPA, the Department of Agriculture and the National Economic Council will also join.

**What about Congress?** Sen. [Jim Inhofe](#) declined Tuesday to offer any details on the plan he and Sen. [John Cornyn](#) are working on to address the issue, but said it would have to address the exploding cost of buying biofuel credits that EPA uses to ensure refiners are blending the required amounts of biofuel into the nation's fuel supply. "The RIN values are a huge consideration because you're talking about millions and millions. And it wasn't meant to be that way. Anytime you have a value system that jumps around from eight cents to 800 dollars, that shows it's a broken system," Inhofe said.

**Important context:** Senators like Grassley are desperate to get Bill Northey, the nominee to be USDA undersecretary for farm production and conservation, confirmed since he'll play a crucial role in crafting the farm bill that lawmakers are three months behind schedule in drafting, Pro Agriculture's Catherine Boudreau [reports](#). Cruz, who was upbeat after last week's meeting but declined comment on Northey, placed a hold on his selection recently after corn-state Republicans extracted concessions from EPA on the RFS.

**Can there be a bargain, grand or petite?** Ethanol producers have been deeply skeptical of any kind of deal to be made with the oil industry, which they feel wants to squeeze them out of the fuels market if at all possible. But it's not even clear what parameters there are for a deal. University of Illinois economist Scott Irwin [said on Twitter](#), the mandates in the RFS drive up RIN costs. You can't push down RIN costs without undermining the mandates. "There is no 'win-win' on the RFS concerning mandates and RINs," he wrote in a thread. "Lower RINs prices go with lower mandates and vice versa. Straightforward economics."

**WELCOME TO WEDNESDAY!** I'm your host Anthony Adragna, and API's Khary Cauthen was first to identify Erskine Bowles as the former White House chief of staff who lost consecutive Senate bids in North Carolina. For today: Sens. [Bernie Sanders](#), [Angus King](#) and Joe Lieberman are well-known third-party senators. Who was the last independent senator to serve before them? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

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**NO MOORE:** Sen.-elect Doug Jones [shocked the political world](#) by winning the Senate election in ruby-red Alabama on Tuesday evening, but it's worth pointing out he ran on a pretty [progressive platform](#) on environmental and climate change issues. His website says he "believe[s] in science" and opposed Trump's decision to leave the Paris accord. One thing to watch now is the committee shuffle: outgoing Sen. [Luther Strange](#) will vacate a spot on the Energy Committee (so some other Republican will get it).

**HERE'S LOOKING AT YOU, PRUITT:** EPA revealed Tuesday night that Administrator Scott Pruitt has been in Morocco this week promoting "the potential benefit of liquefied natural gas imports on Morocco's economy," as well as U.S.-Moroccan environmental cooperation. Pruitt's visit included a meeting with Morocco's energy minister to "discuss new and ongoing areas of collaboration under the Free Trade Agreement and the country's interest in importing LNG," according to EPA. The agency said he also met with top foreign affairs and justice officials. Morocco produces little natural gas and relies heavily on imports, although it also plans a major expansion of solar and wind power, according to the Energy Information Administration.

**ROUNDUP FROM PARIS:** The private sector took the center stage at the One Planet Summit in Paris Tuesday to show what they're willing and able to close the €179.6 billion (\$210.9 billion) a year gap between the investment needed to fulfill the goals of the Paris climate agreement and what's foreseen in policies adopted so far. POLITICO Europe's Sara Stefanini with [the roundup](#) and here's a sampling of the goings on:

— **Moving on from Trump:** Six months after Trump announced he wanted to leave the Paris agreement, the world is going ahead without him. "If we're here, so many of us today, it's because we've decided not to accept America's decision," French President Emmanuel Macron said [in a speech](#). Former U.S. Secretary of State John Kerry agreed when asked if non-state actors can make up for a lack of federal leadership: "It is possible, yes," he told reporters.

— **Carbon pricing in the Americas:** Canada, Chile, Colombia, Costa Rica, Mexico, the governors of California and Washington and the premiers of Alberta, British Columbia, Nova Scotia, Ontario and Quebec [launched](#) a cooperative framework on carbon pricing.

— **ING ditches coal:** Dutch bank ING said that by the end of 2025 it [will quit financing](#) utilities that are over 5 percent reliant on coal-fired power in their energy mix. The bank already does not finance companies that are over 10 percent reliant on coal — up from ING's pre-Paris threshold of 50 percent. Greenpeace applauded the latest announcement.

**YOU CAN'T DO THAT!** Democrats vowed to keep a watchful eye after GAO [found](#) the Trump administration illegally withheld \$91 million budgeted for the Advanced Research Projects Agency-Energy program earlier this year, your ME host [reports](#). Top Senate Energy Democrat [Maria Cantwell](#) said in a statement: "The President cannot ignore statutory requirements or funding direction provided by Congress. I expect nothing less than Secretary [Rick] Perry's full compliance with the law." DOE ultimately relented and released all the funds.

**AROUND CONGRESS — EPW LOOKS AT NRC:** The Senate Environment and Public Works Committee gavel in at 9:45 a.m. to vote on R.D. James' nomination to run the Army Corps of Engineers and then holds an oversight hearing on the Nuclear Regulatory Commission immediately afterwards. Watch [here](#).

**Looking at solar energy deployment:** A House Science subcommittee holds a hearing at 2 p.m. entitled "Advancing Solar Energy Technology: Research Trumps Deployment." Witnesses include: Daniel Simmons, principal deputy assistant secretary with DOE's Office of Energy Efficiency and Renewable Energy and Martin Keller, director of the National Renewable Energy Laboratory. Watch [here](#).

**Natural Resources holds mega-markup:** Lawmakers on House Natural Resources Committee hold a markup of 15 bills today at 10 a.m. More information [here](#).

**Examining the future of North American energy trade:** The House Energy and Natural Resources Energy Subcommittee holds a hearing entitled "The Impacts and Future of North American Energy Trade." Witnesses representing the National Association of Manufacturers, U.S. Chamber of Commerce, American Fuel and Petrochemical Manufacturers and Resources for the Future appear. Background [memo](#) and watch [here](#).

**Congressional Democrats**, including House Minority Leader [Nancy Pelosi](#) and Senate Minority Leader [Chuck Schumer](#), rally at 10:30 a.m. to push lawmakers to protect pensions, including those of retired miners, from cuts as they weigh end-of-year spending legislation.

**INTERIOR STAFF SHUFFLE INVITES LAWSUIT:** Interior Department employee Matt Allen has filed a FOIA lawsuit in an effort to determine why he and other senior employees were suddenly transferred earlier this year. Interior's Inspector General's office is already [investigating](#) Interior Secretary Ryan Zinke's plans to shuffle dozens of Senior Executive Service employees, and another now-former employee [filed](#) a complaint with the Office of Special Counsel and [a lawsuit](#) after being reassigned. Allen, who became a BLM spokesman in the waning days of the Obama administration, was reassigned to a public affairs position at BSEE in September. "My client's demotion reeks of reprisal, and these documents will provide us the tools we require to prove that," plaintiff's lawyer Katherine Atkinson said in a press release. An Interior spokesperson was not immediately available to comment.

**NOT GIVING UP:** Senate EPW Chairman [John Barrasso](#) told ME Tuesday he's not giving up on Michael Dourson's nomination to run EPA's chemicals office even as [Republican defections](#) have put a damper on his confirmation prospects. "It's a question of how Sen. McConnell chooses to prioritize them," the Wyoming Republican said, downplaying the challenges facing Dourson, a former industry-funded toxicologist.

**CURTAINS FOR GARRETT?** Former New Jersey Rep. Scott Garrett, Trump's pick to run the Export-Import Bank, is likely to have his nomination blocked after Sen. [Mike Rounds](#) came out against his selection on Tuesday, Pro Financial Services' Zachary Warmbrodt [reports](#). "I believe him to be a proponent of the abolition of the bank rather than a reformer of the bank," Rounds said. "I'm looking for reformers, not abolitionists." Garrett's selection has been roundly criticized by the business community. The Senate Banking Committee has 12 Republicans and 11 Democrats, so Rounds' defection would sink the selection in committee.

**MURKOWSKI UPBEAT ON ANWR'S PROSPECTS:** Senate Energy Chairman [Lisa Murkowski](#) told ME Tuesday she's optimistic language opening ANWR to oil and gas drilling

will make it into the final Republican tax package [H.R. 1 \(115\)](#), even though a dozen of her House colleagues [oppose](#) its inclusion. "I'm feeling pretty good about where we are with ANWR right now," she said. "We just need to make sure that we're able to come together as conferees and get a package that both bodies can support."

**Speaking of which**, Conservation Voters of Pennsylvania and PennFuture are running [a full page ad](#) in the Philadelphia Inquirer today urging Republican Reps. [Pat Meehan](#), [Ryan Costello](#) and [Brian Fitzpatrick](#) to vote against any final tax package that contains ANWR drilling. You'll remember they were three of the 12 House Republicans who said in the letter they opposed opening the Arctic area to oil and gas drilling.

**Murkowski also said she wasn't ready to weigh in on whether** Zinke's [use of helicopters](#) to attend Washington area events, like a horseback ride with Vice President Mike Pence, was appropriate until she got more information. "I think we all recognize that there is a responsibility that we have as lawmakers, when you're using the taxpayer dollar, that you do so in a responsible way and something that's not wasteful," she said. "But I also understand that there are sometimes requirements of the job that require you to perhaps take a different mode of transportation."

**And she told your ME host** she hadn't been following the ongoing battle between Patagonia and Zinke, but that she too had been irked by the outdoor clothing giant's advocacy for barring drilling in ANWR last year. "Last Christmas, I actually looked at the Patagonia catalog that came to my house," Murkowski said. "I didn't think they were marketing their outdoor clothing. It was a full on effort to build support for turning ANWR into wilderness ... It was enough to get me, as a consumer, riled up enough to say 'I'm not buying Patagonia products.'"

**UNUSUAL MOVE IN VIRGINIA:** A state panel granted the Atlantic Coast pipeline's water quality permits, but took the unusual step of delaying their effective date until soil and erosion control plans and stormwater management plans are finished, the Associated Press [reports](#). "While this is most definitely not what Dominion wanted and gives opponents of the pipeline more time to push for rejection, the [Virginia State Water Control Board] should have rejected the certificate outright," Lorne Stockman with Oil Change International said in a statement.

**SOLAR FOR SAMARITANS:** EPA says it's partnering with the non-governmental organizations in Puerto Rico to provide generators or solar panels to run drinking water pumps and wells that supply water to 3 percent of the population and are not managed by the island's government. EPA and other U.S. and Puerto Rican agencies are working with Water Mission, Samaritan's Purse, Project Hope and RCAP Solutions. Solar panels have been installed in four communities and will be provided to four more before Christmas, EPA said in a press release.

**More than two months** after Hurricane Maria hit, about 43 percent of island residents didn't have power and 17 percent didn't have drinkable water, according to statistics issued on November 20 by the U.S. territory's government. The Natural Resources Defense Council [finds](#) that, according to government test results, more than two-thirds of the population was at potential risk of exposure to bacterial contamination in water systems.

**MAIL CALL! SICK OF THOSE TALKING POINTS:** The EPW Democrats asked Kathleen Hartnett White, nominee to lead the White House Council on Environmental Quality, to redo her responses to questions for the record after they contained identical language as previous nominees. Link [here](#).

**DON'T DO IT!** The Environmental Working Group is urging Toyota in [a letter](#) not to enter into a management partnership with EPA as Pruitt suggested the automaker was going to do at a congressional hearing last week. "By partnering with Mr. Pruitt's EPA, you are aiding and publicly aligning yourself with his irresponsible agenda," EWG President Ken Cook wrote, warning Toyota it risked "irreparable harm" to its brand by pairing with Pruitt.

**LEARNING FROM THE DRUG COMPANIES?** The Hamilton Project at Brookings is out with a report today arguing energy research and development could be improved by implementing some practices from the pharmaceutical industry. Those include: Creating a strong system of contract research, implementing consistent technical standards and offering better incentives for electric utilities to deploy and test new technologies. Link [here](#).

**TAKE A GLANCE!** Texans for Natural Gas is out with [an analysis](#) this morning finding that even as exports of natural gas have increased dramatically, prices have fallen. That goes against the previous [predictions](#) of the Energy Information Administration, which warned more exports would cause price spikes.

**SPOTTED:** Energy Secretary Rick Perry receiving the Ronald Reagan Award from the Texas Public Policy Foundation on Tuesday night. Pics [here](#) ... Zinke and his wife, Lola, walking through the White House's Christmas decorations. Pic [here](#).

**LIGHTER CLICK:** NRDC trustee Robert Redford made a video asking people to urge Congress to vote against the final tax package because of the provision opening ANWR to drilling. Watch [here](#).

## QUICK HITS

— JEA wants out of struggling nuclear power deal, disputes negative credit report. [Jacksonville.com](#).

— Former Republican EPA chiefs blast controversial Alaska mining project. [The Hill](#).

— State panel urges temporary shutdown of Mackinac pipeline. [AP](#).

— National Park Service slashes number of free-access days from 10 to four in 2018. [Denver Post](#).

— Trump's Stand-In Bureaucrats May Have Overstayed Limits. [Bloomberg](#).

— Top Interior Official Stayed At Montana Resort That Secretary Zinke's Billionaire Friend And Donor Owns. [Huffington Post](#).

## HAPPENING TODAY

9:45 a.m. — "[Oversight of the Nuclear Regulatory Commission](#)" and [Business Meeting](#), Senate Environment and Public Works Committee, Dirksen 406

10:00 a.m. — House Natural Resources Committee holds [markup](#) of 16 bills, Longworth 1324

10:30 a.m. — Congressional Democrats, including Leaders Schumer and Pelosi, rally to protect workers' pensions, Senate Visitors Center rooms 208-209

10:15 a.m. — "[The Impacts and Future of North American Energy Trade](#)," House Energy and Commerce Energy Subcommittee, Rayburn 2322

1:30 a.m. — "[Advancing U.S. Innovation by Reforming Patent and R&D Policy](#)," The Hamilton Project at Brookings, 1775 Massachusetts Ave. NW

2:00 p.m. — "[Advancing Solar Energy Technology: Research Trumps Deployment](#)," House Science, Space and Technology Energy Subcommittee, Rayburn 2318

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<https://www.politicopro.com/newsletters/morning-energy/2017/12/biofuel-refiner-backers-look-for-deal-at-white-house-049656>

## **Stories from POLITICO Pro**

### **White House to host Senate staff for biofuels talks [Back](#)**

By Eric Wolff | 12/12/2017 04:16 PM EDT

The White House will host a meeting Wednesday with Senate staffers in the hopes of striking a deal between oil refiners and biofuel producers who have clashed over the Renewable Fuel Standard, sources tell POLITICO.

A White House aide confirmed the meeting would take place. Sources said it's a preliminary conversation intended to explore whether a deal can be reached to both help refiners, who say they are struggling with the costs of complying with the RFS, and continue supporting the biofuel industry that has matured under the RFS.

Industry sources and Republican Senate aides say that staff for pro-ethanol Sens. [Chuck Grassley](#) (R-Iowa) and [Joni Ernst](#) (R-Iowa) will attend, and aides to Sens. [Ted Cruz](#) (R-Texas) and [Pat Toomey](#) (R-Pa.) will be there to represent refiners. Staff from EPA, the Department of Agriculture, and the National Economic Council will also join the meeting.

A spokeswoman for Sen. [Deb Fischer](#) (R-Neb.) said her staff would also be attending the meeting, which was first reported by Reuters.

Midwestern senators scored a win when they forced EPA Administrator Scott Pruitt to backtrack on efforts to alter parts of the RFS, but Cruz forced the White House to get involved after he put a hold on Bill Northey, who is up for a USDA undersecretary position.

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### **Grassley: Senate Ag is 3 months behind in drafting farm bill [Back](#)**

By Catherine Boudreau | 12/12/2017 11:10 AM EDT

Sen. [Chuck Grassley](#) said today that senators are three months behind schedule in drafting the next farm bill and that he had previously anticipated the Agriculture Committee would have advanced legislation before Christmas.

"We can't horse around any longer," Grassley told reporters during a conference call, adding that the farm bill should be finished in the first half of next year so producers have predictability.

Senate Agriculture Chairman [Pat Roberts](#), during an [interview](#) on C-SPAN on Sunday, said he is aiming to have the panel finish a farm bill "blueprint" by February and to bring the measure to the Senate floor in early spring.

A factor that could thwart progress on drafting the farm bill is the uncertainty surrounding Bill Northey, the nominee to be USDA undersecretary for farm production and conservation, who has not been confirmed, Grassley said.

Northey, the Iowa agriculture secretary, continues to see his nomination held by Sen. [Ted Cruz](#). He would oversee three agencies that implement key farm bill programs, including loans, commodity subsidies, crop insurance and conservation.

Cruz placed a hold on Northey in retaliation after corn-state lawmakers — Grassley included — used political power to stymie a recent effort by the EPA to weaken the Renewable Fuel Standard. Cruz and other oil-state lawmakers believe those changes create the potential for job losses among refiners, and held up Northey until a meeting with the White House could be arranged.

Cruz and company left a meeting with President Donald Trump on Thursday with a directive to find a compromise with their colleagues, but the Texas Republican did not comment on whether he'd let Northey advance.

Grassley said he hopes Northey doesn't get fed up with the politics of Washington and withdraw from consideration. He said he doesn't have any indication Northey would do that, however.

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**Alabama earthquake: Democrat Jones wins [Back](#)**

By Daniel Strauss | 12/12/2017 06:08 PM EDT

Democrat Doug Jones defeated Roy Moore in a special election earthquake Tuesday, flipping an Alabama Senate seat to Democrats for the first time in a quarter-century and dealing a huge political setback to President Donald Trump.

The Associated Press called the race for Jones, a former U.S. attorney, who had 49.9 percent of the vote to Moore's 48.4 percent with all precincts reporting — a difference of more than 21,000 votes.

Still, Moore declined to concede, saying there were still military and other votes that need to be counted. Alabama Secretary of State John Merrill told CNN it would be "highly unusual and highly unlikely" for the outstanding ballots to change the results of the race.

In Alabama, an automatic recount is triggered when the margin between the two candidates is under 0.5 percentage points. A candidate, however, has the option of seeking a recount if the margin is wider than that but has to pay for it, Merrill said.

Barring a miracle, all of that pointed to a victory for Jones.

"I am truly overwhelmed," the Democratic told ebullient supporters in a Birmingham hotel ballroom after the race was called. "At the end of the day, this entire race has been about dignity and respect. This campaign has been about the rule of law. This campaign has been about common courtesy and decency."

Jones' win — after Moore was accused of sexual assault and other misconduct by multiple women — will shrink Republicans' already tenuous Senate majority to 51-49, just as the party approaches final consideration of its sweeping tax bill and prepares for the 2018 midterm elections in a difficult political environment.

Moore's loss does relieve Senate Republicans from one burden: Considering whether they would expel him from the chamber if he won. But the party will have a reed-thin margin for error in the coming months as it tries to push through its agenda. And Moore's defeat was a major setback for Trump, who gave the candidate a full-throated endorsement in the final days of the race, in a state he carried with over 60 percent of the vote in 2016.

"Congratulations to Doug Jones on a hard fought victory," Trump tweeted. "The write-in votes played a very big factor, but a win is a win. The people of Alabama are great, and the Republicans will have another shot at this seat in a very short period of time. It never ends!"

The election is also a major defeat for the president's former chief strategist, Steve Bannon, who as the head of Breitbart led a bare-knuckles campaign to elect Moore and drag down Jones. Bannon had cast the race as an existential showdown between the activist base and Washington elites, but only to wind up on the losing end.

The president set up the election as one with outsized consequences for his administration and the GOP, tweeting repeatedly that Alabama could not afford to elect Jones. Trump also praised Moore at a rally in nearby Pensacola, Florida, and the Republican National Committee injected late money into the race after Trump reengaged.

It was a surreal scene at Moore's election night gathering in Montgomery.

The night started out with tons of energy in the room, but it dissipated as the vote returns accumulated until eventually the room fell silent. After the race was called but before Moore delivered his concession speech, a man took the stage and sang Christmas hymns.

When Moore emerged, he would not say the race was over, telling supporters that he wanted to consult with the secretary of state's office about next steps.

"Part of the problem with this campaign is we've been painted in unfavorable and unfaithful light," Jones said. "We've been put in a hole, if you will."

Trump's late play for Moore went against the will of Senate Republicans, who abandoned Moore after women came forward to say that Moore had pursued relationships with them when they were teenagers and he was in his 30s, including one who described sexual contact with Moore when she was 14.

"The people of Alabama deemed Roy Moore unfit to serve in the U.S. Senate," said National Republican Senatorial Committee chairman Cory Gardner, who had called for Moore to be thrown out of the Senate if elected. "I hope Senator-elect Doug Jones will do the right thing and truly represent Alabama by choosing to vote with the Senate Republican Majority."

Steven Law, the president of the super PAC aligned with Senate Majority Leader Mitch McConnell, blamed Bannon for Jones' victory.

"This is a brutal reminder that candidate quality matters regardless of where you are running," Law said in a statement. "Not only did Steve Bannon cost us a critical Senate seat in one of the most Republican states in the country, but he also dragged the President of the United States into his fiasco."

As Moore's campaign fought scandal, Jones became cause of national Democrats eager to defeat the Republican. Online donors flooded his campaign with money as Jones criss-crossed Alabama focusing on what he called "kitchen table issues" (and rarely mentioning his party). His TV ads blanketed the airwaves, hammering Moore as a sexual predator while also introducing Jones as a Second Amendment-supporting federal prosecutor who had convicted Ku Klux Klansmen involved in the bombing of Birmingham's 16th Street Baptist Church during the civil rights era.

Jones rode a surge of energy among black voters and got a key bump from white-collar suburbanites who often vote Republican but turned away from the controversial Moore. The GOP nominee's history of inflammatory comments about women, Muslims and LGBT people had already damaged his standing — and the sexual misconduct allegations scared more voters away.

Moore still won college-educated white voters 57 percent to 41 percent, according to the National Election Pool exit poll — but the group shifted hard in Democrats' direction compared to past Alabama elections.

Trump prompted the special election by nominating former Sen. Jeff Sessions to be his attorney general. Jones will replace appointed Republican Sen. Luther Strange and will hold the Senate seat until 2020, when Sessions' old term expires.

*Alex Isenstadt contributed to this report.*

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**GAO: Administration illegally withheld \$91 million in ARPA-E funds** [Back](#)

By Anthony Adragna | 12/12/2017 05:17 PM EDT

The Trump administration violated federal law when it withheld \$91 million budgeted for the Advanced Research Projects Agency-Energy program earlier this year, the GAO said in a [letter](#) released today.

House Science Committee ranking member [Eddie Bernice Johnson](#) (D-Texas) [asked](#) GAO to investigate in May amid [reports](#) the agency was withholding money for grants that were already approved. In a Nov. 29 letter to GAO, the agency confirmed all funds had been released to be dispensed.

"I hope that the Administration now understands that Federal agencies must provide lawfully directed appropriations to the programs to which they are dedicated," Johnson said in a statement. "It cannot attempt to shut down an agency or starve a program it doesn't like by withholding funds. It is illegal and we in Congress will not allow it."

ARPA-E, which the Trump administration proposed eliminating entirely in its budget this year, selects energy technology projects and awards funding as those ventures meet a series of development milestones.

The Energy Department didn't immediately respond to a request for comment.

**WHAT'S NEXT:** Congress must decide how much funding to award ARPA-E in the future.

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**Interior IG probing Zinke's senior staff reshuffle** [Back](#)

By Esther Whieldon | 09/08/2017 05:09 PM EDT

The Interior Department's internal watchdog has launched a probe into Secretary Ryan Zinke's June reassignment of a number of senior executive staff, an official told POLITICO today.

The inspector general's office is auditing Zinke's decision to [reassign](#) dozens of senior executive service employees, including Joel Clement, who was moved from a managerial position involving climate change issues to a job collecting royalties from oil and gas companies. The office has begun interviewing key agency staff and asked the secretary's office to hand over documents, IG spokeswoman Nancy DiPaolo said.

The audit follows a [request](#) in July from Sen. [Maria Cantwell](#) (D-Wash.) and seven of her colleagues for Deputy Inspector General Mary Kendall to look into the matter.

Depending on what the audit uncovers, it could lead to a broader investigation to determine whether any laws were broken.

**WHAT'S NEXT:** DiPaolo said the IG hopes to wrap up its work within a few months.

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## **Interior official files whistleblower complaint over job reassignment** [Back](#)

By Esther Whieldon and Ben Lefebvre | 07/19/2017 07:06 PM EDT

A former senior Interior Department official has filed a whistleblower complaint after the agency transferred him from a leadership position focused on climate change to a desk job collecting royalties from oil and gas companies.

In a [complaint](#) and [disclosure](#) filing with the Office of Special Counsel and in a Washington Post [op-ed](#), former Interior Office of Policy Analysis Director Joel Clement claimed he was [reassigned](#) to a position at the Office of Natural Resources Revenue to stop him from publicly discussing climate change impacts on native Alaskan coastal communities.

Clement was among dozens of senior executive staff reassigned to other jobs in June.

Clement told POLITICO no Interior political staffers ever raised concerns about his activities prior to his reassignment. "It was kind of obvious to reassign the climate adaptation experts to the accounting office where they collect fossil fuel royalty checks. That was pretty flagrant, I would say, in terms of sending the message. So that message was received loud and clear that they wanted me to quit."

Clement said he'd like his old job back, and he hoped other staff would also complain.

Interior spokeswoman Heather Swift said the personnel moves were "conducted to better serve the taxpayer and the Department's operations."

Clement may have difficulty proving his case because agencies have wide discretion to reassign staff, according to Jeff Ruch, executive director of Public Employees for Environmental Responsibility. "It sounds like he's being retaliated against because of his job, not because of any disclosure he made," Ruch said. "He's suffering due to the nature of his job, and maybe because he did it too well."

*Annie Snider contributed to this report.*

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## **Dourson at risk of rejection as more Republicans lean no** [Back](#)

By Nick Juliano and Anthony Adragna | 11/16/2017 05:55 PM EDT

President Donald Trump's nominee to a key chemical safety job at the EPA is at risk of rejection after Republican senators balked amid accusations that he is too eager to cover for companies peddling dangerous products.

North Carolina's two GOP senators have said they will vote against confirming Michael Dourson as an EPA assistant administrator, citing a record that included work on a chemical

linked to cancer deaths near a Marine Corps base in their home state. And Maine Republican [Susan Collins](#) said Thursday that she is leaning no as well — a vote that would be enough to sink his nomination.

Democrats are optimistic about turning four additional Republicans who they believe should be in play based on contamination issues back home.

Republican leaders have not decided what to do about Dourson's nomination, Senate Majority Whip [John Cornyn](#) (R-Texas) said Thursday.

"We'll have to see whether it's a viable nomination, and with two against him obviously that doesn't leave us a lot of room," Cornyn told POLITICO. "We haven't made a decisions on that yet, but we'll be revisiting it."

Critics say Dourson, a former industry-funded toxicologist, regularly downplayed the risks of chemicals such as PFOA and trichloroethylene that are contaminating soil and water in communities across the country. Dourson has already begun working at EPA as a senior adviser to Administrator Scott Pruitt, an arrangement Democrats have condemned as improper.

"There are all these local contamination issues across the country that have been bubbling up recently or have been out there for years, and because Dourson is this hired gun ... he's almost by nature of his job been working on these really controversial chemicals," said Jack Pratt, chemicals campaign director for the Environmental Defense Fund, which opposes Dourson's nomination.

Republican North Carolina Sens. [Thom Tillis](#) and [Richard Burr](#) said Wednesday that they could not support Dourson because of his past work as a toxicologist who was frequently hired by industry to rebut public health concerns about chemicals. Collins said Thursday that she is "leaning against" confirming him.

A legislative aide said Democrats are eyeing Republican Sens. [Jeff Flake](#) of Arizona, [Lisa Murkowski](#) of Alaska, [Bob Corker](#) of Tennessee and [Pat Toomey](#) of Pennsylvania, although Flake, Toomey and Corker told POLITICO they're still undecided.

"Sen. Toomey remains concerned about the PFOA issue in Bucks County and Montgomery County and remains dedicated to addressing it," a spokesman for the Pennsylvania Republican said, naming two Philadelphia-area counties where [toxic firefighting chemicals](#) leached into the ground from [two closed naval bases](#). Toomey is reviewing the nomination "with these concerns in mind," but the spokesman did not say how he plans to vote.

However, even if the nomination is pulled or rejected, Dourson will still be able to influence EPA's implementation of a major chemical safety law because he has already started working at the agency. Democrats have criticized that arrangement, though EPA says previous administrations allowed people to begin working there before being confirmed.

EPA's chemical safety office, which Dourson has been nominated to lead, has a heavy workload after Congress in 2016 passed a bipartisan law updating the Toxic Substances Control Act for the first time in nearly 40 years. The office has been charged with evaluating the safety of chemicals already in use and determining how to test new chemicals before they are allowed into the marketplace.

The near-universal support TSCA reform won in Congress last year may help explain the wariness among lawmakers about giving chemical industry allies too much of a foothold in EPA.

"They wanted to give the public some assurance that the products on their shelf are safe, and when you put the chemical industry in charge that's not going to happen," said Madeleine Foote, a legislative representative with the League of Conservation Voters.

Tillis and Burr stopped short of calling for Dourson to step down from his existing position at the agency. "I'll leave that up to the EPA to decide," Tillis told POLITICO.

Sen. [Joe Manchin](#) (D-W.Va.), who has supported several Trump nominees, said he would vote against Dourson but not object to him continuing to work at EPA.

Before joining EPA last month, Dourson was a professor at the University of Cincinnati College of Medicine's Risk Science Center, and he founded the nonprofit Toxicology Excellence for Risk Assessment, which was often conducted industry-funded research. He also previously worked at EPA from 1980 to 1995. Past clients of Dourson and his research group have included Dow Chemical, Koch Industries and Chevron, according to [the Associated Press](#).

Critics say Dourson's research routinely concluded that chemicals were safer in far higher concentrations than those recommended by agencies like EPA, putting communities at greater risk of finding toxic substances like perchlorate, TCE or PFOA in their air or drinking water.

Pratt said Dourson's work followed a pattern.

"Over and over again these chemical companies would hire him, he'd look at the research, and say the standard that EPA or whatever regulatory body has is too strict — it should be looser," Pratt said.

EPA defended the nominee.

"Dr. Michael Dourson is a highly qualified scientist to lead EPA's Office of Chemical Safety and Pollution," EPA spokesman Jahan Wilcox said in a statement. "He worked at EPA for 15 years, founded a program that characterized the health hazards of chemicals, performed pro-bono work that saved a family near Cincinnati and his expertise on TCE contamination resulted in settlements that helped 130 families outside of San Francisco."

Dourson told the Environment and Public Works Committee at his confirmation hearing last month that he did not have a thumb on the scale.

"I can give you as many or more examples of situations where the science that we brought forward as a team actually lowered the safe dose or risk position for various sponsors," Dourson told Sen. [Tom Carper](#) (D-Del.) at the hearing. "If confirmed, I will rely on the guidance of EPA ethics officials."

Tillis and Burr said they could not support Dourson based on his record and North Carolina's history of chemical pollution problems, such drinking water at Camp Lejeune that was contaminated for decades by chemicals including trichloroethylene. TCE is one of the first 10 chemicals EPA must evaluate under the new safety law, but Dourson has previously endorsed

health standards that are 1.5 to 15 times less protective than those backed by other researchers, [according to EDF](#).

Retired Marine Corps Master Sgt. Jerry Ensminger, whose daughter died of leukemia linked to the contaminated water at Camp Lejeune, met with Tills and aides to Burr to urge their opposition, according to the [Wilmington Star News](#).

Among his other industry-funded work, Dourson [appeared](#) before an EPA scientific advisory panel session concerning the pesticide chlorpyrifos on behalf of CropLife America. He led a 2008 [paper](#) on acrylamide, which can form during high-temperature cooking of some starchy foods, that received funding from major food companies like Burger King, Frito-Lay and McDonald's. And he [studied](#) 1-bromopropane, a solvent linked to some neurological and reproductive disorders, in 2004 with funding from Albemarle Corp. and Ameribrom Inc.

In all cases, he recommended standards many factors less protective than public health and EPA research suggested.

He also has done work for industry-friendly state governments. In the early 2000s, Dourson helped West Virginia set drinking water guidance limits for PFOA, also known as perfluorooctanoic acid or C8, at 150 parts per billion. That was 150 times less protective than manufacturer DuPont's own internal standard of 1 part per billion and more than 2,000 times less protective than EPA's [recommendation](#) of 70 parts per trillion.

During his confirmation hearing, Dourson argued that the research had evolved significantly since his recommendation to West Virginia, saying that "the science has progressed, significantly advanced since the time of 2004 and the new science indicates a lower level." And he defended the integrity of his work overall.

"Throughout my career — with EPA, TERA and now with the University of Cincinnati — I have been objective in my work and applied sound science to come to my conclusions," Dourson said.

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**Trump Ex-Im Bank nominee will likely be blocked [Back](#)**

By Zachary Warmbrodt | 12/12/2017 04:20 PM EDT

Scott Garrett, President Donald Trump's pick to lead the Export-Import Bank, will likely be blocked by bipartisan opposition after he struggled to convince lawmakers that he should run an agency he once tried to kill in Congress.

Garrett's fate was all but sealed Tuesday when Sen. Mike Rounds (R-S.D.) said he would oppose the former congressman's confirmation when it comes up for a vote at the Senate Banking Committee on Dec. 19. The panel has 12 Republicans and 11 Democrats, and all the Democrats are expected to oppose Garrett.

"I believe him to be a proponent of the abolition of the bank rather than a reformer of the

bank," Rounds told POLITICO. "I'm looking for reformers, not abolitionists."

Rounds had raised concerns that small contractors in his state could be hurt if their larger customers lost access to financing. U.S. companies rely on the agency to provide loan guarantees to the foreign buyers of American exports.

If Garrett's nomination were blocked or withdrawn, it would be a major victory for companies and manufacturing groups, including Boeing and the National Association of Manufacturers. They have fought to stop his Senate confirmation based on his record of trying to shut down the bank while serving in Congress.

Before losing reelection in his New Jersey district last year, Garrett said the bank "embodies the corruption of the free enterprise system." As he tried to save his nomination in recent months, he struck a less aggressive tone and pledged publicly to keep the bank running.

Garrett's attempts to shore up support fell flat, and opposition to his nomination could grow before next Tuesday's vote.

Other Republicans on the committee said they had not yet made up their minds.

Sen. Tim Scott (R-S.C.), whose vote is one of the most closely watched on the panel, represents a state that's home to plants operated by Boeing and GE, two of the bank's most prominent beneficiaries. He has raised concerns with Garrett's record but has not announced how he would vote.

"My attention's all on the tax reform package," Scott said in an interview today. "I'm sure I'll have enough time before Tuesday to come to a decision."

Asked if Garrett will drop out or if the White House is looking for a new nominee, an administration official told POLITICO, "We plan on having a vote."

The administration has warned for months that if Garrett failed to advance then GOP lawmakers critical of the bank would hold up the confirmation of other nominees to head the agency. Sens. Pat Toomey (R-Penn.) and Richard Shelby (R-Ala.) have threatened to derail other Ex-Im appointees if Garrett were not cleared.

Four less controversial nominees for the bank's board are also scheduled for a committee vote on Dec. 19, and they're expected to move forward. Their confirmation would help the bank's board regain a quorum that's needed to approve transactions worth more than \$10 million.

Shelby said on Tuesday that if Garrett were blocked, "a lot of us will probably vote against all of them," but he conceded that "we're probably outliers — the minority."

In an interview Friday, White House director of legislative affairs Marc Short declined to say what the administration would do if Garrett fell short of the necessary votes in committee.

"There are some who look at it myopically and will say, 'Here's your challenge in committee,'" Short said. "But I think focusing on the committee in and of itself doesn't factor in other members of Congress who will oppose a different nominee."

Underscoring the wedge that the Export-Import Bank has driven between Republicans, manufacturers on Tuesday applauded Rounds for announcing his opposition, while

conservative groups went on the attack.

"Sen. Rounds is placing special interests and lobbyists above the interests of the American people," Club for Growth President David McIntosh said. "A vote against Scott Garrett is a vote for business as usual in Washington. Rounds' opposition will serve to protect the swamp and its creatures rather drain it."

*Andrew Restuccia contributed to this report.*

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### **ANWR drilling in tax bill draws opposition from a dozen House Republicans [Back](#)**

By Nick Juliano | 11/30/2017 06:33 PM EDT

A dozen House Republicans raised concerns today about a rider in the Senate tax bill that would allow drilling in the Arctic National Wildlife Refuge.

The lawmakers did not mention the tax bill by name in [their letter](#), and they stopped short of promising to pull their support if ANWR drilling is included. But they said they had "concerns with any proposal that would implement an oil and gas leasing program in the Refuge" and questioned whether new drilling there was necessary.

"Further, the resources beneath the Refuge's Coastal Plain simply are not necessary for our nation's energy independence," wrote Reps. [Brian Fitzpatrick](#), [Dave Reichert](#) and 10 of their GOP colleagues.

Six of the 12 lawmakers already voted against the House tax bill earlier this month, citing objections such as its elimination of the state and local tax deduction.

Opening ANWR is a priority for Sen. [Lisa Murkowski](#), a key swing vote in the upper chamber, which hopes to pass its version of the bill as soon as this week.

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### **Zinke booked government helicopters to attend D.C. events [Back](#)**

By Ben Lefebvre | 12/07/2017 06:31 PM EDT

Interior Secretary Ryan Zinke spent more than \$14,000 on government helicopters this summer to take himself and staff to and from official events near Washington, D.C., in order to accommodate his attendance at a swearing-in ceremony for his replacement in Congress and a horseback ride with Vice President Mike Pence, according to previously undisclosed official travel documents.

The travel logs, released to POLITICO via a Freedom of Information Act request, show Zinke using taxpayer-funded vehicles from the U.S. Park Police to help accommodate his political events schedule.

In a case detailed in the new documents, Zinke ordered a U.S. Park Police helicopter to take him and his chief of staff, Scott Hommel, to an emergency management exercise in Shepherdstown, W.Va., on June 21.

Zinke's staff justified the \$8,000 flight by saying official business would prevent him leaving Washington before 2 p.m., too late to make the two-hour drive to the exercise, according to the documents.

The event that prevented Zinke from leaving before 2 p.m. was the swearing-in ceremony for Rep. Greg Gianforte (R-Mont.), according to Zinke's [official Interior calendar](#). Gianforte, who won a special election for Zinke's old seat in May after assaulting a reporter, contributed along with his wife \$15,800 to Zinke's two congressional campaigns.

"Secretary Zinke's last engagement in Washington D.C. is at 2 p.m.," an Interior staffer wrote as justification for using the helicopter. "Driving to [the West Virginia event] would not enable him to be on time and fully participate as scheduled."

Interior defended the trips.

"The swearing in of the Congressman is absolutely an official event, as is emergency management training," Interior spokeswoman Heather Swift said in an email Thursday. "Shame on you for not respecting the office of a Member of Congress."

Zinke also ordered a Park Police helicopter to fly him and another Interior official to and from Yorktown, Va., on July 7 in order to be back in Washington in time for a 4 p.m. horseback ride with Pence. The trip cost about \$6,250, according to the documents.

The horseback ride through Rock Creek Park also included Sen. Roy Blunt (R-Mo.) and CMS Administrator Seema Verma, according to a [post](#) on Pence's Facebook page.

While in Yorktown, Zinke completed a walking tour of the local Revolutionary War battlefield and attended a boating industry roundtable discussion, according to the documents. The day before the trip, an Interior trip planner added to the schedule a 30-minute flyover of an area where Dominion Energy [is building](#) high-voltage electric transmission lines to run across the James River.

Interior officials originally estimated that driving to Yorktown would take about three hours, although one noted that "there is a major construction project on I-64, which will slow things down."

In an email to Interior travel scheduler Tim Nigborowicz, an Interior employee justified Zinke's using the helicopter instead of less expensive method by saying "the Secretary will be able to familiarize himself with the in-flight capabilities of an aircraft he is in charge of" and that the Park Police staff on board would "provide an added measure of security to the Secretary during his travel."

Interior officials certified ahead of the flight that Zinke's use of the helicopter would not

compromise law enforcement obligations.

The Park Police helicopter, [Eagle One](#), is deployed for medevac and emergency response situations around Washington, a part of its mission Zinke praised later that month.

"U.S. Park Service helicopter pilot and crew provided a life-saving medevac flight during the attack on members of Congress during baseball practice," Zinke said in the July 25 [video](#) celebrating American Heroes Week.

The former Montana congressman and Navy SEAL is [already being investigated](#) by the Interior Department's Inspector General and the independent Office of Special Counsel for his [mixing of official travel and political events](#). Interior earlier this year released records documenting Zinke's use of charter and military aircraft, including a \$12,000 flight from Las Vegas to Montana that allowed him to give a speech for a hockey team owned by a major campaign donor.

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By Anthony Adragna | 10/30/2017 05:42 AM EDT

**WHITEFISH CONTRACT CANNED:** Hours after Gov. Ricardo Rossello called for its immediate termination, Puerto Rico's utility [axed](#) a \$300 million grid repair contract awarded to two-year-old Montana-based Whitefish Energy. "It's an enormous distraction," Ricardo Ramos, CEO of Puerto Rico Electric Power Authority, said at a Sunday press conference, according to the [Associated Press](#). "This was negatively impacting the work we're already doing." Ramos said the contract's cancellation will result in delays of 10 to 12 weeks, though the company will complete work it's already started.

**In a [statement](#), Whitefish said it was "very disappointed"** by the decision and claimed it would "delay what the people of Puerto Rico want and deserve - to have the power restored quickly in the same manner their fellow citizens on the mainland experience after a natural disaster." During an interview with [NBC News](#) on Saturday, Whitefish CEO Andy Techmanski welcomed an audit into the contract and said his company had "nothing to hide."

**Doubt this is the end of the story:** Multiple congressional committees, government watchdogs and others are still going to want to answers to why the island's bankrupt utility awarded the massive contract in the first place to the tiny company from Interior Secretary Ryan Zinke's hometown. Just Friday, the top Democrat and Republican on the Senate Homeland Security and Governmental Affairs panel [asked](#) DHS to review the contract to determine whether FEMA could be responsible for reimbursing the island's power company for Whitefish's work.

**Hearings starting this week:** Expect the Whitefish scandal to dominate two congressional hearings on the government's response to a string of recent hurricanes this week. Homeland Security ranking member [Claire McCaskill](#) said the contract "raises every red flag in the book" and told federal officials they had "better be ready to answer tough questions" during a Tuesday [hearing](#). A House Energy and Commerce subcommittee holds its [own session](#) Thursday on response efforts.

**ICYMI:** Both the White House and Zinke on Friday denied playing any role in Whitefish landing the contract after a meeting between the Interior secretary and President Donald Trump where the topic came up, POLITICO's Cristiano Lima and Ben Lefebvre [report](#).

**Just don't say climate change:** After returning from a bipartisan trip to the island, House Majority Leader [Kevin McCarthy](#) called on the government to think about resiliency as it rebuilds the island's infrastructure. "Their grid system is probably the oldest, least efficient, and one that we need to not rebuild as is but put a new 21st century grid system in there," he said on [Fox News](#). "When we go back and make investments there, we should prepare ourselves there will be a future hurricane some time in the future. It's happened before and it will happen again but we should prepare ourselves, so we're not repaying for the exact same thing." ME would gently remind everyone that's exactly what the Obama-era flood standard that Trump [rolled back](#) earlier this year sought to address.

**Side note:** Sen. [Bernie Sanders](#) also visited the island on Friday and met with San Juan Mayor Carmen Yulín Cruz. "The level of destruction in Puerto Rico is unprecedented. Rebuilding will require significant resources over a long period of time," he [tweeted](#).

**For the record:** More than a month after the hurricane hit, 70 percent of the island lacks power and more than 20 percent of people still don't have drinking water, according to [government figures](#).

**WELCOME TO MONDAY!** I'm your host Anthony Adragna, and the Liberty Square Group's Jim Leahy was first to identify California, New York, Florida and Texas as the four states with the most congressional seats. For today: Who was the first president to decorate the White House for Halloween? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**TAX REFORM 101:** How does our tax system really work? Who pays what—and how does it all add up? And how does the America tax system compare to international competitors? POLITICO's new explainer video series has you covered. Tax Reform with Bernie Becker is the first of an issue based animated video series that pairs expert reporters with Pulitzer Prize-winning cartoonist, Matt Wuerker, to provide you with a new way of digesting the news. Click [HERE](#) to watch.

**PRUITT WANTS RIN FRAUD CRACKDOWN:** EPA Administrator Scott Pruitt called for "some reforms" to the program under the Renewable Fuel Standard through which companies buy credits to comply with biofuels mandates during [a Sunday radio interview](#). "There's lots of fraud endemic to the RIN program," Pruitt told New York radio host John Catsimatidis. "There needs to be efforts to address that and that's what the discussion will continue to be as we look at that statute." Remember that even the rumbling that Pruitt was considering tweaking the program by making biofuel exports eligible for RINs pushed Midwest Republicans to threaten to withhold votes for EPA nominees, so treading carefully seems warranted.

**FOREST BILL HITS THE FLOOR:** The House is expected to this week consider legislation [H.R. 2936 \(115\)](#) from Rep. [Bruce Westerman](#) that would overhaul a host of forest management activities and that sponsors claim will address fire-borrowing, streamline environmental review processes and minimize litigation. Critics [say](#) it undermines crucial environmental protections by using "the specter of wildfire to facilitate commercial logging on national forests shielded from public scrutiny and environmental review." The House Rules Committee [meets](#) on the measure Halloween at 5 p.m.

**Confirmation hearing watch:** Over in the Senate, the Commerce Committee [gavels in](#) Wednesday at 10 a.m. to consider the nomination of Rep. [Jim Bridenstine](#) to run NASA. At the same time, the Banking Committee mulls former Rep. Scott Garrett's selection to run the Export-Import Bank, which has been sharply criticized by the business community.

**ME INTERVIEW — Virginia Democrat Rep. Don Beyer:** The second-term member of the Natural Resources and Science committees is deeply discouraged by the first months of the Trump administration on the environment, but preparing to offer a carbon dividend bill he hopes will attract Republican support and form the basis for future action to address climate change.

**His warning to Republicans:** Beyer thinks the GOP may regret allowing Trump officials to ignore oversight letters and skip testifying regularly. "If you end up with a President Biden or a President McAuliffe in 2021, I can't imagine [Republicans] are going to want to think 'all the letters I write the next few years aren't going to be returned or even acknowledged.' And [that] none of their Cabinet secretaries are going to be willing to come testify before us. It's just not the right way to run the government."

**His message to the demoralized federal workforce:** "Please hang in there. We especially need them to stay to offset the Pruitts of the world."

**MAIL CALL! BECAUSE EVERYBODY'S HEARD ABOUT THE BIRD?** Seven Democratic senators, led by Colorado's [Michael Bennet](#), asked Zinke in a Friday [letter](#) to extend the comment period by 45 days as Interior [mulls changes](#) to how it and states implement conservation plans for the sage grouse in the West. "Given the importance and complexity of the proposed rule, and the intersection with BLM's resource management plans, it is essential that all stakeholders have sufficient opportunity to prepare and provide feedback," they wrote.

**Please CC me on that:** Ten senators, led by Florida's [Marco Rubio](#), asked OMB in [a letter](#) to send them copies of each agency's funding request as the administration prepares to request billions more in disaster relief funding.

**Greens oppose Eid nomination:** Ahead of a [flurry of circuit court confirmations](#) by the Senate this week, the League of Conservation Voters sent [a letter](#) urging lawmakers to oppose the nomination of Allison Eid to sit on the Denver-based U.S. Court of Appeals for the 10th Circuit. "Based on her record, if Eid is confirmed to serve a lifetime appointment on the federal bench, it could prove disastrous for environmental laws and regulations," the group wrote.

**It's the Maine attraction:** Maine Sens. [Angus King](#) and [Susan Collins](#) sent [a letter](#) to Zinke urging him to consider alternative solutions to address the national parks maintenance backlog rather than dramatically increasing fees at 17 parks nationwide, including Acadia National Park in their state.

**NEW CAMPAIGN ON ENERGY LAUNCHES:** The Consumer Energy Alliance, whose members include major manufacturers, oil and gas companies, utilities and other business groups, is launching a new push across 12 key states today to tout the benefits of energy production. In [a letter](#) to members of Congress, CEA President David Holt says the group's Campaign for America's Energy "will recognize and promote what anti-energy groups have failed to acknowledge: American energy and a healthy environment do AND must go hand-in-hand." Holt's letter does not mention climate change at all, nor outline any specific policies the campaign is supporting. Sample site from the campaign [here](#).

**LCV UP FOR BALDWIN:** The League of Conservation is out with a \$300,000 [ad buy](#) today thanking Wisconsin Sen. [Tammy Baldwin](#) for her support of the Great Lakes. "Baldwin worked with both parties to ensure less pollution, cleaner water, and safer lakes for Wisconsin families," the ad says.

**SHORING UP:** The European Union is taking steps to fortify its [biggest tool](#) for cutting greenhouse gases — the Emissions Trading System — from severe damage if Britain breaks away [without a deal](#) on its relationship with the bloc in 2019, POLITICO Europe's Sara

Stefanini [reports](#). But the moves would hit the UK hardest since its government — and others — would be left holding unusable junk permits.

**MOVERS, SHAKERS:** House Science Chairman [Lamar Smith](#) named Chris Wydler his deputy chief of staff for policy and legislation. Ashley Smith becomes deputy chief of staff for strategy and operations. Both previously worked in other roles on the committee.

## QUICK HITS

— Accused DAPL protester moved to Fargo jail. [Bismarck Tribune](#).

— Pollution limits in Spokane River prompt city officials to seek reprieve from EPA. [Spokesman-Review](#).

— Report: Los Alamos lab comes up short on emergency drills. [AP](#).

— Green energy vs. coal: A secret campaign to convince Ohioans that wind and solar would kill jobs. [Inside Climate News](#).

— Stenehjem: Meeting with Pruitt did not violate meetings law. [AP](#).

— How a 672,000-Gallon Oil Spill Was Nearly Invisible. [New York Times](#).

## HAPPENING THIS WEEK

### MONDAY

8:00 a.m. — Carbon Dioxide Removal/Negative Emissions [workshop](#), Environmental & Energy Management Institute, 800 22nd St NW Washington, Room SEH B1270

12:45 p.m. — A [Conversation](#) with Dr. Hoesung Lee, Chair of the Intergovernmental Panel on Climate Change, Resources for the Future, 1616 P St NW

### TUESDAY

10:00 a.m. — "[2017 Hurricane Season: Oversight of the Federal Response](#)," Senate Homeland Security and Governmental Affairs Committee, Dirksen 342

10:00 a.m. — "[Full Committee Hearing to Examine Opportunities for Efficiency in Building Management and Control Systems](#)," Senate Energy and Natural Resources Committee, Dirksen 366

10:00 a.m. — Former FERC commissioners and stakeholders discuss the Grid Rule, Sofitel Washington DC Lafayette Square, Paris Ballroom, 806 15th Street NW

11:00 a.m. — "Geopolitics of Energy: The Nexus of Russia, Saudi Arabia and the Global Oil Market." Daniel Morgan Graduate School, 1620 L St. NW

### WEDNESDAY

10:00 a.m. — Senate Commerce Committee confirmation [hearing](#) for Commerce and NASA nominees, Russell 253

12:30 p.m. — "[A Practitioner's Approach to Financing Energy Efficiency in Emerging Market](#)," Bernstein-Offit Building, 1717 Massachusetts Avenue NW, Room 500

3:00 p.m. — "[Developing Low Carbon Economies in Latin America](#)," The Wilson Center, One Woodrow Wilson Plaza, 1300 Pennsylvania Ave. NW

## THURSDAY

9:30 a.m. — "[Full Committee Hearing to Receive Testimony on the Potential for Oil and Gas Exploration in the 1002 Area](#)," Senate Energy and Natural Resources Committee, Dirksen 366

10:00 a.m. — "[The 2017 Hurricane Season: A Review of Emergency Response and Energy Infrastructure Recovery Efforts](#)," House Energy and Commerce Energy Subcommittee, Rayburn 2123

10:00 a.m. — Legislative [hearing](#) on trio of water bills, House Natural Resources Water, Power and Oceans Subcommittee, Longworth 1324

## FRIDAY

12:30 p.m. — "[Dr. Ben Zaitchik on Water, Food, and Energy in the Eastern Nile Basin](#)," Johns Hopkins School of Advanced International Studies, 1619 Massachusetts Avenue NW, Rome Auditorium

## THAT'S ALL FOR ME!

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/10/controversial-whitefish-contract-axed-but-questions-linger-025277>

## Stories from POLITICO Pro

### **Puerto Rico utility cancels controversial energy contract** [Back](#)

By Colin Wilhelm | 10/29/2017 02:20 PM EDT

Puerto Rico's Electric Power Authority canceled its \$300 million contract with Whitefish Energy, a Montana-based company, after additional scrutiny surrounding the repair contract worth hundreds of millions of dollars.

The move comes after Puerto Rico Gov. Ricardo Rosselló called for the cancellation of the contract this morning. Rosselló's public call to the federal oversight board of Puerto Rico happened after days of resisting any change to the contract, according to a source with knowledge of the situation.

A spokesperson for the governor did not immediately respond to a request for comment.

Rosselló publicly objected last week to the oversight board's installation of an emergency chief transformation officer to oversee the recovery of PREPA, Puerto Rico's beleaguered government-backed power utility, after the board filed in court to do so last week. That board-installed officer is placed above PREPA's Executive Director Ricardo Ramos, who signed off on the Whitefish contract. That contract uses federal funds overseen by the utility to repair

Puerto Rico's electrical grid, most of which remains offline weeks after Hurricane Maria hit the island.

The law passed by Congress last year allows the board to act as trustee for any Puerto Rico government entities that seek to reorganize their debt in court, a process similar to bankruptcy. A judge overseeing the restructuring of Puerto Rico's debt granted the request, according to a court document.

Several congressional committees sent investigative inquiries about the contract last week, and members of the House Natural Resources Committee also sought information as to why Rosselló did not seek to activate "mutual aid" agreements with nearby states to increase the number of work crews available, an action Rosselló ultimately took today.

"Transparent accountability at PREPA is necessary for an effective and sustained recovery in Puerto Rico," said Parish Braden, a spokesperson for that committee, in an email to POLITICO. "Immediate actions must also be responsibly aligned with long-term rebuilding and revitalization efforts. Success depends on the cooperation and coordination of the Governor, the Oversight Board, PREPA's Chief Transformation Officer and federal partners."

In a press conference Sunday, Rosselló urged the immediate end of an agreement between the commonwealth's electric utility, PREPA, and Whitefish Energy, a two-year-old Montana-based company whose selection for a no-bid contract worth hundreds of millions of dollars has drawn intense political scrutiny. Rosselló also criticized the federal government for a delay in sending brigades of the U.S. Army Corps of Engineers.

In a news release sent Sunday, Rosselló said his comments were "intended to reaffirm our commitment to transparency in the contracting process in the government of Puerto Rico and to achieve the highest degree of efficiency possible in the restoration of the power grid of our island, in the shortest amount of time possible."

"The goals I established are aimed at achieving 30 percent of the power generation capacity. I am grateful for the effort that the PREPA staff is doing together with the contracted companies," Rosselló said in the release. "At the moment, PREPA and its contractors have 404 brigades working on the island, while the [Army Corps of Engineers] has seven."

Earlier this month the Washington Post reported that Whitefish had previously employed the son of Interior Secretary Ryan Zinke and that the company was selected despite having no experience in large-scale electrical repairs and with only two full-time employees. The company has subcontracted out its work on the island.

Since then the contract, initiated by PREPA using federal emergency funds, has come under congressional scrutiny and put Zinke on the defensive.

Zinke on Friday said he had "absolutely nothing to do" with the awarding of the contract to Whitefish, which is from his hometown. "Any attempts by the dishonest media or political operatives to tie me to awarding or influencing any contract involving Whitefish are completely baseless. Only in elitist Washington, D.C., would being from a small town be considered a crime," Zinke wrote in a [statement](#).

*To view online [click here](#).*

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## **Zinke says he had 'absolutely nothing to do with' Puerto Rico contract [Back](#)**

By Cristiano Lima and Ben Lefebvre | 10/27/2017 03:53 PM EDT

Interior Secretary Ryan Zinke on Friday said he had "absolutely nothing to do" with Puerto Rico awarding a small, for-profit company from his hometown a \$300 million contract to repair the island's electrical grid in the wake of Hurricane Maria.

"Any attempts by the dishonest media or political operatives to tie me to awarding of influencing any contract involving Whitefish [Energy Holdings] are completely baseless. Only in elitist Washington, D.C., would being from a small town be considered a crime," Zinke wrote in a [statement](#).

"Neither myself nor anyone in my office has advocated for this company in anyway (sic)," he continued. "After the initial contract was awarded, I was contacted by the company, on which I took no action. All records, which are being made available to appropriate officials, will prove no involvement."

Zinke's statement came after the White House denied any role by the federal government in the deal between Whitefish Energy and the Puerto Rico Electric Power Authority.

"This is a contract that was determined by the local authorities in Puerto Rico, not something that the federal government played a role in," White House press secretary Sarah Huckabee Sanders said at Friday's briefing.

Sanders added: "But as we understand, there is an ongoing audit and we'll look forward to seeing the results of that later."

Sanders said President Donald Trump and Zinke discussed the controversy during their meeting on Friday and that the interior secretary said he had no involvement in the contract being awarded to company.

Zinke "reiterated once again that we have no role, the federal government, specifically he had no role in that contract," Sanders said.

Multiple congressional committees are probing the controversial contract, which awarded the task of restoring transmission and distribution lines damaged or destroyed by the powerful Hurricane to a small, 2-year-old company that had only two full-time employees on its payroll as the storm hit in September.

The Senate Homeland Security and Governmental Affairs Committee late Friday became the latest panel to probe the business deal. Committee Chairman Ron Johnson (R-Wis.) and ranking member Claire McCaskill (D-Mo.) [asked](#) the Department of Homeland Security to review the contract to determine whether the Federal Emergency Management Agency will be responsible for reimbursing PREPA the cost of Whitefish Energy's work.

Sanders' and Zinke's comments distancing the Trump administration from the decision to solicit Whitefish's services echo a statement released earlier Friday by FEMA.

"The decision to award a contract to Whitefish Energy was made exclusively by Puerto Rico Electric Power Authority (PREPA)," the agency said in a statement. "FEMA was not involved in the selection."

FEMA added it had "significant concerns" with how officials in Puerto Rico acquired the company's services and that it had not yet confirmed "whether the contract prices are reasonable."

Puerto Rico Gov. Ricardo Rossello said Friday, according to ABC, that there will be "hell to pay" if any wrongdoing is discovered in the contract being awarded to Whitefish.

To view online [click here](#).

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### **Trump to roll back climate-focused flood standard [Back](#)**

By Annie Snider | 08/15/2017 12:41 PM EDT

President Donald Trump will roll back a flood standard designed to protect federal investments from stronger storms as part of an executive order set to be signed this afternoon, according to a White House source.

The Federal Flood Risk Management Standard was established under an [executive order](#) issued by President Barack Obama in 2015. It requires that new federally funded projects — from government buildings like Veterans Administrations hospitals to bridges and schools funded by federal grants — be built to withstand the stronger storms and additional flooding projected to occur as the climate changes. It does not apply to the National Flood Insurance Program.

The Obama administration's standard offers multiple options for achieving greater flood protection, but generally requires construction to withstand a 500-year storm. The previous standard, on the books for more than four decades, required construction to take place outside of the 100-year floodplain. The new standard has not actually taken effect yet; each federal agency is tasked with developing its own regulation for implementing the standard, and none have yet been finalized.

Industry groups objected to the standard, arguing it was developed behind closed doors and could greatly increase costs.

Environmental groups have objected to efforts to repeal the standard.

"Ninety percent of all natural disasters in the United States involve flooding. These events claim lives and strain the capacity of government agencies and local communities to adequately respond and provide relief," Laura Lightbody with the Pew Charitable Trusts said in a statement.

**WHAT'S NEXT:** Trump is slated to sign an executive order on infrastructure containing the roll back of the Federal Flood Risk Management standard at 3 p.m. today.

To view online [click here](#).

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## **Interior to reverse Obama sage grouse land protection, reconsider pacts with states** [Back](#)

By Esther Whieldon | 10/05/2017 01:57 PM EDT

The Interior Department says it is terminating the Obama administration's proposal to block mining on about 10 million acres of sage grouse habitat in the West, and it announced plans to alter the land-use plans the agency put in place in 2015.

In notices posted on its website that will be published in the Federal Register, the Bureau of Land Management [terminated](#) its plans set out under the Obama administration for an environmental impact statement that would have potentially led to the agency withdrawing land in so-called sagebrush focal areas in Idaho, Montana, Nevada, Oregon, Utah and Wyoming.

"The BLM has determined that the lands are no longer needed in connection with the proposed withdrawal," the notice says.

The agency is also asking for [comment](#) on changing the nearly 100 land-use plans BLM put in place under an agreement with states in lieu of listing the bird as either endangered or threatened under the Endangered Species Act.

BLM said it is re-opening the plans to comply with to a court decision earlier this year that held the agency did not adequately evaluate the designation of sagebrush focal areas in its 2015 greater sage-grouse plan amendment for Nevada.

**WHAT'S NEXT:** BLM will accept comments on the land use plan changes for 45 days after the notice is published in the Federal Register.

To view online [click here](#).

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## **McConnell preps judicial confirmation frenzy** [Back](#)

By Seung Min Kim and Josh Gerstein | 10/26/2017 01:53 PM EDT

Senate Majority Leader Mitch McConnell is launching a circuit court confirmation blitz.

The top Senate Republican on Thursday teed up votes to install four nominees to the powerful appellate courts, which give the final word on the vast majority of cases that don't reach the Supreme Court.

The nominees are Allison Eid for the 10th U.S. Circuit Court of Appeals; Stephanos Bibas for the 3rd Circuit; Joan Larsen for the 6th Circuit; and Amy Coney Barrett for the 7th Circuit.

Eid and Larsen are among the names Donald Trump floated during the presidential campaign last year as potential Supreme Court picks, adding more significance to their confirmations to the appellate courts.

"By confirming these nominees we can take a big step toward restoring our nation's courts to their proper role: interpreting and applying the law based on what it actually says, not what a judge wishes it might say," McConnell said on the Senate floor. "It's quite a departure from the last administration's philosophy when it came to selecting judicial nominees."

Eid and Bibas were reported to have advanced out of the Senate Judiciary Committee earlier Thursday. Nominees typically have to wait a day after a committee vote before they can be considered on the floor, but Democratic senators gave consent to speed up the process in exchange for not working on a Friday, a McConnell spokesman said.

Nonetheless, Senate Democrats say the nominees are being rushed to the floor, leaving senators little time to vet the candidates.

"I think it's awful fast to move," said California Sen. Dianne Feinstein, the top Democrat on the Judiciary Committee. "I think members have to read the writings, members have to take a look at their qualifications, members are leaving today. We found about it today, and it's on the floor next week."

Feinstein used a committee meeting earlier Thursday to highlight the fact that two of the court vacancies the panel moved to fill Thursday were open for Trump only because Republicans used the "blue slip" process to block President Barack Obama's nominees for the same slots.

The committee had advanced six judicial nominees other than Eid and Bibas, as well as three U.S. attorney candidates to the Senate floor.

"Last year, the Obama administration nominated different people to these same vacancies," Feinstein noted, referring to slots on the 3rd Circuit and the district court in South Carolina. "Those nominees didn't get blue slips from their home state senators, so their nominations didn't proceed. ... Not returning blue slips is the right of home-state senators."

Judiciary Committee Chairman Chuck Grassley didn't address the blue slip issue directly, but said Democrats should be wary about blocking female nominees in particular.

"I was disheartened by colleagues who voted against the two female nominees last week," Grassley said. "When the Republicans voted against female circuit court nominees in 2013, Democrats called it 'unjust.' I won't do that here to my friends, but I also don't want to see a double standard for qualified female nominees from different presidents."

While Republicans and Democrats split along party lines over four of the judicial nominees, Sen. Dick Durbin (D-Ill.) singled out Bibas for unusually blunt criticism. The Senate minority whip said an article Bibas authored in 2009 promoting electric shock and other forms of corporal punishment for criminals should keep him from the bench.

"I believe what Prof. Bibas wrote ... disqualifies him from a lifetime appointment to the second-highest court in the land," Durbin said. "This man is outside the mainstream of American legal thinking. I believe he's outside the mainstream of conservative political thinking. Who has stepped forward on the Republican side and called for what this professor

has called for?

Durbin continued: "Democrat or Republican, seriously, are we going to vote this man into this position?"

The panel ultimately split 11-9 on Bibas' nomination, as well as Eid's to the 10th Circuit, Liles Burke to a district court seat in Alabama, and Michael Juneau to a district court judgeship in Louisiana.

The transformation of the federal judiciary has been one of the enduring early successes of Trump's presidency, particularly because he entered office with an unusually high number of vacancies in the district and circuit courts.

Conservative advocacy groups have been pressuring McConnell to confirm judicial nominees more quickly, although Trump already has gotten more judges installed at this point in his presidency than his predecessor.

To view online [click here](#).

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By Anthony Adragna | 09/12/2017 05:41 AM EDT

**ALL QUIET ON THE CLIMATE FRONT:** Even as the double whammy of Hurricanes Harvey and Irma offers the U.S. an up-front glimpse of the types of devastation the world faces due to a warming climate, Democrats are largely holding their fire on Republicans, Pro's Emily Holden and Elana Schor [report](#). Instead, they appear to be heeding the warnings of several of President Donald Trump's Cabinet officials that discussing climate change with large swaths of land still underwater would be insensitive. "The response to Hurricanes Harvey and Irma thus far has been more muted, likely in part because of a desire to keep the focus on immediate disaster relief," said Trevor Houser, former energy adviser to Hillary Clinton's presidential campaign.

**Democrats say there will be opportunities to explore** the linkage between extreme weather and manmade climate change moving forward. "We have a lot of time to make that point, and I think we also have a lot of legislative opportunities as we look at reauthorizing flood insurance and funding the disaster relief," Sen. [Sheldon Whitehouse](#), one of staunchest climate hawks, said. Environmental advocates have hit Trump's inaction on climate change online, but have shied away from criticizing Democrats. "The truth is, I'd settle for politicians not talking about climate at all, and instead actually doing something," Bill McKibben, founder of 350.org, said.

**Tone shift at the White House?** Tom Bossert, Trump's homeland security adviser, told reporters Monday that the cause of both devastating hurricanes is "outside of my ability to analyze" but he acknowledged a need to bolster flood and coastal defenses threatened by rising seas and powerful storms. "We continue to take seriously the climate change, not the cause of it, but the things that we observe," he said. "What President Trump remains committed to is making sure that federal dollars aren't used to build things that will be in harm's way later or that won't be hardened against the future predictable floods that we see." While those words may offer hope to some, ME would note Trump has erased climate considerations from government processes, nixed flood standards for federal projects, withdrawn the U.S. from the Paris climate change agreement, pulled back a regulation to limit carbon dioxide from power plants and halted funding to help poor nations adapt to new weather extremes.

**More money needed?** Asked if the administration would put more money into agencies like FEMA and EPA, Bossert expressed openness to requesting additional funds — "We'll put money in as money is needed to address the need," he said — but added "right now we have plenty of resources to get through this."

**Irma could've been even worse:** Even as millions lost power during Hurricane Irma, the head of the state's largest utility said outages could've been even worse if Florida Power & Light Co. had not spent \$3 billion to improve the energy grid, POLITICO Florida's Bruce Ritchie [reports](#). "With this kind of storm what I can tell you is, we would be facing a much longer restoration" without the work, FPL President and CEO Eric Silagy said Monday.

**Nelson wants Perry's help:** The federal government should establish a fuel reserve in Florida to help prevent the fuel shortages that occurred during the response to Irma, Sen. [Bill Nelson](#) wrote in a Monday [letter](#) to Energy Secretary Rick Perry. "A Florida gasoline supply reserve would ensure that residents and first responders have access to an emergency supply of fuel, and help prevent the shortages that may have kept some from evacuating and may hinder recovery efforts going forward," Florida's senior senator wrote. DOE created the [Northeast Gasoline Supply Reserve](#) in 2014 following similar issues during Hurricane Sandy, he noted.

**Checking in on Texas:** EPA reported late Monday that 35 of the 2,238 drinking water systems affected by Harvey remain shut down, while 35 of the 1,219 wastewater treatment plants in affected countries also remain inoperable. The agency further said it had "directed potential responsible parties or has independently started collecting samples at the 43 Superfund sites to further confirm any impacts from the storm" and said additional assessments continue at two sites — San Jacinto Waste Pits and U.S. Oil Recovery. In addition, Reuters [reported](#) federal officials are cleaning up spills of oil and chemicals spilled from a dozen industrial facilities in the aftermath of Harvey.

**Yikes:** Water testing arranged by The New York Times from two Houston neighborhoods showed alarmingly high levels of bacteria and toxins. Tests from the Briarhills Parkway in the Houston Energy Corridor showed levels of E. coli at levels four times of what's considered safe, while Clayton Homes public housing development downtown showed concentrations of E. Coli more than 135 times healthy levels, as well as elevated levels of lead, arsenic and other heavy metals. The EPA said Monday that 40 of 1,219 waste treatment plants affected by Harvey were not working.

**SIREN!** Trump meets this morning at 10 a.m. in the Oval Office with EPA Administrator Scott Pruitt and Commerce Secretary Wilbur Ross. EPA and the White House did not respond to further requests about what they'll be chatting about.

**WELCOME TO TUESDAY!** I'm your host Anthony Adragna, and NRDC's Ana Unruh Cohen was the first (of many) to identify Sam Rayburn as the longest-serving House speaker. For today: Which state has had eight lawmakers go on to serve as speaker? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**EPA LAUNCHES PROBE INTO ARKEMA INCIDENT:** Officials at EPA have requested information from Arkema to help them ascertain whether the chemical company properly followed Clean Air Act safety regulations before Hurricane Harvey. EPA asked in [its letter](#), obtained by ME Monday, for a response from the company within 10 calendar days of receipt. Among the information sought is what the company did before the storm to prepare for potential flooding and loss of electricity, as well as the quantities of chemicals stored on site. Several chemical containers at the Crosby, Texas, facility caught fire after the hurricane deluged it with water.

**MINE PRUITT VISITED FURLOUGHS WORKERS:** Consol Energy's Bailey Mine complex, which EPA Administrator Scott Pruitt [visited](#) back in April as one of the first stops on his "Back to Basics" campaign, furloughed more than 300 workers Monday after Pennsylvania's Department of Environmental Protection failed to approve a permit modification in time, the Observer-Reporter [reports](#). A company spokesman said it was the first time in the site's history that state environmental regulators failed to approve a permit in a "timely manner" to maintain operations.

**THEY'RE BACCCCCCK:** House lawmakers return for a day and a half of work, with a slate of 6:30 p.m. votes expected to include the Interior and EPA section of eight-title, spending package [H.R. 3354 \(115\)](#) under consideration.

**SPORTSMEN'S PACKAGE PUSH BEGINS AGAIN:** The House Natural Resources Federal Lands subpanel today considers a broad sportsmen's package, [H.R. 3668 \(115\)](#). It contains a controversial provision that would make it easier to obtain gun silencers, bars EPA from ever regulating lead ammunition under the Toxic Substances Control Act, and reauthorizes the North American Wetlands Conservation Act for five years at \$50 million per year. The subpanel cancelled the initial hearing on the bill following the June congressional baseball shooting, which the measure's sponsor, [Jeff Duncan](#) (R-S.C.), witnessed.

**If you go:** The session kicks off at 10 a.m. in Longworth 1334. Ranking member [Raul Grijalva](#) and Rep. [Mike Thompson](#) will discuss the gun silencer provision during a press availability following the hearing.

**Other hearings shelved:** After Hurricane Irma delayed the House's return, the Energy and Commerce Energy Subcommittee canceled what was to have been a [blockbuster hearing](#) on the grid's reliability. Witnesses would have included FERC Chairman Neil Chatterjee (in what would have been his first appearance since confirmation), as well as Gerry Cauley, president of the North American Electric Reliability Corporation, and a DOE official. In addition, the House Science Committee postponed a full committee hearing on the electric grid's resilience that had also been slated for 10 a.m.

**SENATE ENERGY LOOKS AT LABS:** Senators on the Energy and Natural Resources Energy Subcommittee take a look at the contributions of DOE's national laboratories at a hearing beginning at 3 p.m. Sens. [Cory Gardner](#) and [Joe Manchin](#) deliver opening remarks, followed by testimony from representatives of West Virginia University, Argonne National Laboratory, Duke Energy and National Renewable Energy Laboratory. More [here](#).

**MAIL CALL! UPTON PUSHES ENBRIDGE FOR REPAIRS:** Rep. [Fred Upton](#), chairman of the Energy and Commerce Energy Subcommittee, sent [a letter](#) Monday urging Enbridge to "conduct repairs immediately" on its Line 5 pipeline after revelations of gaps in the line's protective coating. "The more recent disclosure of a loss of protective coating and the likelihood that human error was a factor raises serious concerns about Enbridge's compliance with federal pipeline safety laws," Upton wrote. "Rest assured I will remain hyper-vigilant and expect prompt response to my request."

**MORE VOICES WEIGH IN ON SOLAR TARIFF CASE:** Six right-leaning policy groups will urge the International Trade Commission not to back a bid from solar manufacturers Suniva and SolarWorld USA to impose tariffs on imported solar products in [a letter](#) today, Pro Trade's Megan Cassella [reports](#). The groups fear an affirmative ITC decision would double the cost of solar products in the U.S. and leave the country vulnerable to retaliation and challenges at the WTO. "Similar to steel in 2002, solar tariffs today would amount to nothing more than a crony capitalist giveaway to failing companies," they wrote.

**GREENS CHALLENGE NEVADA LEASE SALES:** The Sierra Club and the Center for Biological Diversity filed a lawsuit Monday challenging BLM's June sale of oil and gas leases in northern Nevada. The lawsuit argues the government failed to consider the possible consequences of drilling in the area, ranging from contamination of desert water sources to

increased greenhouse gas emissions. The June 13 sale [brought in](#) just \$38,560 from three parcels covering approximately 5,760 acres out of more than 95,000 acres offered.

**NO MASS EXODUS AMONG THE FEDS:** Just more than two percent of federal employees have left their positions since Trump became president, more than during presidents George W. Bush and Barack Obama's opening months but less dramatic than the mass departures feared, BuzzFeed [reports](#). Among the highest departure rates were the departments of Energy (2.7 percent) and Interior (2.5 percent).

**REPORT: ROOM FOR IMPROVEMENT FOR SOLAR DIVERSITY:** A [report](#) out Monday from the Solar Foundation finds women represent just 28 percent of employees in the 260,000 person strong solar industry and people of color are a tiny share of the workforce. African-Americans hold just 7 percent of solar jobs, while Hispanic or Latino employees are 17 percent of the workforce and Asians are 9 percent. The study concludes "women and people of color face significant hurdles to achieving equal pay and positions in the solar industry."

**MOVERS, SHAKERS:** Adam Kolton has been named executive director of the Alaska Wilderness League, effective Oct. 10. He'll join from the National Wildlife Federation where he's currently vice president of federal advocacy.

**SPOTTED:** Gina McCarthy, sporting a rolling backpack, at the Dirty Habit bar near the EPA. She was drinking red wine and laughing jovially on Monday evening, per our tipster.

## QUICK HITS

- Floridians battered by Irma maintain climate change is no 'big deal'. [The Guardian](#).
- Trump administration halts pollution controls at Utah coal plants. [AP](#).
- Suppliers warn EPA against regulatory rollback. [Automotive News](#).
- Three Top Names Emerge As Likely Head Of Western EPA Office. [Western Wire](#).
- Gasoline prices at pump are heading lower even as Florida struggles with supplies. [CNBC](#).
- State better off without Enbridge oil pipeline, Dayton agency says. [Minnesota Public Radio](#).

## HAPPENING TODAY

9:00 a.m. — "[The New Geopolitics of Natural Gas](#)," Atlantic Council, 1030 15th Street NW, 12th Floor

10:00 a.m. — House Natural Resources Federal Lands Subcommittee holds [legislative hearing](#) on SHARE Act, 1334 Longworth

POSTPONED — "[Powering America: Defining Reliability in a Transforming Electricity Industry](#)," House Energy and Commerce Energy Subcommittee, Rayburn 2123

POSTPONED — "[Resiliency: The Electric Grid's Only Hope](#)," House Science, Space and Technology Committee, 2318 Rayburn

10:00 a.m. — The Center for Climate and Energy Solutions releases a new brief and hosts a webinar featuring business leaders on how and why companies are putting an internal price on carbon emissions, contact: [press@c2es.org](mailto:press@c2es.org)

2:30 p.m. — "[Reauthorization of the Magnuson-Stevens Fishery Conservation and Management Act: Oversight of Fisheries Management Successes and Challenges](#)," Senate Commerce Oceans, Atmosphere, Fisheries, and Coast Guard Subcommittee, Russell 253

3:00 p.m. — "[Fostering Innovation: Contributions of the Department of Energy's National Laboratories](#)," Senate Energy and Natural Resources Energy Subcommittee, Dirksen 366

4:00 p.m. — Full committee marks up various bills, House Natural Resources Committee, 1334 Longworth

## **THAT'S ALL FOR ME!**

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/09/democrats-hold-fire-on-climate-amid-hurricane-devastation-024541>

## **Stories from POLITICO Pro**

### **Democrats mum on climate as storm damage climbs [Back](#)**

By Emily Holden and Elana Schor | 09/12/2017 05:05 AM EDT

Hurricanes Harvey and Irma have handed Democrats their most potent opportunity in half a decade to hammer Republicans on climate change — with the massive storms giving tens of millions of Americans an up-front glimpse of the types of devastation the world faces if the warming planet spawns a surge in extreme weather.

But instead, they're mostly keeping quiet.

Aside from a handful of outliers like Hawaiian Sen. [Brian Schatz](#), leading Democratic politicians have been slow to use the double whammy from the tropics to denounce President Donald Trump, who has dismissed climate change as a "hoax."

That's a contrast from past storms like 2012's Hurricane Sandy, when Democratic New York Gov. Andrew Cuomo called the disaster a sign that "climate change is a reality." Even then-New York City Mayor Michael Bloomberg, an independent, [cited the storm](#) and climate change at the time among his reasons for endorsing Barack Obama's reelection as president.

This time, Democrats appear to be heeding the warnings of Trump appointees like EPA Administrator Scott Pruitt, who said last week that it's "very, very insensitive to the people in Florida" to talk about climate change now.

The wariness of appearing to seize on a disaster is "part of" the party's calculus behind keeping the climate politics to a minimum after the hurricanes, said the top Democrat on the Senate Environment and Public Works Committee, [Tom Carper](#) of Delaware.

"When we've done a good deal more work in terms of cleanup and getting folks' lives back to

normal, I hope we do a deep dive into whether or not the warming in the Gulf of Mexico is really what's causing this," Carper added in an interview, vowing that a broader climate conversation is "coming soon."

Sen. [Sheldon Whitehouse](#) (D-R.I.), a climate hawk known for delivering more than 100 floor speeches on the issue, said he doesn't view the immediate aftermath of Harvey and Irma as heightening the sense of urgency to talk about global warming.

"We have a lot of time to make that point, and I think we also have a lot of legislative opportunities as we look at reauthorizing flood insurance and funding the disaster relief," Whitehouse said in a brief interview.

Sen. [Chris Van Hollen](#) (D-Md.) late Friday noted climate change's impact on extreme weather, citing the hurricanes as he unveiled a bill with Schatz and Sen. [Cory Booker](#) (D-N.J.) that would block Trump's cancellation of an order requiring federally funded infrastructure to take global warming into account. But Van Hollen underscored that the bill was already in the works before Harvey and Irma made their devastating landfalls.

"We actually feel like we have not been talking about these bills during this period of time" while Gulf Coast residents recover, Van Hollen told POLITICO, adding that his proposal is "designed to focus on how we rebuild. The idea is, when we invest federal dollars in infrastructure, we want it to be safe. So this is going to be a constructive part of the rebuilding conversation."

Trevor Houser, a former energy adviser to Hillary Clinton's presidential campaign, said Democrats indeed may see dangers in latching onto the climate issue so soon after the twin disasters.

"The response to Hurricanes Harvey and Irma thus far has been more muted, likely in part because of a desire to keep the focus on immediate disaster relief," said Houser, who is now at the think tank Rhodium Group.

It's not a good idea to try to land a "punch to the gut of climate change deniers" while first responders are still "pulling bodies out of the water," said Jeff Schlegelmilch, deputy director of the National Center for Disaster Preparedness at Columbia University's Earth Institute.

But green groups haven't hesitated to take aim at Trump online, with the Natural Resources Defense Council criticizing his recent move to rescind climate standards for federal infrastructure and the League of Conservation Voters praising Miami's Republican Mayor Tomás Regalado for saying it is time to talk about climate change.

Bill McKibben, founder of the outspoken climate activist group 350.org, shied away from disparaging Democrats, though.

"The truth is, I'd settle for politicians not talking about climate at all, and instead actually doing something," he said via email. "We've reached the point where they expect a gold star for announcing they believe in science — that's not enough."

Climate advocates argue that now — when the issue is blaring from every TV screen — is the best time to call attention to scientists' abundant warnings that rising global temperatures may worsen extreme weather such as hurricanes, droughts or the wildfires now raging in

California. Images of Irma's flooding are still topping national news coverage, and the air of crisis may continue next week depending on where Hurricane Jose decides to land.

In contrast, Republicans who deny that humans are causing rising temperatures have mostly put their public focus on responding to the immediate danger of the storms. While acknowledging the historic nature of the flooding in Houston and the record-breaking intensity of Hurricane Irma, the Trump administration has brushed off questions about climate change, focusing instead on the immediate recovery needs in Texas, Florida and hard-hit Caribbean territories like Puerto Rico.

Tom Bossert, Trump's homeland security adviser, told reporters during a White House briefing Monday that it was too early to say whether climate change worsened the hurricanes, but he acknowledged a need to bolster flood and coastal defenses threatened by rising seas and powerful storms.

"We continue to take seriously the climate change, not the cause of it, but the things that we observe," he said. "What President Trump remains committed to is making sure that federal dollars aren't used to build things that will be in harm's way later or that won't be hardened against the future predictable floods that we see."

Other administration officials have dodged climate change questions.

Pruitt [told CNN](#) that "to have any kind of focus on the cause and effect of the storm, versus helping people, or actually facing the effect of the storm, is misplaced." White House adviser Kellyanne Conway chastised CNN's Chris Cuomo for asking about the topic in the aftermath of Hurricane Harvey, saying, "We're trying to help the people whose lives are literally underwater, and [you want to have a conversation](#) about climate change." Energy Secretary Rick Perry similarly dismissed the issue, telling CBS that "everyone wants to run to the climate change debate, but that is very secondary at this particular time."

Lawmakers and the federal government will have to confront future risks as they send money for recovery, however. Congress is moving ahead with an initial \$15 billion aid package for Texas and Louisiana, and scientists say addressing the role of a changing climate is crucial to using that money effectively.

"Climate change has to be a part of the conversation ... it's inaccurate to think you could have a conversation about the changing nature of risk without talking about greenhouse gases and burning fossil fuels," said Heidi Cullen, the chief scientist at the research group Climate Central, who studies how climate change affects extreme weather as part of the international science partnership called World Weather Attribution.

Scientists say man-made greenhouse gas emissions could make hurricanes more intense. Continued sea-level rise will also make storm surges higher and more dangerous. Both could complicate emergency response planning and investments to rebuild after the storms.

Despite Bossert's comments, Trump is actively erasing climate considerations from government processes, nixing flood standards for federal projects, withdrawing the U.S. from the Paris climate change agreement, pulling back a regulation to limit carbon dioxide from power plants, and halting funding to help poor nations adapt to new weather extremes.

In previous years, climate advocates and scientists could have relied on the Obama White

House to amplify their message. Now, they've got cabinet members who doubt whether human activity is causing global temperatures to increase, seas to rise and coastal communities to face more risks from storm surge and flooding.

Congressional opponents of government efforts to address climate change aren't making any linkages between the two devastating storms, either.

"It's terrible to have Category 4 in the Gulf Coast of Texas and then a Category 5 in the Atlantic, but sometimes bad things happen," Rep. [Joe Barton](#) (R-Texas) said last week. "I guess we could pass a law saying you can't have hurricanes, but I'm not sure Mother Nature would listen to us."

Attributing extreme weather events to climate change is still an evolving area of research, although it has progressed quickly over the last few years. Scientists at the Geophysical Fluid Dynamics Laboratory, which works cooperatively with the National Oceanic and Atmospheric Administration, believe that by the end of the century, global warming will mean [more intense hurricanes](#) that bring more rain. But they say it's too early to detect whether man-made greenhouse gas emissions have changed hurricane activity so far. That's because the extreme weather events are rare and difficult to model.

Michael Wehner, a senior staff scientist in the Computational Research Division at the Lawrence Berkeley National Laboratory, has studied how 15 hurricanes might have behaved under lower temperatures, and so far has determined that a one-degree Celsius increase — 1.8 degrees Fahrenheit — raises rainfall about 6 percent.

That would mean that Harvey, which dumped more than 50 inches of water on Houston, brought between 10 and 15 percent more rain because of climate change.

"The public should know, and policymakers should know, that any planning that you might have made based on the historical record is inadequate," Wehner said. "It's a different world. It's a warmer world, and storms behave differently."

*To view online [click here](#).*

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**Center-right groups urge ITC against recommending tariffs in solar case** [Back](#)

By Megan Cassella | 09/11/2017 03:53 PM EDT

The International Trade Commission should avoid recommending the use of tariffs to protect the U.S. solar industry in an ongoing trade remedy case, a coalition of right-leaning policy groups will say this week as a swirling debate over a pending ITC ruling has divided domestic industry.

The heads of six groups, including the R Street Institute, the American Legislative Exchange Council and the National Taxpayers Union, warned in a [letter](#) that will be sent to the ITC on Tuesday that an affirmative decision would double the cost of solar products in the country and leave the U.S. vulnerable to retaliation and challenges at the World Trade Organization.

If the ITC finds evidence that domestic industry has been hurt by imports, it should tailor its recommended relief to exempt imports from countries that the U.S. has free trade agreements with, the letter says.

The groups also leaned on recent history to bolster their argument, noting that the statute under which the case was filed, known as Section 201, is an "extreme remedy with a troubling recent history." Former President George W. Bush levied import restrictions similar to what Suniva and SolarWorld Americas are asking for in this case to protect the domestic steel industry in 2002, but those were ultimately withdrawn after the European Union challenged them at the WTO.

"Similar to steel in 2002, solar tariffs today would amount to nothing more than a crony capitalist giveaway to failing companies," the groups wrote in the letter, a copy of which was obtained by POLITICO. "They would be paid for by crippling an otherwise growing domestic solar industry (one whose preferential federal tax treatment has been correspondingly phasing down) and higher prices for energy consumers."

To view online [click here](#).

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By Anthony Adragna | 08/17/2017 05:40 AM EDT

*With help from Alex Guillén and Adam Behsudi*

**EVERYONE WANTS ZINKE'S EAR:** It may be August recess for much of Washington, but Interior Secretary Ryan Zinke has a bunch of deadlines coming up in the next couple of weeks and lots of people looking to grab his attention. Today's the last day for public comments on BOEM's push to write a new five-year offshore drilling plan (submit yours [here](#) ). Nearly 51,000 comments have already poured in as President Donald Trump's administration is expected to begin the two-to-three year process of writing a plan that would open parts of the Gulf of Mexico and Atlantic Ocean as well as Alaska's Chukchi Sea, Beaufort Sea and Cook Inlet areas to drilling opportunities.

**A group of 69 House Democrats**, led by Rep. [Jared Huffman](#), urged Zinke in [a letter](#) Wednesday not to expand drilling opportunities in the Arctic and Atlantic saying "the risks are simply too high, and the consequences too severe." But more than 110 other House lawmakers, led by Natural Resources Chairman [Rob Bishop](#), said in their [own letter](#) it was "imperative" to open as much of the Outer Continental Shelf as possible "to ensure opportunities are not missed" to expand U.S. energy independence. Meanwhile, the administration of Trump ally Gov. Chris Christie voiced opposition to including any of the area off the coast of New Jersey in the new plan in its own [comments](#). And a coalition of environmental organizations [warned](#) opening Atlantic waters to drilling posed "a direct threat to the fragile and unique ecosystems of the southeast coast and to the millions of people whose livelihoods depend on our clean coastal resources."

**Separately, Zinke is nearing the end of his national monument review**, and more than 400 executives from the outdoor apparel, footwear and equipment sectors are urging him not to make any changes to nearly two dozen designations under the Antiquities Act currently being examined. "As business leaders, we simply ask that your final report remain true to the Teddy Roosevelt values we share with you — to maintain the national treasures Presidents of both parties have protected, to defend the integrity of the monument-making process and to assure these majestic places remain accessible for all Americans, sustaining healthy communities and a healthy economy," they wrote. Among those signing [the letter](#) are Adidas Outdoors, Burton, L.L. Bean, Orvis, The North Face, REI and YETI.

**Monument backers got some good news Wednesday** when Zinke announced he would recommend no changes to California's existing Sand to Snow National Monument. "The land of Sand to Snow National Monument is some of the most diverse terrain in the West, and the monument is home to incredible geographic, biologic, and archaeological history of our nation," he said in a statement. Former President Barack Obama created it back in February 2016.

**MORE TIME GIVEN ON WOTUS REPEAL:** Interested parties now have until Sept. 27 to comment on the EPA's efforts to repeal the previous administration's Waters of the U.S. regulation after the agency [extended](#) the public comment period by a month, Pro's Annie

Snider [reports](#). Administrator Scott Pruitt wants to author his own version of the rule defining which marshes, bogs and creeks are subject to regulation under the Clean Water Act, though backers of the Obama rule have criticized the length of time the Trump administration gave for public comment.

**Speaking of WOTUS**, Pruitt appeared in [a video](#) released Wednesday for the National Cattlemen's Beef Association urging farmers and ranchers to make sure they formally submitted comments before the deadline. "This record being made is so important because it helps us make informed decisions," Pruitt said, being careful not to specify what the comment should sound like.

**IT'S THURSDAY!** I'm your host Anthony Adragna, and Faegre Baker Daniels' Andrew Wheeler was first up to identify Wednesday as the 40th anniversary of Elvis' death. For today: What's the only country located in all four hemispheres? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#), and [@POLITICOPro](#).

**WELCOME TO THE GOP, GOV. JUSTICE!** Wyoming's all-Republican congressional delegation is decidedly not a fan of West Virginia Gov. Jim Justice's proposed \$15-per-ton subsidy for utilities to buy coal from Appalachian mines instead of those in Western states. "We strongly urge you not to take actions, such as adopting the subsidy policy proposed by Governor Justice, that would repeat the mistakes of the last eight years," Sens. [John Barrasso](#) and [Mike Enzi](#), as well as Rep. [Liz Cheney](#), wrote in [a letter](#) to Trump. "Now is the time to remove distortions in our energy markets. We should not be imposing new ones." Justice's proposal would have to go through Congress, where Barrasso chairs the Environment and Public Works Committee, and Enzi holds the Budget Committee gavel, and where the Freedom Caucus, which tends to oppose any overt energy subsidies, holds substantial sway in the House.

**GREENS CONDEMN CHARLOTTESVILLE RALLY:** A coalition of more than 110 environmental and public interest groups issued [a statement](#) Wednesday condemning the white nationalist rally and associated violence from last weekend in Charlottesville, Va. "President Trump and all political leaders, no matter their party affiliation, have an obligation to stand up against such hate groups immediately and unequivocally," they said. "Their voices and words — and lack thereof — matter." Among those signing the statement are Citizens Climate Lobby, Earthjustice, Natural Resources Defense Council, Sierra Club and Physicians for Social Responsibility.

**HEITKAMP LANDS A CHALLENGER:** Wealthy potato farmer and Republican state Sen. Tom Campbell threw his hat into the ring to face Democratic Sen. [Heidi Heitkamp](#) Wednesday, Campaign Pro's Kevin Robillard [reports](#). He's given enough personal money to launch [an advertising blitz](#), which heavily focuses on his potato farming business that employs hundreds of people in the state. His first ad includes this pretty witty line: "It's time for a leader who knows how to grow something besides government."

**ADVISER NO MORE:** A spokesman said Wednesday Daniel Yergin, vice chairman of consulting agency [IHS Markit](#), "fully supports" the decision to disband Trump's Strategic and Policy Forum that he sat on, Pro's Ben Lefebvre [reports](#). Yergin, who advises many of the country's largest energy companies and helps organize the industry's largest annual conference, sat on the White House [forum](#) with the heads of GM, JPMorgan Chase and other major companies. Dow Chemical's Andrew Liveris also voiced support for the decision to

disband the Manufacturing Council. "In discussions I had with the White House earlier today, I indicated that in the current environment it was no longer possible to conduct productive discussions under the auspices of the Initiative," he said in a statement. "And so, as proud as I am of the efforts we were taking on behalf of the American worker, disbanding the Manufacturing Jobs Initiative was the right decision." More from POLITICO's Dan Diamond on the corporate revolt [here](#).

**Meanwhile, the American Technology Council**, a government committee with advisers from the tech industry, will keep going, Pro Tech's Steven Overly and Nancy Scola [report](#), citing a White House official. The group was distinct from the other business groups that disbanded in that it was designed to convene government officials such as the secretary of Defense and head of OMB, rather than business executives. But it convened a summit in June that included heavy-hitters like Apple's Tim Cook, Amazon's Jeff Bezos and venture capitalist John Doerr, a major greentech backer.

**MAIL CALL! PROTECT CLEAN ENERGY IN NAFTA TALKS:** The Business Council for Sustainable Energy sent [a letter](#) to U.S. Trade Representative Robert Lighthizer urging the protection of clean energy technologies as the Trump administration begins to renegotiate the North American Free Trade Agreement. "Giving attention to items such as a zero tariff for goods produced in North America, promoting U.S. codes and standards, and updating language to reflect the growing impact of information technology on all sectors, will ensure that NAFTA supports the continued growth of clean energy and the benefits it provides to the U.S. economy," Lisa Jacobson, the group's president, wrote. That comes as multiple environmental groups slammed the administration for kicking off negotiations in private.

**BATHROOM BILLS OPPOSED BY ENERGY SECTOR KILLED:** Texas lawmakers failed to pass several bills by the end of a special session that would have limited transgender individuals' access to bathrooms in public places and schools, BuzzFeed [reports](#). The bills, which divided state Republicans and the business community, were [opposed](#) by leaders of major energy companies, including BP America, Chevron, Dow Chemical Co., Exxon Mobil and Halliburton.

**TRADE REMEDY CORNER: BIODIESEL INDUSTRY SAYS AD EXTENSION NOT A BIG DEAL:** The Commerce Department this week [announced](#) a delay in its preliminary antidumping duty determination on imports of biodiesel from Argentina and Indonesia. The U.S. industry which is seeking relief says it's no big deal. The National Biodiesel Board, which is petitioning for the duties, requested an extension to the anti-dumping probe last month. The Commerce [investigation](#) is expected to issue preliminary countervailing duties by Aug. 22, which is also an extended deadline.

"It is evident from market reaction that some in the industry are not familiar with this legal process and the fact that nearly every trade case, from steel to cased pencils, includes these routine extensions," said Doug Whitehead, chief operating officer of the National Biodiesel Board. "This in no way impacts the schedule or the fact that unfairly traded imports are hurting American companies and the employees who serve this industry. We remain confident that both the DOC and ITC will find in American biodiesel producers' favor."

**SEND IN REINFORCEMENTS:** NYU School of Law is launching the State Energy and Environmental Impact Center, backed by a \$6 million grant from Bloomberg Philanthropies, to help state attorneys general fight Trump administration efforts to roll back environmental regulations or climate change policies, the Washington Post [reports](#). David J. Hayes, deputy

Interior secretary under President Obama, will be executive director for the nascent group.

**PARK BOTTLE BAN AXED:** Amid news it [removed](#) a Bikeshare station installed during the Obama administration from White House grounds, the Trump administration on Wednesday also [killed off](#) its predecessors effort to stop the sale of disposable water bottles on National Park Service grounds. "While we will continue to encourage the use of free water bottle filling stations as appropriate, ultimately it should be up to our visitors to decide how best to keep themselves and their families hydrated during a visit to a national park," Acting National Park Service Director Michael T. Reynolds said. The change in policy, which axes a 2011 Interior memorandum, takes effect immediately.

**NEW ENERGY INFRASTRUCTURE COALITION LAUNCHED:** The Energy Equipment and Infrastructure Alliance launched a [new campaign](#) Wednesday to tout "the importance and benefits of energy infrastructure and its ongoing development." Entitled Energy Builders, the effort comes in response to expanding pipeline protest movement and aims to highlight local economic benefits and jobs that come from infrastructure projects. "The extremists pushing to 'keep it in the ground' don't appreciate what these projects mean to wage earners and their families, not to mention the power they provide for America's homes and businesses now and in the future," Terry O'Sullivan, general president of the Laborers' International Union of North America, said in a statement.

**REPORT: YES WE CAN (LIMIT TEMPERATURE INCREASES):** The Rocky Mountain Institute released [a report](#) Wednesday arguing limiting temperature increases to 2 degrees Celsius is both practical and possible. "Today, many experts doubt that energy systems can decarbonize fast enough to prevent this scenario," the report says. "But this belief is both dangerous and wrong." Among the shifts needed are rapid and economic scaling of clean energy technologies; foundational changes to emissions within agriculture, forestry and other land-use behaviors and coordinated market and policy incentives globally.

**HOW TO TAKE AN AX TO EPA:** Former Trump EPA transition leader Myron Ebell issued [a report](#) Wednesday offering suggestions for how to radically reduce the size of the agency. Among his recommendations: Eliminate the enforcement office; abolish the 10 regional offices and push their emergency response functions to FEMA; stop the environmental justice programs; and overhaul how the agency approaches its scientific work. Ebell also calls for greater disclosure from the agency on its discretionary spending on functions not formally designated by Congress.

**BIG SALE!** Exxon Mobil, Chevron, Total and two dozen other companies bid on 76 million Gulf of Mexico acres, drawing more than \$121 million in winning bids Wednesday from oil and gas companies, Pro's Ben Lefebvre [reports](#). The bidding comes up short of the \$247 million generated from a Gulf of Mexico lease sale last March.

**ENVIRONMENTAL JUSTICE TOOL UPDATED:** EPA issued an annual update Wednesday to [EJSCREEN](#), its geographic tool for exploring environmental justice issues. According to EPA, the update includes new data on public schools and housing; a new way to view surface water pollution; and the ability to view cities as distinct areas, like with states. EPA will host three training webinars in the coming weeks. Click [here](#) for a blog post on the update from Matthew Tejada, director of EPA's Office of Environmental Justice. The Trump administration's proposed 2018 budget sought to zero out EPA spending on environmental justice, though Hill appropriators have not taken that route.

## QUICK HITS

— 'You can't hoodwink the EPA': Drinking-water protection a problem for cash-strapped Pa. [Penn Live](#).

— Millions consumed potentially unsafe water in the past 10 years. [Texas Tribune](#).

— Western Officials Support Possible BLM, Federal Agency Relocation To Denver. [Western Wire](#).

— Missouri Utility Regulators Reject Proposed Massive Wind Power Line. [AP](#).

— Oil dips despite steep draw in U.S. crude stocks. [Reuters](#).

## HAPPENING TODAY

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<https://www.politicopro.com/tipsheets/morning-energy/2017/08/desperately-seeking-zinkes-attention-024277>

## Stories from POLITICO Pro

### **EPA extends public comment period for WOTUS repeal** [Back](#)

By Annie Snider | 08/16/2017 04:05 PM EDT

EPA is giving the public another month to comment on its move to repeal the Obama administration's Waters of the U.S. rule.

The agency [announced](#) today that it will extend the public comment period by 30 days, giving environmental groups, industry advocates and the public until Sept. 27 to weigh on its proposed rule to repeal the Obama-era regulation.

Supporters of the Obama rule, which increases the number of streams and wetlands that receive automatic federal protection, had criticized the length of time the Trump administration gave for public comment. The repeal rule was originally opened for 30 days of comment, although it was public for about a month before the comment period formally opened. The original Obama rule, also called the Clean Water Rule, was open for more than 200 days. Issues raised through the public comment process help lay the groundwork for future legal challenges.

EPA Administrator Scott Pruitt has pushed to swiftly repeal the contentious regulation and draft his own rewrite defining which marshes, bogs and creeks are subject to regulation under the Clean Water Act.

**WHAT'S NEXT:** Comments on the Trump administration's rule to repeal the WOTUS regulation are due by Sept. 27.

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## **GOP state senator Campbell jumps in against Heitkamp** [Back](#)

By Kevin Robillard | 08/16/2017 11:49 AM EDT

Republican Tom Campbell, a North Dakota state senator and wealthy potato farmer, officially launched a campaign against Democratic Sen. [Heidi Heitkamp](#) on Wednesday and is launching a major advertising buy to kick off his effort.

Campbell is the first entrant into the race against Heitkamp, who won her seat by just 3,000 votes over Republican Rick Berg in 2012. Heitkamp is considered one of the most vulnerable Democrats in the country in 2018, after President Donald Trump won the state by nearly 36 points in 2016.

"I'm going to be throwing my hat in the ring and running for United States Senate," Campbell said on a [local radio show](#). "The next generation is losing the American Dream. Politicians in Washington right now have lost touch with what made America great."

Heitkamp has raised money at a brisk pace this year, bringing in more than \$3 million for her campaign committee. Meanwhile, Campbell has given his campaign enough personal money to launch an early TV ad blitz, beginning with a 60-second biographical spot. The ad tells the story of Campbell starting a custom combine business when he was just 16 and later launching a potato farming business, which employs hundreds of people in the state.

"Today, what Tom Campbell started with a combine and a prayer is a true North Dakota success story," the narrator says in the ad. "Hardworking. Conservative. Outsider. Exactly what North Dakota needs in Washington."

Watch the ad [here](#).

Republican Rep. [Kevin Cramer](#) is also weighing a run against Heitkamp.

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## **Yergin supports ending Trump policy advisory forum** [Back](#)

By Ben Lefebvre | 08/16/2017 03:41 PM EDT

Daniel Yergin, an energy expert who sat on President Donald Trump's Strategic and Policy Forum, "fully supports" the forum's decision to disband, his spokesman told POLITICO.

"As our members have expressed individually over the past several days, intolerance, racism and violence have absolutely no place in this country and are an affront to core American

values," forum members said in a prepared statement. "We believe the debate over forum participation has become a distraction from our well-intentioned and sincere desire to aid vital policy discussions on how to improve the lives of everyday Americans. As such, the president and we are disbanding the forum."

Yergin, vice chairman of consulting agency [IHS Markit](#), advises many of the country's largest energy companies and helps organize the industry's largest annual conference. He sat on the White House [forum](#) with the heads of General Motors, JPMorgan Chase and other major companies. An IHS spokesman said he supported the forum's decision to disband.

A steady stream of CEOs and other executives had left the forum and a separate White House manufacturing council in recent days to protest Trump's claim that both sides were responsible for violence at a white supremacist march in Charlottesville, Va., last weekend that left three people dead.

As the defections mounted today, Trump said he was [disbanding](#) both groups of business advisers.

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**Trump dumps CEOs before more could abandon him [Back](#)**

By Dan Diamond | 08/16/2017 12:50 PM EDT

Some of America's top CEOs were preparing to issue a statement criticizing the president — so he effectively fired them from a White House council first.

President Donald Trump on Wednesday announced he was ending two business advisory councils amid a stampede of defections and after one of the groups had decided to disband over the president's much-criticized response to the weekend's violence in Charlottesville, Va.

A person close to Trump's Strategic and Policy Forum said the group had already told the White House it had resolved to disband and condemn the president's Tuesday claims that "both sides" were responsible for violence at a white supremacist and neo-Nazi gathering and that some "very fine people" were among the marchers defending a Confederate statue.

The group in a statement presented the decision as mutual with Trump, though EY CEO Mark Weinberger tweeted Wednesday that "we made the right call." Members of the separate Manufacturing Council — which had already lost eight members this week — were due to hold their own call Wednesday.

"Rather than putting pressure on the businesspeople of the Manufacturing Council & Strategy & Policy Forum, I am ending both. Thank you all!" Trump [wrote on Twitter](#) Wednesday afternoon, ending the debate.

The split likely won't change Trump's agenda — the long-time real estate developer still intends to slash corporate taxes and regulations. And the White House said a separate group of government officials called the American Technology Council, which met with top Silicon

Valley executives and Trump in June, will keep working. Still, the break-up of the two high-profile CEO groups shows increasing pressure on business leaders to distance themselves from the White House and could hurt Trump's standing with the pro-business, establishment wing of voters and donors in the Republican Party.

"There is no room for equivocation here: the evil on display by these perpetrators of hate should be condemned and has no place in a country that draws strength from our diversity and humanity," JPMorgan CEO Jamie Dimon said in a statement Wednesday after Trump disbanded the Strategic and Policy Forum to which he belonged. Dimon had weighed in on the events in Charlottesville over the weekend but had not criticized the president directly.

"It is a leader's role, in business or government, to bring people together, not tear them apart," he said.

Executives historically have clamored to belong to White House business councils, which give them an opportunity to pitch the president behind closed doors.

Merck's Kenneth Frazier — the first CEO to [announce](#) he was leaving Trump's manufacturing council this week — repeatedly pressed Trump in private on reforming tax laws. Dow Chemical CEO Andrew Liveris was initially granted a private sit-down with EPA head Scott Pruitt as the agency weighed a key regulation, though the meeting was trimmed down to a brief greeting.

In return, the executives served as surrogates for a White House trying to sell its pro-business message. Council members regularly flanked the president at a series of announcements and executive order signings. Executives like Campbell's Soup CEO Denise Morrison told reporters they were optimistic about Trump's effect on the economy. Dow donated about \$1 million for the president's inauguration.

The corporate backlash started Monday with Merck's Frazier — the only African-American CEO on Trump's manufacturing council — who said he was quitting "to take a stand against intolerance and extremism." Within a day, the CEOs of Under Armour and Intel said they were leaving too.

The president on Tuesday called them "grandstanders" on Twitter and lashed out at Merck specifically. He claimed the defections wouldn't hurt him.

"For every CEO that drops out of the Manufacturing Council, I have many to take their place," Trump tweeted on Tuesday morning. However, no other CEOs publicly stepped forward to join the council, and five more leaders said they were leaving.

On Tuesday — before Trump's news conference but after he took heat Saturday for blaming "many sides" for violence in Charlottesville — Morrison of Campbell's said she planned to remain on the manufacturing council. Social media campaigns in response called the company a "Soup Nazi" in reference to the television show Seinfeld; another circulated altered photos of fake Campbell's products called "Cream of Complicity" and "Swastika Soup."

On Wednesday, Morrison said she couldn't serve on the council any longer. "Racism and murder are unequivocally reprehensible and are not morally equivalent to anything else that happened in Charlottesville," Morrison said in a [statement](#).

Others also flipped their stances. "The President's most recent statements equating those who are motivated by race-based hate with those who stand up against hatred is unacceptable and has changed our decision to participate in the White House Manufacturing Advisory Council," Johnson & Johnson CEO Alex Gorsky said on Wednesday — less than 24 hours after telling reporters he planned to stay on the council so J&J would have a voice in high-level discussions.

Activists said the overnight campaigns and threats of boycotts motivated executives. Progressive groups have also pushed payment processing companies to cut ties with hate groups, collecting thousands of signatures on petitions, though Discover, Visa and Mastercard told POLITICO they had limited ability to force banks to cut off merchants conducting legal businesses.

"The collapse of the CEO councils is not due to an outbreak of conscience," said Robert Weissman, president of Public Citizen. "Instead, it is public pressure — pressure for the CEOs to evidence a measure of decency — that is driving them off the councils. That's not exactly the most inspiring example of moral leadership. No profiles in courage here."

Silicon Valley executives such as Amazon's Jeff Bezos and Apple's Tim Cook also met with Trump in June through the administration's American Technology Council, which is technically made up of government employees. Still, activists like Weissman are calling on the affiliated executives to condemn Trump's comments too.

Until this week, Trump had spent months praising the same executives who are now rebuking him.

"I want to thank these great business leaders," Trump said in February, when Merck's Frazier, J&J's Gorsky, Campbell's Morrison and other CEO advisers joined him for a signing ceremony on an executive order on regulatory reform. "They're helping us sort out what's going on, because ... it's been disastrous for business. This is going to be a place for business to do well and to thrive."

*Lorraine Woellert, Nancy Scola and Steven Overly contributed to this report.*

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**Trump fallout with business leaders could chill relations with tech industry** [Back](#)

By Steven Overly and Nancy Scola | 08/16/2017 06:45 PM EDT

The fallout between President Donald Trump and business executives this week is likely to chill his already icy relationship with tech industry leaders, even as the White House pushes ahead with plans to enlist their help in modernizing federal technology.

A White House official said Wednesday that the American Technology Council, a government committee with advisers from the tech industry, plans to carry on despite the dissolution of two separate councils composed of CEOs. And while some firms that advise the American Technology Council signaled they would continue to assist the administration, those that were

already wary of this administration are likely to be more so after the week's tumult, which included the president tweeting his anger at one of the executives who quit.

"Tech CEOs will remain engaged with policymakers on the Hill and executive branch as they always have, working through industry groups such as the Business Roundtable and Technology CEO Council rather than specific presidential councils and commissions," said Bruce Mehlman, a Republican lobbyist and executive director of the Technology CEO Council, which includes Oracle, Xerox, Dell and Intel.

The CEOs, some of whom met with Trump at Trump Tower during the presidential transition or appeared with him at the White House to tout corporate announcements, could also avoid Trump's presidential photo ops that make their engagement so public, instead working with the federal government through agencies and lobbying the administration through associations and advocacy groups.

Oracle said Wednesday it will continue to advise the administration on technology issues.

Intel CEO Brian Krzanich was among those to depart the president's Manufacturing Jobs Initiative, saying that the political climate was not conducive to getting work done. "I hope this will change, and I remain willing to serve when it does," he wrote in a [blog post](#). The company declined to say whether he would engage the administration in other capacities.

IBM CEO Ginni Rometty wrote in a memo to employees that CEOs on the president's Strategy and Policy Forum terminated the group because it "can no longer serve the purpose for which it was formed." She added, however, that IBM has a legacy of working with all administrations. "IBM will continue to work with all parts of the government for policies that support job growth, vocational education and global trade, as well as fair and informed policies on immigration and taxation," she wrote.

Other companies that have participated in American Technology Council activities — Alphabet, Microsoft, Apple, Qualcomm, Amazon and Adobe — either declined to comment or did not respond to questions.

Their silence isn't surprising. Most in the tech industry were already tempering talk about their engagement with the Trump administration. A parade of high-profile executives attended a White House summit in June, for example, but most declined to confirm their participation until the very last minute. Many have also insisted that their participation in such events is not an endorsement of Trump's policies — with some of those policies drawing the ire of Silicon Valley's liberal occupants.

It's reflective of the challenge that has persisted since their pick for president, Democrat Hillary Clinton, lost to Trump in November. The executives are pulled to assist the government and promote policies favorable to their businesses, but also want to keep distance from a president whose demeanor and political positions have galled many in the industry.

Trump's already precarious relationship with business leaders frayed quickly this week after he failed to place blame for a violent rally in Charlottesville, Va., squarely on white supremacists. Merck CEO Kenneth Frazier was the first to step down from Trump's manufacturing advisory council as a result, prompting a series of other business executives and labor leaders to follow suit.

Trump called them "grandstanders" and defiantly declared he could replace them easily. But on Wednesday, in a single tweet, Trump disbanded two CEO-level advisory committees that had been his most direct outreach to the nation's business leaders. "Rather than putting pressure on the businesspeople of the Manufacturing Council & Strategy & Policy Forum, I am ending both. Thank you all!" he wrote.

But the American Technology Council is different. Unlike those two groups, the ATC was created as a convening body of government officials — including the secretary of Defense, the director of OMB and the U.S. chief information officer — rather than of corporate leaders.

The council, though, has engaged with tech industry executives via a high-profile White House summit in June led by senior presidential adviser Jared Kushner that was attended by, among others, Apple's Tim Cook, Amazon's Jeff Bezos, Microsoft's Satya Nadella and Eric Schmidt of Alphabet (Google's parent company), as well as a follow-up call with corporate officials earlier this month.

"The American Technology Council is solely made up of government employees," a White House official said. "The council is full steam ahead on its work assisting the modernizing of government IT, which is primarily being done through internal government resources. The council will continue to occasionally consult with the private sector on specific issue areas like improving cloud rollout, cybersecurity and digital services for vets."

The official also pointed out that, aside from the June meeting, the group's consultation with corporate leaders is remote, via emails and calls, and that there are no plans for further in-person events or meetings.

*To view online [click here.](#)*

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## **BOEM Gulf of Mexico offshore lease sale yields \$121M [Back](#)**

By Ben Lefebvre | 08/16/2017 05:23 PM EDT

BOEM's latest auction of offshore acreage in the Gulf of Mexico drew more than \$121 million in winning bids today from oil and gas companies.

Exxon Mobil, Chevron, Total and two dozen other companies bid on 76 million acres, which Interior said was the largest amount of Gulf acreage ever offered in a single lease auction. The bidding fell short of the \$247 million generated from a Gulf of Mexico lease sale last March, however.

President Donald Trump and Interior Secretary Ryan Zinke have touted offshore drilling as a way for the U.S. to achieve "energy dominance." But with oil prices hovering below \$50 a barrel, oil and gas companies have been wary of committing to new offshore projects, which can take several years and billions of dollars to carry out.

Interior slashed the royalty rate that companies have to pay on the oil and gas they produce to 12.5 percent for leases in less than 200 meters of water depth, down from the 18.5 percent originally advertised for the sale.

**WHAT'S NEXT:** Public comments are due Thursday on Interior's review for a new five-year offshore lease plan.

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By Anthony Adragna | 08/24/2017 05:43 AM EDT

*With help from Ben Lefebvre and Esther Whieldon*

**PERRY'S GRID STUDY LAYS BLAME ON NATURAL GAS:** Months of breathless anticipation culminated late Wednesday with the release of the Energy Department's [grid study](#) that concluded the surge in supplies of cheap natural gas had weighed on power prices and was the key factor in the closure of many coal-fired power plants, Pro's Darius Dixon [reports](#). The report, requested by Secretary Rick Perry, doesn't call for Congress to change any laws or agencies to alter any specific rules but does seek "reforms" — from the Nuclear Regulatory Commission, the EPA and FERC — to power markets that would help bolster the electricity network's resilience and provide support for some plants.

**The agency linked four factors** — cheap gas, low electricity demand growth over the past decade, government regulations and the influx of renewable energy into the grid — to the struggles of coal and nuclear power, but didn't try to assign a percentage of blame to each of them.

**Still, Perry did cast some side-eye** at renewables incentives, saying in [a letter](#) accompanying the report "[i]t is apparent that in today's competitive markets certain regulations and subsidies are having a large impact on the functioning of markets, and thereby challenging our power generation mix. It is important for policy makers to consider their intended and unintended effects."

**But the report takes a softer tone** than Perry's April [memo](#) that ordered up the study, which said Obama era regulations had "destroyed jobs and economic growth" and threatened the grid, and suggested that federal support for renewable power "create[s] acute and chronic problems." That document, energy guru Peter Fox-Penner told Darius, was "looking through a preconceived, political lens broadly at baseload and blaming renewables policy, which is looking at the wrong culprit. The right direction for a solution is market design."

Part of the reason for DOE's call for FERC, EPA and other bodies to help alter electricity market and aid power plants is because the agency has limited power to direct energy policy. "DOE has no authority," former FERC Chairman Jon Wellenoughoff, a Democrat, said ahead of the report's release. "It's FERC that has all the authority ..and DOE does not control FERC. I would say that when I was there, and I'd say it now."

**Other voices weigh in:** Graham Richard, CEO of Advanced Energy Economy, said grid operators weren't having the troubles adjusting to a wide array of resources as suggested: "This report seriously overstates the challenges associated with new energy resources," he said. Consumer Energy Alliance President David Holt called it an important step in discussing the future of the energy grid: "While utilities, electric cooperatives, and grid operators have been able to absorb the changes brought about by increases in renewable energy and the abundance of low-cost natural gas, it is clear that they will have significant challenges as the pace of change accelerates," he said in a statement. Others were not so positive. "Coal and

nuclear can no longer compete on their own, and they are now pushing Trump to save them. This study is a shoddy attempt to do just that," the Sierra Club's Mary Anne Hitt said.

**MONUMENTAL DECISION DAY:** Today is Interior Secretary Ryan Zinke's deadline to send President Donald Trump recommendations on the future of 22 national monuments -- 16 of which could be on the chopping block. Zinke earlier this year issued a preliminary recommendation for Trump to reduce the size of the Bears Ears national monument in Utah and one news organization, Utah Policy, reported on Wednesday that Zinke may call for Trump [gut](#) the monument's footprint by up to 88 percent.

**The secretary made a round** of phone calls about the monument report with lawmakers on Wednesday, including House Natural Resources Committee Chairman [Rob Bishop](#) who, through a committee spokeswoman, declined to comment on their conversation. Bishop is holding a press briefing on the monuments this morning, and the Sierra Club and public land advocates are holding a rally outside of Interior's Washington headquarters at noon today. Sen. [Martin Heinrich](#) will hold his own press conference outside an REI in Albuquerque, N.M. today at 12:15 p.m. MST to oppose any changes to the national monuments.

**WELCOME TO THURSDAY!** I'm your host Anthony Adragna, and NOIA's Nicolette Nye was the first of many to identify Hawaii as the sole state to commercially grow coffee. For today: What country once issued a stamp in the shape of a banana? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#), and [@POLITICOPro](#).

**PROGRAMMING NOTE:** [Morning Energy](#) will not publish from Aug. 28-Sept. 4. Our next [Morning Energy](#) newsletter will publish on Sept. 5. Please continue to follow Pro Energy issues [here](#).

**HARVEY OVER HOUSTON:** Gulf of Mexico oil rigs and refineries are bracing for Tropical Storm Harvey, which looks likely to turn into a full-fledged hurricane. The storm [could](#) dump 16.5 inches of rain on the flood-prone coast that is the heart of U.S. energy production, according to forecasts. Oil producers are already starting to [pull](#) personnel off oil rigs, which could throw fuel prices higher until the extreme weather quiets down. Track Harvey's path [here](#).

**Perry, Texas' longest-serving governor,** [tweeted](#) "Stay safe, Texas" ahead of landfall, linking to emergency preparedness resources.

**IT'S DEJA VU ALL OVER AGAIN:** Speaker [Paul Ryan](#) said Wednesday a short-term continuing resolution would likely be necessary to give Congress more time to iron out a longer-term spending package, POLITICO's Louis Nelson [reports](#). "I think that will probably be necessary, yes, because I can't imagine the Senate will be able to process the appropriations bill as quickly as the House is," he said of a CR. And that comes even as the threat of government shutdown grew over President Donald Trump's insistence Congress give him money for his border wall, POLITICO's Josh Dawsey [reports](#), potentially opening up significant rifts within the president's own party if he sticks to his hard line.

**WALDEN WEIGHS IN ON MALHEUR SITUATION:** Asked about the 2016 occupation of the Malheur National Wildlife Refuge in his district, Energy and Commerce Chairman [Greg Walden](#) urged peaceful protest and respect for the laws for anyone seeking to protest the federal government. "Those that violate the law should be prosecuted," he said [alongside](#) Ryan

Wednesday. "However these protests take place, they need not be armed, they need not be violent, they need not be vile."

**THERE'S NO PLACE LIKE HOME:** With his national monument review wrapping up, Zinke today heads to Missoula, Mont., for an "on-site briefing and [to] assess the situation involving ongoing wildfires in the Pacific Northwest and Northern Rockies." Along with Agriculture Secretary Sonny Perdue, Zinke will "inspect the on-the-ground operations."

**GOING OUT GUNS BLAZING!** Daniel Kammen resigned his post as State Department science envoy in [a fiery letter](#) addressed to Trump Wednesday in which eagle-eyed readers noted the first letter of each paragraph spelled out I-M-P-E-A-C-H. "Particularly troubling is the consistency of your response to Charlottesville with a broader pattern that enables sexism and racism, and disregards the welfare of young Americans, the global community and the planet," the University of California, Berkeley, professor wrote. "Your presence in the White House harms the United States domestically and abroad and threatens life on this planet."

**PENCE: MORE VENEZUELAN SANCTIONS COMING:** Expect the Trump administration to unveil yet another round of sanctions against Venezuelan government officials, Vice President Mike Pence told a gathering in the largest Venezuelan community in the U.S. "At President Trump's direction, the United States has already issued three rounds of targeted sanctions against Maduro and his inner circle — and there's more to come," Pence told the applauding crowd. "And we'll continue to act until the Maduro regime holds free and fair elections, releases all political prisoners, and ends the repression of the Venezuelan people." As POLITICO's Sergio Bustos [reports](#), the vice president vowed to employ "full measure of U.S. economic and diplomatic power" to restore order in the oil-rich country.

**WATCH THIS SPACE:** Look for environmental advocates to pressure sympathetic attorneys general nationwide to launch all-out investigations into whether Exxon Mobil misled the public on climate science in light of Wednesday's peer-reviewed Harvard study with that conclusion. "Time for California AG [@AGBecerra](#) to join [@MassAGO](#) and [@AGSchneiderman](#) in a full scale investigation of what [#ExxonKnew](#)," Jamie Henn, a spokesman for 350.org, [tweeted](#) Wednesday. Back in July, Becerra told advocates that "though we don't announce publicly if we are doing an investigation, I'm very aware of that particular matter."

**MAIL CALL! BISHOP SEEKS UNREDACTED BLM MISCONDUCT REPORT:** House Natural Resources Chairman [Rob Bishop](#) has [asked](#) Interior's acting inspector general for an unredacted copy of a report outlining serious misconduct from a BLM law enforcement manager. According to a committee aide, the official allegedly removed moqui marbles from an evidence room, gave several as gifts and asked an underling to pore through his emails and delete any that portrayed him badly.

**MORE UTILITIES OPPOSE SUNIVA PETITION:** Add the [Electric Reliability Coordinating Council](#) and [Duke Energy](#) to the list of entities opposing a bid by Suniva and SolarWorld Americas to have the International Trade Commission recommend duties on imported solar equipment in order to revive domestic manufacturing facilities. "The delivery of reliable, affordable, and increasingly clean energy relies upon international trade policies that increase supply chain stability, not policies that destabilize it," Diane Denton, managing director of federal policy for Duke, wrote.

**SUPPORT URGED FOR INTERNATIONAL CLIMATE WORK:** As Congress attempts

to figure out what to do about the appropriations process, the Business Council for Sustainable Energy sent [a letter](#) to Senate leaders urging continued support for the United Nations Framework Convention on Climate Change and the International Panel on Climate Change, as well as the Green Climate Fund. "Preserving the U.S. financial contributions to these international programs and institutions not only protects the opportunity for U.S. governmental leadership but also protects and promotes the business interests of American companies," Lisa Jacobson, the group's president, wrote.

**GETTING TO 100 RENEWABLE AROUND THE WORLD:** A Stanford- and U.C. Berkeley-led [peer-reviewed paper](#) out Wednesday tackles individualized plans for 139 countries — which account for 99 percent of global emissions — to run on 100 percent renewable energy by 2050. It won't be easy though, as the study calls for "rapid technology transition" that will see electricity generated by wind, water and solar power replace fossil fuels. Additionally, hitting the targets will rely on public action around the world to pick "leaders who will implement strong policies, reduce barriers and confront entrenched interests." The journal *Joule* published the paper.

**THAT'S A LOT OF PEOPLE!** An estimated 17.6 million people live within a mile of an active oil or gas well, according to a [peer-reviewed study](#) published Wednesday in Environmental Health Perspectives. Researchers from PSE Healthy Energy; the University of California, Berkeley and Harvey Mudd College found 50 percent of West Virginians and 47 percent of Oklahomans live within a mile of active oil and gas development. The study also estimated the state with the most residents living near active wells as Texas, with some 4.5 million.

**REPORT: ENERGY SECTOR SPENT BIG IN 2016:** Clean Water Action released [a report](#) Wednesday finding the oil and gas industry spent \$103 million during the 2016 election cycle, 88 percent of which went to Republican candidates. In addition, the report found the energy sector spent \$119 million on lobbying in 2016, supporting 722 registered lobbyists to push their priorities.

**RECORDS SOUGHT ON PARIS DECISION:** The Center for Biological Diversity submitted [open records requests](#) to EPA, OMB and the State Department seeking all records related to the Trump administration's decision to pull out of the Paris climate accord. Those include any relevant emails, telephone logs and notes from meetings involving Trump, EPA Administrator Scott Pruitt, Secretary of State Rex Tillerson and other officials.

**REGULATORY TASK FORCE RECORDS SOUGHT:** After EPA failed to respond to an open records request within statutory limits, the Southern Environmental Law Center filed a [federal lawsuit](#) seeking correspondence related to the agency's regulatory reform task force that seeks to identify possible regulations for elimination. "It's already absurd to have an arbitrary directive to strip away commonsense environmental protections, but to refuse to share any information about this process is alarming and simply un-American," Kym Hunter, a staff attorney with the group, said in a statement.

**SLEEPING TOO WELL?** Your ME host really, really, really hates rats, so [this piece](#) in the New Republic warning of the coming "ratpocalypse" due to shorter, warmer winters is quite disconcerting. And, there's a climate link! "I personally feel there is a connection with climate change, just because of logic and the biology of rats' reproductive cycle," Bobby Corrigan, one of the nation's leading rat experts (that's a thing), said.

## QUICK HITS

- EPA Demands Answers From Valero Months After Massive Benicia Refinery Outage. [KQED](#).
- Regulatory activity dips to new lows in Trump administration. [BGov](#).
- Coal-burning Erickson Power Plant to go offline by 2025. [Lansing State Journal](#).
- Another US agency deletes references to climate change on government website. [The Guardian](#).
- Cheap oil undercuts U.S. rail, bus service: study. [Reuters](#).
- EPA bowed to TVA, contractor on worker safety standards at nation's largest coal ash disaster, records say. [USA Today](#).

## HAPPENING TODAY

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<https://www.politicopro.com/tipsheets/morning-energy/2017/08/doe-natural-gas-fueling-coals-decline-024380>

## Stories from POLITICO Pro

### **DOE grid study: Gas drives power shift, but markets need reform** [Back](#)

By Darius Dixon | 08/23/2017 10:08 PM EDT

The Trump administration's dive into the nation's power system delivered a conclusion Wednesday that the energy world reached long ago: Cheap natural gas is changing the face of the U.S. electric grid.

In an Energy Department report ordered by Secretary Rick Perry, the agency pointed to low power prices and the closure of many coal-fired power plants as mostly due to a surge in supplies of natural gas, which last year topped coal as the nation's biggest source of electricity. But the report also called for "reforms" to power markets that would help bolster the electricity network's resilience by easing the financial pressures on many power providers.

Perry drew a wave of criticism when he ordered the agency to produce the report, saying in his April [memo](#) that Obama-era regulations had "destroyed jobs and economic growth" and threaten the grid, and suggested that federal support for renewable power "create[s] acute and chronic problems." Critics warned that Perry appeared to be building a case for federal action to support the coal industry, a priority for President Donald Trump, who promised to revive the suffering industry.

But the new [187-page report](#) paints a far more complex picture of the nation's power grid, and it laid out many of the issues that have been vexing states and federal regulators, particularly

in the Northeast and Midwest.

"The biggest contributor to coal and nuclear plant retirements has been the advantaged economics of natural gas-fired generation," DOE's report says. "Low-cost, abundant natural gas and the development of highly-efficient [natural gas combined cycle] plants resulted in a new baseload competitor to the existing coal, nuclear, and hydroelectric plants."

The agency focused on four different factors that were eating away at the economics of coal and nuclear power: cheap gas, low electricity demand growth over the past decade, government regulations and the influx of renewable energy into the grid. But DOE officials said that assigning a percentage of blame to each of those factors was too great a lift — if it was possible at all. Nevertheless, one official said agency number-crunchers were able to identify natural gas as the biggest factor.

Despite highlighting natural gas as the prime factor that most analysts, utilities and regulators had already settled on, one DOE official said the new study was designed to approach the concern around the retirements of around-the-clock baseload power in a new way, and bring new attention to an important but underappreciated issue.

Perry, in a [letter](#) accompanying the report, said the power industry "has experienced massive change in recent years, and government has failed to keep pace."

"It is apparent that in today's competitive markets certain regulations and subsidies are having a large impact on the functioning of markets, and thereby challenging our power generation mix. It is important for policy makers to consider their intended and unintended effects," he added.

The report's recommendations don't call for Congress to change any laws or agencies to alter any specific rules. Rather, it appears designed to nudge regulators like FERC to "expedite" its work with grid operators to figure out policies to bridge — or block — new state energy policies and establish fuel-neutral power markets that fairly pay power producers.

The study also suggests that the Nuclear Regulatory Commission, the EPA and FERC revisit a number of their regulations on the power industry, and boost research and development for grid management and coal power plant efficiency.

The report is not likely to be nearly as popular in the coal industry as Trump's early executive order on climate change and energy, which focused mostly on promoting coal by rolling back regulations at EPA and the Interior Department. Still, the report nodded to the president's call for "energy dominance."

"While DOE is not the main agency tasked in the Order, it should continue to prioritize energy dominance and implementing the Executive Order broadly and quickly," it states.

Paul Bailey, head of the American Coalition for Clean Coal Electricity, commended DOE and Perry in a statement "for studying the challenges that face the electricity grid. One of the biggest challenges is how to sustain the nation's coal fleet so it can continue supporting a reliable and resilient electricity grid."

Solar Energy Industries Association head Abigail Ross Hopper said the group was still reviewing the report. But she noted "it's been proven time and again that a diversified

electricity mix is good for the overall system and poses no threat to the reliability of our nation's grid. On the contrary, solar and other renewables provide significant cost savings, relieve pressure on our nation's infrastructure and improve the grid's overall performance."

DOE's call for FERC, EPA and other bodies to help alter the electricity market and aid power plants is at least partly because of the agency's limited power to direct energy policy.

"DOE has no authority," said former FERC Chairman Jon Wellinghoff, a Democrat, ahead of the report's release. "It's FERC that has all the authority ... and DOE does not control FERC. I would say that when I was there, and I'd say it now."

Still, Tony Clark, a Republican former FERC commissioner, said DOE is often used by administrations as a "thought leader in the energy space," given the resources the agency has in its national labs and vast amounts of data.

One DOE official said that most studies of the power system have focused on its reliability. And though a gas-heavy grid is dependable, the official cautioned that those plants are reliable so long as the fuel is there, and the threats to pipelines, physical attacks and resilience deserve a lot of attention.

The study, which Perry had originally sought in June, was also notable for what it doesn't say.

In [letters](#) that became public on Tuesday, coal producer Murray Energy and other companies wrote that during private conversations with CEO Robert Murray, Trump had promised to use DOE emergency power to put in place a two-year moratorium that would require Ohio-based FirstEnergy to keep operating its coal-fired plants even if its power-generating subsidiary goes bankrupt. According to the letters, administration attorneys were concerned about the legality of such an action. One letter said Murray was present when Trump repeatedly directed Perry to grant the request to order the plants to stay open.

But DOE [denied the request](#), saying that "the evidence does not warrant the use of this emergency authority."

Environmentalists, renewable energy advocates and some analysts were incensed by Perry's initial April 14 memo as well as some of his public statements about intervening with state energy policies, such as suggesting he planned to have a hand in keeping power plants running.

Perry's memo, energy guru Peter Fox-Penner said, was "looking through a preconceived, political lens broadly at baseload and blaming renewables policy, which is looking at the wrong culprit. The right direction for a solution is market design."

Just days after issuing the memo to his chief of staff, Perry said that keeping nuclear power on the grid served a national security interest and can justify moves by the federal government that override state authority.

"I was a very strong proponent of the 10th Amendment — thank you very much, we know how to run Texas," the former governor [said](#) at an energy event in New York City, referring to the amendment that lays out federal authority limits. "Shoe is on the other foot — or the boot is on the other foot — now."

But on Wednesday, DOE officials said they focused on the specific questions they were tasked

with in Perry's memo and not his public statements.

Clark said the controversy around Perry's statements had gotten out of hand.

"Everything right now in D.C. seems to get spun out of control a little bit in terms of reaction on both sides," he said. "When it was first announced that there would be a DOE study, you had some folks say every coal plant in Ohio and Pennsylvania was going to be saved. And you had other people setting their hair on fire thinking that this would be the end of the wind and solar. ... To me, that was the D.C. spin machine."

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**Ryan: 'I don't think anyone's interested in having a shutdown' [Back](#)**

By Louis Nelson | 08/23/2017 03:09 PM EDT

House Speaker Paul Ryan said Wednesday he did not think Republican lawmakers are interested in shutting down the government over funding for President Donald Trump's long-promised border wall.

Trump told the crowd at a rally Tuesday night in Phoenix, "believe me, if we have to close down our government, we're building that wall," a promise that prompted the crowd to chant "build that wall."

But Ryan (R-Wis.), who spoke to reporters during a visit to Intel Corp. offices in Oregon, said the House has already passed border security legislation that includes money for a wall. He said lawmakers shouldn't have to choose between keeping the government open and making good on the president's border security pledge.

"I don't think a government shutdown is necessary, and I don't think most people want to see a government shutdown, ourselves included. And Congress, in the House, has already done its work on this issue. There are very legitimate problems and concerns on the border that need to be addressed," Ryan said. "I don't think anyone's interested in having a shutdown. I don't think it's in our interests to do so while we work on doing what we actually said we would do, what we've done already in the House and we need to do, which is to control our border. So I don't think you have to choose between the two."

Congress must pass funding legislation by the end of next month in order to avoid a government shutdown, and lawmakers are scheduled to have just 12 working days after their Sept. 5 return before the deadline hits. Ryan said he expects Congress will keep the government open via a short-term continuing resolution, as opposed to a full appropriations bill, because the schedule won't offer sufficient time for the Senate to process the latter.

"The fact is though, given the time of year it is and the rest of the appropriations we have to do, we're going to need more time to complete our appropriations process, particularly in the Senate. So that's something that I think we all recognize and understand, that we're going to have to have some more time to complete our appropriations process," the speaker said.

Asked if that meant a continuing resolution, he replied, "I think that will probably be necessary, yes, because I can't imagine the Senate will be able to process the appropriations bill as quickly as the House is."

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## Shutdown threat grows as Trump digs in on wall [Back](#)

By Josh Dawsey | 08/23/2017 01:30 AM EDT

President Donald Trump's vow Tuesday to close down the government if he doesn't get money for the border wall mirrors private comments he has made to advisers in recent days — and could cause significant rifts within his own party if he follows through.

The fight over the wall is likely to explode in September as the administration wrangles over a new budget, an increase in the debt ceiling, the beginning of a tax reform package and a possible resuscitation of health care legislation.

Trump has told his advisers he will not accept a deal on other issues without money for the wall "and it has to be real money," said one senior White House official.

Trump has told senior White House officials and advisers he would be willing to go to whatever lengths are necessary to get money for the wall, a contentious claim even among his advisers.

He hasn't identified specific amounts of money that he wants, but he seeks "enough to really start building it," said one person who spoke to him last weekend.

"He is animated about the wall," the person said. "He cares about that more than many other things. He knows his base cares and chants about it."

At a campaign rally in Phoenix on Tuesday, the president reiterated to his loyalists that he is committed to his vision for securing the border. "If we have to close down our government," Trump said, "we're building that wall."

Some said Trump's preoccupation is in keeping with what he has said since before the election last year. "It should surprise exactly no one," presidential counselor Kellyanne Conway said. "Why are people surprised when they try to change his mind on something significant and fail?"

Few staff members in the West Wing are as concerned about it, senior administration officials said.

Some in the White House have urged Trump not to focus as much on the wall, try to pass a clean debt-ceiling bill and move to tax reform. "You have barely anyone here saying, 'Wall, wall, we have to get the wall at all costs,'" one White House official said.

It would be impossible to get Democrats on board for such a plan, Capitol Hill aides say, and

Republicans will probably need Democratic support to enact a budget or raise the debt ceiling.

Rep. Mark Meadows (R-N.C.), who leads the conservative Freedom Caucus, praised the idea Tuesday — and Speaker Paul Ryan (R-Wis.) has promised to try to get money for the wall. The House passed a bill in July that delivers some wall funding, but it has little chance of becoming law.

Trump, on the campaign trail, said that Mexico would pay for the wall — a promise that has been widely mocked for its improbability.

Two people who have spoken to Trump said he sees not building the wall as a personal embarrassment — and that he has shown more interest in building the wall than in other issues, like the upcoming budget negotiations.

"You don't want a government shutdown," the White House official said. "He is told that. He says, 'I want money for the wall.'"

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By Anthony Adragna | 08/22/2017 05:41 AM EDT

*With help from Eric Wolff, Lauren Gardner, Alex Guillén and Esther Whieldon*

**PASSED WITH FLYING COLORS:** Solar panels across a swath of the U.S. went dark Monday as the first domestic total solar eclipse since 1979 transfixed the country, but the electric grid appeared to weather the disruption easily. Applying lessons Europe learned during its own 2015 eclipse, utilities leaned more heavily on alternate supplies to fill in gaps in solar generation. As Pro's Esther Whieldon [reports](#), Eric Schmitt, California ISO's vice president of operations, told reporters about 3,000 megawatts to 3,500 megawatts of solar generation stopped during the eclipse, but hydropower and natural gas power supplies filled in that gap. "We didn't have any major challenges on the system, even minor challenges," he said. "We're very pleased with how smooth it went. All the resources performed the way they were supposed to perform."

**How'd others do?** The PJM Interconnection, the grid operator for more than a dozen Mid-Atlantic and Midwestern states saw a decrease of about 520 megawatts utility scale solar during the eclipse, which is not even a drop in the bucket for the system that has 185,000 megawatts of power on call. Duke Energy estimates it saw a drop of 1,700 megawatts-worth of output from utility-scale solar generation in North Carolina. (The grid's success did not extend to [traffic](#) where [numerous apocalypses](#) were reported after the eclipse passed).

**Cabinet secretaries took a break.** Interior Secretary Ryan Zinke tweeted it was a "[pretty cool view](#)" from his agency's rooftop, while EPA Administrator Scott Pruitt said his staff enjoyed a "[great view](#)" from headquarters. Energy Secretary Rick Perry said the total eclipse "[rocks](#)" and [linked](#) to National Renewable Energy Laboratory staff enjoying the view.

**Away from Washington, senior lawmakers did as well.** Senate EPW Chairman [John Barrasso](#) "[really enjoyed watching the eclipse](#)" from Casper, Wyo. (where the totality lasted more than two-and-a-half minutes). Senate Energy Chairman [Lisa Murkowski](#) was underground in a "[permafrost tunnel](#)" near Fairbanks, Alaska, at peak eclipse, but later [caught a glimpse](#) from visiting Deputy Energy Secretary Dan Brouillette.

**WELCOME TO TUESDAY!** I'm your host Anthony Adragna, and SEIA's Christopher Mansour was first to name Italy as the spot with two other independent countries within its borders (San Marino and Vatican City). For today (in honor of Monday's incredible eclipse): What is the only major U.S. city (more than 500,000 people) that enjoyed more than two minutes of totality? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**THE MITCH MCCONNELL CONNECTION:** Anthony Pugliese exited the Department of Transportation to join FERC as its chief of staff, Transportation Pro's Lauren Gardner [scooped](#) for Pros. He was DOT's senior White House adviser — a role that was intended to help 1600 Pennsylvania Ave. keep tabs on their goings-on. In this case he served next to Cabinet Secretary Elaine Chao, wife of Senate Majority Leader [Mitch McConnell](#), and the two didn't

appear to have gotten along. POLITICO reported in May how Pugliese informed Chao that he expected her to check in with him on all policy moves, a declaration that got a chilly reception.

Now Pugliese has a job as the top staffer for newly anointed FERC chairman Neil Chatterjee — for years McConnell's top energy policy aide — despite limited energy experience. The FERC [announcement](#) says Pugliese learned energy matters from his time working for Pennsylvania Gov. Tom Corbett, where he spent a year working for the department of Community and Economic Development, and as a consultant for Pugliese Associates, a Pennsylvania lobbying shop founded by Pugliese's father, Rocco. The company's [website](#) shows that it's energy clients included Tesla Motors, a filling station chain, and an energy efficiency non-profit. Pugliese's lobbying disclosure form for the state of Pennsylvania show his only energy client was Tesla.

### **BIODIESEL PRODUCERS CROSSING FINGERS FOR COMMERCE TRADE**

**RULING TODAY:** The Commerce Department is expected to issue a preliminary ruling today on whether to impose a tax on Argentine and Indonesian imports of biodiesel to counter those two countries' subsidies. Biodiesel exporters have been arguing for months that biodiesel feedstocks in Argentina and Indonesia are underwritten by their governments so they can sell into the U.S. market.

**RFS credits in discord:** Today's decision could drive up the biofuel credits that oil refiners use to comply with the Renewable Fuel Standard, because it would potentially shrink supplies and increase the price of biodiesel. Those biodiesel credits can be used for compliance with the ethanol part of the program, too. But Tom Kloza, a founder of the oil tracking service OPIS, says RIN prices have been buffeted by "cross winds" since a [court ruling](#) last week that let some small refiners out of the program. "There's a little uneasiness about this small refinery exemption," he said. Today's "ruling isn't as big as the anti-dumping. It would probably provide an upward lift, but right now you have this downdraft related to small refinery exemption."

**Just the first step in the trade dispute tango:** A victory today for domestic producers would signal what may be a larger victory in October, when Commerce will rule on whether the two countries dumped biodiesel on the U.S. market in an effort to undermine U.S. production. Kloza said that one could potentially rattle biofuel markets. Neither decision will likely be finalized until next year.

**A PRIZE PODCAST:** This week's episode of [Global POLITICO](#) podcast features Dan Yergin, the Pulitzer-winning historian and expert on the geopolitics of energy, as well as Angela Stent, a former U.S. national intelligence officer for Russia, discussing the current "frigid, antagonistic, confrontational" relationship between U.S. and Russia. Yergin also discusses the dissolution of Trump's advisory council of business leaders last week, which he called very much "a comment about what's happening to our politics."

**CALIFORNIA'S CLIMATE PUSH FUELS ECONOMIC GROWTH:** Since the adoption of landmark climate legislation in 2006, California's gross domestic product growth has nearly doubled what's been seen at the U.S. more broadly, but the rate of the state's emissions reductions have slowed recently due to a spike in transportation-related emissions, according to a [new report](#) out from the nonpartisan group Next 10. "Transportation sector emissions vastly outweigh other carbon-producing areas of California's economy, and the recent spike should alert policy-makers that despite our best efforts, more must be done," Adam Fowler, an

economist at Beacon Economics, which prepared the report, said in a statement. Among the other findings: Energy-related carbon dioxide emissions in California were down 12.5 percent in 2016 from their 2006 levels and renewable energy made up 21.9 percent of total electricity generation in the state.

**CHECK OUT THAT HASHTAG:** Zinke's wife Lola raised a few eyebrows around Washington with [a tweet](#) of her and the secretary on a run to the Capitol that included the hashtag #senaterun. ME readers likely remember the Montana congressman was considered [a likely Senate candidate](#) against Democrat [Jon Tester](#) — who's up for reelection next year — prior to being tapped by the Trump administration for the Interior slot.

**MAIL CALL! SCHATZ CRIES FOUL OVER EPA GRANT POLICY:** Hawaii Democratic Sen. [Brian Schatz](#) sent [a letter](#) Monday to EPA's Pruitt urging him to reverse course on a new directive in which a political appointee — John Konkus within the Office of Public Affairs — now will evaluate grant solicitations. "I fail to understand the beneficial role a political appointee, without any meaningful scientific background, could have in the grant review process," Schatz wrote. He added the new policy appeared to be in "direct conflict" with the agency's scientific integrity policy.

**THERE'S A HEARING!** It may be August recess, but the Senate EPW Subcommittee on Superfund, Waste Management and Regulatory Oversight, chaired by [Mike Rounds](#), today holds a field oversight hearing at his former office — the South Dakota state capitol. It'll examine efforts from the Army Corps of Engineers to manage the Missouri River to "make certain the agency is working in an appropriate and responsible manner." More information [here](#).

**DEMOCRATS TOUT ECONOMIC BENEFITS OF MONUMENTS:** Ahead of Interior's Zinke's Thursday deadline to issue recommendations on the fate of nearly two dozen national monuments, the Joint Economic Committee Democrats released a [series of fact sheets](#) highlighting what they say are the substantial economic benefits the sites provide to local communities. "Removing designation in whole or in part from national monuments, as the Trump administration has proposed, would eliminate this economic engine," Sen. [Martin Heinrich](#), the committee's ranking Democrat, said in a statement.

**PUT UP YOUR DUKES:** The nomination of one of their own, former New Jersey Rep. Scott Garrett, to run the Export-Import Bank has emerged as the latest battle in the Republican Party's civil war, POLITICO's Zachary Warmbrodt [reports](#). Business groups are expected to ramp up efforts to block his appointment, while opponents of the bank are warning the Senate Banking Committee about the consequences of failing to advance Garrett's nomination. "The divides among congressional Republicans appear to be deepening, and I am left with the sense that for some issues, the GOP is closer to a coalition government than a unified party," Compass Point analyst Isaac Boltansky said.

**TAKE A GLANCE! DISSECTING NEW YORK'S ENERGY GOALS:** The Manhattan Institute is out with [a report](#) today arguing, among other findings, New York's goal of reducing greenhouse gas emissions 80 percent from 1990 levels by 2050 is "unrealistic, unobtainable, and unaffordable." In addition, meeting renewable energy and GHG goals will mean shifting to electric-powered equipment across most sectors of the state's economy "adding many billions of dollars in costs in both the private and public sectors," the report argues. Lower-income New Yorkers would bear more of the brunt of those policies to hit the interim reduction goals, it says.

**NOT A FAN:** German Chancellor Angela Merkel slammed her predecessor Gerhard Schroeder for taking a high-paying post at Russian oil company Rosneft, POLITICO Europe's Victor Brechenmacher [reports](#). "I do not find what Mr. Schroeder is doing appropriate," Merkel told German daily [BILD](#). Schroeder has drawn criticism in Germany for his involvement in the Russian energy sector and [his friendship](#) with Russian President Vladimir Putin. He already holds a leadership role at Nord Stream AG, a gas-pipeline consortium set up by Gazprom, to transport Russian gas across the Baltic Sea and into Germany.

**LET THERE BE REGIONAL ADMINISTRATOR!** A former Alabama environmental regulator will serve as EPA's Region 4 Administrator, Pro's Alex Guillén [reports](#). Trey Glenn was director of the Alabama Department of Environmental Management from 2005 through 2009 and has owned an engineering consulting firm in Birmingham for the last eight years. Alabama's ethics commission found "probable cause" back in 2007 that Glenn may have violated ethics laws but a grand jury in 2009 concluded there were no "provable violations." Regional administrators do not require Senate confirmation.

**COURT REVIVES DUGONG SUIT:** The 9th Circuit Court of Appeals has [revived](#) an environmentalist lawsuit dating back to 2003 alleging a plan to place a U.S. Marine Corps air base in Okinawa, Japan, threatens a local population of dugongs, which are similar to manatees. A lower court previously said the green groups did not have standing to bring the case, and the suit raised "political questions" the court could not answer. But the 9th Circuit reversed that Monday, saying the case must be heard. The green groups will now get to present their case that the new military base will threaten the Okinawa dugong, which is listed as endangered in the U.S. and Japan. However, they may still fail to change anything about the base; the 9th Circuit said the green groups "may face challenges in securing relief on the merits." The base construction has been controversial for reasons beyond dugongs, with the prefecture government [taking](#) Japan's central government to court this summer to halt work on seawalls and new land.

**LOTS OF FREE TIME?** Sebastian Gorka, Trump's deputy assistant, posted the personal phone number and other contact information of a blogger after he put up a [post](#) detailing how Gorka's son made an environmental documentary, Death and Taxes [reports](#). The video at issue, made by 18-year-old Paul Gorka, looks at how plastic pollution contributes to water quality issues.

**REPORT: NUCLEAR NEEDS CONGRESSIONAL HELP:** Kirk Lippold, an energy policy expert who served as commanding officer of USS Cole, is out with a [new report](#) arguing Congress must extend a nuclear production tax credit for the U.S. to remain a worldwide leader in that energy sector. "It is incumbent for that leadership to continue through public support of this clean energy source in order for it to remain a reliable power backbone for decades into the future," he writes in the paper for the Electric Reliability Coordinating Council.

## QUICK HITS

— Most new Permian oil likely to be exported from Houston, Corpus Christi. [Houston Chronicle](#).

— Coal country is ready for tech jobs — if techies will just give them a chance. [Recode](#).

— Saudis Could Get \$21 Billion Non-Oil Boost in 2018, BofA Says. [Bloomberg](#).

— OPEC to discuss ending or extending production cut in November: Kuwait minister. [Reuters](#).

— Support for climate change bill is haunting a California Republican leader. [The Mercury News](#).

— UT System oil money is a gusher for its administration — and a trickle for students. [Texas Tribune](#).

## HAPPENING TODAY

10:00 a.m. — [Nuclear Threat Initiative](#) hosts a teleconference highlighting the impending launch of a new [low-enriched uranium bank](#) in Kazakhstan, contact: [tsmith@mrss.com](mailto:tsmith@mrss.com)

## THAT'S ALL FOR ME!

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/08/electric-grid-weather-total-eclipse-of-the-sun-024338>

## Stories from POLITICO Pro

### California grid emerges from solar eclipse unscathed [Back](#)

By Esther Whieldon | 08/21/2017 03:53 PM EDT

The California grid survived today's total solar eclipse without a hitch, California Independent System Operator officials said.

About 3,000 megawatts to 3,500 megawatts of solar generation stopped producing power during the eclipse, and the grid operator was able to cover that loss largely with hydropower and natural gas power supplies, Eric Schmitt, ISO vice president of operations, told reporters.

The grid operator had expected to lose up to 4,600 megawatts of utility scale solar during the eclipse and about 1,300 megawatts of residential rooftop solar.

Schmitt said months of planning had enabled the grid operator to accommodate the solar event.

"We didn't have any major challenges on the system, even minor challenges," he said. "We're very pleased with how smooth it went. All the resources performed the way they were supposed to perform."

Electricity prices were normal, peaking in the low \$20s per megawatt-hour. But as the eclipse abated, they then went negative — meaning generators would need to pay to ship their power — as the solar power plants began to come online, Schmitt said.

**WHAT'S NEXT:** The ISO expects to release more details about how the grid performed during the solar eclipse, such as how much battery storage was used and how much rooftop solar went offline, at a later time.

To view online [click here](#).

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## **DOT adviser jumps to FERC [Back](#)**

By Lauren Gardner | 08/21/2017 12:33 PM EDT

Anthony Pugliese has left DOT to become the Federal Energy Regulatory Commission's chief of staff, POLITICO has learned.

Brigham McCown, a former Republican DOT official who worked on the Trump administration's transition team with Pugliese, confirmed the move.

Pugliese was the department's senior White House adviser, a role that Cabinet secretaries across the administration have [chafed](#) against.

A FERC spokesman confirmed the move. DOT didn't respond to a request for comment.

To view online [click here](#).

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## **Court says EPA overstepped in denying small refiners RFS exemption [Back](#)**

By Alex Guillén | 08/15/2017 02:09 PM EDT

The Obama administration in 2016 wrongly forced two small refineries in Wyoming to comply with the Renewable Fuel Standard, a federal court [ruled](#) today.

The Sinclair Oil-owned facilities had requested exemptions from the RFS, citing language in the law that allows EPA to spare small refiners from the program's biofuel blending requirements if they would experience "disproportionate economic hardship." While DOE recommended granting them a 50 percent waiver, EPA in October 2016 said both facilities were profitable enough to bear the RFS's costs and thus would have to comply fully with the program.

However, a split panel from the 10th Circuit Court of Appeals today said EPA overstepped its authority by concluding that the exemption could only be granted if complying with the RFS presented a long-term, "existential threat" to the refineries' survival.

EPA "chose a definition of economic hardship plainly at odds with Congress's statutory command," concluded the two majority judges, Timothy Tymkovich, a George W. Bush appointee, and Nancy Moritz, an Obama appointee. They sent the matter back to EPA for further action.

In a dissent, Carlos Lucero, a Clinton appointee, said he believed EPA had relied on "a more nuanced analysis" than the majority said which may have been permissible.

The decision comes just weeks after the D.C. Circuit [ruled](#) in a separate case that the Obama EPA had misappropriated a broader waiver authority under the RFS to require using less corn ethanol in 2016 than Congress required.

**WHAT'S NEXT:** EPA must review the refineries' petitions in light of the ruling. The agency could find further reasons for denying the petitions or it may grant Sinclair the sought-after exemptions.

To view online [click here](#).

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## **2018 showdown looms: House Republicans vs. Democratic senators** [Back](#)

By Elana Schor and Burgess Everett | 11/18/2016 05:22 AM EDT

As Democratic senators weigh when to fight and when to compromise with Donald Trump, Republicans on the other side of the Capitol are watching — with 2018 in mind.

Several of the 10 Democrats up for reelection in states that Trump won are likely to face off against members of the House Republican Conference. And on Thursday, one of those potential Senate hopefuls, Montana Rep. Ryan Zinke, fired a warning shot at his possible rival, Democratic Sen. Jon Tester.

"What I'm hoping, quite frankly, is that Sen. Tester moves rapidly to the middle," Zinke said of the two-term incumbent he is considering taking on. "His votes have not been consistent with Montana."

Zinke said he's preparing "to get a lot of pressure" to run against Tester, who chaired the Democratic Senatorial Campaign Committee during a disappointing 2016 election cycle for his party. The two-term congressman has met with Senate Majority Leader Mitch McConnell (R-Ky.) and Sen. Tom Cotton (R-Ark.) about a possible bid.

Tester would be "a formidable opponent, should I run," Zinke added. "I'm in no hurry to make a decision."

Democrats had hoped to defeat Zinke this year to kill off the Senate prospects of the affable former Navy SEAL. But despite Tester's personal [attention](#) to the campaign of Democrat Denise Juneau, who challenged Zinke for Montana's at-large House seat, the Republican coasted to an 18-point victory.

Tester said Thursday he'd bet a steak dinner that Zinke will run against him. No matter what, the Democrat is girding for a fight.

"They're going to get someone tough," Tester said Thursday.

Sen. Steve Daines (R-Mont.), who was elected in 2014 in the increasingly red state, said it was "too soon" to say definitively how much trouble Tester might be in.

"Every election has a different dynamic," Daines said. "You saw what happened last cycle. It

was assumed we were going to lose the majority."

Beyond Montana, Sen. Heidi Heitkamp (D-N.D.) could face a strong challenger in Rep. Kevin Cramer (R-N.D.). Like Zinke, Cramer was an early backer of Trump's presidential bid even as the Republican establishment chafed at the New York developer.

Cramer often appears on [short lists](#) to lead Trump's Department of Energy, though one source working on the president-elect's transition said the two-term Republican is expected to take on Heitkamp rather than join the administration.

Sen. Cory Gardner (R-Colo.), the former House member chairing the National Republican Senatorial Committee for 2018, praised Cramer as a "tireless advocate."

"He puts the people of North Dakota before everything else, and that's what people want in their elected member of the Senate," Gardner said. "And obviously, in the 2018 election cycle, we just have to plan on winning every race. And of course, he'd be very good at it."

Heitkamp has long made clear that she expects a bruising reelection battle and plans to remind voters of her work with the GOP.

"My whole purpose in being here is trying to bridge some of these partisan divides and try and get things done," Heitkamp said. "I don't care what their label is. When I agree with them, we're going to do business. When I disagree with them, we're going to have a conversation."

Democrats are expecting a challenge to Sen. Joe Manchin (D-W.Va.) from either Rep. Evan Jenkins (R-W.Va.) or state Attorney General Patrick Morrisey. Manchin is hoping for a repeat performance of this year's election, when his state installed a Democratic governor at the same time it overwhelmingly voted for Trump.

"It's a very good sign. Basically people look at the individual," Manchin said. Voters "know who I am."

Still, Manchin acknowledged that his next campaign is "going to be more challenging." He [joined](#) an expanded Senate Democratic leadership slate on Wednesday, giving him a chance to make his case for making deals with Trump — but also potentially allowing Republicans to directly tie Manchin to any Democratic obstructionism.

Given how quickly his state has gone from blue to red, it's unclear how effective Manchin's earlier campaign strategies for governor and senator might be.

"I've been in office since 2001, the state has dramatically changed its politics," said Sen. Shelley Moore Capito (R-W.Va.), who added: "Every election's a challenge and he knows that, I think. He's up for the challenge. He's a very intuitive politician."

In Missouri, which Trump carried by 19 points, several GOP House members are seen as potential challengers to Democratic Sen. Claire McCaskill: Reps. Vicky Hartzler, Ann Wagner, or Billy Long. Incumbent GOP Sen. Roy Blunt just survived a nimble challenge in the state by Democrat Jason Kander.

In Indiana, meanwhile, Republican Rep. Luke Messer could end up squaring off against Democratic Sen. Joe Donnelly. Trump won the Hoosier State by a staggering 28 points.

Historically the party in power has lost ground during the first midterm election under a new president. In 2010, Democrats lost the House and relinquished six Senate seats as voters recoiled at some of Barack Obama's early initiatives, especially his health care law.

The 2018 Senate map gives the GOP a buffer to weather that trend. But if the country doesn't like what the next two years out of Washington brings, Republicans won't be able to shirk the blame.

Sen. Mike Rounds (R-S.D.) said he and other Republicans who were elected to the Senate in 2014 ran as outsiders vowing to shatter the status quo. Asked if Republicans will have to retool that message after they take the wheel in Washington, he said, "That depends on whether or not we actually deliver on what we said we were going to do. So the first 100 days with the new president are going to be critical."

To view online [click here](#).

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## **GOP divided over Trump's Ex-Im Bank nomination [Back](#)**

By Zachary Warmbrodt | 08/21/2017 02:30 PM EDT

President Donald Trump's nomination of former Rep. Scott Garrett to lead the Export-Import Bank has opened up yet another front in the Republican Party's civil war.

Pro-business trade groups, free-market advocates and even social conservatives and gay-rights activists are targeting GOP senators with competing lobbying efforts as they clash over Garrett's past attempts to shut down the bank and his controversial views on LGBT issues.

The issue could come to a head this fall if Senate Republicans move forward with a hearing and confirmation votes for Garrett. Some of the leading groups opposed to the credit export agency are warning the Senate Banking Committee about the consequences of failing to advance the nomination. Meanwhile, business groups are expected to ratchet up efforts to block Garrett's appointment.

That has raised the political stakes around the New Jersey Republican's confirmation and underscored divisions that have contributed to the GOP's lack of success in pushing major legislation through Congress.

"The logjam over the Ex-Im Bank is just the most recent battle in the ongoing ideological war within the GOP between its pro-business wing and the free-market absolutists," Compass Point analyst Isaac Boltansky said. "The divides among congressional Republicans appear to be deepening, and I am left with the sense that for some issues, the GOP is closer to a coalition government than a unified party."

Outside groups are stepping up their efforts as the Trump administration gives Garrett a chance to sell his nomination, which has been under fire since the president announced his pick in April.

At least three Senate Republicans — the number it would take to block his confirmation if

Democrats uniformly were to oppose him — have indicated they are on the fence.

Businesses that rely on the Export-Import Bank are stepping up their drive to rally opposition to Garrett because of his attempts to kill the agency when he served in Congress. In 2015, he said the bank "embodies the corruption of the free enterprise system" by promoting crony capitalism.

The bank, which offers loan guarantees to foreign buyers of U.S. exports, hasn't been able to back deals that exceed \$10 million since 2015, when its authorization temporarily lapsed and it lost a needed quorum of board members. Though its charter was renewed by Congress in December of that year, the lack of a quorum continues today.

U.S. manufacturers including Boeing and GE view it as a critical financial backstop.

As Garrett met with senators on Capitol Hill earlier this month, he offered a friendlier public message than he had while in Congress. He said he backed the president's desire to have a "functional" agency and that his job would be to "fulfill the administration's agenda of creating more jobs and helping manufacturing in this country."

But his pitch left a bipartisan group of senators less than satisfied.

"He lost his reelection bid last year, and he's now saying lots of things to try to get a new job," said Hamilton Place Strategies partner and former Bush administration official Tony Fratto, who represented a business coalition that supported the Export-Import Bank.

In response to the industry lobbying, outside groups that have worked for years to close the bank are jumping in to help push Garrett's nomination.

On Aug. 7, the Club for Growth and Heritage Action for America were among the conservative organizations that sent a letter to Senate Banking Chairman Mike Crapo (R-Idaho) warning that they would oppose any appointments to the agency's board if Garrett's name did not move forward.

Even after rushing to Garrett's defense, the bank's opponents would still like the agency to be shuttered. And if he ends up saying he's now in favor of reauthorizing the bank as part of his attempt to win confirmation, "it's politics, pure and simple," said Andrew Roth, Club for Growth's vice president of government affairs.

"The fact remains, if the bank is going to have a president, the only person out there that's capable of reforming the bank or reducing its size is Scott Garrett," Roth said.

Another issue dogging Garrett among Republicans is his record on gay rights.

His views attracted controversy in July 2015, when POLITICO reported that he told a group of fellow Republicans that he had refused to pay National Republican Congressional Committee dues because it recruited gay candidates.

Garrett later denied that he was against gay candidates and said his concern was with support for same-sex marriage. But the political fallout contributed to his failed 2016 reelection bid and is becoming a more prominent issue in his Senate confirmation.

American Unity Fund, a pro-LGBT conservative group founded in 2013, plans to aggressively

lobby to defeat his nomination if it proceeds, said Tyler Deaton, a senior adviser for the organization.

Deaton said nominating someone with Garrett's record of "vilifying gay Americans" is like "throwing a wrench into something that's already complicated."

"We've shared our concerns with the White House," he said. "They've not even tried to defend Mr. Garrett's anti-gay behavior."

The White House declined to comment on Garrett's LGBT record.

The Family Research Council, the conservative Christian nonprofit that describes homosexuality as "unhealthy and destructive," has come to Garrett's defense. The group has also been critical of the Export-Import Bank.

In a post last month, the group said Garrett's views on sexuality had "absolutely nothing" to do with his résumé.

"Scott Garrett's got a strong history of supporting not only free markets but fighting against government largess," said David Christensen, the Family Research Council's vice president for government affairs, in an interview. "He would be good at leading the Ex-Im bank. We also think it's unfair for some groups to try to raise his stance on social issues as a weapon against him."

*To view online [click here](#).*

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**Pruitt picks ex-Alabama regulator for regional chief [Back](#)**

By Alex Guillén | 08/21/2017 04:57 PM EDT

EPA Administrator Scott Pruitt has appointed a former Alabama environmental regulator as the agency's Region 4 Administrator, EPA announced today.

Trey Glenn was director of the Alabama Department of Environmental Management from 2005 through 2009. For the last eight years, Glenn has owned an engineering consulting firm in Birmingham.

Glenn "will help us carry out President Trump's vision of creating a more streamlined and efficient EPA that focuses on the Agency's core mission, while also providing more regulatory certainty to our nation's businesses," Pruitt said in a statement.

Alabama's ethics commission in 2007 found "probable cause" that Glenn, in his prior job as director of the state Office of Water Resources, may have violated ethics laws to land the ADEM position. But a grand jury in 2009 concluded there were no "provable violations," according to local [news reports](#).

EPA's 10 regional administrators are political appointees but do not require Senate confirmation. EPA's Region 4 covers Kentucky, Tennessee, Mississippi, Alabama, Florida,

Georgia, South Carolina and North Carolina.

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**Date:** Monday, August 21, 2017 5:42:44 AM

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By Anthony Adragna | 08/21/2017 05:40 AM EDT

*With help from Alex Guillén and Esther Whieldon*

**WHERE ARE THE BRAKES ON THIS ROLL BACK?** Even as they're publicly touting the efforts of President Donald Trump to roll back regulations, some oil and gas companies are increasingly worried the administration may go too far, Pro's Ben Lefebvre [reports](#). A dozen executives, lobbyists, lawyers and analysts are worried about the fallout if the rules' loosening is followed by a major disaster, and they are concerned that unscrupulous competitors could benefit from the axing of rules that their companies have already spent money to comply with. They're also uneasy with efforts to renegotiate trade deals like NAFTA or reorganize the agencies responsible for overseeing offshore drilling. "Every industry wants regulations that make sense, but you don't need to roll things back so far that it opens an opportunity for outsiders to criticize, or something bad happens and then [rulemaking] goes the other way but even further," Brian Youngberg, energy analyst at investment firm Edward Jones, tells Ben.

**One example of a rule drawing too much attention from the Trump team** is the Obama-era Interior Department rule tightening methane emission standards for oil and gas wells and pipelines on public lands. Trade associations American Petroleum Institute and Western Energy Alliance publicly [cheered](#) Interior Secretary Ryan Zinke's push to rewrite the rule, but behind the scenes, Exxon Mobil, BP and other large oil and gas companies considered the rule relatively minor, lobbying and industry sources said. Those companies already had the technology to comply and they planned to pay off the implementation costs through the sale of methane they captured. And others operating in Colorado already had to comply with a state rule that closely resembled the federal one.

**Industry officials are scratching their heads at** Interior's review of whether to combine the Bureau of Ocean Energy Management, which leases the federal Outer Continental Shelf to energy companies, with the Bureau of Safety and Environmental Enforcement, which regulates the companies' activities. "When there's — God forbid — the inevitable accident in the Gulf of Mexico, why would you want to be known as the administration that made that move?" said one lawyer representing oil and gas companies. Officials said they didn't ask for the reorganization and first heard about it when Zinke floated the idea.

**WELCOME TO MONDAY!** I'm your host Anthony Adragna, and Bracewell's Frank Maisano was first out of the gate to identify Luxembourg as the world's last remaining grand duchy. For today: What's the only country with two independent nations landlocked within its borders? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#), and [@POLITICOPro](#).

**ICAHN'T BELIEVE THIS IS HAPPENING:** Carl Icahn's failure to rewrite biofuel rules looks to have foreshadowed the billionaire investor's departure as an adviser to Trump, and questions about whether his effort violated ethics rules are still swirling, our Eric Wolff [writes](#). Icahn stepped down as an unpaid Trump adviser on regulations [on Friday](#), just ahead of EPA's rejection of the change in the Renewable Fuel Standard's "point of obligation," which could

come any day.

Though the White House has insisted that Icahn only served in an informal role, Trump's move to tap him to alter regulations had raised eyebrows among ethics watchdogs since Icahn's vast holdings, from insurance to liquefied natural gas and rail cars, often put his businesses in the cross-hairs of Washington regulators.

"There was a perception of government that was not in line with ethics rules. Donald Trump came in and said the ethics rules don't apply to him. Icahn had convinced himself the same would apply to him," said Jeff Navin, a partner at Boundary Stone Partners and a former acting chief of staff at the Department of Energy under Obama.

**ZINKE MONUMENT RECOMMENDATIONS DUE THIS WEEK:** Zinke has until Aug. 24 to send Trump recommendations on whether to rescind or tweak more than a dozen national monuments created by former presidents, most of which are in Western states. Zinke has whittled down the list of monuments on the chopping block from 22 to 16, but he has only visited seven of those, plus one the Commerce Department is reviewing. It remains to be seen whether Zinke will recommend Trump test his authority under the Antiquities Act and rescind any of the monuments — a move that would certainly face legal challenges. Zinke in June made [preliminary recommendations](#) that Trump trim back the size of the Bears Ears National Monument in Utah.

**Californians for monument visits:** Ahead of Zinke's Thursday deadline for reviewing a host of national monuments designated under the Antiquities Act, a bunch of California politicians asked him to come visit the sites still under examination in their state. "We invite you once more to visit our state, meet face to face with the communities who love and protect our treasured landscapes before making a recommendation that might reduce or revoke monument status," the [letter](#), led by Rep. [Judy Chu](#), says.

**Congressional leaders pushed, too:** The chairs of the Congressional Asian Pacific American Caucus, the Congressional Black Caucus and the Congressional Hispanic Caucus sent [a letter](#) Friday to House and Senate leadership urging them to resist any legislative efforts to limit the president's ability to designate monuments under the Antiquities Act. "Any attempt to curtail the President's authority to protect these places or to remove protections already put in place by other Presidents is an attack on our shared history," Reps. [Cedric Richmond](#), [Michelle Lujan Grisham](#) and Chu wrote.

**EPA SEEKS 16-MONTH DELAY OF TEXAS HAZE DEADLINE:** EPA on Friday [asked](#) a federal court in D.C. to rewrite a consent decree reached with environmental groups under the Obama administration requiring the agency to take action on Texas pollution contributing to regional haze. The court had previously given EPA until Sept. 9 to either accept a state plan or write a federal plan, but on Friday EPA asked the court to give it until Dec. 31, 2018. The agency's filing says that since the Trump administration took office, "EPA and Texas have engaged in a productive level of dialogue that has not occurred in many years." EPA and Texas regulators have agreed on a plan to write a rule "that would be more consistent with the [Clean Air Act's] preference for cooperative federalism, and would produce a plan that more effectively addresses concerns raised by the State," the filing added.

Environmentalists have until Aug. 29 to object in court, but they made their feelings clear in a Friday evening statement blasting EPA's proposal as bad news for residents of Oklahoma who breathe in some of that Texas air. "Scott Pruitt just made it clear that he plans to abandon the

residents of his home state to placate Texas polluters who don't give a second thought about Oklahoma families or its natural places," said Johnson Bridgwater, director of the Sierra Club's Oklahoma Chapter. The green groups noted that EPA was supposed to have done all this back in 2007, making the proposed delay that much more untenable.

**RECORDS SOUGHT IN SAGE GROUSE REVIEW:** The Western Values Project filed [a FOIA request](#) Sunday seeking copies of communications between various Interior officials participating in its sage grouse review and various energy groups, including the Western Energy Alliance, American Petroleum Institute and Petroleum Association of Wyoming. That comes as Western Values Project released [a document](#) that it said showed Zinke's early August [order](#) for his department to alter how it and states implement conservation plans for the bird was based heavily on recommendations from the Western Energy Alliance. "This is a dangerous trend that is becoming a pattern for Secretary Zinke - offer lip-service to the West while granting private industry unfettered control of our public lands," Jayson O'Neill, deputy director of the Western Values Project, said in a statement.

**THERE'S A GROUP FOR EVERYTHING:** Four governors on the Outer Continental Shelf Governors Coalition — Maine's Paul LePage, Mississippi's Phil Bryant, Alabama's Kay Ivey and Alaska's Bill Walker — released [a letter](#) Friday urging Zinke to include all possible areas as the agency develops its five-year offshore drilling plan. "Access to offshore energy resources will allow coastal states and communities to realize great economic opportunities," they wrote.

**TRICKLE OF CHANGE ON CLIMATE?** Some Republicans may be taking their first steps to distance themselves from their party's hard line on climate change, but there are doubts from some that participation in the House Climate Solutions Caucus represents anything more than political cover for endangered lawmakers, POLITICO California's David Siders [reports](#). But Rep. [Carlos Curbelo](#), one of the group's co-founders, said it was working on "blocking and tackling ... opposing anti-climate legislation" and already showed progress from a couple of years ago when hardly any GOP members spoke out on climate change. "I think the next phase, and hopefully we can get to that this Congress, is to turn the caucus into an ideas factory, get behind proactive legislation," the South Florida Republican said.

**NEW AD AGAINST REGULATORY BILLS:** Clean Air Moms Action is out with a [new ad](#) today urging Congress to oppose the Regulatory Accountability Act [H.R. 5 \(115\)](#) and the Regulations from the Executive in Need of Scrutiny Act [H.R. 26 \(115\)](#), two measures they say would threaten environmental and public health protections. The \$250,000 digital campaign will run across Missouri, Indiana, Montana, Florida and Virginia — the states of Democratic senators that bill backers would need to get them to 60 votes in the Senate. Both bills have passed the House on largely party-line votes.

**MAKE OR BREAK IN THE PEACH STATE?** Three backers of the Vogtle nuclear project in Georgia — Southern Co.'s Georgia Power, Oglethorpe Power Co. and the Municipal Electric Authority of Georgia — last week asked the Energy Department for a bigger lifeline, but one state regulator was skeptical that would determine whether the project proceeds, Pro's Darius Dixon [reports](#). "I'm not sure that the loan guarantee piece of the project equation is a make or break issue for us," Tim Echols, the vice chairman of the Georgia Public Service Commission, said by email. "The Toshiba payments are far more important." The long-delayed and over-budget project suffered the bankruptcy of its lead contractor and reactor designer Westinghouse this spring.

**DOE CELEBRATES COAL EXPORT:** Officials from the Energy and Commerce Departments will gather with Ukrainian Ambassador to the U.S. Valeriy Chaly today at 2 p.m. in Baltimore in recognition of the first shipment of Pennsylvania thermal coal bound for Ukraine. U.S. participants include Wells Griffith, acting assistant secretary for international affairs at DOE, and Israel Hernandez, acting under secretary of the International Trade Administration.

**TRUCK LOBBY WORRIED ABOUT TRUMP EPA REOPENING PHASE 2 RULE:** The American Trucking Associations is "concerned" about EPA Administrator Scott Pruitt's [announcement](#) last week that he will revisit parts of the Obama administration's Phase 2 emissions standards for heavy duty trucks. The split highlights a regulation that had largely gotten the buy-in of the trucking industry in order to avoid state-level patchwork rules. The only major legal challenge to the rule was over EPA's first-time aerodynamic rules for trailers, which is the part of the rule Pruitt plans to re-open. In a statement on Friday, ATA President and CEO Chris Spear said the industry is concerned that cracking open the federal rule for this one issue "has opened the door to California taking the lead, and a more aggressive track, in setting trailer standards." A California Air Resources Board spokesman [told Trucks.com](#) that it is "premature" to discuss whether state rules in development will break from the federal regulation.

**MORE ASIAN CARP TROUBLE FOUND:** It's unclear how it made its way past several electric barriers meant to keep the invasive species out, but an adult Asian carp got quite close to Lake Michigan, according to [a report](#) from a coalition of federal agencies released Friday. "Time is of the essence to both implement a permanent solution and take immediate steps to stop Asian carp from reaching our Great Lakes," Michigan Sen. [Debbie Stabenow](#) said in response.

## QUICK HITS

- The Trump administration just disbanded a federal advisory committee on climate change. [Washington Post](#).
- Sempra Energy Reaches Deal to Acquire Oncor. [Wall Street Journal](#).
- Shell Loads Oil in Libya for the First Time in Five Years. [Bloomberg](#).
- Polis Backs Oil And Gas In Surprise Comments At Industry Lunch. [Western Wire](#).
- As India's Climate Changes, Farmers In The North Experiment With New Crops. [NPR](#).
- Pennsylvania coal company to open second mine since Trump took office. [Fox News](#).

## HAPPENING THIS WEEK

### MONDAY

12:30 p.m. — "[Current Status of CCUS R&D in Korea](#)," U.S. Energy Association, 1300 Pennsylvania Ave NW, Suite 550

### THAT'S ALL FOR ME!

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/08/energy-industry-wants-brakes-pumped-on-regulatory-rollbacks-024320>

## Stories from POLITICO Pro

### Carl Icahn steps down as White House regulatory adviser [Back](#)

By Ben Lefebvre | 08/18/2017 05:40 PM EDT

Wall Street billionaire Carl Icahn will no longer advise President Donald Trump on regulatory policy, Icahn [announced](#) on Twitter today.

Icahn owns refiner CVR Energy and had been pushing for a change to federal ethanol policy that the Trump administration is set to turn down. EPA is said to be preparing to [reject](#) a proposal that would let oil refiners off the hook for complying with the federal ethanol mandate. Critics said Icahn's role advising on that policy, combined with his role at the helm of refining company, presented a conflict of interest.

In a [letter](#) addressed to Trump and posted online, Icahn said he faced questions over whether his informal role conflicted with the duties of Neomi Rao, Trump's administrator of the Office of Information and Regulatory Affairs.

Icahn said he decided to step down to prevent "partisan bickering" over his role. He said he never had access to information that was not public nor profited from his position as an informal adviser.

"Indeed, out of an abundance of caution, the only issues I ever discussed with you were broad matters of policy affecting the refining industry," Icahn wrote in the letter. "I never sought any special benefit for any company with which I have been involved, and have only expressed views that I believed would benefit the refining industry as a whole."

The announcement comes in the wake of other business leaders leaving Trump's side after he said both sides were to blame for violence at last weekend's white supremacist rally in Charlottesville, Va. Icahn did not mention Trump's response in his letter.

**WHAT'S NEXT:** EPA is expected to make its ethanol mandate decision in coming weeks.

To view online [click here](#).

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### Zinke recommends shrinking Bears Ears monument [Back](#)

By Esther Whieldon | 06/12/2017 04:07 PM EDT

Interior Secretary Ryan Zinke proposed shrinking the Bears Ears National Monument on Monday, trimming back the controversial Utah monument created by former President Barack Obama during his final days in office.

A preliminary review of the 1.4 million-acre monument that Zinke sent to the White House

over the weekend shows his "belief that the monument needs to be right-sized," Zinke said in a statement.

Any move by President Donald Trump to alter the monument designed to protect thousands of sensitive archaeological sites will set off a legal fight with tribes and conservation groups that have complained the Native American ruins there were being damaged and would be threatened by oil and gas development in the area.

Zinke's [preliminary recommendations](#) to Trump show he did not plan to go as far as revoking Obama's monument designation — a move that has been sought by the state's congressional delegation.

"Rescinding the monument was an option, but looking at it, there are some antiquities within the monument that I think deserve to be protected," he said in a press call.

Trump has ordered Zinke to review 22 of the national monuments that were established in the past two decades to determine if they should be altered or revoked. The secretary has until Aug. 24 to send his final recommendations to the White House, and Zinke has extended the comment period on Bears Ears to July 10.

Zinke is also pressing Congress to look at the Bears Ears boundaries "to see whether the lands are more appropriately designated as national conservation areas or national recreation areas," he said. "There's certainly a high demand of recreation. There's certainly a demand for conservation in some parts, but we believe that those areas are better suited under congressionally mandated designations than they are a monument."

The secretary also asked Congress to grant tribes the ability to co-manage specific areas within Bears Ears, and for Congress to clarify how wilderness areas that overlap with monuments should be treated, an issue for Bears Ears and some other monuments under review.

A former congressman from Montana, Zinke cited his concern that the federal government restricts activities on the land it designates as protected, saying that designating a monument the size of Bears Ears where "multiple-use management is hindered or prohibited is not the best use of the land and is not in accordance with the intention of the Antiquities Act."

President Barack Obama created the monument in southeast Utah in December, angering Republicans who accused the administration of federal overreach by ignoring locals who opposed the move and using the Antiquities Act to cut off commercial activity such as mining and oil and gas drilling.

Prior legislative attempts by the Utah delegation to curb federal monuments in the state have [failed](#). Utah Republicans [Rob Bishop](#) and [Jason Chaffetz](#) did manage last year to get their [Utah Public Lands Initiative](#) legislation through the Natural Resources Committee, which Bishop chairs, but it never received a floor vote.

If Trump ultimately decides to alter Bears Ears or the other monuments on the list, he is certain to face legal challenges from environmental groups. "An attack on one monument is an attack on all of them," said Jesse Prentice-Dunn, advocacy director at the Center for Western Priorities.

Past presidents have changed the size of monuments but none have revoked them entirely, and

legal questions remain as to whether the law allows a president to fully undo their predecessor's actions.

Zinke last month traveled to the Bears Ears and Grand Staircase-Escalante monuments and this week he will head to New England to visit the Katahdin Woods and Waters National Monument in Maine, which is also under review.

Zinke has repeatedly talked about the need to balance conservation with commercial and recreational demands on public lands, and has already this year ended the moratorium on new coal leases and launched reviews on ways to open up more areas for oil and gas development.

To view online [click here](#).

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**Vogtle owners seek new cash infusion from loan program Trump wants gone** [Back](#)

By Darius Dixon | 08/18/2017 04:50 PM EDT

Backers of the Vogtle nuclear project in Georgia are hoping Energy Secretary Rick Perry can quickly wedge more federal financial support under the massive project — just as one state regulator was skeptical that it would be a "make-or-break" decision.

Three of Vogtle's backers revealed this week that they want a bigger lifeline from the Energy Department after their long-delayed and over-budget project suffered the bankruptcy of its lead contractor and reactor designer Westinghouse this spring.

Under the Obama administration, DOE approved loan guarantees of \$3.4 billion to Southern Co.'s Georgia Power, \$3.1 billion to Oglethorpe Power Co., and \$1.8 billion to the Municipal Electric Authority of Georgia to back the Vogtle project — the nation's first set of new reactor designs in more than a generation.

Now, all three say they've filed paperwork with DOE to increase those loan guarantee levels for the Vogtle project, while declining to say how much they're now seeking.

When Congress established the loan program as part of the 2005 energy law, DOE was authorized to guarantee up to \$12.5 billion in financing for nuclear energy projects in the U.S., which would potentially allow Vogtle's owners to tap another \$4.2 billion. Bloomberg first reported on the new applications from Southern and Oglethorpe.

Still, Tim Echols, the vice chairman of the Georgia Public Service Commission, warned against linking Vogtle's fate to the additional DOE financing.

In June, Vogtle's co-owners secured an agreement from Westinghouse parent company Toshiba that would direct \$3.68 billion to the project. But, in an SEC filing last week, Oglethorpe [aired](#) concerns that they may not be able to "fully collect" the sum if Toshiba's financial status erodes further.

"I'm not sure that the loan guarantee piece of the project equation is a make or break issue for us," Echols said by email. "The Toshiba payments are far more important."

Vogtle's sister project in South Carolina, V.C. Summer, which is set to receive a smaller payout from Toshiba, didn't initially seek assistance from DOE. But earlier this month, a DOE official said SCANA [sought](#) as much as \$3 billion in grants from the agency to support the flailing project — a cash sum that is essentially 10 percent of the agency budget and would almost certainly need congressional approval. DOE rejected the request but suggested SCANA apply for a loan guarantee, which the company declined to do.

Southern is expected to tell Georgia regulators by the end of August whether it plans to proceed with all or part of the two-reactor Vogtle project.

Echols, who has supported the project for years, wrote an [op-ed](#) for The Wall Street Journal late Thursday saying that "[w]ith vision, perseverance and God's help we will make the Vogtle reactors America's next nuclear-energy flagship."

The decision on whether to approve increases for the Vogtle loan guarantees could force Perry into an uncomfortable position: He has expressed his interest in protecting around-the-clock "baseload" sources of electricity like nuclear power, but conservatives have long lambasted the loan program for distorting the energy market.

The Trump administration has called for killing the loan office in its fiscal 2018 budget proposal — a document Perry has publicly distanced himself from on Capitol Hill.

Republican spending chiefs in the House and Senate have also advanced bills that would rescind the loan guarantee authorities established under the George W. Bush administration, a move that may have closed the door on the latest request from Vogtle's owners if the legislation is ultimately signed into law before DOE acts.

"This is reversal of fortune at a pivotal time for the loan guarantee program," said David Blee, the executive director of the U.S. Nuclear Infrastructure Council, a coalition of nuclear businesses. "This demonstrates, especially in comparison to V.C. Summer, the importance of loan guarantees in propelling first-of-a-kind nuclear energy projects."

He added: "We are confident that key appropriators and authorizers will take note."

But some conservatives aren't persuaded by Summer's demise or Vogtle's woes to abandon their opposition to the loan program.

"It's a pivotal moment on the direction of whether this administration will stay true to conservative principles in energy policy that protect the taxpayers and that shift U.S. energy policy in a more market-oriented direction," said Nick Loris, an energy and environment fellow for the conservative Heritage Foundation.

Trying to shore up Vogtle with additional financing, he said, would be a "slippery slope" toward preserving DOE's loan program. "The tide is turning in the right direction for closing down the loan guarantee program. It wasn't all that long ago that this program was hailed an economic stimulus from both Democrats and Republicans."

*To view online [click here](#).*

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## EPA will review parts of Phase 2 truck emissions rule [Back](#)

By Alex Guillén | 08/17/2017 04:47 PM EDT

EPA will revisit certain parts of the Obama administration's 2016 Phase 2 emissions rule for heavy-duty trucks, the agency announced today.

The rule set new standards for model years 2021-2027 of tractor-trailers, school buses, delivery vans and other large workhorse vehicles. The Truck Trailer Manufacturers Association sued to block EPA's novel aerodynamic requirements for trailers, arguing the agency cannot set vehicle standards for a product without an actual engine.

The Trump administration is considering revisions to the trailer standards, but it will leave in place separate requirements for tractor engines.

The final 2027 trailer standards by themselves would have secured as much as a 9 percent drop in carbon dioxide emissions and fuel consumption compared to a 2017 trailer, and the separate standards for tractor engines would achieve up to 25 percent emissions reductions by 2027, according to Obama administration estimates.

EPA said it will also reconsider part of the rule that classifies gliders — refurbished engines installed into a new tractor chassis — as a new motor vehicle. House appropriators last month voted to have EPA report to Congress on the glider issue, although that language may not survive the ultimate spending package that clears Congress.

"We intend to initiate a rulemaking process that incorporates the latest technical data and is wholly consistent with our authority under the Clean Air Act," EPA Administrator Scott Pruitt said in a statement.

**WHAT'S NEXT:** EPA will begin a rulemaking process to revise or completely rescind those parts of the rule. The earliest compliance deadlines are in 2018. The trailer association unsuccessfully sought relief in court, but EPA may now offer administrative delays in light of its new rulemaking.

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**From:** POLITICO Pro Energy  
**To:** [lori\\_mashburn@ios.doi.gov](mailto:lori_mashburn@ios.doi.gov); [POLITICO subscriptions](#)  
**Subject:** Morning Energy: EPA plans carbon rule replacement — Clinton's big energy idea that wasn't — Carper won't back Trump's EPA air pick  
**Date:** Wednesday, September 13, 2017 5:53:58 AM

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By Anthony Adragna | 09/13/2017 05:49 AM EDT

*With help from Eric Wolff, Alex Guillén, Esther Whieldon and Darius Dixon*

**EPA PLANS FOR CLEAN POWER PLAN REPLACEMENT:** EPA plans to take the first step toward replacing the Clean Power Plan by the first week of October as it publishes its plan to rescind the Obama administration's carbon limits for power plants, Pro's Emily Holden [reports](#).

**EPA Administrator Scott Pruitt had been averse** to replacing the rule, and sources tell Emily that when OMB first began reviewing the Clean Power Plan withdrawal in June the agency did not have plans to replace it. The decision to signal the agency will write a replacement comes after months of lobbying from electric company executives and suggests Pruitt may not challenge the legal finding that EPA must regulate greenhouse gases. One likely approach to a new emissions regulation would focus on improving coal-plant efficiency, so generators make more power while burning less coal.

**The repeal-and-replace proposals** come as patience was wearing thin at the D.C. Circuit, which has avoided issuing an opinion on the Clean Power Plan itself while EPA reconsidered the rule. In an August warning shot to EPA, judges said failing to propose a replacement meant the agency was avoiding a "statutory duty" to regulate carbon emissions, though it agreed to keep the case on ice through Oct. 7. EPA spokeswoman Liz Bowman said she "would not comment on proposals going through interagency review."

**TRUMP OFFICIAL TO HOST CLIMATE MEETING:** National Economic Council Director Gary Cohn will host a breakfast meeting to discuss "international energy and climate issues" the day before the opening of the U.N. General Assembly next week, POLITICO's Andrew Restuccia [reports](#). The invitation obtained by POLITICO says the huddle is an "opportunity for key ministers with responsibility for these issues to engage in an informal exchange of views and discuss how we can move forward most productively." But an administration official stressed the meeting will not focus solely on climate change.

**WELCOME TO WEDNESDAY!** I'm your host Anthony Adragna, and the Analysis Group's Sue Tierney was first up to identify Massachusetts as the home of eight previous House speakers. For today: Two speakers have gone on to serve as vice president. Name them. Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#), and [@POLITICOPro](#).

**New! Legislative Compass:** A powerful, easy-to-use tool that simplifies federal and state legislative tracking. [Learn More.](#)

**HILLARY'S CAMPAIGN IDEA [THAT ALMOST WAS BUT THEN WASN'T](#):** Among other revelations contained in her new book, Hillary Clinton said she was intrigued by Peter Barnes' [proposal](#) to create a sort of Alaska Permanent Fund for the whole country. The idea, dubbed by her campaign "Alaska for America," would have taken royalties from oil and gas

production — plus receipts from a carbon tax, financial transactions taxes, fees on airwaves used by cell phones and broadcasters, and other resources — and used them to give Americans a guaranteed minimum income. But, alas, as she and Bill worked the calculator, they found the math didn't work.

"We decided it was exciting but not realistic, and left it on the shelf. That was the responsible decision," she wrote in "What Happened." "I wonder whether we should have thrown caution to the wind and embraced 'Alaska for America' as a long-term goal and figured out the details later."

**About that carbon tax:** Clinton says her campaign also looked more specifically at the idea of a carbon tax dividend, but once again could not get math to work out without new costs for the middle class, which she had vowed against. "Still," she added, "it's tantalizing."

**Canary was the coal mine:** Clinton argues the Obama team's slow efforts to counter the emerging Republican narrative that his administration began a "war on coal" hurt Democrats in 2016, Pro's Alex Guillén [reports](#). "The Obama administration was slow to take on this false narrative," she wrote. Clinton encouraged Obama to roll out the Clean Power Plan in 2015 in coal country, and pair it with a major initiative to bring new investments and jobs to the region as a way of softening the blow.

**Interior Secretary Ryan Zinke also makes a cameo:** Clinton recounts an awkward encounter at the inauguration when she said she was surprised Zinke came over to greet her because in 2014 he had called her the "Antichrist." "Maybe he'd forgotten, because he didn't come equipped with any garlic or wooden stakes, or whatever one uses to ward off the Antichrist. But I hadn't forgotten," Clinton writes, adding that she absolutely reminded Zinke of his remark. "He was taken aback and mumbled something about not having meant it. One thing I've learned over the years is how easy it is for some people to say horrible things about me when I'm not around, but how hard it is for them to look me in the eye and say it to my face." (Zinke's wife, Lola, [disputed](#) the story.)

**CARPER WON'T BACK WEHRUM:** Top EPW Democrat [Tom Carper](#) told reporters Tuesday he won't back Trump's [nominee](#) to run the EPA's air office, Bill Wehrum. "This nominee is troubling," he said. "I don't say that about all of this administration's nominees, but this one is troubling." Chairman [John Barrasso](#) told reporters the committee would have "four or five" confirmation hearings next week, though he wouldn't specify which nominees that includes. He separately said EPW was "working on a time" for EPA Administrator Scott Pruitt to come testify before it.

**NELSON: GOP 'DENYING REALITY' ON CLIMATE CHANGE:** Even as he said he didn't want to play partisan politics in the aftermath of Hurricane Irma, Florida Sen. [Bill Nelson](#) knocked Republicans — including his likely 2018 opponent Gov. Rick Scott — for opposing action to address manmade climate change, POLITICO's Michael Grunwald [reports](#). "It's denying reality," Nelson said. "You can call it politics or whatever, but the Earth is getting hotter. This storm is another reminder of what we're going to have to deal with in the future." He added it would be a crucial issue during his reelection contest.

**EPA-INTERIOR VOTES EXPECTED:** You'd be forgiven for forgetting the House is still working through its mega-spending package [H.R. 3354 \(115\)](#), but five outstanding EPA and Interior-related amendments should get votes today. The amendments would bar EPA from enforcing its methane rule, block the social cost of carbon from future rule makings, prohibit

the closure of EPA regional offices and slash the agency's budget by an additional \$1.87 billion, among others. Full list of all pending amendments to the bill [here](#).

**CCS WEEK KICKS OFF IN EARNEST:** Senate EPW today holds [a hearing](#) on how to accelerate deployment of carbon capture and sequestration technologies around the country. Look for lots of discussion of the FUTURE Act, [S. 1535 \(115\)](#), one of the few pieces of legislation ME can remember that boasts the support of both Barrasso and [Sheldon Whitehouse](#). Witnesses include Matthew Fry, a policy adviser to Wyoming Gov. Matt Mead and former DOE senior official Julio Friedmann.

**HELPING OUT THE LITTLE GUYS?** The House Energy and Commerce Committee's environment panel will hold a hearing today on a quartet of bills aimed at postponing or loosening various emissions regulations. [H.R. 1917 \(115\)](#) would delay the brick MACT until legal challenges have played out (coincidentally, the D.C. Circuit revealed Tuesday that oral arguments over that rule will take place Nov. 9). [H.R. 1119 \(115\)](#) would expand Cross-State Air Pollution Rule compliance options for 19 plants, mostly in Pennsylvania, that burn coal waste for electricity. [H.R. 453 \(115\)](#) would extend some deadlines for a residential wood heater emissions rule. And [H.R. 350 \(115\)](#) aims to clarify that anti-tampering provisions in vehicle emissions rules do not apply to vehicles used only for racing, an issue that flared up last year under EPA's Phase 2 heavy-duty truck rule. Some of these bills passed the House in previous years, but failed to gain traction in the Senate. If you go: The hearing kicks off at 10 a.m. in Rayburn 2123.

**ENDANGERED SPECIES MEASURES GETTING MARKED UP:** A litany of controversial measures get [marked up](#) today at the House Natural Resources Committee, including [H.R. 3668 \(115\)](#) a sportsmen's package that Democrats have condemned as enabling the deregulation of gun silencers and five bills taking bites at the Endangered Species Act. They are: [H.R. 424 \(115\)](#), which would redo Interior rules delisting the gray wolf; [H.R. 2603 \(115\)](#), which would bar non-native species from being listed as endangered or threatened under the statute; [H.R. 3131 \(115\)](#), which would lower attorney fees that could be awarded in ESA litigation; [H.R. 717 \(115\)](#), which would allow federal agencies to factor cost into listing decisions and prioritize listing petitions rather than decide them in the order they're received; and [H.R. 1274 \(115\)](#), which would require the availability of all data used in listing decisions to impacted states. The fun kicks off at 10 a.m. in Longworth 1334.

**BLAST FROM THE PAST:** ME got to briefly chat with former EPA Administrator Gina McCarthy after she met with Senate climate caucus members to "catch up" on various environmental issues. She declined to weigh in on Pruitt's comment that it's "insensitive" to discuss climate change in the aftermath of hurricanes Harvey and Irma, but said, "I think we all know that storms like that get as intense as those storms were because of an impact on climate. If you want safe and healthy communities, you're going to have to address the issue of climate change. Period."

**ICAHN'T BELIEVE EPA:** Sen. [Sheldon Whitehouse](#) cast a jaundiced eye over Pruitt's [letter](#) denying email communication with billionaire Carl Icahn. "On its face, this letter suggests Mr. Icahn had far less control over RFS policymaking than he had suggested publicly," Whitehouse spokesman Rich Davidson told ME. "On the other hand, Pruitt has a long-established skill in obscuring his contacts with the industry that pulls his strings." Pruitt said the agency searched the inboxes of 39 agency officials and came up empty on Icahn emails.

**RESHUFFLED ELECTRICITY BOARD REVS UP TODAY:** DOE's [newly configured](#)

Electricity Advisory Committee assembles this afternoon to kick off a meeting with a half dozen fresh faces and a [two-day agenda](#) that will cover the agency's much-discussed electric grid study, include a two-hour panel on cybersecurity and a rundown of a National Academies report on grid resiliency. Perry let the membership of 14 EAC members lapse recently and installed six new members, effectively shrinking the board's overall size. But the person Perry tapped as the new EAC chairman, Michael Heyeck of American Electric Power, isn't apparently able to attend, according to the agenda, which describes ERCOT engineer John Adams as acting chairman this week. Most of the cybersecurity talk — including panel discussion and a presentation on a draft DOE multiyear energy sector cybersecurity plan — is slated for Thursday morning. The meeting starts at 1:30 p.m. at the offices of the National Rural Electric Cooperative Association in Arlington, Va.

**GAO TO PROBE PERRY'S HEALTHCARE TWEETS:** GAO has [agreed to a request](#) from Rep. [Frank Pallone](#), top Energy and Commerce Democrat, to issue a legal opinion on whether DOE's use of its Twitter account to promote an op-ed by Secretary Rick Perry on health care violated the Antideficiency Act, the Anti-Lobbying Act and the Consolidated Appropriations Act of 2017. Pallone first made the request in late July.

**ZINKE TELL STAFF TO UP GAME ON FIRE PREVENTION:** Zinke directed staff on Tuesday to be much more proactive on fire prevention, including by hiring contractors if necessary to clear dead trees, removing vegetation away from roads and buildings that could prove quick fire fodder and to include fire prevention in resource management planning. The move comes as wildfires rage in the West. "It makes little sense to be thinning to protect structures when we see flames on the ridge and smoke in the air—fuel management is more effective when undertaken before fires break out," Zinke said in the memorandum.

**ITC VOTE ON SOLAR TRADE CASE COMING NEXT WEEK:** The U.S. International Trade Commission will vote Sept. 22 on whether the U.S. solar industry has been injured by low-cost imports, according to an ITC website [announcement](#). The case has the solar industry on tenterhooks, as domestic companies that install cheap foreign-made panels believe raising equipment costs will harm business. A Trump administration official has already signaled the administration would likely impose tariffs if the ITC determines there has been injury.

**MAIL CALL! HOUSE SCIENCE PROBES OBAMA APPOINTEE:** After DOE's inspector general found the government spent \$138,000 on an employee's graduate degree unrelated to his job, House Science Chairman [Lamar Smith](#) sent [a letter](#) requesting documents on what the agency is doing to prevent something similar from happening again. "The Committee is concerned this could be an indication of a more widespread occurrence of inappropriate training authorizations and expenditures within DOE," Smith wrote.

**McCOLLUM HITS PRUITT OVER ATTACK ON JOURNALIST:** Rep. [Betty McCollum](#), who oversees the Appropriations Interior and EPA Subcommittee, sent [a letter](#) to Pruitt Tuesday condemning the agency's personal attacks on an AP reporter as an "inappropriate use of taxpayer resources" and urging the agency to "act in a more professional manner and refrain from such unacceptable personal attacks."

**WEIGHING IN ON TAX REFORM:** Citizens For Responsible Energy Solutions Forum sent letters to [House](#) and [Senate](#) tax writers outlining their priorities as tax reform efforts get off the ground in earnest. Atop their wish-list? Maintaining existing energy investment and production tax credits, sunseting tax credits for mature energy industries and reducing the corporate tax rate to at least 25 percent.

## **PRIORITIES OUTLINED FOR STATE ENVIRONMENTAL REGULATORS:**

Wyoming's Todd Parfitt became president of the Environmental Council of the States on Tuesday and said in a [welcome note](#) a key priority would be "reorienting the state-U.S. Environmental Protection Agency relationship." He's also a rumored candidate for regional EPA administrator.

**MOVER, SHAKER:** Sam Hirsch, former principal deputy at DOJ's Environment and Natural Resources Division, has rejoined Jenner & Block as a partner in its Washington office.

**FREE FOOD ALERT!** Stop by 406 First Street SE today between 11 a.m. and 1 p.m. for some Old Bay, Parmesan garlic and sea salt french fries courtesy of the National Biodiesel Board and some of the city's best food trucks. You'll also learn how the oil used to cook the fries can be turned into clean-burning biodiesel.

## **QUICK HITS**

- OPEC Discusses Extending Oil Cuts by More Than Three Months. [Bloomberg](#).
- Pompton Lakes DuPont site needs Superfund status, advocates say. [NorthJersey.com](#).
- EPA long-term plans to manage Hanford office in limbo. [Tri-City Herald](#).
- Harvey toppled storage tanks in the oil patch, spilled nearly 2,000 barrels. [Houston Chronicle](#).
- Florida Power & Light Co. nuclear reactors still down, but unharmed by Hurricane Irma. [TC Palm](#).

## **HAPPENING TODAY**

8:30 a.m. — API holds an event on the natural gas and oil industry's impact in all 50 states, G11 Dirksen

10:00 a.m. — "[Big Relief for Small Business: Legislation Reducing Regulatory Burdens on Small Manufacturers and Other Job Creators](#)," House Energy and Commerce Environment Subcommittee, Rayburn 2123

10:00 a.m. — The full House Natural Resources Committee holds a [markup](#) of pending calendar business, Longworth 1334

10:00 a.m. — "[Expanding and Accelerating the Deployment and Use of Carbon Capture, Utilization, and Sequestration](#)," Senate Environment and Public Works Committee, Dirksen 406

11:00 a.m. — National Biodiesel Board holds its BioFry event for congressional staff, 406 1st St. SE

12:00 p.m. — Save the U.S. EPA holds a press conference and march to the EPA, National Press Club, Zenger Room, 529 14th Street N.W., 13th floor

2:30 p.m. — "[The Venezuela Crisis: The Malicious Influence of State and Criminal Actors](#),"

The House Foreign Affairs Committee Western Hemisphere Subcommittee, 2200 Rayburn

3:00 p.m. — "The Economic Impacts of Climate Change on Tourism and Recreational Activities," House Climate Solutions Caucus, Longworth 1142

## **THAT'S ALL FOR ME!**

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/09/epa-plans-carbon-rule-replacement-024564>

## **Stories from POLITICO Pro**

### **EPA to replace Clean Power Plan [Back](#)**

By Emily Holden | 09/12/2017 09:04 PM EDT

EPA plans to publish its proposal to rescind the Clean Power Plan and take its first step to replace the rule by the first week of October, according to a source familiar with the process.

The decision to publish an advance notice of EPA's intent to issue a new regulation on carbon emissions from power plants comes after months of lobbying from electricity company executives who think it would be the smart legal move. EPA Administrator Scott Pruitt had previously been resistant to replacing the Obama-era rule.

Without a rule on the books, environmental advocates could sue the agency — leaving businesses in limbo while the courts sort out the issue, industry officials had warned.

The U.S. Court of Appeals for the D.C. Circuit has frozen consideration of lawsuits against the Clean Power Plan while asking for status updates from EPA. In August, judges [told](#) EPA that without a replacement rule in place it was avoiding a "statutory duty" to regulate carbon emissions under the Clean Air Act. The judges agreed to keep the case on hold through Oct. 7.

EPA's decision to pursue a replacement rule suggests Pruitt may not challenge a legal finding that EPA must regulate greenhouse gases.

The agency told the court it would publish a rule to withdraw the Clean Power Plan this fall. The OMB first reviewed the rule withdrawal in June. At that time, EPA did not have plans to replace the Clean Power Plan, sources said.

Pruitt, as attorney general of Oklahoma, joined other states' lawyers in arguing that the Obama administration went too far in trying to curb carbon levels by encouraging states to shift away from burning coal and toward renewable power and natural gas.

One likely approach to a replacement rule would focus on improving coal-plant efficiency, so generators make more power while burning less coal.

"We aren't going to comment on proposals going through interagency review," EPA spokeswoman Liz Bowman said via email.

*To view online [click here.](#)*

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## **Cohn to participate in energy, climate discussion at United Nations** [Back](#)

By Andrew Restuccia | 09/12/2017 03:37 PM EDT

National Economic Council director Gary Cohn will host an energy and climate change discussion with international officials in New York next week, an administration official confirmed.

The Monday meeting comes the day before the opening of the United Nations General Assembly, where President Donald Trump and dozens of other world leaders will speak.

Cohn invited officials from more than a dozen countries to the breakfast meeting to discuss "international energy and climate issues," according to a copy of the invitation obtained by POLITICO.

The invitation, which Cohn sent on Sept. 7, says the huddle is an "opportunity for key ministers with responsibility for these issues to engage in an informal exchange of views and discuss how we can move forward most productively."

The administration official stressed that the meeting, first reported by the New York Times, will not focus solely on climate change.

Trump infuriated foreign diplomats when he [announced](#) in June that he would withdraw from the Paris climate change agreement, which has won the support of nearly 200 nations. Cohn was among White House officials pushing Trump not to exit the Paris agreement at the time.

But so far, the United States has not formally withdrawn, and Trump administration officials have sent mixed signals about whether it is willing to reach a deal to remain in the pact.

The State Department [announced](#) last month that the U.S. would continue participating in international climate change negotiations, including talks aimed at implementing the Paris pact, "to protect U.S. interests and ensure all future policy options remain open to the administration."

Trump, who has called climate change a "hoax" perpetrated by the Chinese, has said the United States is getting an unfair deal in the Paris agreement.

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## **Clinton: Obama was too slow to counter 'war on coal' narrative** [Back](#)

By Alex Guillén | 09/12/2017 03:30 PM EDT

Hillary Clinton says in her new book that former President Barack Obama took too long to challenge Republican criticism that his administration had started a "war on coal," which hurt

Democrats in last year's election.

"The Obama administration was slow to take on this false narrative," she wrote in "What Happened."

But Clinton did admit that her [infamous comment](#) at a March 2016 town hall event that "we're going to put a lot of coal miners and coal companies out of business," was a gaffe and an "unfortunate comment."

And she argued that the politics around coal are a microcosm of how Democrats have fallen out of touch with white working class voters.

Democrats' support for air and water pollution regulations made them an "easy scapegoat" for long-term misfortunes in coal country, Clinton wrote, "despite strong evidence that government regulation is not the primary cause for the industry's decline."

The former secretary of State wrote that she suggested Obama roll out the Clean Power Plan in 2015 in coal country, and pair it with a major initiative to bring new investments and jobs to the region. "That might have softened the blow a little," she wrote.

Obama ultimately announced the regulation from the White House alongside EPA Administrator Gina McCarthy, which Clinton argued was "seen by many folks in West Virginia as another signal that Democrats didn't care about them. Once that perception takes hold, it's hard to dislodge."

Embracing a narrative about how industrial areas can "reinvent" themselves for 21st century jobs was a vote-winner, according to Clinton. Clinton lost Pennsylvania, but won a landslide victory in Pittsburgh, the city President Donald Trump cited as a concern when he pulled out of the Paris climate agreement earlier this year.

"Trump may think of that city as an emblem of the industrial past ... but the reality is that Pittsburgh has reinvented itself as a hub of clean energy, education, and biomedical research," Clinton writes.

Pittsburgh's mayor has [committed the city](#) to meeting the Paris deal's reduction goals, even as the U.S. withdraws from the agreement.

But ultimately, the coal issue remains as one of her top disappointments, particularly since it contributed to her losses in Pennsylvania and Ohio.

"Did they turn against me because I served as Obama's Secretary of State and believed climate change was a real threat to our future? Or did their rage flow from a deeper tribal politics?" she wrote. "All I knew for certain was they were angry, they were loud, and they hated my guts."

Despite the campaign promises of Trump, "the hard truth is that coal isn't coming back," Clinton wrote, adding, "Politicians owe it to communities that have relied on the industry for generations to be honest about the future."

Clinton also criticized Don Blankenship, who headed Massey Energy when its Upper Big Branch disaster killed 29 workers in 2010. Shortly before he reported to prison last year, he showed up outside a Clinton campaign event in West Virginia.

"Blankenship endangered his workers, undermined their union, and polluted their rivers and streams, all while making big profits and contributing millions to Republican candidates," Clinton writes. "He should have been the least popular man in West Virginia even before he was convicted in the wake of the death of twenty-nine miners. Instead, he was welcomed by the pro-Trump protesters in Williamson. One of them told a reporter that he'd vote for Blankenship for President if he ran.

"Meanwhile, I pledged to strengthen the laws to protect workers and hold bosses like Blankenship accountable — the fact that he received a jail sentence of one year was appalling — yet I was the one being protested."

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### **Trump picks Bush-era EPA official for air chief** [Back](#)

By Alex Guillén | 09/07/2017 07:16 PM EDT

President Donald Trump has nominated Bill Wehrum, a George W. Bush-era EPA official who since has represented a variety of energy industry interests, to run EPA's powerful air office.

POLITICO [reported](#) in July that Wehrum was expected to receive the nod.

As head of EPA's Office of Air and Radiation, Wehrum will play a key role in undoing many of the Obama-era regulations most opposed by Republicans, including the Clean Power Plan, the 2015 ozone standard and forthcoming vehicle emissions rules. Wehrum has been critical of EPA's authority to regulate greenhouse gases, even after the Supreme Court's 2007 ruling saying EPA did have such authority.

He served as a counsel to Jeff Holmstead, Bush's first-term air chief, before replacing Holmstead in an acting capacity from 2005 to 2007. Bush nominated Wehrum to the job permanently, but Democrats blocked his nomination from proceeding in the Senate.

Wehrum spent the past decade as a partner at the Washington, D.C., law firm Hunton & Williams. His clients have included the American Petroleum Industry, American Fuel & Petrochemical Manufacturers, the Utility Air Regulatory Group, the American Chemistry Council, the National Association of Manufacturers and the American Forest & Paper Association.

**WHAT'S NEXT:** The Senate Environment and Public Works Committee will review Wehrum's nomination in what is certain to be a contentious process.

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## Florida Sen. Bill Nelson: Republicans 'denying reality' on climate change [Back](#)

By Michael Grunwald | 09/12/2017 09:06 PM EDT

Democratic Senator Bill Nelson of Florida, after surveying the damage that Hurricane Irma inflicted across his state, blasted Republican politicians who reject the science and minimize the importance of climate change—including his likely opponent in 2018, Governor Rick Scott.

In an interview Tuesday evening with POLITICO, Nelson said it's clear that manmade global warming made Irma worse by increasing the temperature and the height of the seas that fueled the storm. He said he didn't want to play partisan politics in the aftermath of a hurricane, but then went on to criticize Republicans in general and Scott in particular—though not by name—for opposing climate action. He noted that both the Trump administration in Washington and the Scott administration in Tallahassee have reportedly discouraged government employees from even talking about climate change.

"It's denying reality," Nelson said. "You can call it politics or whatever, but the Earth is getting hotter. This storm is another reminder of what we're going to have to deal with in the future."

Nelson, a former astronaut, launched into a detailed explanation of the science of climate change and the greenhouse effect, and how it has helped make the waters around Florida higher and warmer in recent decades. He said it would be a crucial issue in his reelection campaign, even as he avoided the words "Rick Scott."

"It's certainly going to be an important issue, and if certain people such as the one you mentioned is my opponent, there's a significant contrast in what we believe," Nelson said.

Florida is a swing state in presidential elections, but its state government and statewide offices tilt heavily Republican; Nelson has been an exception to the red wave, but a well-known, well-funded opponent like Scott would be by far his most difficult challenge to date. He clearly sees climate as a potential wedge issue in a state with a heavily coastal population and increasing vulnerability to Irma-type disasters. Scott did not discuss the issue in his frequent Irma briefings; a spokesperson for the governor, when asked about Nelson's comments, said, "Now is not the time for politics. This storm is not a partisan issue. Now is the time to focus on helping Florida rebuild."

But in the past, he has questioned climate science—or declined to affirm the scientific consensus that it's being caused by humans, often noting, "I am not a scientist"—and fossil-fuel interests have supported his campaigns. In 2015, the Miami Herald [reported](#) that Scott's administration had even banned the use of the terms "climate change," "global warming" and "sustainability" in official documents.

Nelson is not known in Washington as a leader on climate issues, but he said he's focused on them since he was Florida's insurance commissioner in the 1990s. He's fought against President Trump's proposed cuts to climate science at agencies like NOAA, NASA and EPA, and said he helped persuade the Obama administration to launch a satellite, first dreamed up by Al Gore, that takes continuous pictures of the Earth from deep space.

But Nelson didn't really argue that he deserved kudos for accepting the conclusions of the

scientific community; he argued that Republicans on the other side of the issue need to explain why they think "99.5 percent of climate scientists" are wrong. Several prominent Republicans in South Florida—including Miami-Dade County mayor Carlos Gimenez and Reps. Carlos Curbelo and Ileana Ros-Lehtinen—have made it clear they believe Washington needs to take climate seriously. Nelson pointed out that politicians don't question government scientists when they say a hurricane is coming—but when the same agencies use the same scientific instruments to measure long-term climate trends, opinions suddenly differ.

"It's ironic, isn't it?" Nelson said. "They accept the hurricane information, but deny the climate information ... Look, some people still think the Earth is flat."

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### **Pruitt: EPA had no emails communications with Icahn [Back](#)**

By Eric Wolff | 09/12/2017 02:28 PM EDT

EPA had no email communication with billionaire and former Trump adviser Carl Icahn, EPA Administrator Scott Pruitt told Sen. [Sheldon Whitehouse](#) (D-R.I.) in a [letter](#) this week.

In the letter sent Monday and provided to POLITICO by an EPA official, Pruitt said EPA searched the inboxes of 39 high-ranking officials for messages to or from Icahn between Feb. 17 and Aug. 18, and they found no emails on any subject.

Pruitt's letter was a response to four different letters from Whitehouse and other Senate Democrats seeking information on Icahn's efforts to modify the Renewable Fuel Standard to benefit his refining company. Icahn was an unpaid adviser to Trump until last month, when he resigned his title after questions arose about his advocating for policies that would help his businesses.

Pruitt did acknowledge meeting with Icahn as part of his vetting process to join the Trump administration.

"Mr. Icahn was one of many of the president's advisors that I met with during my confirmation process," he wrote. "During that meeting, I made no assurances with regard to the point of obligation or any other substantive issue."

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### **DOE shrinks electricity advisory board [Back](#)**

By Darius Dixon | 09/06/2017 05:34 PM EDT

Energy Secretary Rick Perry is installing new members to the Energy Department's Electricity

Advisory Committee even as he whittles down the size of the board.

The [2016-17 roster](#) for the board, which reports to the assistant secretary for electricity deliverability and energy reliability, had numbered 32 people, but including the new members, it will now total 24, since 14 members didn't have their terms renewed.

DOE says that three members had asked the agency not to renew their terms because of other commitments or because they had left the country.

Perry installed six new members: Mike Heyeck, a former AEP executive and founder of Grid Group; Paul Hudson, ex-chairman of the Texas Public Utilities Commission; Mladen Kezunovic, an engineering professor at Texas A&M; Bryan Olnick, an executive with Florida Power & Light; David Wade, CEO of the Electric Power Board of Chattanooga; and Tom Weaver, an official with AEP.

EAC members serve two-year terms, but about half of the positions are staggered so that some measure of continuity is maintained.

The board, which typically meets three times a year, is purely advisory and works on a range of power-related issues. The panel's charter [states](#) that there be "approximately 30" members.

Those not returning are: Ake Almgren, Merwin Brown, Paula Carmody, Paul Centolella, Carlos Coe, Phyllis Currie, Mark Lauby, Janice Lin, Anne Pramaggiore, Paul Roberti, Sue Tierney, Rebecca Wagner, Audrey Zibelman, and Carl Zichella.

**WHAT'S NEXT:** The electricity advisory committee will [meet](#) next Wednesday and Thursday in Arlington, Va.

To view online [click here](#).

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**Date:** Friday, December 08, 2017 5:44:10 AM

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By Anthony Adragna | 12/08/2017 05:41 AM EDT

*With help from Alex Guillén, Eric Wolff, Aaron Lorenzo and Emily Holden*

**FERC SEEKS EXTRA TIME:** Within hours of being sworn in as the new FERC chairman, Kevin McIntyre asked Energy Secretary Rick Perry for a 30-day extension to take action on DOE's proposal calling for new rules to protect coal-fired and nuclear power plants. "The proposed extension is critical to afford adequate time for the new Commissioners to consider the voluminous record and engage fully in deliberations," McIntyre writes in [a letter](#) issued Thursday night that cites the fact that two new commissioners have joined the agency in the past two weeks. "The DOE Act does not limit the means by which deadlines can be altered or amended but instead vests such determinations squarely in the discretion of the Secretary."

**McIntyre also notes** the high volume of comments —more than 1,500 — received on the proposal. Remember FERC is currently slated to take action on Dec. 11, the end of the 60-day deadline set by DOE, a much shorter timeline than the agency typically has for making big decisions. A DOE spokeswoman responds from Qatar: "We have received the Chairman's letter to the Secretary and it is being reviewed."

**Perry's urgency** seems to be driven by fears that coal-fired power plants operated by FirstEnergy Solutions could shut down if the company falls into bankruptcy — an occurrence that Murray Energy chief Bob Murray has warned would sink his coal mining company. (More on the Murray-Perry links below.)

**REDOING THE MATH ON ANWR?:** Democrats are asserting that the weak demand from oil companies in this week's [lackluster lease sale](#) in the National Petroleum Reserve-Alaska is a good reason not to buy Republican claims in their tax package [H.R. 1 \(115\)](#) that [allowing drilling in a portion of ANWR](#) would generate \$1 billion over 10 years, Pro's Ben Lefebvre and your ME host [report](#). House Natural Resources ranking member [Raul Grijalva](#) and two other committee members asked CBO Director Keith Hall in [a letter](#) to redo its math in light of the poor lease sale, which generated only \$1.2 million. Energy and Natural Resources ranking member [Maria Cantwell](#) summed up her position: "The dismal response to this lease sale proves what we've been saying all along: even the small amount the GOP claims will be raised by drilling in the Arctic is a sham."

**But Republicans were unmoved:** Energy Chairman [Lisa Murkowski](#) said it was misleading to compare Wednesday's sale with prospects for ANWR, noting the refuge is believed to hold as much as 10 times the billion barrels of oil estimated to lie buried in the petroleum reserve. "Different fields, different prospectivity," Murkowski told reporters. And Rep. [John Shimkus](#), another conferee, noted the plan had always been to fill whatever revenue shortfall from the ANWR proceeds with cash raised from selling oil from the nation's Strategic Petroleum Reserve. "Part of the reason why the Strategic Petroleum Reserve is now part of the tax bill is that in the 10-year window, ANWR doesn't score anyway," he told ME. (The [latest report](#) from the CBO, shared internally with budget staffers, estimated ANWR revenues would fall short by about \$366 million).

**Bottom line:** With Murkowski and Alaska Rep. [Don Young](#) on the tax conference, ANWR won't lack for support even if the outlook for leases is weak.

**ZINKE'S HELICOPTER HABIT:** Travel [logs](#) show Interior Secretary Ryan Zinke spent more than \$14,000 on government helicopters over the summer, [Ben reports](#). In one case, Zinke took a \$8,000 ride so he could make emergency management exercise in Shepherdstown, W.Va., on June 21 because he said official business would prevent him leaving Washington before 2 p.m. What was that business? The swearing-in ceremony for Zinke's congressional successor, Rep. [Greg Gianforte](#).

**In another instance,** Zinke ordered a Park Police helicopter — at a cost of about \$6,250 — to fly him and another Interior official to and from Yorktown, Va., on July 7 so he could make a horseback ride with Vice President Mike Pence. He was coming from a walking tour of the local Revolutionary War battlefield and attended a boating industry roundtable discussion. Heather Swift, an agency spokeswoman, told ME: "The swearing in of the Congressman is absolutely an official event, as is emergency management training. Shame on you for not respecting the office of a Member of Congress."

**TGIF MY FRIENDS!** I'm your host Anthony Adragna, and Caitlin Hart from Sen. Bill Nelson's office was first to identify Arizona as the state with the most national monuments. For today: How many states overall have at least one national monument? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**LET'S MAKE A DEAL!** Oil-state Republican senators left a Thursday meeting with President Donald Trump with a directive to get to work on a biofuels compromise that will benefit both gasoline makers and corn growers, your ME host reports. "[Trump] wants us to come to him with something that's going to make both sides happy, and I believe we can do it, and believe he thinks we can do it after this meeting," [Jim Inhofe](#) said, adding he and [John Cornyn](#) had begun working with corn-state Republicans on possible solutions.

**What's Sen. [Chuck Grassley](#) think?** "I'm waiting for Senator Cruz to give me a plan. He said he had a win-win plan."

**Team ethanol not so thrilled:** Ethanol Industry groups Growth Energy and the Renewable Fuel Association were skeptical of Cruz's claims that RIN prices were hurting biofuels. RFA noted the numerous analyses that show refiners are making money on RINs this year, while Growth suggested that maybe they could take the pressure off by allowing year-round sale of E15. And a spokesman for POET, which makes more ethanol than anyone, minced no words. "It looks like Ted Cruz is doing the same old thing playing with the facts," said Kylie Gilley, POET Senior Vice President of External Affairs & Communications. "The fact is in the current market, some oil companies win and some don't playing the RIN market."

**EPA floats administrative action:** Senators who attended the meeting said EPA Administrator Scott Pruitt floated administrative actions to cut the costs refiners bear to comply with the Renewable Fuel Standard. "There's some indication that the EPA administrator could have some authority with regard to the RINs prices," Cornyn said. "So I think that was kind of interesting to hear from the EPA administrator that is something they might be able to do." An agency spokesman did not confirm Pruitt's remarks, but said EPA had the authority under RFS to take action to alter RIN pricing.

**White House spokesman Hogan Gidley** on the meeting: "President Trump had a productive meeting today with senators and administration officials. The president confirmed his commitment to RFS and his support for our farmers and energy workers. He understands there are differing views on this issue, and the administration looks forward to working with all the stakeholders toward a mutually agreeable path forward."

**A THOUSAND WORDS:** Photos published Thursday show coal magnate Bob Murray personally pitching Perry on his plan to save struggling coal companies just three weeks before Perry [ordered](#) a grid study later used to support a proposed rule to reward coal and nuclear power plants for providing "grid resiliency," Pro's Eric Wolff [reports](#). Among those in attendance was Andrew Wheeler, a lobbyist for Murray Energy Corp. at the time, who has since been nominated as EPA's No. 2 official. [One of the photos](#) obtained by In These Times shows Perry and Murray in a big bear hug.

**DOE's spokeswoman Shaylyn Hynes responds:** "Industry stakeholders visit the Department of Energy on a daily basis. The DOE proposal to FERC was about the future and resiliency of the nation's power supply, an issue much bigger than one industry or company."

**NO SHUTDOWN!** Lawmakers cleared a two-week stopgap spending package Thursday to avoid a government shutdown but remain a ways away on a broader budget agreement, POLITICO's John Bresnahan, Sarah Ferris and Nancy Cook [report](#).

**MORE VIEWS ON TAX CONFERENCE:** The Business Council for Sustainable Energy released [a letter](#) Thursday outlining its priorities and suggestions for the final compromise version of the tax bill. It finds flaws in both versions with some in the House's "extremely problematic" for how they treat a variety of energy technologies. "We urge Congress to address these issues during the conference on the tax reform legislation or in a year-end extenders bill," it suggests.

**DECISION WITH BIG CONSEQUENCES:** How the Securities and Exchange Commission rules on a shareholder proposal from Jantz Management LLC that asks Apple to set a specific date for when it could eliminate its carbon footprint will have major implications for investors, Pro Financial Services' Patrick Temple-West [reports](#), citing an asset manager involved in a fight with the company. If the agency allows Apple to block the proposal, the decision "could have serious repercussions not just for Apple shareholders, but for investors in all other companies," said Jantz. "The SEC has long made it clear that proposals on a company's actions on climate change are not ordinary business, and that there is a dire need for leading companies to set a timeframe to reduce [greenhouse gas] emissions aggressively now," the company said.

**O CANADA!** Rather than trying to eliminate the NAFTA energy chapter, the U.S. should work with Canada and Mexico to improve it, Pro Trade's Doug Palmer [reports](#), citing the head of the Canadian Electricity Association. "We believe ... the chapter has worked well and that it does not require major fixing or nixing," CEA President and CEO Sergio Marchi said Thursday. "It provides a consolidated energy space in NAFTA, and offers an effective framework for adding new elements as we modernize this agreement."

**A SCIFMAS CAROL:** Pruitt testified before lawmakers on Thursday that his new secure phone booth is for both classified matters and communicating with the White House. "There are secure conversations that need to take place at times," he told Rep. [Diana DeGette](#). "I believe there are secure conversations that need to take place that I didn't have access to. ...

Cabinet-level officials need to have access to secure communications." Pruitt would not say how much time he spends working in the booth. DeGette [wrote](#) on Facebook later that she was concerned Pruitt "couldn't say how often it's used" given the \$25,000 price tag and the administration's proposed budget cuts.

**Spotted:** Pruitt taking his staff to dinner at Le Diplomate.

**MAKING HIS CASE:** As lawsuits against Trump's Monday order to shrink two national monuments continue to pile up, Zinke defended the case for downsizing both the Bears Ears and Grand Staircase-Escalante in a CNN [op-ed](#). "The Antiquities Act is not a weapon for presidents to arbitrarily restrict the uses of hundreds of thousands of acres of land to prevent uses like timber harvesting and cattle grazing," he writes. "It is also not a tool for presidents to use to restrict access for outdoor recreation on land that belongs to all of us."

**REMOVED:** EPA has removed references to climate change and greenhouse gases on web pages about its own sustainability plans and dialed back language on its commitment to using renewable energy, according to changes that the Environmental Data & Governance Initiative [reports](#) happened in September. EDGI says EPA also took down some links to climate adaptation resources.

**LAUTENBERG'S WIDOW SLAMS DOURSON:** Bonnie Lautenberg, the wife of late-Sen. Frank Lautenberg and tireless advocate for the overhaul of TSCA, slammed Trump's pick to run the EPA's chemicals office and urged senators to oppose Michael Dourson's nomination. "Michael Dourson will only serve to undermine Frank's legacy and threaten the safety of families and children across our country," she [wrote](#) on CNN.

**TAKE A GLANCE!** Environment New York released its scorecard Thursday evaluating the state delegation's environmental voting records. Though its lawmakers are above the national average, the group knocked seven House Republicans — [Lee Zeldin](#), [Pete King](#), [Dan Donovan](#), [John J. Faso](#), [Claudia Tenney](#), [Tom Reed](#) and [Chris Collins](#) — for their anti-environmental voting records. Read it [here](#).

**MAIL CALL! WATCHING OUT FOR THE WATCHDOG:** Ten Democratic senators urged appropriators to protect EPA's inspector general from budget cuts in the upcoming spending packages. Read the letter, led by [Sheldon Whitehouse](#), [here](#).

**SAVE THE EV CREDIT!** Mayors from 22 cities, including Atlanta, Phoenix, Louisville, Ky., and Los Angeles, sent [a letter](#) to tax conferees urging them to protect an electric vehicle tax credit as they negotiate a final package. "Electric vehicles afford Americans greater energy independence by reducing demand for imported fossil fuels," they write.

**FOR YOUR RADAR:** EDF Action is launching a training program to help candidates at all levels incorporate successful environmental messaging into their political campaigns. Candidates will learn through a web-based curriculum about how to develop an environmental message, keep it consistent through the campaign and respond to attacks. More information [here](#).

**TAKE A GLANCE!** LCV's Chispa is out with a new video urging governors to take advantage of funding available through the VW settlement to transform diesel-powered school bus fleets to electric. Watch it [here](#).

**MOVERS, SHAKERS:** Former FERC Chairman **Norman Bay** has joined the Duke University Energy Initiative and Nicholas Institute for Environmental Policy Solutions for a three-year term as a non-resident senior fellow.

The Edison Electric Institute has added **Seth Levey** as director of external affairs. He previously worked for Exxon Mobil. (h/t POLITICO Influence)

**Molly Block** started as press secretary at EPA on Monday. She was previously House National Resources press secretary (h/t Playbook).

## QUICK HITS

- Areas cut out of Utah monuments are rich in oil, coal, uranium. [Washington Post](#).
- Rising threat: As the climate changes and seas swell, coastal colleges struggle to prepare. [Chronicle of Higher Education](#).
- U.S. Interior Department wants more oil drilling, expedite ANWR permits. [Reuters](#).
- N. Carolina regulators want more information on pipeline. [AP](#).
- Trump officials examining states' authority in pipeline delays. [Houston Chronicle](#).
- Oil rises over 1 percent on threatened Nigeria strike, short covering. [Reuters](#).

## HAPPENING TODAY

POSTPONED — "[Examining the Role of the Department of Energy in Energy Sector Cybersecurity](#)," House Energy and Commerce Energy Subcommittee, Rayburn 2123

## THAT'S ALL FOR ME!

*To view online:*

<https://www.politicopro.com/newsletters/morning-energy/2017/12/ferc-wants-more-time-to-decide-on-perrys-grid-resiliency-push-045153>

## Stories from POLITICO Pro

**'Largest ever' Interior Alaska oil lease sale draws little interest** [Back](#)

By Ben Lefebvre | 12/06/2017 08:26 PM EDT

The Interior Department received only seven bids from two companies today in what it had billed as the "[largest ever](#)" oil and gas lease sale in the National Petroleum Reserve in Alaska.

The bids on the 10.3 million unleased acres in the NPR-A generated just \$1.2 million in high bids, according to a Bureau of Land Management summary. The relatively low amount could undercut GOP arguments that opening up the nearby Arctic National Wildlife Refuge would generate \$1 billion in revenue.

A BLM Alaska [lease sale last year](#) generated \$18 million for 1.4 million acres offered.

Subsidiaries of ConocoPhillips and Anadarko were the only two companies that participated in the lease sale. The companies only bid for 80,000 acres, or less than 1 percent of the acreage offered. The highest bid amount was \$14.99 per acre.

Low oil prices and the relatively cheap and plentiful land available for hydraulic fracturing in the lower 48 has hurt oil company interest in the out-of-the-way fields of Alaska and the Gulf of Mexico. Interior Secretary Ryan Zinke and Sen. [Lisa Murkowski](#) (R-Alaska) have pushed to open more public land to drilling, however, saying that doing so is important to increase domestic energy production.

Zinke had previously said that today's "large and unprecedented sale in Alaska will help achieve our goal of American Energy Dominance."

An Interior spokesperson did not immediately respond to questions.

**WHAT'S NEXT:** Republicans hope to keep ANWR drilling provisions in their budget proposal.

To view online [click here](#).

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**Democrats worry Arctic National Wildlife Refuge being lost amid tax debate** [Back](#)

By Ben Lefebvre | 11/29/2017 05:17 AM EDT

Democrats' fight to keep oil and gas rigs out of the Arctic National Wildlife Refuge is losing ground as the Republican tax plan advances — and it's almost as if no one has noticed.

The prospect of drilling in the untouched Alaskan tundra is as close to reality as it's been in more than a decade, with none of the political drama that in past decades turned the refuge's fate into a top-tier rallying cry for liberals. Legislation to allow drilling in ANWR is quietly hitching a ride on the tax code overhaul that Senate Republicans [hope to complete](#) by the end of the week, overshadowed by larger debates on whether the bill is a giveaway to rich people and corporations at the expense of the poor and working class.

"It's really not gotten the attention that it should," Sen. Tammy Duckworth (D-Ill.), a member of the Energy and Natural Resources Committee, told POLITICO about the ANWR provision. "It's not just the budget discussion. It's about everything else that's going on, the flurry of all sorts of other news."

Angus King (I-Maine) said Republicans were trying to shield ANWR from opposition by adding it to the larger bill rather than bringing it to the floor separately under rules, which would require it to win support from 60 senators to overcome a filibuster.

"Well, clearly the strategy is to try to get it through as part of this tax reform effort and thereby avoid a direct up-or-down vote," King said in an interview earlier this month.

The nonstop news cycle and preponderance of other concerns with the tax bill are making it difficult to focus on an issue that normally fires up Democratic voters.

"I do think that putting ANWR in the budget reconciliation package hasn't drawn as much extremist opposition because it is completely overshadowed by tax reform, which is the center of the package," said Chris Guith, senior vice president of the U.S. Chamber of Commerce's Global Energy Institute. "But there are some who aren't exactly supportive of tax reform that support ANWR, and it's possible to see ANWR bring a vote or two to help pass tax reform."

Senate Energy Chair Lisa Murkowski (R-Alaska) easily advanced [legislation](#) through her committee directing the Interior Department to hold two lease sales for drilling in ANWR over the next decade. It would raise \$1 billion over that period, according to the Congressional Budget Office, making it eligible for inclusion in a budget reconciliation package that Democrats cannot filibuster.

The reconciliation package also will include Republicans' tax plan and a repeal of the Obamacare individual mandate. While Murkowski helped scuttle the Obamacare repeal push earlier this year, she says she [supports](#) ending the mandate. Murkowski's office did not respond to a request for comment.

ANWR, a swath of tundra on the northern Alaska coast, is home to polar bears, porcupine caribou and a landscape that hasn't been touched in thousands of years. Congress designated the 19 million-acre area a wildlife refuge in 1980, but it set aside a 1.5-million-acre parcel known as "10-02" for possible drilling if future lawmakers approved such a plan. The U.S. Geological Survey [estimated in 1998](#) that part of ANWR could hold up to 12 billion barrels of oil, and President Donald Trump and Alaska Republicans have called it essential for their plans for American "energy dominance."

Sen. Susan Collins (R-Maine), who is undecided on the tax bill for a several reasons, said she will support an amendment on the Senate floor to eliminate the ANWR language, but she said success there is not a prerequisite for her to vote for the underlying bill. "No it is not, but I would certainly try to get it out of the package," Collins told reporters Tuesday. Collins was the only Republican to cross the aisle on an unsuccessful [amendment](#) to keep pro-drilling language out of the underlying budget resolution, meaning it is unlikely that she would be able to strip the ANWR provision from a reconciliation bill.

But Democrats say that passing a deficit-increasing tax bill in order to open ANWR would actually harm energy-producing states. That's because the \$1.5 trillion shortfall from the GOP tax cuts would trigger required "pay-as-you-go" cuts to mandatory spending programs, according to a CBO [analysis](#) sent to House Minority Whip Steny Hoyer (D-Md.).

One of the programs on the pay-go chopping block would be the energy royalty revenue sharing program carried out through the Mineral Leasing Act. Cutting those payments would lose Alaska [an estimated \\$15 million](#) in energy royalty payments next year alone, an amount important to a state already facing budget shortfalls.

"Communities throughout the West would be impacted by the loss of revenue, which is used to support a variety of needs including infrastructure, school funding, conservation, and recreation," Hoyer said in a statement to POLITICO. "This is yet another example of the consequences associated with forcing through legislation to add \$1.5 trillion to the deficit in order to give tax cuts to the wealthy."

Pay-go cuts also would hit popular programs like Medicare and student loans, but Congress can waive the law with 60 votes in the Senate. Democrats are not yet on board with that

approach.

The current push to open ANWR, coming amid a swarm of competing headlines and buried in larger legislation, has come nearer to succeeding than the GOP's two previous attempts. President Bill Clinton vetoed a budget package in 1995 that included language opening ANWR, while a Democratic filibuster thwarted a second attempt in 2005.

Environmental groups have targeted public engagement at only a handful of congressional districts. The League of Conservation Voters spent \$550,000 on television ads in three Republican congressional districts. The LCV also paid for a bipartisan polling firm to probe public opinion on opening ANWR, but even that focused only on registered voters in eight congressional districts.

"The reason they're trying to sneak it into the tax package is they know they don't have the votes otherwise," said Tiernan Sittenfeld, the league's senior vice president of government affairs. "They know they can't pass it under regular order, that's why they're doing a sneak attack."

Even ANWR supporters are staying out of the spotlight.

"I haven't seen any full-out, front-page ads, nothing like that," Alaska Oil and Gas Association President Kara Moriarty said. "We're a little battle-weary, to be honest. Alaskans support opening up ANWR. There's been a few statements reiterating that."

*Nick Juliano contributed to this report.*

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**Poor Alaska lease sale sows confusion on ANWR drilling plan** [Back](#)

By Ben Lefebvre and Anthony Adragna | 12/07/2017 05:47 PM EDT

The weak results from the lease sale in the National Petroleum Reserve-Alaska are giving Democrats ammunition in their fight to stop Republicans from opening the Alaska National Wildlife Refuge under the tax bill.

Democrats are making hay out of the fact [only two companies bid](#) in what Interior Secretary Ryan Zinke had hailed as an "unprecedented" offering of acreage in the NPR-A, and they say the lease sale, which generated only \$1.2 million, undercuts Republican claims that [allowing drilling in a portion of ANWR](#) would generate \$1 billion over 10 years. The [latest report](#) from the CBO, shared internally with budget staffers, estimated ANWR revenues would fall short by about \$366 million.

House Natural Resources ranking member [Raul Grijalva](#) (D-Ariz.) and two other committee members sent a letter to CBO Director Keith Hall asking for a re-do on ANWR drilling revenue estimates in light of the poor NPR-A showing.

But [Sen. Lisa Murkowski](#) (R-Alaska), the driving force behind putting the refuge in the budget

package, said the lease sale had little bearing on prospects for ANWR, however. The refuge is believed to hold as much as 10 times the billion barrels of oil estimated to lie buried in the petroleum reserve, Murkowski said.

"Different fields, different prospectivity," Murkowski told reporters.

Meanwhile, House Natural Resources Chairman [Rob Bishop](#) (R-Utah) said negotiations over ANWR and how much money it might bring to federal coffers is ongoing.

"I'm going to see all sorts of numbers being thrown out at the last few minutes," Bishop told POLITICO. "We'll look at them. We'll still negotiate this process."

**WHAT'S NEXT:** Republicans will meet in conference to reconcile the House and Senate versions of the tax bill.

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**Zinke booked government helicopters to attend D.C. events** [Back](#)

By Ben Lefebvre | 12/07/2017 06:31 PM EDT

Interior Secretary Ryan Zinke spent more than \$14,000 on government helicopters this summer to take himself and staff to and from official events near Washington, D.C., in order to accommodate his attendance at a swearing-in ceremony for his replacement in Congress and a horseback ride with Vice President Mike Pence, according to previously undisclosed official travel documents.

The travel [logs](#), released to POLITICO via a Freedom of Information Act request, show Zinke using taxpayer-funded vehicles from the U.S. Park Police to help accommodate his political events schedule.

In a case detailed in the new documents, Zinke ordered a U.S. Park Police helicopter to take him and his chief of staff, Scott Hommel, to an emergency management exercise in Shepherdstown, West Virginia, on June 21.

Zinke's staff justified the \$8,000 flight by saying official business would prevent him leaving Washington before 2 p.m., too late to make the two-hour drive to the exercise, according to the documents.

The event that prevented Zinke from leaving before 2 p.m. was the swearing-in ceremony for Rep. [Greg Gianforte](#) (R-Mont.), according to Zinke's [official Interior calendar](#). Gianforte, who won a special election for Zinke's old seat in May, and his wife contributed \$15,800 to Zinke's two congressional campaigns.

"Secretary Zinke's last engagement in Washington D.C. is at 2 p.m.," an Interior staffer wrote as justification for using the helicopter. "Driving to [the West Virginia event] would not enable him to be on time and fully participate as scheduled."

Interior defended the trips.

"The swearing in of the Congressman is absolutely an official event, as is emergency management training," Interior spokeswoman Heather Swift wrote in an email Thursday. "Shame on you for not respecting the office of a Member of Congress."

Zinke also ordered a Park Police helicopter to fly him and another Interior official to and from Yorktown, Virginia, on July 7 in order to be back in Washington in time for a 4 p.m. horseback ride with Pence. The trip cost about \$6,250, according to the documents.

While in Yorktown, Zinke completed a walking tour of the local Revolutionary War battlefield and attended a boating industry roundtable discussion, according to the documents. The day before the trip, an Interior trip planner added to the schedule a 30-minute flyover of an area where Dominion Energy [is building](#) high-voltage electric transmission lines to run across the James River.

Interior officials originally estimated that driving to Yorktown would take about three hours, although one noted that "there is a major construction project on I-64, which will slow things down."

In an email to Interior travel scheduler Tim Nigborowicz, an Interior employee justified Zinke's using the helicopter rather than a less expensive method by saying "the Secretary will be able to familiarize himself with the in-flight capabilities of an aircraft he is in charge of" and that the Park Police staff on board would "provide an added measure of security to the Secretary during his travel."

The former Montana congressman and Navy SEAL is [already being investigated](#) by the Interior Department's inspector general and the independent Office of Special Counsel for his [mixing of official travel and political events](#). Interior earlier this year released records documenting Zinke's use of charter and military aircraft, including a \$12,000 flight from Las Vegas to Montana that allowed him to give a speech for a hockey team owned by a major campaign donor.

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**Perry seeks plan for new grid study by Wednesday** [Back](#)

By Darius Dixon | 04/17/2017 03:17 PM EDT

Energy Secretary Rick Perry's memo starting a review of federal policies affecting the electric grid calls on his staff to submit an "implementation schedule" by Wednesday.

The [text](#) of Perry's Friday memo to his chief of staff, Brian McCormack, urges that the "full resources and relationships available to the [Energy] Department" should be used to determine which federal taxes and regulations have undermined baseload power plants.

"By Wednesday, April 19, 2017, present to me an implementation plan to complete this study 60-days [sic] from that date," Perry wrote.

The study would focus on the evolution of wholesale electricity markets, whether wholesale energy and capacity markets are adequately paying baseload power sources, and "extent to which continued regulatory burdens ... are responsible for forcing the premature retirement of baseload power plants."

Many of the issues targeted by Perry have been high on FERC's agenda for more than a year under its so-called price formation initiative, which focuses on how power plants are paid in an increasingly complex grid. FERC is also trying to navigate the complicated impacts of several state-level energy policies.

DOE, under former Energy Secretary Ernest Moniz, spent roughly a year [analyzing](#) the electric grid, including many of the issues raised in Perry's memo. The memo also raises concerns about the "diminishing diversity" of fuel types on the grid.

Bloomberg first reported on the memo Saturday.

**WHAT'S NEXT:** Perry's senior staff will submit a plan Wednesday for getting the full grid study to him by June 18, which is a Sunday and may push the deadline to the following day.

To view online [click here](#).

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**Bob Murray had early access to Rick Perry to share coal plan** [Back](#)

By Eric Wolff | 12/07/2017 05:30 PM EDT

Coal magnate Bob Murray pitched Energy Secretary Rick Perry on his plan to throw an economic lifeline to coal companies less than a month before Perry set in motion plans to aid the industry, according to newly disclosed photographs that show the two meeting.

The liberal magazine [In These Times](#) obtained pictures of Murray and Perry from a March 29 meeting at Energy Department headquarters, less than a month after Perry was [sworn in](#). Several other officials were in attendance, including Andrew Wheeler, who at the time was a lobbyist for Murray and has since been nominated as the Environmental Protection Agency's No. 2 official.

The meeting puts Murray and Perry together at a crucial moment in the timeline of the Trump administration's push to save the struggling coal industry, an effort that would benefit Murray Energy in particular while raising electricity prices for potentially millions of people. A month before the meeting, one of Murray's biggest customers, FirstEnergy, told investors it was seriously considering seeking bankruptcy protection for its merchant division, FirstEnergy Solutions, a move that would likely void its supply contracts with Murray's coal mines.

Three weeks after Murray's visit, Perry would order a grid study that later became part of the justification for a proposed rule to reward coal and nuclear power plants for providing "grid resiliency." FERC, which has jurisdiction over the proposal, must make a decision on it by Monday.

At the time of the meeting, Wheeler was [already the leading candidate](#) to become the deputy administrator for EPA. Wheeler, who represented Murray as a lobbyist for Faegre Baker Daniels, would not be officially nominated for months. Wheeler, who has acknowledged participating in meetings on Murray's coal plan at DOE and on Capitol Hill, cleared committee last week and is awaiting Senate confirmation.

Murray is an outspoken supporter of President Donald Trump and held a fundraiser for him during the 2016 campaign.

DOE did not dispute the validity of the photos.

"Industry stakeholders visit the Department of Energy on a daily basis," DOE spokeswoman Shaylyn Hynes said, when asked about the meeting. "The DOE proposal to FERC was about the future and resiliency of the nation's power supply, an issue much bigger than one industry or company."

The photographs show Perry sitting at the head of a table in the Department of Energy, with Bob Murray, CEO of Murray Energy, to his left, and Wheeler down the table from Murray.

"Enclosed is an Action Plan for achieving reliable and low cost electricity ... and to assist in the survival of our Country's coal industry, which ... power grid reliability and low cost electricity," Murray writes in a cover letter to Perry, parts of which are visible in one photo from the meeting.

Though the document has never been publicly released, DOE critics say Murray's plan appears to have inspired DOE's grid study and the proposed rule Perry sent FERC in September. Copies are visible at the seats of most of the participants, including Perry and Murray. Wheeler, who told members of the Senate Environment Committee he had only seen the memo briefly, is not holding a copy in the photos obtained by In These Times. Murray [told](#) Greenwire in November he "didn't have any involvement" in writing the rule.

Murray has acknowledged sharing the plan with Trump.

"I gave Mr. Trump what I called an action plan very early," Murray said in a recent [PBS Frontline](#) documentary on EPA. "It's about three-and-a-half pages and — of what he needed to do in his administration. He's wiped out page one."

The meeting appears to have been successful for all. One of the photos shows Perry and Murray in a big bear hug.

*To view online [click here](#).*

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**Congress clears spending bill, averting shutdown [Back](#)**

By John Bresnahan, Sarah Ferris and Nancy Cook | 12/07/2017 09:10 AM EDT

Congress passed a two-week funding bill Thursday, staving off a government shutdown a day ahead of the deadline. But lawmakers face a turbulent next few weeks as they try to clinch a

broader budget deal by the end of the year.

Senators approved the measure on a 81-14 vote, soon after the House passed it 235-193. Despite initial reluctance from conservative House Republicans, GOP leadership was ultimately able to pass it with votes to spare.

The more interesting action was arguably taking place across Pennsylvania Ave.

President Donald Trump met with the "Big Four" congressional leaders — Speaker Paul Ryan, Senate Majority Leader Mitch McConnell, Pelosi and Senate Minority Leader Chuck Schumer — at the White House on Thursday afternoon in a bid to jump-start negotiations over a two-year budget deal.

Per one senior Democratic aide, the vast majority of the talks focused on spending levels, and the two parties did not come to a consensus. Democrats want parity for any defense and non-defense spending boost, while Republicans want to see the Pentagon get the bulk of any spending increase.

"We had a good meeting. We agreed to keep on talking," McConnell said after returning from the meeting. Asked if they were any closer to a deal on spending caps, he said, "I wouldn't say that, but it was a good meeting. Everybody wants to get to an outcome."

"We had a productive conversation on a wide variety of issues," Pelosi said in a statement following the meeting. "Nothing specific has been agreed to, but discussions continue."

The group also discussed the fate of the Deferred Action for Childhood Arrivals program. GOP leaders argued the issue would have to be dealt with separately from funding the government — something many Democrats will not support.

Earlier in the day, Pelosi told reporters, "We will not leave here without a DACA fix."

The shutdown dance comes as Republican leaders and the White House are pushing to finish work on a trillion-dollar-plus tax cut plan being hashed out by House and Senate tax writers. Ryan and McConnell are hoping to buy enough time in the budget talks to complete work on the tax bill, all while mollifying their defense hawks and conservative hard-liners in the House Freedom Caucus. And that's to say nothing of Democratic demands for a deal to help hundreds of thousands of Dreamers who face possible deportation next year, as well as a host of other controversial policy issues.

Ahead of the meeting, a senior administration official said Trump's main push would be to keep DACA out of the budget deal, increase defense spending without boosting non-defense funding, and get Democrats to agree to allow his hugely controversial border wall project.

That, Democrats say, is a White House pipedream. During a Thursday speech on the floor, Schumer said Trump and Republicans will have to be open to real negotiations in order to reach a budget deal, and added that the GOP would pay politically if there is a shutdown.

"Congressional negotiators are making good headway on a budget deal that would meet our commitments to our military and also urgent priorities here at home," Schumer said on the floor.

"Unfortunately, the progress here in Congress is in stark contrast to the rhetoric coming from

the White House. President Trump again suggested yesterday that 'a shutdown could happen.' If a shutdown happens, as the president seemed to be rooting for in a tweet earlier this year, it will fall on his shoulders. His party controls the Senate, the House, and the presidency."

But first, Republicans had to put up the 217 votes to keep the government open Thursday — not an easy feat for a conference populated with conservatives who rarely vote for any spending bills.

That's why Ryan, House Majority Leader Kevin McCarthy (R-Calif.) and other GOP leaders spent much of Wednesday huddling with conservative hard-liners unhappy with the leadership plan to avert a shutdown. McCarthy even brought in McConnell to talk to frustrated rank-and-file members grumbling about the strategy at one point.

By Thursday morning, however, House GOP leaders were predicting they'd have the votes to pass the continuing resolution. And they were right.

*Rachael Bade, Jennifer Scholtes and Seung Min Kim contributed to this report.*

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## **Apple's fight with shareholders tests SEC stance on activist proposals** [Back](#)

By Patrick Temple-West | 12/08/2017 05:01 AM EDT

How the Securities and Exchange Commission rules on a bid by Apple Inc. to block a shareholder proposal could have "serious repercussions" for investors, an asset manager involved in a fight with the iPhone-maker [said](#) on Thursday.

Boston-based Jantz Management LLC argues that Apple is "out of line with longtime SEC rulings" in its request to block a shareholder proposal from Jantz that asks the company to set a specific date for when it could eliminate its carbon footprint.

Apple's defense is untested because it is using little-noticed SEC guidance [published](#) on Nov. 1 to ask the agency for permission to block Jantz's proposal.

The guidance said the SEC would weigh any recommendation by a company's board of directors on whether a shareholder proposal involves a significant policy issue and should be included, or if it is "ordinary business" and should be disallowed.

Apple said its board determined that the Jantz proposal should not be considered at the company's 2018 annual shareholder meeting.

The Cupertino, Calif.-based company says it is already working to eliminate the carbon footprint in its supply chain. The company did not immediately respond to a request for comment.

The matter is pending before the SEC. If the agency allows Apple to block the proposal, the decision "could have serious repercussions not just for Apple shareholders, but for investors in

all other companies," said Jantz, which has about \$41 million of assets under management.

"The SEC has long made it clear that proposals on a company's actions on climate change are not ordinary business, and that there is a dire need for leading companies to set a timeframe to reduce [greenhouse gas] emissions aggressively now," said Jantz, which often tries to agitate for politically progressive changes at companies with shareholder proposals.

Apple is also asking the SEC for permission to block a shareholder proposal offered by Zevin Asset Management that's seeking a report about how CEO Tim Cook's compensation could be tied to sustainability metrics, including diversity among senior executives. In this dispute, Apple is also using the SEC's Nov. 1 guidance to bolster its case.

Zevin is a Boston-based socially responsible investment fund with \$554.5 million under management.

Historically, "proposals related to environmental matters or executive compensation are generally considered weighty policy matters and not ordinary business," law firm Davis Polk said in a client note last month.

An SEC spokesman declined to comment.

Shareholder activism can have a big impact on corporate actions. In May, almost two-thirds of Exxon Mobil's shareholders defied corporate executives and voted for the company to incorporate the Paris climate agreement into its business models, regardless of what the U.S. government does.

Similar resolutions won majority shareholder support at Occidental Petroleum and PPL Corp.

In response, the Trump administration in October proposed making it harder for shareholders to file proposals, which can cost companies tens of millions of dollars to deal with.

The Treasury Department recommended that the SEC raise the thresholds for when an investor can resubmit a proposal that previously drew low voter support. From 2007 to 2016, almost a third of all shareholder proposals were resubmissions, Treasury said.

Treasury argued that big investors with overt social, religious or policy objectives — and just six individual investors — were responsible for two-thirds of all shareholder proposals filed in 2016.

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**Canadian industry leader urges U.S. not to dump NAFTA energy chapter [Back](#)**

By Doug Palmer | 12/07/2017 03:59 PM EDT

The United States should abandon the idea of eliminating the NAFTA energy chapter and work with Canada and Mexico to improve its provisions, the head of the Canadian Electricity Association said today.

"We believe ... the chapter has worked well and that it does not require major fixing or nixing," CEA president and CEO Sergio Marchi said during a discussion on NAFTA energy issues hosted by the Washington International Trade Association. "It provides a consolidated energy space in NAFTA, and offers an effective framework for adding new elements as we modernize this agreement."

That is also Canada's position, a Canadian embassy spokesman said. Mexico has also expressed support for including an energy chapter in the revamped agreement now being negotiated. That's a major change from 25 years ago, when it insisted on being excluded from NAFTA energy commitments.

Marchi, a former Canadian trade minister, said his group has been told the U.S. wants to eliminate the chapter based on the rationale its provisions can be covered by other sections of the agreement.

"We also hear, for example, that without a chapter it makes it a lot easier for USTR to run the show, rather than relying on interdepartmental consultations," Marchi said.

The Office of the U.S. Trade Representative declined to comment on whether the U.S. was proposing to eliminate the chapter.

Marchi said scrapping the chapter wouldn't necessarily undo the energy reforms contained in the pact. But he argued it would make it appear the chapter hasn't worked, when that's not the case.

"We think [eliminating the chapter] would be a mistake," Marchi said, adding that Canada and Mexico could just as easily argue that the U.S. demand for a textiles chapter is unnecessary.

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**Date:** Thursday, November 02, 2017 5:42:57 AM

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By Anthony Adragna | 11/02/2017 05:40 AM EDT

*With help from Tim Starks*

**KICKSTARTING ANWR OF WORDS:** Senate Energy Chairman [Lisa Murkowski](#) launches the latest push to open the Arctic National Wildlife Refuge to oil and gas drilling today with a mega three-panel hearing on the topic. Tasked with raising \$1 billion over the next decade through budgetary instructions, Murkowski's panel is expected to move forward quickly with legislation that would remove restrictions on drilling in ANWR or other currently off-limits areas.

**Who's testifying?** The first panel includes Alaskans Sen. [Dan Sullivan](#), Gov. Bill Walker and Rep. [Don Young](#). After that, lawmakers will hear from Lt. Gov. Byron Mallott; Greg Sheehan, acting director of the Fish & Wildlife Service and two other Alaskan officials. And the third panel includes various other interested groups, ranging from representatives of the Wilderness Society to the Arctic Slope Regional Corporation. "I want to make sure that the debate finally catches up with the technology and the high standards that exist in Alaska," Sullivan said, adding critics of ANWR drilling have been using the same "stale, old talking points" for 40 years.

**What will opponents say?** Led by ranking member [Maria Cantwell](#), critics of ANWR drilling are likely to argue the low price of oil makes raising \$1 billion from opening the area unlikely and that the industry has been lukewarm about Arctic exploration. "They're in a hurry for something that the industry hasn't been excited about," she told reporters. "In 50 years, she and I — even though we've worked together as good colleagues — are going to be dead and the only thing that's going to matter is whether we've preserved a place as unique as this." Sullivan, for his part, scoffs at the idea there isn't interest in drilling: "There's plenty of interest. I know that." Cantwell asked Interior Secretary Ryan Zinke in [a letter](#) Wednesday to clarify his position on ANWR drilling. She said a markup of legislation is expected next week.

**What about the House?** The House Natural Resources Committee, which faces the same \$1 billion revenue instructions as its Senate counterpart, is also likely to look at ANWR, Chairman [Rob Bishop](#) told ME. "ANWR by itself could give us the revenue numbers that we need," he said. "Whether we do anything more than that, I don't know." As a side note, ME saw Bishop and Ways and Means Chairman [Kevin Brady](#) energetically chatting at length on the floor during votes Wednesday.

**WE'RE LEAPING INTO THURSDAY!** I'm your host Anthony Adragna, and Strategies 360's Matt Gall identified Sens. [Debbie Stabenow](#) and [James Lankford](#), as well as Rep. [Joe Kennedy](#), as Congress' red heads. For today (a stretch question): There are eight current senators who served as attorneys general in their states. Name them. Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#), and [@POLITICOPro](#).

**HE'S GOT THE... POWELSON:** Rob Powelson, who joined FERC this summer, said the

country's at an "inflection point" for the future of the electricity markets, and called for patience as his agency works through Energy Secretary Rick Perry's controversial grid proposal on top of other tough discussions about state energy policies. "There are a lot of moving parts to this conversation. I don't mind that there's a little bit of impatience," he tells Pro's Darius Dixon in [an interview](#). "This is an issue that has been elevated in the conversation of energy policy. I've been very direct in my position in support for markets."

**States' rights guy?** Powelson said it's not his job to stand in the way of states seeking to address carbon through mechanisms like the Regional Greenhouse Gas Initiative and California's cap and trade model. "If states want to want to value carbon, they should be able to do it," he said. "States have said, 'Look, in lieu of a hard price on carbon on the national level, there are mechanisms for valuing it.' And it's not my job to tell those states you can't do that."

**Blame for 'polar vortex':** He chaired the Pennsylvania utility commission during Hurricane Sandy in 2012 and the 2014 "polar vortex," but Powelson isn't buying DOE's line questioning the reliability of natural gas during that cold snap. "There were enough sins in there that everybody had some responsibility," he said.

**Oh, and hey Congress:** Powelson called for people to be patient as he and Chairman Neil Chatterjee learn the ins and outs of their new roles, but he subtly jabbed Congress for its inaction on two other FERC nominations. "If I could stress one thing, I need everybody in this town to remain calm, understand that the FERC is working hard around these issues," he told Darius. "[But] it'd be nice to have two other colleagues to be part of this conversation."

**TWO MORE GET EPW HEARING:** The Senate Environment and Public Works Committee plans to hold a hearing Nov. 8 on the nominations of Kathleen Hartnett White to run the White House Council on Environmental Quality and Andrew Wheeler's bid to be EPA deputy administrator, your ME host [reports](#). That comes as Pro's Alex Guillén [got his hands](#) on White's [financial disclosure form](#) which shows she owns four oil leases but appears to give away most of the income from them.

**TWO HURRICANE HEARINGS ON TAP TODAY:** The House Transportation Committee gets top billing for hurricane-related hearings today as it [convenes](#) top officials from FEMA, the Coast Guard, the Army Corp of Engineers and EPA to discuss "initial lessons learned from the 2017 hurricanes, and identify key challenges and obstacles that may remain in the way of recovery." Lawmakers from affected communities in Florida, Texas, the U.S. Virgin Islands and Puerto Rico will also appear.

**Meanwhile, the House Energy and Commerce Energy Subcommittee [meets](#)** at the same time with Army Corps, Energy, GAO, state and industry officials to discuss energy infrastructure response and recovery efforts. Look for questions about the \$300 million Whitefish Energy contract, the slow Puerto Rico recovery and ongoing disaster relief funding requests to dominate the discussion. ME would also look for lawmakers from both parties to discuss the need for increased consideration of infrastructure resiliency when building (without mention of climate change among Republicans).

**More questions for FEMA:** Bipartisan House Energy and Commerce leaders sent [a letter](#) to FEMA Director Brock Long seeking information about what role his agency has played in repairing the Puerto Rican grid to date. "It would appear that the Agency, until now, was not involved in one of the most significant decisions in the effort to rebuild Puerto Rico's electrical

grid," they write. "Efforts by the governor of Puerto Rico and PREPA to cancel the contract with Whitefish underscored the need for federal leadership and strategic coordination of the effort to restore Puerto Rico's electric system."

**Today:** Senior House Democrats, including Minority Leader [Nancy Pelosi](#) and Minority Whip [Steny Hoyer](#), hold an event "in solidarity with the people of Puerto Rico and the U.S. Virgin Islands" on the House East Front Steps at 10 a.m.

**Key meetings:** Gov. Ricardo Rosselló's rather eclectic set of meetings in Washington on Wednesday included Rep. [Sean Patrick Maloney](#), Sens. [Roger Wicker](#), [Orrin Hatch](#) and [Tom Carper](#), Bishop and acting Homeland Security Chief Elaine Duke.

**PICTURE THIS SCENE:** While riding in a bus up a mountainside over the weekend in Puerto Rico, Bishop took a "very positive" call from Trump about national monuments. Though he said Trump provided few specific details, Bishop said the president vowed to announce his final decision on whether to shrink a host of national monuments "very soon" and spoke positively about Interior Secretary Ryan Zinke's recommendations. And, Bishop said, Trump "basically agreed with us that [the Antiquities Act] has been abused and needs modification."

**Oregonians fault report:** Sens. [Ron Wyden](#) and [Jeff Merkley](#) sent White House Chief of Staff John Kelly [a letter](#) expressing concern about "numerous factual errors" in Zinke's report that they worry contributed to recommended diminished protections for the Cascade-Siskiyou National Monument.

**Won't prejudge Whitefish cancellation:** It's too soon to know whether Puerto Rico's decision to pull the plug on Whitefish Energy's \$300 million contract to rebuild the island's grid was the right call or not, Bishop told ME. "There's still strange things about it, but there has to be some reasons they did it in the first place," he said. "Procedure is obviously pretty bad because there were so many questions and transparency was not there. But whether ultimately, I don't have enough information [yet]." Natural Resources intends to continue looking into the matter.

**ME TOO!** Sen. [Jeff Flake](#) has also placed a hold on Bill Northey's nomination for a USDA undersecretary post in an effort to land a White House meeting over the Renewable Fuel Standard, his office says.

**FOREST MANAGEMENT EFFORT PASSES:** House lawmakers cleared legislation on Wednesday that backers say will address fire-borrowing, streamline environmental review processes and minimize litigation related to the U.S. Forest Service and Bureau of Land Management. The vote was 232 to 188. Critics say the measure, [H.R. 2936 \(115\)](#), would undermine endangered species protections and impede the ability of agencies to respond to wildfires.

**Meanwhile, ten Senate Democrats** asked [Trump](#) and [Senate leaders](#) to include funding for wildfire disaster response in the next disaster aid package.

**CRAMER: TRUMP URGED SENATE RUN:** North Dakota Rep. [Kevin Cramer](#) told a radio host Wednesday that Trump called him during dinner on Halloween and "strongly, strongly encouraged" him to run against Sen. [Heidi Heitkamp](#) next year. Cramer said he'd make a decision "after we get tax reform done." Clip, flagged by American Bridge, [here](#).

**MAIL CALL! HOUSE LAWMAKERS HIT BACK ON RFS:** Sixty-four House lawmakers, led by Republican [Bob Goodlatte](#) and Democrat [Peter Welch](#), slammed the RFS in [a letter](#) to Pruitt as "a well-intentioned but deeply flawed policy that has negatively impacted families and businesses" around the country. They urged EPA to factor in its "significant pitfalls and costs" in future regulatory actions.

**UPTON: ENBRIDGE'S RESPONSE 'ABSOLUTELY UNACCEPTABLE':** Rep. [Fred Upton](#) sent a [letter](#) to Enbridge Wednesday seeking documents and a meeting with a top official concerning when the company knew of damage to Line 5 pipeline under the Straits of Mackinac. "Although Enbridge has stated that the safety of the pipeline was not compromised by the loss in coating, it is absolutely unacceptable that the people of Michigan were kept in the dark about this issue for three years," he wrote.

**WHATCHA GONNA DO?** Nine Senate Democrats wrote Commerce Secretary Wilbur Ross on Wednesday [asking](#) for information on what the administration plans to do with two major climate change reports — the Climate Science Special Report and the final National Climate Assessment — expected to be released in the coming days.

**TAKE A GLANCE! LET'S GET RESILIENT:** Joint Economic Committee Democrats released a report Wednesday arguing the federal government must adapt how it rebuilds following natural disasters to be more resilient and that every dollar spent on disaster preparedness provides almost \$4 in future benefits. Take a glance [here](#).

**NOT RIGHT AROUND THE CORNER:** Southern Co. CEO Tom Fanning said Wednesday increased federal loan guarantees for the Vogtle nuclear power project in Georgia won't be finalized before next spring, Pro's Darius Dixon [reports](#). "Final issuance of the additional loan guarantee is subject to the satisfaction of a number of conditions and is not expected to occur prior to the end of the first quarter of 2018," Fanning said on the company's quarterly earnings call.

**FORMER EPA OFFICIAL: PRUITT POSES 'DIRE AND FUNDAMENTAL' THREAT:** Former EPA Deputy Administrator Bob Sussman argues in the [latest issue](#) of Environmental Law Reporter that Pruitt poses an existential threat to the agency. "EPA's ability to maintain core protections and respond to new threats—the bread and butter of EPA's mission—is rapidly eroding and may suffer irretrievable damage if Pruitt's policies continue," he wrote.

**FERC HIT BY CYBERSECURITY ATTACK:** The inspector general of FERC said that a "recent security incident involving [FERC's] unclassified cybersecurity program" pointed to the need to better implement certain cyber defenses, without providing specifics about the incident. "We are concerned that certain controls may not have been in place that could have potentially prevented the incident," the IG's office said. Read the report [here](#).

**NOT PLEASED:** Billionaire environmentalist Tom Steyer's \$10 million campaign to impeach Trump isn't sitting well with House Minority Leader [Nancy Pelosi](#) who reached out to tell him the effort is a distraction, POLITICO's Heather Caygle [reports](#). Other Democrats agree with her view that the party should focus on showing it can govern. "I certainly don't think that that's a helpful effort," Rep. Ro Khanna said of Steyer's campaign.

**TAKE A GLANCE:** The U.S. Chamber's Global Energy Institute released a [series of videos](#) showcasing the energy industry's response to the recent string of hurricanes.

## QUICK HITS

- First coal bankruptcy of Trump era. [CNN Money](#).
- New testimony alleges Gov. Snyder lied under oath about lead in Flint water. [WXYZ Detroit](#).
- Trump pick Sam Clovis blasted schools for 'indoctrinating' students with ideas like 'environmentalism' and 'racism.' [CNN](#).
- Sweden Pays for Trump Whistle-Blower to Attend UN Climate Talks. [Bloomberg](#).
- East Chicago residents file lawsuit over contamination. [Chicago Tribune](#).
- West Virginia again approves Mountain Valley Pipeline. [AP](#).
- Top Chamber of Commerce regulatory official to retire. [Axios](#).

## HAPPENING TODAY

- 9:00 a.m. — "[Coastal Restoration: Will we know it when we see it?](#)" Abt Associates, Newseum, 555 Pennsylvania Ave NW
- 9:30 a.m. — "[Full Committee Hearing to Receive Testimony on the Potential for Oil and Gas Exploration in the 1002 Area](#)," Senate Energy and Natural Resources Committee, Dirksen 366
- 10:00 a.m. — "[The 2017 Hurricane Season: A Review of Emergency Response and Energy Infrastructure Recovery Efforts](#)," House Energy and Commerce Energy Subcommittee, Rayburn 2123
- 10:00 a.m. — "[Emergency Response and Recovery: Central Takeaways from the Unprecedented 2017 Hurricane Season](#)," House Transportation and Infrastructure Committee, Rayburn 2167
- 10:00 a.m. — Legislative [hearing](#) on trio of water bills, House Natural Resources Water, Power and Oceans Subcommittee, Longworth 1324
- 6:00 p.m. — Senator Sheldon Whitehouse speaks at American University on environmental policy, Atrium, School of International Service, American University, 3400 Nebraska Ave. NW.
- 7:00 p.m. — Sen. Al Franken keynotes "Our Country, Our Courts" event, Newseum Knight Conference Center, 555 Pennsylvania Ave. NW

## THAT'S ALL FOR ME!

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/11/first-skirmish-of-latest-anwr-kicks-off-025343>

**Stories from POLITICO Pro**

## **POLITICO Pro Q&A: FERC Commissioner Rob Powelson [Back](#)**

By Darius Dixon | 11/02/2017 05:00 AM EDT

Rob Powelson, who joined FERC this summer, has found himself serving as something of an ambassador from the states during one of the agency's most turbulent periods.

A Republican with a more than eight-year tenure as a Pennsylvania energy regulator, Powelson made headlines recently for saying that he didn't join FERC "to go blow up the markets" after Energy Secretary Rick Perry unveiled a controversial grid proposal aimed at propping up coal-fired and nuclear generation.

His five years as chairman of the state commission included Hurricane Sandy in 2012, and the 2014 "polar vortex" — an event Perry often cites to justify his proposed rule. But where the Energy Department's plan chides the reliability of natural gas during that cold snap, Powelson said "there were enough sins in there that everybody had some responsibility" and that grid operators are adapting to the "new normals of weather."

We're at an "inflection point" for the future of the electricity markets, Powelson told POLITICO in a recent interview. He said he wouldn't stand in the way of states that want to do more to address climate change — "If states want to want to value carbon, they should be able to do it" — but he urged patience from everyone waiting for FERC action on pricing reform and state policies.

*This interview has been edited for length and clarity.*

**Your home state is a big chunk of the PJM market. But last week Pennsylvania's state legislature approved a resolution supporting the DOE proposal while the utility regulator called the plan "unwieldy, untimely and impractical."**

As I often said in my prior life: God forbid the legislature has to make a decision that the PUCs have to make — raise rates, fine companies, revoke licenses. That's why you have independent agencies like FERC and state public utilities commissions that have to do economic regulation and safety regulation.

I think there are forces at play that wanted to put that marker out. When you peel it back, I think now back in Pennsylvania, as of Friday, there's 500 trillion cubic feet of natural gas under the ground. If you're the Marcellus Shale Coalition, you're like "What happened to us in this discussion?"

The legislature put a marker down ... but at the end of the day, the resolution is not binding. It's not an act of law.

**Pennsylvania is among the states that may consider out-of-market policies to help nuclear. So, what keeps you up at night more — addressing state subsidies or the pricing issues?**

I'm a states' rights advocate, but there are two things that drive what we do here. There's the Federal Power Act, and there's the Natural Gas Act. FERC Order 888 created this wholesale construct in the market. In the mid-2000s, probably 26 or so states ... did [renewable portfolio standards]. Republican states, Democratic states — those RPSs have driven strong investments in renewables. ... Pennsylvania, and other states, are [asking], "Do we embed in

the RPS a nuclear standard?" Some are doing that after the fact.

And then there are some who have said these RPSs have caused a distortion in the market as we get to grid parity and we get more scale of renewables and the impact that that's having. ... These state policies obviously drove an outcome. Today, an unintended consequence is that some people say these states have not valued nuclear.

There are a lot of moving parts. To FERC's credit, we look at the markets and how they're functioning and how we value things like resiliency, and how we keep markets functioning. That's what I'm looking at. This is an inflection point. No doubt about it.

**For you, is anything other plant retirements driving market policy changes?**

If there is a deep concern about grid resiliency, and we can use events like the polar vortex, the recent hurricanes, and we can use derechos — these new weather events, the new normals of weather. The RTOs are saying, "Look, the velocity of these storms and the impact they have on the generation fleet, we think, yeah, we should do a deeper dive and value resilient resources." On the flip side to that is you've had states that have looked at things like microgrids, and they're doing grid resiliency.

The polar vortex was alarming in the sense you had a 24 percent forced outage rate. There were enough sins in there that everybody had some responsibility. But then you go to the next year, February of 2015, on another very bad cold snap there wasn't a 24 percent forced outage rate and the system performed. Right after 2014, PJM put forth the construct of capacity performance. And, by the way, we're not 100 percent into the capacity performance [process]. We have another auction of capacity performance results and then we're fully into a fully integrated CP. I personally want to see where we stand there. That's a longer term view. I want to see how capacity performance is working and ... how it deals with reliability.

**Why isn't there an agreed upon set of facts around the polar vortex?**

Capacity performance was a direct outcry of the polar vortex. ... I was told, as chairman, that capacity performance would provide the needed uplift compensation metrics to deal with these types of events going forward — meaning that these baseload resources will be adequately compensated by this.

**In your mind, has that turned out to be true?**

I'm still waiting. When we get to 100 percent, I think we'll have a story to tell.

**You've crossed paths with Perry a couple of times since the proposal came out. Have you made your views clear to him?**

To his credit, he's looking at this issue in terms of — as the head of DOE — reliability, resiliency. He's looking at the sustainability of these markets.

There are a lot of moving parts to this conversation. I don't mind that there's a little bit of impatience. Chairman [Neil] Chatterjee and I are the new FERC guys. I get it. This is an issue that has been elevated in the conversation of energy policy. I've been very direct in my position in support for markets.

**Commissioner Cheryl LaFleur has often talked about the "doors" to how that conflicts**

**with states gets resolved: planned re-regulation, unplanned re-regulation, litigation and/or some kind of harmonization.**

The state policy changes are ongoing with us. ... Personally, I'd like to see us get our hands around that conversation. If states want to want to value carbon, they should be able to do it. They've done it with things like the [Regional Greenhouse Gas Initiative]. California has a cap and trade model. States have said, "Look, in lieu of a hard price on carbon on the national level, there are mechanisms for valuing it." And it's not my job to tell those states you can't do that.

**Is it FERC's job to tell them they should do that?**

I don't think so. What we're saying is that if you're going to design constructs, you better make sure they adhere to certain market principles. Trying to answer your question, yes, post-technical conference, there's a genuine commitment to handle the state piece. There are a couple of options, but I'll be straight up with you, I can't get into where they would go.

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**Is there a chance FERC expands the footprint of the DOE proposal to include areas outside of PJM, New York and New England?**

I've thought about it. I don't have any preconceived outcome. Most people would say that this is more of a PJM, New England, NYISO issue. But there's not a lot of coal left in New England.

I'm trying to be patient here and seeing where we go internally with staff recommendations.

**How do you view your role with FERC after eight-plus years at the state-level?**

My biggest takeaway is that I respect the independence of FERC. I worked for three governors.

What's very important to me is maintaining the independence of this agency because the people that work here look for that kind of guidance. In my view, not that there's been issues in my short tenure here, but it's important that you maintain that. The same could've said under the Obama administration. Our engagement with the states is now, more than ever, so critical.

Some have argued that it's been the imperialistic FERC, at times — that we've been very top-down.

**The DOE NOPR hasn't necessarily helped improve the image of FERC's independence.**

The NOPR, based on my cursory review of the state comments — and we're doing forecasting — have been 98 percent against. Obviously, this is a big issue. It's an inflection point for the FERC.

## **You've said this is an inflection point a few times.**

We've come through the conversations post-Order 888 in the 1990s, to the future of the markets to ... today, the \$64,000 question: What's working and what's not working in markets, and how to do we keep those markets sustainable, long-term.

## **If there's a deficiency, how do you fix it fast enough to make a difference?**

To Secretary Perry's credit, he has certainly stimulated a conversation or — as some would say — a call to action. That's healthy. I'm an impatient regulator, by nature. But some of this stuff has to be thought through. We have to develop a record and we have internal capacity to look at what's working and not working in markets.

If I could stress one thing, I need everybody in this town to remain calm, understand that the FERC is working hard around these issues.

I'm actually kinda giddy to be here at this point in time. It's a good challenge for us to have. The big question is, where do we go?

## **Is the DOE proposal at all distracting?**

No, it's nothing personal. I think they were trying to say is that we've had all these things and when you lose the quorum, the train stops. ... You can't take up a notational vote on an issue of this magnitude.

Neil and I have only been on the job less than [three] months. I'm asking people to be patient with us too. We're the new people here. And it'd be nice to have two other colleagues to be part of this conversation.

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## **POLITICO Pro Q&A: FERC Commissioner Rob Powelson [Back](#)**

By Darius Dixon | 11/02/2017 05:00 AM EDT

Rob Powelson, who joined FERC this summer, has found himself serving as something of an ambassador from the states during one of the agency's most turbulent periods.

A Republican with a more than eight-year tenure as a Pennsylvania energy regulator, Powelson made headlines recently for saying that he didn't join FERC "to go blow up the markets" after Energy Secretary Rick Perry unveiled a controversial grid proposal aimed at propping up coal-fired and nuclear generation.

His five years as chairman of the state commission included Hurricane Sandy in 2012, and the 2014 "polar vortex" — an event Perry often cites to justify his proposed rule. But where the Energy Department's plan chides the reliability of natural gas during that cold snap, Powelson said "there were enough sins in there that everybody had some responsibility" and that grid operators are adapting to the "new normals of weather."

We're at an "inflection point" for the future of the electricity markets, Powelson told POLITICO in a recent interview. He said he wouldn't stand in the way of states that want to do more to address climate change — "If states want to want to value carbon, they should be able to do it" — but he urged patience from everyone waiting for FERC action on pricing reform and state policies.

*This interview has been edited for length and clarity.*

**Your home state is a big chunk of the PJM market. But last week Pennsylvania's state legislature approved a resolution supporting the DOE proposal while the utility regulator called the plan "unwieldy, untimely and impractical."**

As I often said in my prior life: God forbid the legislature has to make a decision that the PUCs have to make — raise rates, fine companies, revoke licenses. That's why you have independent agencies like FERC and state public utilities commissions that have to do economic regulation and safety regulation.

I think there are forces at play that wanted to put that marker out. When you peel it back, I think now back in Pennsylvania, as of Friday, there's 500 trillion cubic feet of natural gas under the ground. If you're the Marcellus Shale Coalition, you're like "What happened to us in this discussion?"

The legislature put a marker down ... but at the end of the day, the resolution is not binding. It's not an act of law.

**Pennsylvania is among the states that may consider out-of-market policies to help nuclear. So, what keeps you up at night more — addressing state subsidies or the pricing issues?**

I'm a states' rights advocate, but there are two things that drive what we do here. There's the Federal Power Act, and there's the Natural Gas Act. FERC Order 888 created this wholesale construct in the market. In the mid-2000s, probably 26 or so states ... did [renewable portfolio standards]. Republican states, Democratic states — those RPSs have driven strong investments in renewables. ... Pennsylvania, and other states, are [asking], "Do we embed in the RPS a nuclear standard?" Some are doing that after the fact.

And then there are some who have said these RPSs have caused a distortion in the market as we get to grid parity and we get more scale of renewables and the impact that that's having. ... These state policies obviously drove an outcome. Today, an unintended consequence is that some people say these states have not valued nuclear.

There are a lot of moving parts. To FERC's credit, we look at the markets and how they're functioning and how we value things like resiliency, and how we keep markets functioning. That's what I'm looking at. This is an inflection point. No doubt about it.

**For you, is anything other plant retirements driving market policy changes?**

If there is a deep concern about grid resiliency, and we can use events like the polar vortex, the recent hurricanes, and we can use derechos — these new weather events, the new normals of weather. The RTOs are saying, "Look, the velocity of these storms and the impact they have on the generation fleet, we think, yeah, we should do a deeper dive and value resilient

resources." On the flip side to that is you've had states that have looked at things like microgrids, and they're doing grid resiliency.

The polar vortex was alarming in the sense you had a 24 percent forced outage rate. There were enough sins in there that everybody had some responsibility. But then you go to the next year, February of 2015, on another very bad cold snap there wasn't a 24 percent forced outage rate and the system performed. Right after 2014, PJM put forth the construct of capacity performance. And, by the way, we're not 100 percent into the capacity performance [process]. We have another auction of capacity performance results and then we're fully into a fully integrated CP. I personally want to see where we stand there. That's a longer term view. I want to see how capacity performance is working and ... how it deals with reliability.

### **Why isn't there an agreed upon set of facts around the polar vortex?**

Capacity performance was a direct outcry of the polar vortex. ... I was told, as chairman, that capacity performance would provide the needed uplift compensation metrics to deal with these types of events going forward — meaning that these baseload resources will be adequately compensated by this.

### **In your mind, has that turned out to be true?**

I'm still waiting. When we get to 100 percent, I think we'll have a story to tell.

### **You've crossed paths with Perry a couple of times since the proposal came out. Have you made your views clear to him?**

To his credit, he's looking at this issue in terms of — as the head of DOE — reliability, resiliency. He's looking at the sustainability of these markets.

There are a lot of moving parts to this conversation. I don't mind that there's a little bit of impatience. Chairman [Neil] Chatterjee and I are the new FERC guys. I get it. This is an issue that has been elevated in the conversation of energy policy. I've been very direct in my position in support for markets.

### **Commissioner Cheryl LaFleur has often talked about the "doors" to how that conflicts with states gets resolved: planned re-regulation, unplanned re-regulation, litigation and/or some kind of harmonization.**

The state policy changes are ongoing with us. ... Personally, I'd like to see us get our hands around that conversation. If states want to want to value carbon, they should be able to do it. They've done it with things like the [Regional Greenhouse Gas Initiative]. California has a cap and trade model. States have said, "Look, in lieu of a hard price on carbon on the national level, there are mechanisms for valuing it." And it's not my job to tell those states you can't do that.

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### **Senate EPW to take up White, Wheeler nominations next week [Back](#)**

By Anthony Adragna | 11/01/2017 05:48 PM EDT

The Senate Environment and Public Works Committee plans to hold a confirmation hearing on Nov. 8 regarding Kathleen Hartnett White's nomination to run the White House Council on Environmental Quality.

In addition, the panel plans to consider Andrew Wheeler's selection to serve as EPA deputy administrator on the same day.

*To view online [click here.](#)*

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### **CEQ nominee owns four oil leases [Back](#)**

By Alex Guillén | 11/01/2017 05:35 PM EDT

Kathleen Hartnett White, the Texas Public Policy Foundation fellow nominated to run the White House Council on Environmental Quality, owns four oil leases, though she appears to give away most of the income.

One of those properties, in Sugarland, Texas, is leased to CVR, the refiner owned by billionaire investor and President Donald Trump backer Carl Icahn, according to White's [financial disclosure](#). It generated between \$201 and \$1,000 for White since the beginning of 2016, according to the form. The other leases provided income between \$201 and \$5,000 over that period, according to the form, which requires her to report only a range.

However, it is not clear how much of that money White kept. The form indicates that she gifted the interest generated by all four leases to a nephew, but that the leases "generated a small amount of income" over the reporting period.

White's husband reported significant ranch and cattle holdings in Texas via stakes in two different family trusts. In addition to her work at TPPF, White sat on the Texas Emissions Reduction Plan Advisory Board, which was disbanded on Sept. 1. She also reported part ownership of a Jack Russell Terrier breeding business in Texas.

Although White was announced White's nomination on Oct. 13, she appears to have been waiting in the wings for some time before that. White's signature on the financial disclosure is dated Aug. 2.

**WHAT'S NEXT:** The Senate Environment and Public Works Committee has not yet announced a hearing on White.

To view online [click here](#).

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**Southern CEO: DOE loan guarantees won't be final till next spring** [Back](#)

By Darius Dixon | 11/01/2017 04:39 PM EDT

The Energy Department's decision to increase federal loan guarantees for the Vogtle nuclear power project in Georgia isn't expected to be finalized before next spring, Southern Co. CEO Tom Fanning said today.

DOE [announced](#) in late September that it had conditionally approved a \$3.7 billion loan guarantee increase for the project on top of the \$8.33 billion previously authorized by the Obama administration. But DOE's action to cement that decision is still at least four months away.

"Final issuance of the additional loan guarantee is subject to the satisfaction of a number of conditions and is not expected to occur prior to the end of the first quarter of 2018," Fanning said on the company's quarterly earnings call.

Obama's Energy Department originally approved Vogtle project loan guarantees totaling \$3.4 billion to Southern Co.'s Georgia Power, \$3.1 billion to Oglethorpe Power and \$1.8 billion to the Municipal Electric Authority of Georgia. Energy Secretary Rick Perry is primed to offer an additional \$1.67 billion to Georgia Power, \$1.6 billion to Oglethorpe and \$415 million to MEAG.

**WHAT'S NEXT:** The Georgia Public Service Commission is scheduled to begin hearings on Nov. 6 to discuss the Vogtle project.

To view online [click here](#).

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**Pelosi moves to muzzle Trump impeachment talk** [Back](#)

By Heather Caygle | 11/01/2017 01:02 PM EDT

House Minority Leader Nancy Pelosi offered a forced smile recently when asked on MSNBC about a Tom Steyer-sponsored ad that calls for President Donald Trump's impeachment.

"That's a great ad," Pelosi said twice, before rushing to plug the Democrats' Better Deal economic agenda as the TV hit wrapped up.

Pelosi played it off, but privately she was peeved. She told lawmakers at a Democratic leadership meeting soon after that she had reached out to the Democratic megadonor to tell him that his \$10 million ad campaign is a distraction. (A source close to Steyer said he hasn't spoken with Pelosi since the ad launched.)

Pelosi is eager to show her party can govern — in contrast to the chaos surrounding Trump — and she believes that a reputation as the "no drama" Democrats is key to taking back the House in 2018 and whisking her backing into the speaker's chair.

While not an official slogan, Pelosi has discussed the strategy broadly in recent leadership and caucus meetings, urging members to avoid talk of impeachment and resist taking Trump's bait on whatever topic is dominating his Twitter feed that day.

"There's nothing any of us can say in Congress that is going to change people's view of Donald Trump," said freshman Rep. Ro Khanna, a Silicon Valley progressive who agrees with Pelosi's strategy. "What they need is us to help them form their view of whether the Democratic Party is ready to lead."

Pelosi and House Minority Whip Steny Hoyer of Maryland both issued cautious statements Monday after former Trump campaign aides [were indicted](#) in special counsel Robert Mueller's Russia probe. The House Democratic leaders reiterated their calls for an independent commission while carefully avoiding any speculation about Trump's potential collusion with Moscow in the 2016 campaign.

Privately, Pelosi has suggested that the Russia probe could lead to the unraveling of Trump's presidency, going so far as to say "the proof is in the Putin" at a Democratic leadership meeting earlier this year.

But in public, the California Democrat is encouraging her rank and file to take a measured approach to all things Trump, banking on the strategy that, by next November, the president and congressional Republicans will bomb with voters on their own.

Pelosi has warned lawmakers about wading too deeply into Trump-created distractions, most recently at a leadership meeting last week, where she cited the controversy surrounding NFL players kneeling during the national anthem and the president's attacks on Rep. Frederica Wilson (D-Fla.) over his phone call to a soldier's widow.

Instead, she has urged Democrats to stay focused on policy battles, telling members at their caucus meeting last week they "will be in the majority" if Republicans head into the midterms without a single major legislative accomplishment.

That doesn't mean House Democrats will ignore Trump or his tweets. But Democratic leaders think responding to every culture war salvo from the president will only muddy their message heading into the midterms.

Pelosi has encouraged lawmakers to talk up what a Democratic majority can deliver for voters, plugging their economic message on repeat in hopes that it eventually will break through with voters.

"In my opinion it cannot happen fast enough," said Rep. Cheri Bustos, a moderate Democrat whose northwestern Illinois district was carried by Trump last year. "If we get asked about Frederica Wilson or the NFL or Russia, we can answer that. But then let's get back to what's on people's minds."

The party's Trump-focused message fell flat last year, as Democrats picked up only six seats in the House after boasting about the potential for double-digit gains and lost big in working-class districts that dot the Rust Belt.

This time around, Democratic leaders purposefully avoided including divisive social issues in their agenda rollout this summer. Their "no drama" approach to Trump's controversies is an extension of that strategy.

Keeping Democrats united won't be easy for Pelosi. The caucus ranges from progressive rabble-rousers like Khanna — who ousted a Democratic incumbent last year and called for a primary challenge to Sen. Dianne Feinstein of California — to a dozen Democrats sitting in Trump-won districts like Bustos.

"It is difficult because [Trump's] actions are so outrageous," said Rep. Ruben Gallego (D-Ariz.). "And it's ongoing work, by all of us, not just leadership" to stay focused.

The approach risks angering progressive groups and liberal donors, some of whom have declared all-out war on Trump and have threatened to primary Democratic lawmakers who don't do enough to take on the president.

But some lawmakers say their hands are tied — that the best way to defeat Trump's agenda is by regaining the majority, and the best way to be back in the majority is to avoid focusing too much on Trump.

In terms of the Indivisible Movement to resist Trump's agenda, Rep. John Larson (D-Conn.) said, "There's a role and a place for that. But the vast majority of people are scared to death about their own futures,"

"When you haven't been in the majority since 2010, you want to make sure that given the opportunity we have in front of us to take back the House, that you remain focused," Larson added. "And that's the only way any progressive agenda is going to have the opportunity to see the light of day."

Indivisible, the grass-roots progressive group formed after Trump's election, declined to comment.

Meanwhile, even as the Russia probe heats up, Democratic leaders have been working behind the scenes to quell any chatter about impeachment. For them, the topic is a distraction from defeating Republicans' tax push in the short term and could turn off independent voters down the road.

Democratic leaders [pressured Rep. Al Green to relent](#) on forcing a vote on impeaching Trump

after the Texas Democrat reignited the issue on the House floor recently. Hoyer was seen having a long, intense chat with Green just off the House floor during the debate.

And then there's Steyer's ad, and many House Democrats agree with Pelosi on that.

"I certainly don't think that that's a helpful effort," Khanna said of the ad.

Steyer said in a statement, "This isn't about me, or Rep. Pelosi. This is about giving a voice to the American people who are demanding the political establishment stand up to Trump."

There is at least one pol who is happy to comment on Steyer's impeachment push.

"Wacky & totally unhinged Tom Steyer, who has been fighting me and my Make America Great Again agenda from beginning, never wins elections!" Trump [tweeted](#).

To view online [click here](#).

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**Date:** Monday, November 20, 2017 5:44:16 AM

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By Anthony Adragna | 11/20/2017 05:41 AM EDT

*With help from Alex Guillén and Sara Stefanini*

**IS HE KEEPING HIS WORD?** EPA Administrator Scott Pruitt came into office boasting of returning the agency to its mission of cleaning up the air, water and land, but Pro's Alex Guillén and Emily Holden [look at](#) what he's accomplished so far and how it stacks up to his ambitious rhetoric.

- **Tackling air pollution:** He's rolled back or delayed a host of air quality regulations from the Obama administration, but signed off on 378 actions related to state plans as of Sept. 25, compared with 213 during the same period under Obama. Some environmentalists worry those quick approvals suggest laxer plans that are inadequately protective.
- **Cleaning up Superfund sites:** Pruitt's taken action to develop a top 10 list of priority Superfund sites and issued task force recommendations designed to speed up cleanups, but critics say the actions are toothless and actually hurt other cleanup efforts.
- **Upgrading drinking water infrastructure:** He's identified the need to upgrade water infrastructure to avoid similar crises like Flint, Mich., but hasn't offered many details on how to pay for it.
- **Undoing Obama's climate agenda:** Pruitt's stuck to his vows to unravel Obama administration actions addressing climate change through steps like revoking the Clean Power Plan and promising to open up a debate on climate science.
- **Expanding outreach to states and businesses:** The former Oklahoma attorney general has conducted outreach to almost entirely to Republican-controlled states, while industry groups have given high marks to Pruitt's approach.

**EPA's take:** "We're only 10 months on the job and eight years from today, Americans will be impressed with how President Trump and Administrator Pruitt were able to protect the environment and American jobs," agency spokesman Jahan Wilcox said.

**LOLA ZINKE ROLE SCRUTINIZED:** New [documents](#) show Interior Secretary Ryan Zinke's wife, Lola, used Interior staff time to coordinate some of her activities while traveling with her husband during jaunts that gave her access to high level politicians and GOP donors who could benefit her as a political operator in her own right, Pro's Ben Lefebvre [reports](#). "These emails show that the leadership at the Department of Interior treats basic ethical standards like an inconvenience," Western Values Project Executive Director Chris Saeger said.

**In one instance,** records show the secretary's wife helped decide the guest list for a Young America's Foundation town hall forum with her husband on April 17 at its Reagan Ranch in Santa Barbara. She sent a "list of people I have invited to the event" to two Interior staffers, according to a series of April 7 emails. Interior says she pays her own way when she accompanies her husband and that travel is cleared by ethics officials in advance. "DOI incurred no expenses due to Mrs. Zinke's presence" with the secretary, Interior spokeswoman

Heather Swift said in an email Friday.

**GOBBLE GOBBLE GOBBLE! IT'S THANKSGIVING WEEK!** I'm your host Anthony Adragna, and DNV GL's Ethan Tremblay was first to identify John Marshall and Salmon P. Chase as our Supreme Court justices who once graced currency. For today: In what year did Congress pass a resolution formally setting Thanksgiving as the fourth Thursday of November? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](https://twitter.com/AnthonyAdragna), [@Morning\\_Energy](https://twitter.com/Morning_Energy), and [@POLITICOPro](https://twitter.com/POLITICOPro).

**PROGRAMMING NOTE:** [Morning Energy](https://www.morningenergy.com) will not publish from Nov. 23-Nov. 26. Our next [Morning Energy](https://www.morningenergy.com) newsletter will publish on Nov. 27. Please continue to follow Pro Energy issues [here](#).

**YOU GOTTA MAKE A DECISION:** What once was a sleepy little panel in Nebraska today decides whether to allow the Keystone XL pipeline to follow the path that developer TransCanada has proposed in the latest battle over the pipeline that's become a national fight. The Nebraska Public Service Commission, consisting of four elected Republicans and one Democrat, will decide whether to grant a permit to 1,200-mile proposed pipeline that would carry up to 830,000 barrels of oil per day. It's the last regulatory hurdle for the project, which President Donald Trump has pushed to complete and which has galvanized mass protests from the environmental movement.

**Commissioners have faced intense lobbying** from the White House, environmental advocates, TransCanada lobbyists and their own state politicians ahead of the decision. One development they won't be taking into account, though, is the spill of 210,000 gallons of oil from the existing Keystone pipeline in Amherst, South Dakota last Thursday. Officials said Nebraska law bars the consideration of spills or pipeline safety in the decision-making process. TransCanada said in an update the spill is "under control and that there is no significant environmental impact observed or threat to public safety" but that it continued to send crews to the site. But green groups immediately seized upon the incident as an example of what they say are the safety and environmental risks of moving forward with Keystone XL.

**Regardless of the decision**, environmental and Native American groups say they will continue to fight the project's completion. They'll hold a press conference in Lower Brule, South Dakota and sign a treaty against Keystone XL after the commission meets in the morning. "Nothing has changed at all in our defense of land, air and water of the Oceti Sakowin Lands," said Faith Spotted Eagle, a member of the Yankton Sioux Nation. "If anything, it has become more focused, stronger and more adamant after Standing Rock," referring to the protests of the Dakota Access pipeline. TransCanada, for its part, hasn't committed to building the controversial project yet, though it said earlier this month it was "[quite encouraged](#)" by industry interest in reserving space on Keystone XL. Oh, and the Associated Press [reports](#) the commission's decision is subject to legal challenges, setting up another potentially lengthy court battle.

**Watch the meeting**, which kicks off at 11 a.m. EST, online [here](#).

**IT'S A WRAP FROM BONN:** The White House left climate talks in Bonn, Germany feeling pretty good about its efforts and the international community seemed relieved by the constructive role career negotiators played in quieter diplomatic efforts to help write the rulebook for the Paris deal, Pro's Emily Holden [reports](#) from Germany. Most political leaders at the talks sought to highlight U.S. activity in the negotiating rooms rather than the

provocative move to press the case for the fuels blamed for warming the Earth and boosting sea levels. "You couldn't have expected more," said German Environment Minister Barbara Hendricks. "It's diplomats who are working here, they act professionally."

**White House energy adviser George David Banks** said the U.S. had in fact been "indispensable in thwarting efforts by some countries to get a free pass" under the Paris agreement. The American negotiating team, he said, had "led across many issues, promoted U.S. national interests, and protected U.S. taxpayers and businesses."

**Potential pitfalls ahead:** The success of the Paris agreement, which built on cooperation between the U.S. and China in the run-up, was that it set up a system that gives flexibility to developing countries that lack the capacity to meet its goals, Todd Stern, the Obama administration's special envoy for climate change, told POLITICO Europe's Kalina Oroschakoff and Sara Stefanini on Friday. That marked a change from the "firewall" between rich and poor built into many years of climate negotiations and agreements. "In a world where somewhere between 60-65 percent of global emissions are coming from developing countries at this point — you can't have that," Stern said. Read their Q&A with Stern [here](#).

**Meanwhile,** an agreement to phase down emissions of hydrofluorocarbons, extremely potent greenhouse gases, will go into effect in 2019 after getting enough countries to ratify the deal on Friday, the New York Times [reports](#). That mark was hit when Sweden [became](#) the 20th country to ratify the Kigali amendment, which is expected to hold down climate change by 0.5° C [0.9° F] by 2100. The State Department still hasn't sent the treaty to the Senate for ratification, despite the entreaties of industry to do so.

**INTERIM UTILITY HEAD NAMED IN PUERTO RICO:** After Ricardo Ramos [resigned](#) his post as the head of Puerto Rico's utility Friday, its governing board named Justo González the interim chief, El Nuevo Día [reports](#). Ramos said his resignation "has nothing to do with any matter covered in the media," but described it as "very personal." And the island's government said it had begun searching for a permanent head of the utility "inside and outside Puerto Rico."

**Quick check:** More than two months after the hurricane, more than 50 percent of the island still lacks electricity. Stats [here](#).

**WHAT'S THE VETTING CRITERIA?** The Climate Solutions Caucus has added Reps. [Josh Gottheimer](#) and [Matt Gaetz](#) to its ranks, but it's the latter's inclusion that caught ME's attention. Gaetz introduced legislation [H.R. 861 \(115\)](#) abolishing the EPA earlier this year and [told a Florida newspaper](#) in 2016: "In our fervor to protect the environment, we lose sight of economic and scientific reality."

**WATER, WATER EVERYWHERE:** The Supreme Court will visit Water World on Jan. 8, when in its first arguments of the new year the court will hear arguments in two high-profile water cases. First up is *Texas v. New Mexico and Colorado*; this case is about Texas's allegations that New Mexico is sucking too much water out of the Rio Grande. These arguments aren't to settle the dispute, merely to determine [whether](#) the federal government can play a role in the proceedings. Next on the docket will be *Florida v. Georgia*, a fight over the use of water from the Apalachicola River. The case's "special master" recommended the justices dismiss the suit, as POLITICO Pro Florida's Bruce Ritchie [reported](#) last month.

**HIS MIND SEEMS MADE UP:** Trump seemed like his mind was pretty made up not to

reverse an Obama-era ban on importing elephant hunting trophies from Zimbabwe and Zambia ([reversing course](#) on his administration's original decision last week) in a Sunday evening [tweet](#). "Big-game trophy decision will be announced next week but will be very hard pressed to change my mind that this horror show in any way helps conservation of Elephants or any other animal," he offered.

**COAL ASH GETS ITS DAY IN COURT:** The D.C. Circuit hears oral arguments today (at the unusual time of 2 p.m. so heads up) on EPA's 2015 coal ash regulation and Pro's Alex Guillén runs through in [Energy Regulation Watch](#) all of the twists and turns in recent months leading up to today's hearing. Judge Karen LeCraft Henderson, a George H.W. Bush appointee, and two Obama appointees, Judges Patricia Millett and Cornelia Pillard, will today consider hear arguments about whether to put the case on hold indefinitely at the Monday arguments, alongside the various legal and technical challenges. Remember EPA intends to reconsider various aspects of the regulation and Congress made a major change to the rule's enforcement mechanism last year.

**Alex's take:** "This sustained tug-of-war has made things a little hazy, and it's not clear where the court will land on all this. This suit has been pending for more than two years, and the court did not grant EPA the same indefinite delay it did on a cavalcade of other rules. But the judges could still decide to wipe their hands of it and avoid the headache of navigating their way to a ruling."

**LEFT OUT:** Not included in the White House's latest \$44 billion disaster recovery request was a \$12 billion Houston area coastal barrier project sought by Texas Gov. Greg Abbott, Pro's Esther Whieldon [reports](#). The so-called coastal spine project aims to protect communities and infrastructure from massive storm surges, but green groups want the federal government to finish an environmental review on the project before it moves forward.

**ICYMI:** Merchant power companies are afraid an exemption included in the Senate and House tax bills for regulated power utilities — but not them — would leave them at a disadvantage, Pro's Eric Wolff [reports](#). Both bills would exempt the regulated entities from the new cap on interest deductions for businesses at 30 percent of their adjusted income. "Since we compete with [regulated utilities], the tax provisions likely raise competitive issues which we will need to raise on the Hill," said John Shelk, CEO of the Electric Power Supply Association.

**MAIL CALL! AIDING ZINKE'S CAUSE:** Echoing Zinke's [own calls](#) from a couple weeks ago, 16 Senate Republicans released a letter Friday asking Majority Leader [Mitch McConnell](#) to prioritize four Interior nominees for confirmation. The chamber [confirmed](#) one of the four — Brenda Burman — on Thursday, but the senators still want action on the nominations of Susan Combs to be Interior's assistant secretary of policy management and budget, Joseph Balash to be assistant secretary for Land and Minerals Management and Ryan Nelson to be agency solicitor. "As you proceed in scheduling the next nominations to bring to the floor, we urge you to make these well-qualified nominees a top priority," the [letter](#), led by [Steve Daines](#), says.

**Please, pretty please?** Seven Senate Democrats are once again urging Trump to nominate a science adviser and fill other positions within Office of Science and Technology Policy. "Without adequate OSTP staffing, the country lacks key insights from those with deep experience in science and technology," the [letter](#), led by [Maggie Hassan](#), says.

**Another RFS plea:** Seven House Democrats asked Pruitt to reverse course in EPA's final renewable volume obligations regulation so it does "not unreasonably reduce advanced biofuels and cellulosic biofuel blending targets." Link [here](#).

**Solar plea to Trump:** Six solar finance firms are [asking](#) Trump to consider the broader ramifications of whether to slap steep tariffs on imported solar equipment would have on broader markets and industries. "Tariffs not only will substantially and negatively impact the U.S. solar sector and the 260,000-plus well paying manufacturer, supplier, developer and installer jobs it supports, but also seriously undermine the billion-dollar financial markets and companies, such as ours, that rely on the success of the domestic solar industry," they wrote.

**TAKE A GLANCE!** The Center for American Progress is out with [a report](#) identifying members of Congress hostile to national monuments and who sponsored bills targeting public lands access. There are 19 members, with a heavy presence of Alaskans and Utahns, called out specifically.

**MOVER, SHAKER:** Tom Simchak starts Nov. 28 at the National Governors Association's Environment, Energy, and Transportation Division. Simchak (an American) was previously an energy policy adviser at the British embassy.

## QUICK HITS

- Former Murray maintenance chief sentenced to probation. [Charleston Gazette-Mail](#).
- Owners: Coal-Fired Power Plant Losing Money, May Be Closed. [AP](#).
- PFAS record may sink Trump EPA chemical safety nominee. [MLive](#).
- Pipeline opponents claim Enbridge skirted permit rules for storage yard. [Minneapolis Star Tribune](#).
- Norway Oil Bosses Insist End Isn't Nigh After \$35 Billion Shock. [Bloomberg](#).
- What Nevada can learn from its attempt (and failure) to deregulate the energy market in the 1990s. [Nevada Independent](#).

## HAPPENING THIS WEEK

### MONDAY

9:30 a.m. — "[Modernization of the North American Free Trade Agreement](#)," Senate Finance Committee field hearing, San Antonio Marriott Plaza Hotel, Cavalier Meeting Room, 555 S. Alamo Street, San Antonio, Texas

12:00 p.m. — "[The Carbon IRA: The Most Rad Idea You've Never Heard of For Shrinking Our Carbon Footprint](#)," U.S. Energy Association, 1300 Pennsylvania Avenue, NW, Suite 550

12:00 p.m. — "[Cities Research Seminar Series: Powering Cities in the Global South: How Energy Access for All Benefits the Economy and the Environment](#)," World Resources Institute, 10 G Street NE, Suite 800

1:00 p.m. — NRDC Experts Discuss Tax Bill and the Arctic in phone call, RSVP:

eheyd@nrdc.org

## TUESDAY

9:30 a.m. — The American Coal Ash Association holds its annual production and use news conference, National Press Club (Lisagor Room) - 529 14th Street NW

## WEDNESDAY

### THAT'S ALL FOR ME!

*To view online:*

<https://www.politicopro.com/newsletters/morning-energy/2017/11/grading-pruitt-on-his-promises-027892>

### Stories from POLITICO Pro

#### TransCanada 'encouraged' by interest shown in KXL shipments [Back](#)

By Ben Lefebvre | 11/09/2017 12:39 PM EDT

TransCanada says it is "encouraged" by industry demand to reserve space on Keystone XL, but it hasn't yet committed to building the controversial project.

TransCanada received enough commitments to ship oil along the proposed 1,200-mile pipeline to make it profitable, but the company is still analyzing the conditions shippers requested, Paul Miller, TransCanada's president of liquids pipelines told a conference call. The company is targeting commitments to ship 500,000 barrels a day via 20-year contracts, he added.

"We're quite encouraged by the results," Miller said during the company's third-quarter earnings call. "I believe the conditions are manageable."

The company still needs the approval from Nebraska's Public Service Commission for the pipeline's proposed route through the state. That decision is expected later this month

"We still have a lot of work to do," Miller said. "We are still working through the bid conditions, and that will take some time. It will take us some time to review the decision from the PSC."

Overall commitments to ship oil are "substantially similar" to what the company received when Keystone XL was first proposed nearly a decade ago, TransCanada said in its quarterly earnings report.

TransCanada had asked the Alberta government to reserve space on Keystone XL to help push the project forward, according to a Bloomberg [report](#).

*To view online [click here](#).*

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## How the Bonn climate talks survived Trump [Back](#)

By Emily Holden | 11/17/2017 07:52 PM EDT

BONN, Germany — The White House goaded activists at the international climate talks by pushing coal and other fossil fuels. But behind closed doors, U.S. negotiators stuck to their Obama-era principles on the 2015 Paris deal — despite President Donald Trump's disavowal of the pact.

State Department negotiators at the U.N. conference that ended Saturday hewed to the United States' long-established positions on the details of how to carry out the Paris agreement. And that's the U.S. role that most foreign political leaders sought to highlight, despite the low expectations inspired by Trump's "America First" agenda and his dismissal of human-caused climate change as a hoax.

"You couldn't have expected more," said German Environment Minister Barbara Hendricks, who described the U.S. delegation as constructive and neutral. "Its diplomats who are working here, they act professionally."

White House energy adviser George David Banks portrayed the outcome in even more glowing terms, saying the U.S. had been "indispensable in thwarting efforts by some countries to get a free pass" under the Paris agreement.

The American negotiating team, Banks said, had "led across many issues, promoted U.S. national interests, and protected U.S. taxpayers and businesses."

Among the contentious issues that arose were efforts by poorer nations to allow them to use less arduous systems than wealthier countries to ensure they are measuring their greenhouse gas emissions. China had led that [push](#), which the European Union and U.S. have long opposed, though ultimately the issue was left largely unsettled.

Negotiations at the conference, which began Nov. 6, wrapped up Saturday morning after developing nations launched an 11th-hour campaign to require wealthier nations to outline in advance how much climate funding they will provide — a sticking point for countries like the U.S. that amend their budgets each year.

Although observers said the U.S. made no effort to disrupt the talks, former Obama administration climate diplomat Todd Stern said Washington was "not in the negotiations with the same credibility as before."

"It's not that the U.S. isn't there, but it's not the same," said Stern, who had led the U.S. negotiators in Paris nearly two years ago. "It's the EU, the U.K. ... New Zealand, Australia, Canada, Japan, etc. They don't weigh as much as the U.S. did, but they can be very important."

The State Department sent fewer than 20 staffers, a far smaller delegation than it has sent to other climate gatherings in recent years.

Some observers said a U.S.-sponsored panel discussion earlier this week that promoted coal, natural gas and nuclear power appeared designed to please Trump's political base and energy industry supporters in the U.S. At the event, which provoked a high-profile [protest](#), Banks told the audience that the U.S. would support "universal access" to affordable and reliable energy, which for many places in the world meant coal.

Andrew Light, who was part of Obama's delegation and is now a fellow at the World Resources Institute, said bringing that pro-fossil fuel event to the climate talks showed that the U.S. can remain a party to the international talks without substantively changing its positions.

"This administration can continue telegraphing its core beliefs, whether or not anyone one believes that with them," Light said. "In the long run there's everything to be gained from an environment where the United States does cooperate with other parties on whatever they want to cooperate on."

Other U.S. representatives, from companies to a group Democratic governors and mayors led by California Gov. Jerry Brown, sought to reassure the world that many in the U.S. still want to take action to ratchet down carbon pollution, even without Trump. Microsoft Corp. announced own its goal to slash carbon emissions 75 percent by 2030 and pitched sustainable technology, including for agriculture and land-cover mapping, in meetings it held with foreign governments.

But the talks on carrying out the Paris agreement will face major hurdles before the next major gathering next year in Poland. Countries will also face a deadline to finish deciding how they achieve the deal's goal of keeping global warming to below 2 degrees Celsius, the mark that scientists warn would cause irreversible damage.

"Parties haven't allowed the threatened U.S. withdrawal to derail this process," said Elliot Diringer, a former Clinton administration adviser who is executive vice president for the Center for Climate and Energy Solutions. "They've made good progress and set themselves up for a more focused negotiation next year. At the same time, the talks here have underscored the significant political challenges ahead next year."

But Tosi Mpanu-Mpanu, the lead climate change specialist for the environment ministry in the Democratic Republic of the Congo, said many major issues were pushed until next year. "I have a feeling that people were a little bit complacent," he said, disappointed in what he called a "self-fulfilling prophecy" that countries wouldn't make much progress this year.

Environmental advocates insisted they still aren't seeing the emissions reductions or money necessary to achieve the goals of the Paris deal.

"The conference gets a grade of 'meets expectations,'" said Andrew Deutz, director of international governmental relations for The Nature Conservancy.

Deutz said that while the U.S. didn't blow up the process, "the absence of national U.S. leadership was evident within the negotiating process this week and for driving more ambitious climate action in the future."

Island nations that face the most immediate threats from climate change and sea-level rise pressed their case throughout the two weeks. Allen Chastanet, the prime minister of Saint Lucia, told reporters that island nations are "paralyzed," because they can't stop rising temperatures alone.

Hurricane Maria demolished Barbuda and brought heavy damage to Puerto Rico, after passing just 40 miles from Saint Lucia.

"I have to say to you deep down inside of me I'm angry, I'm anxious and I'm fearful," he told a

news conference. "It can't be that a prime minister's only resource is to get on the side of your bed on your knees and pray, and that's what I feel every time I'm here and a hurricane is developing over the Atlantic, is 'Lord, please take care of our people.'"

*Kalina Oroschakoff and Sara Stefanini contributed to this report.*

To view online [click here](#).

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## **Q&A with former U.S. climate envoy Todd Stern [Back](#)**

By Kalina Oroschakoff and Sara Stefanini | 11/19/2017 02:12 PM EDT

BONN, Germany — The United States traditionally pushed hard during international climate talks to ensure that both developed and developing countries shoulder the burden of dealing with global warming.

But a weakened U.S. delegation played a much more marginal role at the COP23 summit that wrapped up Friday, thanks to the Trump administration's decision to pull out of the Paris agreement.

That helped lead to the resurgence in Bonn of the idea of "differentiation," under which poorer countries do less, arguing that the rich ones caused the problem of climate change thanks to more than a century of industrialization.

Without U.S. support, the rest of the developed world is having a tougher time arguing back.

Todd Stern, the U.S. special envoy for climate change from 2009 to April 2016, spoke to POLITICO on the sidelines of the summit about what a lower-profile America means for climate talks.

### **This summit was meant to make progress on rules that are due at the 2018 meeting in Poland. What will be at stake at the COP24?**

It's the place where all these various guidelines get done. It might be boring for readers, but it's actually really important.

### **Setting up a transparent monitoring system for national emissions is critical to tracking progress toward the Paris agreement's goals. Why are the discussions on the topic so tough?**

One of the important sentences that we actually negotiated with China talks about essentially setting up a system where there will be flexibility provided to those developing countries who need it on basis of capacity. If you instead take that flexibility and say, OK, it applies to all developing countries, then you are kind of de facto getting back to a bifurcated system. The U.S. was always the loudest, strongest voice in pushing that back.

**And now?**

There were many, many countries supporting us, but that was something we cared about a lot, both for substantial reasons and political reasons. The U.S. is not in the negotiations with the same credibility as before. The EU, the U.K., the Umbrella Group countries — New Zealand, Australia, Canada, Japan, etc. — they don't weigh as much as the U.S. did, but they can be very important. There's no reason this should get messed up, but there are a bunch of countries who would like it to get messed up.

**The Paris agreement helped bury the idea of differentiating responsibilities for the developing and developed sides, but the idea made a comeback in Bonn. What's behind that?**

The DNA of these negotiations was [this separation](#), this firewall. It's built into the Kyoto Protocol, and it's been an article of faith for all these years for developing countries, which in the period of time from Copenhagen [in 2009] to Paris, bit by bit, got pushed back and turned into something that was absolutely still a form of differentiation but not that sharp division. It's not that countries are trying to just throw grenades. They want to go back to that more comfortable system where they're not expected to do much.

**And that's a problem?**

In a world where somewhere between 60 percent and 65 percent of global emissions are coming from developing countries at this point, you can't have that. We shouldn't be fighting this battle all over again. We're going to have to fight it a little bit because people are pushing. We just need to have these guidelines, implementing measures, to be faithful to what happened in Paris.

**What role did coal play at this conference? A White House [coal event](#), for instance, provoked public protest in the conference halls.**

I think the U.S. did a kind of stunt with that. It was designed to provoke the kind of reaction it got, I suppose. Coal continues to be a difficult political issue in Germany. It's a difficult political [issue in the U.S.], but it was a difficult issue before the election. There are not very many coal miners in either country, but there's a lot of this political attachment to that world and the symbolism of it.

**Several developing countries pushed hard for a greater focus on climate efforts up to 2020. Why?**

Pre-2020 is a hobby horse that a number of countries have been riding for several years now. One thing we know for sure is that issue is going to fade away before too long because it will become 2020. Obviously, what countries are doing now matters, but most countries, and this is all about developed countries, are doing what they pledged to do after Copenhagen. They have legislation, regulation, all of that. At least an element of this, I think, is a tactical way of trying to put developed countries on the defensive again. Pre-2020 is still seen as a period where the capacity to say you're the ones who are supposed to be acting is greater than post-2020.

Again, I think there's a certain amount of political theater going on.

This interview was edited for clarity and length.

*This article first appeared on [POLITICO.EU](#) on Nov. 19, 2017.*

To view online [click here](#).

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### **Reports: PREPA chief resigns** [Back](#)

By Esther Whieldon | 11/17/2017 01:53 PM EDT

The head of the Puerto Rico Electric Power Authority has resigned from the utility following extended power outages on the island in the aftermath of Hurricane Maria, according to [news reports](#).

PREPA Director Ricardo Ramos had come under fire for signing a \$300 million contract with Whitefish Energy to restore the power grid that was destroyed by the storm. That contract with Whitefish Energy, which had only two employees when the storm hit Puerto Rico, has come under scrutiny in Congress.

The resignation will take effect today. Neither PREPA nor the governor's office were immediately available for comment.

The FBI and the House Natural Resources Committee are probing PREPA's \$300 million contract with Whitefish Energy, which had two employees when it won the no-bid contract to rebuild Puerto Rico's electric grid after the territory suffered a direct hit from Hurricane Maria in September.

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### **Supreme Court to settle federal role in Texas-New Mexico water dispute** [Back](#)

By Alex Guillén | 10/10/2017 11:38 AM EDT

The Supreme Court today [said](#) it will hear oral arguments about federal involvement in a long-running water dispute between Texas, New Mexico and Colorado.

The case involves allegations from Texas that irrigators in New Mexico are sucking up water from the Rio Grande that should flow downstream under a 1938 compact. The federal government intervened as an interested party, arguing that New Mexico's actions affect its obligation to deliver Rio Grande water to Mexico, and it is seeking a court order prohibiting New Mexico from continuing the water use.

The case's special master, New Orleans attorney Gregory Grimsal — a lawyer picked by the justices to hear the case — [recommended](#) earlier this year that the Supreme Court reject parts of the U.S.' claims that apply under the compact.

The federal government objected, [arguing](#) that it can bring claims under the compact even though it is not a member because it is a "third-party beneficiary." Meanwhile, Colorado

[argued](#) that the U.S. claims should be limited to those brought under the 1906 Boundary Waters Convention between the U.S. and Mexico.

Grimsal did recommend the justices hear certain claims brought by the U.S. under federal reclamation laws.

The justices agreed to weigh only the issues determining what the federal government can contest, focusing on the "threshold" issue of the federal government's role in the case, not the underlying water use dispute, which likely will take several more years to resolve.

**WHAT'S NEXT:** Arguments likely will occur this winter, with a decision coming in the spring.

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**POLITICO Pro Florida: U.S. Supreme Court sets arguments in Florida v. Georgia water lawsuit** [Back](#)

By Bruce Ritchie | 10/10/2017 11:47 AM EDT

The U.S. Supreme Court today said it is setting oral arguments in Florida's lawsuit against Georgia over the use of water from the Apalachicola River.

That means the court isn't inclined to act quickly on a special master's recommendation to dismiss the case.

Florida Gov. Rick Scott, in 2013, sued Georgia in the Supreme Court seeking a cap on Georgia's use of water from the Chattahoochee and Flint rivers, following the collapse of the Apalachicola Bay oyster population.

After a six-week hearing in the fall of 2016, court special master Ralph Lancaster last February [recommended dismissal](#) because Florida had not included the U.S. Army Corps of Engineers in the lawsuit, which operates federal hydropower dams on the Chattahoochee River.

Even if water use by Georgia cities and farms was capped, there was no guarantee the Corps of Engineers would provide more water to Florida, Lancaster wrote.

But the court allowed the states to file exceptions in the case and other interested parties to file briefs.

In disputing Lancaster's recommendation, [Florida told](#) the Supreme Court that it represents the state's last legal remedy for saving the Apalachicola River and the oysters and people who depend on it.

But [Georgia argued](#) that Lancaster got it right and that Florida failed to show how potentially "catastrophic" cuts in water use would benefit the downstream state.

A timetable for hearings was not set by the court today.

View the Supreme Court's Oct. 10 [list of orders here](#).

*This article first appeared on [POLITICO Pro Florida](#) on Oct. 10, 2017.*

To view online [click here](#).

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**Trump reverses hunting trophy decision, says he will review** [Back](#)

By Akela Lacy | 11/17/2017 08:42 PM EDT

President Donald Trump on Friday reversed his own administration's decision to allow hunters to import elephant hunting trophies from two African countries, saying he will perform a review before making changes.

Earlier this week, the Fish and Wildlife Service announced it would allow imports of wildlife trophies, including elephants, from Zimbabwe and Zambia. The move sparked immediate outcry from conservation groups and even some of President Trump's most staunch supporters.

"Put big game trophy decision on hold until such time as I review all conservation facts," Trump tweeted Friday night. "Under study for years. Will update soon with Secretary Zinke. Thank you!"

After Trump's tweet, Interior Secretary Ryan Zinke released a statement confirming the decision.

"President Trump and I have talked and both believe that conservation and healthy herds are critical. As a result, in a manner compliant with all applicable laws, rules, and regulations, the issuing of permits is being put on hold as the decision is being reversed," the statement from Zinke reads.

Early Saturday, Trump retweeted prominent media figures who'd expressed their support for the policy reversal.

The original announcement made late Wednesday at the African Wildlife Consultative Forum in Tanzania received immediate backlash from conservationists and wildlife supporters, including groups like the Natural Resources Defense Council and Conservation International.

Fox News host Laura Ingraham, a vocal supporter of the president, also tweeted her opposition to the measure. "I don't understand how this move by @realDonaldTrump Admin will not INCREASE the gruesome poaching of elephants. Stay tuned," Ingraham tweeted Thursday.

The National Rifle Association's Institute for Legislative Action had applauded the move.

The decision, pending further review, would have reversed an Obama-era 2014 [decision](#) to ban all imports of elephant trophies from Zimbabwe and Zambia.

Put big game trophy decision on hold until such time as I review all conservation facts. Under study for years. Will update soon with Secretary Zinke. Thank you!

— Donald J. Trump (@realDonaldTrump) [November 18, 2017](#)

Environmental groups applauded Trump's decision to review the policy change.

"It's great that public outrage has forced Trump to reconsider this despicable decision, but it takes more than a tweet to stop trophy hunters from slaughtering elephants and lions," said Tanya Sanerib, senior attorney with the Center for Biological Diversity, in response to Trump's apparent change of heart. "We need immediate federal action to reverse these policies and protect these amazing animals."

A spokesperson for the Center for Biological Diversity also noted that the Fish and Wildlife Service already began issuing permits to import trophies from lion hunting. That began over a month ago, according to [ABC News](#).

During a press briefing Friday, White House press secretary Sarah Huckabee Sanders said the decision to reverse the ban came after a review that showed the original criteria for establishing it — insufficient data from Zimbabwe and Zambia on whether or not they were effectively managing wildlife — indicated that "both Zambia and Zimbabwe had met new standards, strict international conservation standards that allowed Americans to resume hunting in those countries."

Sanders added that "a ban on importing elephant ivory from all countries remains in place," emphasizing that the process of the review of the ban's criteria started under the Obama administration, which Trump also noted in his tweet.

The White House did not immediately reply to a request for comment.

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**Texas coastal spine left out of Trump disaster recovery request [Back](#)**

By Esther Whieldon | 11/17/2017 05:39 PM EDT

The White House's latest request for congressional disaster recovery funding does not include a \$12 billion Houston area coastal barrier project sought by Texas Gov. Greg Abbott, handing a win to green groups that want the federal government to finish an environmental review on the project before it moves forward.

The White House on Friday asked lawmakers to approve \$44 billion in additional funding to aid storm-ravaged areas in Texas, Puerto Rico, the U.S. Virgin Islands and Florida, including \$12 billion for a flood mitigation program run by the Community Development Block Grant.

But the coastal barrier project that was part of Abbott's \$61 billion storm recovery funding

request in late October would not qualify for that program under the rules set by the White House because it would not address the damage caused by Hurricane Harvey in August. Instead the state's so-called coastal spine project aims to protect communities and infrastructure from the kind of storm surges last seen during Hurricane Ike in 2008 that caused about \$30 billion in damages.

One of a few possible designs for the proposed coastal spine would extend a 10-mile seawall at Galveston Bay by another 50 miles and include massive floodgates that could be closed ahead of a storm to block the surges of water from pummeling the coastline.

Environmental advocates say they are not opposed to the project that's designed to protect coastal communities, critical marine and avian habitat, the Port of Houston, the Houston Ship Channel and oil refining and processing plants that are all vital to the state's economy and could create an environmental disaster if damaged.

But they say its not yet clear how a new barrier would affect the flow of water, and whether it could hurt marine and other ecosystems.

"We don't know what that would do to the ecology of the bay or to the shoreline there," said Amanda Fuller, National Wildlife Federation deputy director of Gulf of Mexico Restoration. "It's just a bunch of unknowns at this point."

The Army Corps of Engineers is performing a five-year study it expects to complete in 2021 on design options for the coastal spine that would avoid harming the marine and avian ecosystem of the Galveston Bay area that serves as a nursery for marine creatures before they mature and move into the Gulf of Mexico.

Bob Stokes, president of the Galveston Bay Foundation, which focuses on wetland preservation and restoration, said the project could be funded in the future through federal appropriations and he continues to "firmly believe that [the study] process is necessary before we fund the coastal spine."

Senate Majority Whip [John Cornyn](#) of Texas — who has [placed a hold](#) on President Donald Trump's nomination of Russell Vought to be deputy director of OMB until the Texas funding comes though — has called the president's latest recovery request "wholly inadequate."

Abbott's office did not respond to requests for comment.

*To view online [click here](#).*

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**Independent power sector worried by tax carve-out for regulated utilities [Back](#)**

By Eric Wolff | 11/17/2017 05:23 PM EDT

A tax carve-out for regulated power utilities included in both the House and Senate tax bills doesn't apply to merchant power companies, which fear the provision could put them at a competitive disadvantage.

Both the Senate bill that advanced out of committee and the bill passed by the House Thursday would cap interest deductions for businesses at 30 percent of their adjusted income. That would serve to offset "bonus depreciation" that the two bills include that allow businesses to deduct the full cost of capital investments from their taxes.

But regulated utilities convinced congressional tax writers to insert an exemption in the bills for them — but didn't provide the same exemption for the merchant power companies or subsidiaries of regulated companies that sell power into the competitive wholesale markets.

"Since we compete with [regulated utilities], the tax provisions likely raise competitive issues which we will need to raise on the Hill," John Schelk, CEO of the Electric Power Supply Association, a trade association which represents the owners of merchant plants. "Needless to say, our argument will be we should get equal treatment."

Winning the exception to the interest deduction has been a high priority for all power providers, since building power plants requires huge capital expenditures, and the debt required to finance them extends for decades. Regulated utilities' expenses are covered by payments from ratepayers, and they prefer using straight-line depreciation that stretches over years for their assets rather than the bonus depreciation. That bonus depreciation can threaten their rate base, since state regulators often view the quicker depreciation as a tax benefit that must be returned to ratepayers.

But independent power producers, which include market-only power plant owners as well as divisions of companies like Dynegy, NRG Energy and FirstEnergy that run competitive power plants don't get that benefit — and they want it. Companies that own merchant power plants tend to have a lot of debt from past investments, but they aren't building many new plants.

"For them, expensing the capital is not a big deal right now, so it doesn't help them," said Toby Shea, an analyst with Moody's. "But the interest expense, which they have a lot of, would help them a lot."

And while regulated utilities and unregulated utilities do not generally compete inside markets like PJM or Texas, there are exceptions. For example, Schelk points out that power plants run by regulated utilities in South Carolina and North Carolina that sometimes sell power into PJM's market would be able to offer lower prices thanks to their exemption.

"Good example is right here in Virginia," Schelk said. "Virginia is in the PJM regional market, but Dominion has rate-based generation while there are also merchant generation IPP plants in [the state]. They compete to be dispatched in PJM and also compete for procurement of new projects."

Other analysts were skeptical that the bill as written would create a big problem for independent power providers. Christi Tezak, managing director for ClearView Energy Partners, said that if competitive arms of holding companies are treated the same as independent power producers, then it's hard to see how either has an advantage in markets.

But, utilities could win a change to the bill in conference or on the Senate floor that would expand the carve out to their competitive divisions.

"If [utility holding companies] get it and IPPs don't then there would be a competitive issue vis-à-vis the two different owners.," she said.

To view online [click here.](#)

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### **Zinke demands 'immediate action' on 4 Interior nominees [Back](#)**

By Anthony Adragna | 11/08/2017 10:59 AM EDT

Interior Secretary Ryan Zinke sent [a letter](#) to Senate leadership demanding "immediate action" on four agency nominees, some of whom have waited four times as long as their predecessors for a vote.

"Several of our nominees for leadership positions have been waiting an exorbitant amount of time to be confirmed in the Senate," he wrote in the letter obtained today. "These delays are hampering DOI's ability to do the work of the people we are all supposed to be serving."

He called for the chamber to immediately process the nominations of Brenda Burman to lead Interior's Bureau of Reclamation, Susan Combs to be Interior's assistant secretary of policy management and budget, Joseph Balash to be assistant secretary for Land and Minerals Management and Ryan Nelson to be agency solicitor.

Zinke bashed senators for working "behind the guise of the cloakroom, putting random and unknown holds on these nominations," a practice he called "senseless and unexplainable."

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### **Senate confirms Burman to lead Bureau of Reclamation [Back](#)**

By Anthony Adragna | 11/16/2017 06:11 PM EDT

The Senate cleared Brenda Burman's nomination to run the Bureau of Reclamation by voice vote on Thursday.

"FINALLY! Excited to finally have Brenda Burman confirmed to lead @usbr," Secretary Ryan Zinke [tweeted](#) in response.

Burman's nomination to lead the nation's wholesale water and hydroelectric power provider got caught up in the battle over Zinke's national monument designation review.

Senate Minority Whip [Dick Durbin](#) placed a hold on her nomination until he landed a meeting with Zinke to discuss the review and [lifted it](#) after that meeting took place earlier this week.

**WHAT'S NEXT:** Burman will assume her position running the Bureau of Reclamation.

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**Date:** Monday, September 11, 2017 5:44:54 AM

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By Anthony Adragna | 09/11/2017 05:42 AM EDT

**IRMA WALLOPS FLORIDA:** It may take days to fully understand the scale of the damage, but the catastrophic Hurricane Irma hammered Florida throughout Sunday just days after Texas bore the brunt of Hurricane Harvey. Millions of people were without power (latest [estimates](#) had around 3.5 million customers without electricity) and Acting Homeland Security Secretary Elaine Duke told [the Miami Herald](#) many could be without power for weeks in the storm's aftermath. Florida Power & Light CEO Eric Silagy said in [a statement](#) late Sunday that an "extensive rebuild" of Florida's west coast electric grid would leave customers without power for extended periods.

**EPA said ahead of landfall** it had completed rapid assessments of 90 Superfund sites in Florida and would ensure any impacted site would be inspected as soon as it's safe to do so. Sen. [Marco Rubio](#) told the [Associated Press](#) on Sunday agency officials were "generally positive" about the security of Superfund sites during the hurricane, but "they can't guarantee it 100 percent," he added. EPA Administrator Scott Pruitt also allowed three [Tampa Electric Company facilities](#) and [several Monroe County units](#) to operate without meeting all air pollution controls in an attempt to ensure a steady stream of electricity.

**TIME TO DISCUSS CLIMATE CHANGE?** Bucking prominent Trump administration officials like Energy Secretary Rick Perry and Pruitt, Miami's Republican mayor said Saturday it's "the time" to discuss climate change and what can be done about the problem, [The Miami Herald reports](#). "This is the time to talk about climate change," Mayor Tomás Regalado said. "If this isn't climate change, I don't know what is. This is a truly, truly poster child for what is to come."

**McCain agrees:** Speaking on CNN's "[State of the Union](#)" on Sunday, Sen. [John McCain](#) said it was time to sit down and discuss potential solutions. "There [are] things happening with the climate in the world that is unprecedented," he said. "We have to understand that the climate may be changing and we can take common sense measures which will not harm the American people."

**Quotable:** In response to Pruitt's comments that discussing climate change during hurricanes is "[insensitive](#)," climate hawk Sen. [Brian Schatz tweeted](#): "Every Senate R except for one voted for Pruitt. The Republican Party is refusing moral and political responsibility for the planet itself."

**IT'S MONDAY EVERYONE!** I'm your host Anthony Adragna, and 39 states (more than ME would've thought) have had a lawmaker serve as president pro tempore in the Senate. For today: Who is the longest-serving Speaker of the House in U.S. history? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**CLIMATE ADAPTATION WORK TRUDGES ON:** Staffers working on climate adaptation at EPA continue those efforts even though the four people working on that matter

were moved to different offices a few months ago, Pro's Emily Holden [reports](#). "Unequivocally, the Office of Policy continues to support work on climate adaptation," said Joel Scheraga, a veteran EPA employee and the agency's senior adviser for climate adaptation. "The bottom line is that climate adaptation work continues." Even though Pruitt has put many climate change initiatives on ice, Scheraga said EPA is still available to work with state and local leaders who want to prepare for the effects of climate change, including heavy rains, more intense hurricanes and sea-level rise.

**An agency spokesman, Jahan Wilcox,** said the reorganization "occurred in the spring and allowed these four employees to continue their work on climate change adaptation within the Office of Policy," which is run by Samantha Dravis, a top aide to Pruitt. The four work within the Office of Regulatory Planning and Management and the National Center of Environmental Economics.

**MORE EPA AMENDMENTS COMING:** Hurricane Irma prompted House Majority Leader [Kevin McCarthy](#) to scrap votes scheduled for today, but lawmakers will vote on lingering EPA and Interior amendments to an eight-title spending package [H.R. 3354 \(115\)](#) this week. Before breaking last week, votes were ordered on amendments [barring EPA from enforcing](#) its methane rule, [prohibiting the use](#) of the social cost of carbon in regulations, [blocking the closure](#) of any EPA regional offices and [slashing agency appropriation](#) by \$1.87 billion.

**INVESTIGATIONS GALORE!** Confirmation came late Friday that a bunch of Trump administration actions were under review by watchdogs. Among them:

1. **Zinke's call to Alaskans:** GAO said it would issue a legal opinion about Interior Secretary Ryan Zinke's calls to Alaska Sens. [Lisa Murkowski](#) and [Dan Sullivan](#) over their Obamacare repeal votes, Pro's Alex Guillén [reports](#), citing [letters](#) released Friday. Zinke allegedly told both lawmakers that Murkowski's vote against moving ahead on healthcare repeal efforts could negatively impact Alaskan energy goals in the Trump administration.

2. **Interior's staff reshuffle:** Interior's inspector general confirmed it would look into Zinke's June reassignment of a number of senior executive staff, Pro's Esther Whieldon [reports](#). Among of the dozens of staff moves under review is Zinke's decision to transfer Joel Clement from a managerial position involving climate change issues to a job collecting royalties from oil and gas companies.

3. **Hiring practices for political appointees:** GAO has also agreed to look into the hiring practices of various political appointees at EPA and the White House Council on Environmental Quality, as well as whether those officials are complying with ethics requirements, two senior Environment and Public Works Committee Democrats said Friday. "When an agency can just ignore those rules—and congressional oversight—the result often leads to corruption and scandal," Sens. [Tom Carper](#) and [Sheldon Whitehouse](#), who requested the probe, said in a statement. "We're grateful that GAO will let us know what EPA hasn't."

**AT LONG LAST, PHMSA CHIEF PICKED:** Late Friday night, the White House announced its selection of Howard "Skip" Elliott to run the Pipeline and Hazardous Materials Safety Administration, Pro Transportation's Tanya Snyder [reports](#). He's a 40-year veteran of the U.S. freight rail industry and currently vice president of public safety, health, environment and security for CSX Transportation in Jacksonville, Fla. Elliott's portfolio includes hazardous materials transportation safety, crisis management, and environmental compliance. He received a lifetime achievement award from the Association of American Railroads for his

work on hazardous materials transportation safety.

**ICYMI:** Fears are growing among the solar industry that a forthcoming trade commission ruling — and Trump's increasing frustration with advisers recommending a cautious approach to trade — could result in steep tariffs being set on shipments of solar equipment into the country that could stunt the industry's rapid growth, Pro's Esther Whieldon, Eric Wolff and Andrew Restuccia [report](#). The U.S. International Trade Commission rules later this month on the complaint from solar manufacturers Suniva and SolarWorld USA and, if it finds damage, would send the matter over to the White House for a final decision.

**Key takeaway:** A senior administration official said Trump is very likely to support tariffs against the solar imports if the ITC sends the complaint over to 1600 Pennsylvania.

**Meanwhile,** the sector boasted its largest second quarter ever with 2,387 megawatts of solar photovoltaic systems installed, according to the Solar Energy Industries Association's [latest report](#). That's more than quarter one of 2017 and represents a eight percent year-over-year increase.

**MAIL CALL! REVERSE COURSE ON CLIMATE PREPAREDNESS:** Carper, top EPW Democrat, sent [a letter](#) to Trump Friday urging him to reinstate several previously canceled Obama-era initiatives on climate preparedness. "While our country debates how to address climate change, rising sea levels and extreme weather events are no longer a matter of debate, becoming the new norm and placing extreme burdens on the American people and economy," Carper wrote. Among his requests: Reinstate the requirements that federally funded projects be required to take flood risks under consideration and hold a "red team-blue team" exercise on preparedness rather than climate science.

**EYEING AN EXIT?** Tucked away in a New York Times [report](#) on how Trump's rattling Republicans ahead of the midterms comes the tidbit that Rep. [Fred Upton](#), chairman of the House Energy and Commerce Energy Subcommittee, "may retire or run for the Senate." Upton has been one of the most visible faces on energy policy in the House. He later [emailed](#) Jonathan Martin, the Times reporter, to say he was eyeing the Senate seat now held by Sen. [Debbie Stabenow](#). ME can't wait for the Upton v. Kid Rock primary.

**WATCH THIS SPACE:** Wednesday marks the deadline for EPA and environmental challengers to suggest expedited briefing schedules in the lawsuit over Pruitt's delay of the chemical safety rule, Pro's Alex Guillén reports in [Energy Regulation Watch](#). That comes even as the U.S. Court of Appeals for the D.C. Circuit declined to immediately reinstate the rule in the aftermath of Hurricane Harvey. And, ICYMI, Trump picked Gregory Katsas, currently a deputy counsel at the White House, for the open slot of the D.C. Circuit left open recent retirement of Judge Janice Rogers Brown.

**THIS SEEMS TIMELY:** The National League of Cities and the Environmental and Energy Study Institute are holding [a briefing](#) today at 3 p.m. in Cannon 122 to hear what various cities around the U.S. are doing to invest in resiliency. Speakers include Pittsburgh Mayor Bill Peduto.

**IT'S TIME TO RECTIFY:** Germany's automobile industry must "rectify the mistakes" exposed in its Dieselgate emissions scandal but there's still a robust future for the sector, Chancellor Angela Merkel said in a [podcast](#) Saturday, POLITICO Europe's Kalina Oroschakoff [reports](#). "We've experienced a major loss of trust in the car industry," Merkel

said. "But at the same time, we also know that the car industry is an important pillar of our economic success, as well as of our reputation as an export nation, and the quality label 'Made in Germany.'" With just two weeks to go until the German elections, Merkel is trying to walk the fine line of chastising the industry for its failure in the emissions cheating scandal without alienating the hundreds of the thousands of workers in the sector.

**THIS SEEMS LIKE A BIG DEAL:** China has begun the preliminary research into eventually banning the sale of all fossil fuel powered vehicles, the BBC [reports](#). "Those measures will certainly bring profound changes for our car industry's development," Xin Guobin, the country's vice minister of industry, said. China has not said when the ban might go into effect.

## QUICK HITS

- Receding floodwaters expose long-term health risks after Harvey. [Bloomberg](#).
- Troubled Water: EPA, DEP don't require Florida schools to test for lead in drinking water. [Treasure Coast News](#).
- Doddridge case called a boost for surface owners in Marcellus gas region. [Charleston Gazette-Mail](#).
- Residents washed away by Harvey wait for answers about waste pit pollution. [Houston Chronicle](#).
- West Virginia Withdraws Approval of Mountain Valley Pipeline. [AP](#).
- Japan Backs U.S. Proposal to Target North Korea's Oil Supplies. [Bloomberg](#).

## HAPPENING THIS WEEK

### MONDAY

3:00 p.m. — The Environmental and Energy Study Institute holds a discussion on "How Can Cities Become More Resilient to Extreme Weather?" Cannon 122

### TUESDAY

9:00 a.m. — "[The New Geopolitics of Natural Gas](#)," Atlantic Council, 1030 15th Street NW, 12th Floor

10:00 a.m. — "[Powering America: Defining Reliability in a Transforming Electricity Industry](#)," House Energy and Commerce Energy Subcommittee, Rayburn 2123

10:00 a.m. — "[Resiliency: The Electric Grid's Only Hope](#)," House Science, Space and Technology Committee, 2318 Rayburn

10:00 a.m. — The Center for Climate and Energy Solutions releases a new brief and hosts a webinar featuring business leaders on how and why companies are putting an internal price on carbon emissions, contact: [press@c2es.org](mailto:press@c2es.org)

2:30 p.m. — "[Reauthorization of the Magnuson-Stevens Fishery Conservation and](#)

[Management Act: Oversight of Fisheries Management Successes and Challenges](#)," Senate Commerce Oceans, Atmosphere, Fisheries, and Coast Guard Subcommittee, Russell 253

2:30 p.m. — "[Fostering Innovation: Contributions of the Department of Energy's National Laboratories](#)," Senate Energy and Natural Resources Energy Subcommittee, Dirksen 366

4:00 p.m. — Full committee marks up various bills, House Natural Resources Committee, 1334 Longworth

## **WEDNESDAY**

8:30 a.m. — API holds an event on the natural gas and oil industry's impact in all 50 states, G11 Dirksen

10:00 a.m. — "[Big Relief for Small Business: Legislation Reducing Regulatory Burdens on Small Manufacturers and Other Job Creators](#)," House Energy and Commerce Environment Subcommittee, Rayburn 2123

10:00 a.m. — The full House Natural Resources Committee holds a [markup](#) of pending calendar business, Longworth 1334

10:00 a.m. — "[Expanding and Accelerating the Deployment and Use of Carbon Capture, Utilization, and Sequestration](#)," Senate Environment and Public Works Committee, Dirksen 406

11:00 a.m. — National Biodiesel Board holds its BioFry event for congressional staff, 406 1st St. SE

12:00 p.m. — Save the U.S. EPA holds a press conference and march to the EPA, National Press Club, Zenger Room, 529 14th Street N.W., 13th floor

2:30 p.m. — "[The Venezuela Crisis: The Malicious Influence of State and Criminal Actors](#)," The House Foreign Affairs Committee Western Hemisphere Subcommittee, 2200 Rayburn

## **THURSDAY**

8:30 a.m. — "[State of the Art: Innovations in CO2 Capture and Use](#)," Center for Climate and Energy Solutions, Hart 902

8:30 a.m. — POLITICO Pro policy summit, Omni Shoreham Hotel, 2500 Calvert Street, NW

10:00 a.m. — "[EIA's International Energy Outlook 2017](#)," Center for Strategic and International Studies, 1616 Rhode Island Avenue, NW

## **FRIDAY**

12:00 p.m. — "[Battery Storage and the Power Sector](#)," National Capital Area Chapter of the United States Association for Energy Economics , Carmine's, 425 7th St NW,

## **THAT'S ALL FOR ME!**

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/09/irma-batters-florida-with-massive-flooding-electric-outages-024519>

## Stories from POLITICO Pro

### EPA staffer: We're still working on climate adaptation [Back](#)

By Emily Holden | 09/11/2017 05:02 AM EDT

Staff from the EPA's disbanded climate adaptation office are still doing the same work despite moving to different offices a few months ago, the head of the team told POLITICO.

An EPA reorganization finalized last week revealed that the agency followed through with a plan set in in the spring to reassign four climate change adaptation employees to two different sections of the Office of Policy, which is run by Samantha Dravis, a longtime political strategist and top aide to Administrator Scott Pruitt.

"Unequivocally, the Office of Policy continues to support work on climate adaptation," said Joel Scheraga, a veteran EPA employee and the agency's senior adviser for climate adaptation. "Samantha Dravis has asked me to continue working on climate adaptation issues. The bottom line is that climate adaptation work continues."

Pruitt has eliminated EPA's initiatives aimed at reducing man-made carbon dioxide emissions in order to curb climate change. He has questioned CO2's role in rising temperatures, proposing the agency should host public debates on the science. He is working to rescind the Clean Power Plan, the Obama administration's key proposal to start decreasing U.S. greenhouse gas levels, and he was a core proponent of exiting the Paris climate agreement.

But Scheraga said EPA is still available to work with state and local leaders who want to prepare for the effects of climate change, including heavy rains, more intense hurricanes and sea-level rise. The news is one of the first signs that Pruitt would allow some climate change efforts to continue.

EPA spokesman Jahan Wilcox said the changes "occurred in the spring and allowed these four employees to continue their work on climate change adaptation within the office of policy." The staffers will work within the Office of Regulatory Planning and Management and the National Center of Environmental Economics.

Scheraga said the agency wants to help make sure that as communities "invest literally billions of dollars in new [water] systems that they in fact are better prepared for these extreme weather events so that they don't overflow so that they don't spill raw sewage into our lakes and streams," for example.

"We work with the communities to provide them with the information and the tools that they have told us they need to address their needs," Scheraga said. "They have told us they need to deal with these more intense precipitation events, these storm surges, so that in fact they can continue to protect public health and the environment, again consistent with EPA's mission to ensure that they continue to protect water quality and can provide safe drinking water."

That kind of work will be important as Texas and Florida rebuild following two of the most damaging hurricanes in U.S. history.

Congress is moving ahead with an initial \$15 billion aid package for Texas and Louisiana, and scientists say addressing the role of a changing climate is crucial to spending that money effectively.

Fred Wagner, a lawyer who counseled the city of New Orleans in rebuilding its downtown medical center after Hurricane Katrina, said communities that want to spend more to rebuild smarter, with bigger and more frequent flooding in mind, will need to be able to point to climate change, even if they just call it "resiliency."

"It makes justifying the investment in those features much more acceptable, much more palatable," he said.

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### **GAO to probe Zinke call to Murkowski** [Back](#)

By Alex Guillén | 09/08/2017 05:12 PM EDT

The Government Accountability Office will look into Interior Secretary Ryan Zinke's calls to Alaska Sens. [Lisa Murkowski](#) and [Dan Sullivan](#) over Obamacare repeal, according to [letters](#) sent today.

Two key House Democrats, Reps. [Frank Pallone](#) and [Raul Grijalva](#), asked GAO to provide a legal opinion on the July calls, during which Zinke reportedly told Murkowski that her vote against moving forward with repeal efforts could negatively impact Alaskan energy goals in the Trump administration.

Interior's inspector general already [concluded](#) its own inquiry into the matter without making any findings after both senators declined to discuss the calls with investigators.

**WHAT'S NEXT:** GAO's letter does not specify how long the inquiry might take.

To view online [click here](#).

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### **Interior IG probing Zinke's senior staff reshuffle** [Back](#)

By Esther Whieldon | 09/08/2017 05:09 PM EDT

The Interior Department's internal watchdog has launched a probe into Secretary Ryan Zinke's June reassignment of a number of senior executive staff, an official told POLITICO today.

The inspector general's office is auditing Zinke's decision to [reassign](#) dozens of senior executive service employees, including Joel Clement, who was moved from a managerial position involving climate change issues to a job collecting royalties from oil and gas

companies. The office has begun interviewing key agency staff and asked the secretary's office to hand over documents, IG spokeswoman Nancy DiPaolo said.

The audit follows a [request](#) in July from Sen. [Maria Cantwell](#) (D-Wash.) and seven of her colleagues for Deputy Inspector General Mary Kendall to look into the matter.

Depending on what the audit uncovers, it could lead to a broader investigation to determine whether any laws were broken.

**WHAT'S NEXT:** DiPaolo said the IG hopes to wrap up its work within a few months.

To view online [click here](#).

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## **White House to nominate heads for FHWA, PHMSA [Back](#)**

By Tanya Snyder | 09/08/2017 08:20 PM EDT

President Donald Trump announced tonight that he will nominate Paul Trombino to head the Federal Highway Administration and Howard "Skip" Elliott to run the Pipeline and Hazardous Materials Safety Administration.

Trombino was director of the Iowa Department of Transportation from 2011 to 2016. He unexpectedly resigned from his post in Iowa last November and in December became president of the McClure Engineering Company, a civil engineering firm.

Before his stint in Iowa, Trombino worked at the Wisconsin DOT for 17 years, most recently serving as director of the Bureau of Transit, Local Roads, Rails and Harbors.

Trombino served as president of the American Association of State Highway Transportation Officials for the 2015-2016 term and as the 2016 vice chair of the Transportation Research Board Executive Committee.

Trump also tapped Howard "Skip" Elliott, an award-winning 40-year veteran of the U.S. freight rail industry, for administrator of PHMSA. Elliott is vice president of public safety, health, environment and security for CSX Transportation in Jacksonville, Fla., with a portfolio that included hazardous materials transportation safety, crisis management, and environmental compliance.

According to the White House, Elliott "is a pioneer and leading advocate in developing and implementing computer-based tools to assist emergency management officials, first responders, and homeland security personnel in preparing for and responding to a railroad hazardous materials or security incident."

Elliott received a lifetime achievement award from the Association of American Railroads for his work on hazardous materials transportation safety.

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## Solar sector rattled by trade case, Trump rhetoric [Back](#)

By Esther Whieldon, Eric Wolff and Andrew Restuccia | 09/08/2017 05:03 PM EDT

A looming trade commission ruling on the surging imports of solar equipment to the U.S. and President Donald Trump's impatience on creating trade barriers are raising fears among many in the solar industry they could see a tariff that stunts the sector's sharp growth.

The U.S. International Trade Commission will decide later this month whether foreign companies are harming U.S. solar cell makers with their shipments of solar equipment into the country. And if it does find damage, it would recommend a remedy — and ultimately hand the final decision off to Trump to decide whether to impose tariffs.

The complaint filed by solar manufacturers Suniva and SolarWorld USA to the ITC only needs to show that surging imports harmed the domestic industry, which appears to be backed up by data showing a five-fold increase in imports from 2012 to 2016 and the closure of more than half the U.S. cell manufacturing sites over that period.

Trump has frequently complained that U.S. companies were suffering from unfair competition from foreign countries — particularly China, whose companies dominate solar manufacturing — and he is very likely to support tariffs against the solar imports if the ITC sends the complaint to the White House, according to a senior administration official.

The official said the president is increasingly frustrated with advisers recommending a cautious approach to trade.

But many in the U.S. solar business say that setting up tariffs or floor prices for imports, as Suniva has suggested, could pose some political risks for Trump because of solar technology's broad popularity, as well the growing clout of the workforce that sells and installs the systems.

The politics of this "might get wrapped up in Trump's desire to beat his chest," said Jigar Shah, founder of solar installer SunEdison now at specialty finance company Generate Capital, and who opposes tariffs. "These are all the people that basically thought that the U.S. economy had left them behind and voted for Trump. This is a policy that would directly negatively impact Trump's base."

Solar power costs have tumbled to less than a [quarter of the price](#) a decade ago, largely because of declines in the prices of cells and panels driven by low-cost production from Chinese companies. That has helped spur a surge in both large-utility scale installations as well as small rooftop systems for homeowners and businesses.

Opponents of trade barriers, including the industry lobby group Solar Energy Industry Association, contend that using the authority that was last applied by President George W. Bush would drive up the price of solar panels and eliminate [88,000 jobs](#), a third of the industry's U.S. workers.

Many of those jobs are in states Trump won narrowly in 2016: North Carolina, Arizona and Florida, which are all among the top 10 in the country in solar jobs, according to a report from

the advocacy group The Solar Foundation.

But supporters of tariffs — including the [Steel Manufacturers Association](#) — are pressing Trump to put in place barriers to stem the flow of cheap solar cells and modules that have pushed many U.S. manufacturers — including Suniva — into bankruptcy. Suniva and SolarWorld contend that resurrecting the U.S. solar manufacturing sector would generate about 16,000 manufacturing jobs "in very short order" and increase overall related employment by about 45,500 jobs.

"The U.S. solar manufacturing industry must be provided meaningful relief to ensure that thousands of American manufacturing jobs are not permanently exported overseas," Suniva and SolarWorld said in an emailed statement.

They added that "Any criticism of a remedy is a vote for sending American manufacturing jobs to China and its proxies."

The ITC decision on whether the imports harmed U.S. manufacturers is due Sept. 22. If it finds harm, it would send its recommendations to the White House in November, and a final decision from Trump would be expected after the beginning of the new year.

Trump could face pushback from lawmakers if his big trade decisions hurt their constituents, said Tori Whiting of The Heritage Foundation, noting the political and international pressure that prompted Bush to pull back tariffs on steel imports less than two years after he imposed them in 2002.

And new tariffs could ultimately spur Congress to jump into the issue, she said.

"Congress has given up a lot of its authority when it comes to decisions made on trade and on the changing on barriers and tariffs," Whiting said. A strong move by the White House on solar or steel imports "could motivate Congress to ... reassert their constitutional powers."

Sen. [Mike Lee](#) (R-Utah) in January introduced a bill, [S. 177 \(115\)](#), that would subject all of a president's trade actions to congressional approval with exceptions regarding protecting national security.

So far, more than 70 lawmakers from both parties have weighed in on the case in letters to the trade commission, with the majority pushing for the ITC to not impose new solar tariffs.

But most lawmakers from states that are home to Suniva and SolarWorld factories in Oregon, Michigan and Georgia say they back the manufacturers' petition, including Reps. [Kurt Schrader](#) (D-Ore.) and [Dan Kildee](#) (D-Mich.).

"China is illegally dumping below-cost solar panels on the marketplace. They've been doing it for years," Schrader said, noting that SolarWorld won anti-dumping and countervailing duty sanctions against Chinese and Taiwanese-made solar products in 2012 and 2015. But those measures had little impact, since Chinese companies shifted much of their production to other Asian nations not covered by the duties.

Kildee told POLITICO he viewed the issue as "really a question as to whether we're going to abdicate manufacturing to other places around the world."

But Sen. [David Perdue's](#) (R-Ga.) August [letter](#), co-signed by 15 other senators, argued that the

proposed "tariffs would especially hurt residential rooftop solar projects that are rapidly growing." Solar installers [comprised](#) more than half of Georgia's 4,000-person solar workforce in 2016 about 2-1/2 times the number employed in solar manufacturing jobs there.

Both of Suniva's Georgia and Michigan factories are shuttered after the company sought bankruptcy protection.

The issue is further complicated over exactly who the tariffs would protect, since Suniva and SolarWorld USA have foreign owners. American financiers pushed Suniva to file the trade case, but Shunfeng International Clean Energy Ltd. owns a majority stake in the company. While SolarWorld USA is an arm of Germany's SolarWorld Industries.

"These are foreign multi-nationals but they have manufacturing in the U.S., That's the distinction. And you have domestic companies addicted to foreign imports," said Robert Scott, a senior economist with the Economic Policy Institute. "That seems awkward, and that's one of the reasons I suspect that Trump may be hesitant to act in this case. There are no clear domestic interests at stake and there are now increasingly clear domestic enterprises who could lose."

Still, Trump has re-opened the NAFTA free trade deal with Canada and Mexico in search of a revamp more to his liking, and has taken a protectionist posture in an attempt to reverse various other trade agreements, complaining they are "bad deals" that hurt American workers. The solar case could present him with an opportunity to show he's following through on his get-tough pledges. He regularly calls out other countries — even tiny Finland — for having a trade surplus with the United States, and he has put trade hawks like Peter Navarro and Robert Lighthizer in key administration posts.

At a meeting in the Oval Office earlier in August Trump told chief of staff John Kelly, "This is my view. I want tariffs. And I want someone to bring me some tariffs," [Axios reported](#).

If the commission sends the case to Trump in November, he would not be limited by the agency's recommendations and could even try to negotiate a deal with other countries to avoid angering allies he needs to keep on his side for bigger fights.

"I think it's catnip to the base and irresistible to the president," said Paul Bledsoe, a strategic advisor at the Progressive Policy Institute, a left-leaning policy think tank. "I see very little downside to him acting on it. I think it's a classic kind of far right conservative argument: 'Isn't it ironic the lefties don't even protect their own solar manufacturers,' kind of thing."

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**Date:** Friday, November 03, 2017 5:42:05 AM

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By Anthony Adragna | 11/03/2017 05:40 AM EDT

*With help from Ben Lefebvre, Darius Dixon, Nick Juliano and Esther Whieldon*

**ONE REALLY BIG FAN OF PERRY'S PUSH:** Energy Secretary Rick Perry's push to require power markets to cover the costs to run coal and nuclear plants that are being squeezed economically has earned a powerful supporter in President Donald Trump's orbit in the form of coal magnate Bob Murray, Pro's Darius Dixon and Eric Wolff [report](#). The proposal, which must be approved by FERC, would be mostly limited to plants in a stretch of the Midwest and Northeast where Murray's mining company, Murray Energy, is the predominant supplier. One stretch of the Rust Belt and Appalachia, overseen by an electricity market called the PJM Interconnection, accounts for roughly 44 percent of Murray's sales and Perry's rule was "certainly targeted at the PJM region," said Andy Ott, CEO of PJM.

**An unlikely group of allies** that includes environmental groups, the natural gas, wind and solar industries and the American Petroleum Institute has vocally opposed Perry's plan. "Customers get less than nothing while a few companies and their investors get a whole lot of something," Nora Mead Brownell, a Republican former electricity regulator, said of Perry's plan. "Money that gets spent there doesn't get invested in doing what you really need to do, which is upgrading the grid." Perry argues his proposal is an effort to ensure that the power network can withstand threats like terrorist attacks or severe weather.

**Among the nation's roughly 280,000 megawatts of coal-fired power,** Perry's rule is tightly written to affect only about 40,000 megawatts, according to POLITICO's analysis. Murray Energy acknowledged in written comments it has a "vital and critical interest" in whether the plan flies. "Given the current threats to those resources, Murray Energy, along with other coal producers and related industries ... is threatened with bankruptcy and significant economic harm if those resources are forced out of the market by unreasonable and unsupportable market pricing mechanisms," it wrote. Since Trump's swearing-in, Murray has made personal pleas for help in face-to-face meetings with Trump and DOE officials, including Perry and Brian McCormack, Perry's chief of staff.

**WELCOME TO FRIDAY!** I'm your host Anthony Adragna, and your state attorneys general turned senators are: Luther Strange, Sheldon Whitehouse, Tom Udall, John Cornyn, Kamala Harris, Heidi Heitkamp, Richard Blumenthal and Catherine Cortez Masto. For today: It was 60 years ago that the Russians sent the first animal into space. What was she and what was her name? Send your tips, energy gossip and comments to [adragna@politico.com](mailto:adragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

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**FOR YOUR AFTERNOON RADAR:** Three major scientific reports acknowledging manmade climate change are expected to be released today by the Trump administration, Pro's Emily Holden [reports](#). They include: two volumes of the National Climate Assessment and a

draft of the State of the Carbon Cycle Report. The documents will go against numerous public statements by Trump Cabinet officials refusing to accept mainstream climate science.

**OIL'S TAX WIN:** Along with keeping most of their existing incentives, multinational oil companies won a new tax break that would cost the government nearly \$3.9 billion over the next decade in the latest GOP tax proposal. The House bill's elimination of a tax on "foreign base company oil related income" received relatively little attention in the initial flurry of tax-bill coverage Thursday, and it caught even some seasoned policy-watchers off guard. The tax typically applies to income from refineries, pipelines and other assets near multinational oil companies' overseas operations, according to a research note from ClearView Energy Partners. The industry has long complained that it is being treated unfairly compared to other types of industries, such as manufacturing. "FBCORI surprised us, but it appears to reinforce the pro-fossil bent of House Republican leadership," ClearView analysts wrote Thursday night.

**Two thumbs up:** The oil industry also loves the 20 percent corporate rate outlined in the proposal and is happy to see no changes to two provisions that favor its high-capital, low-operating-cost business model (the intangible drilling cost deduction and well depletion allowance, for those paying attention at home). Meanwhile, a pair of credits/deductions the House plan does jettison won't shave too much off the bottom line for most companies, industry folks tell ME. In a statement, API President Jack Gerard said "significant proposals, like lowering the corporate tax rate and strong cost-recovery provisions, will help ensure that our tax system is smart, fair and pro-growth to benefit American consumers, businesses, and the economy."

**Horse-trading ahead:** Release of the House bill is a starting point for tough negotiations in the weeks and months to come, in which energy provisions will, admittedly, play a relatively minor role. One House idea already encountering headwinds from the upper chamber is the proposal to [slash the value](#) of the production tax credit. "The wind energy production tax credit is already being phased out under a compromise brokered in 2015. It shouldn't be reopened," Sen. [Chuck Grassley](#) said in a statement. "I'm working within the Senate Finance Committee to see that the commitment made to a multi-year phase-out remains intact."

**FULL HOUSE:** For the first time in more than two years, when Phil Moeller left the agency, FERC is on the path to having all five leadership seats filled again. Kevin McIntyre, President Donald Trump's pick to lead the agency, and Democratic commissioner Rich Glick, were confirmed Thursday afternoon. The pair still need to be officially sworn in to seal the deal, but they're both locals so we expect them to take the oath pretty soon. McIntyre and Glick have terms running through 2023 and 2022, respectively.

**The hot potato:** FERC Chairman Neil Chatterjee passes the baton. During Kentucky native's brief tenure in the agency's center seat, Perry lobbed — as former FERC Chairman Pat Wood has called it — "a scud missile of the NOPR" at regulators, directing them to act on a controversial plan to prop up coal and nuclear power plants. FERC is taking reply comments through Tuesday, and the agency is expected to stick to the Dec. 11 deadline to take some "final action." Given the particularly political lens FERC has been seen through over the past few months, FERC World will also be trying to read between the lines of McIntyre's staffing decisions and how he addresses the agency's independence.

**Filling out DOE:** The Senate sent Perry a few extra hands to run the Energy Department. Paul Dabbar and Mark Menezes were confirmed as undersecretaries of science and energy, respectively. Steven Winberg, Trump's pick to lead the agency's fossil energy office, also got a

thumbs-up from lawmakers.

**Attractions yet to come:** William Wehrum's nomination to run EPA's air office may get a Senate floor vote as soon as next week after Senate Majority Leader [Mitch McConnell](#) filed cloture Thursday, Pro's Alex Guillén [reports](#).

**Oh, and:** Trump announced late Thursday his nomination of Linda Capuano, a fellow at Rice University's Baker Institute for Public Policy's Center for Energy Studies, to run the Energy Information Administration. She's previously been a vice president at both Marathon Oil Co. and Advanced Energy Industries. Biography [here](#).

**SCIENCE CHAIRMAN CALLS IT QUILTS:** Noting his House Science chairmanship runs out next year, [Lamar Smith announced](#) his retirement Thursday. Since ascending to the top of the science panel in 2013, the controversial Texan has [tussled](#) with academics, scientific organizations and government regulators, with Obama-era figures from the National Science Foundation, EPA and DOE among those who ended up in his crosshairs. The vocal climate science skeptic undermined the Obama administration's efforts to address climate change and elevated the minority of scientists who question that human activity drives the problem to equal footing as others. Pro's Darius Dixon has more [here](#).

**Smith's take:** "The time is the right time. No regrets. Well, I should quote Frank Sinatra in 'My Way' where he said 'regrets I have a few but too few to mention,'" he told reporters.

**Science organizations and green groups welcome his exit:** Andrew Rosenberg with the Union of Concerned Scientists expressed hope his exit would allow the science community to rebuild its relationship with Congress. "I hope that the next representative to serve as chair will return this committee to its intended purpose—strengthening America's scientific enterprise, providing thoughtful and constructive oversight of federal policy and protecting the health and safety of the people Congress is supposed to serve," he said.

**Who might the next chairman be?** Current Vice Chairman [Frank Lucas](#) didn't rule out a bid to succeed Smith but noted Financial Services Chairman [Jeb Hensarling](#) is also departing Congress. "Life's all about options, right?" he quipped to reporters.

**IT'S LAW:** Trump signed into law legislation [S. 190 \(115\)](#) that exempts certain equipment that needs to remain on at all times from energy use restrictions for an additional six years.

**STOP ME IF YOU'VE HEARD THIS BEFORE:** Two corn-state Republican EPW senators — [Deb Fischer](#) and [Joni Ernst](#) — are publicly undecided about Kathleen Hartnett White's nomination to run the White House Council on Environmental Quality after meeting with her over past critical comments toward the Renewable Fuel Standard. "I am withholding judgement right now," Fischer told reporters Thursday. A spokeswoman for Ernst said she plans to ask additional questions on White's views at her Nov. 8 confirmation hearing. Remember: Just one Republican defection sinks a nomination in the tightly divided EPW panel.

**What has White said about the RFS?** She has been far more vocally opposed than even Bill Wehrum, whose selection to run the air office was briefly delayed over the issue. Back in July 2013, she [wrote](#): "It is time to repeal the renewable fuel standard — not to expand or entrench this market distortion." White also wrote its importance to the Iowa presidential caucuses explains the durability of the "counterproductive and ethically dubious" RFS in [her book](#).

She's [repeatedly argued](#) biofuels are creating a "[global food crisis](#)" and urged Congress to end the program's "destructive food-as-fuel folly."

**Fears of a repeat from some:** [Jim Inhofe](#) told ME "there's reason to suspect" the bloc of biofuels backers might withhold support for White over her RFS stance and called their efforts to impede the Wehrum nomination "a little extreme." But Chairman [John Barrasso](#), as always, projected confidence when asked if he worried they'd derail the confirmation process: "I'm committed to the president's nominees and we're going to go ahead with the hearing next week."

**WITH SOME HELP FROM HIS FRIENDS:** In the 24 hours before he sent his hotly anticipated national monument report to the White House, Interior Secretary Ryan Zinke called just one non-GOP lawmaker — Maine Independent Sen. [Angus King](#), Pro's Esther Whieldon [reports](#), citing copies of Zinke's [August](#) and [September](#) calendars. Among those he called on Aug. 23 were Sens. [Orrin Hatch](#), [Dean Heller](#) and Murkowski, Reps. [Rob Bishop](#) and [Greg Walden](#), and the Republican governors of Utah, Maine and New Mexico.

**Speaking of which**, six green groups are suing Interior and the White House Council on Environmental Quality for copies of Zinke's national monuments report and related review records. The [suit](#), filed Thursday by Earthjustice on behalf of the Sierra Club, Natural Resources Defense Council, The Wilderness Society and three other groups, say the agency has not responded to their public records requests.

**MORE QUESTIONS ON WHITEFISH:** Senate Homeland Security ranking member [Claire McCaskill](#) released a [set of letters](#) to FEMA, the Army Corps of Engineers and Whitefish Energy seeking additional information on the now-cancelled grid restoration contract. Among other things, she alleges the Puerto Rican utility may have already used FEMA funds to pay Whitefish, notes the Army Corps also considered using the tiny Montana-based company and questions a similar \$200 million contract with Oklahoma-based Cobra Acquisitions.

**9/11 invoked in EPA's Puerto Rican response:** New York Rep. [Jerry Nadler](#) slammed EPA's assurances that drinking water around Superfund sites in Puerto Rico is safe to drink as "eerily similar" to the agency's response following the 9/11 terrorist attacks. "This is exactly what we got from EPA after 9/11... and thousands of people are sick and hundreds of people are dead because [air quality levels] weren't fine. And that's why I'm skeptical," he said. Video [here](#).

**MAIL CALL! GET SERIOUS ABOUT TRANSPORTATION-RELATED EMISSIONS:** The New England Power Generators Association, along with several environmental and science groups, asked four governors — Massachusetts' Charlie Baker, Connecticut's Dan Malloy, Rhode Island's Gina Raimondo and Vermont's Phi Scott — to develop and implement a "regional, market-based policy" to address greenhouse gas emissions from the transportation sector. Letter link [here](#).

**Waiver please?** Pennsylvania Gov. Tom Wolf asked Pruitt in [a letter](#) Thursday to waiver RFS volume requirements. "I request that you reduce the 2017 and 2018 volumes to a level that avoids the severe economic harm experienced by the Northeast region of the United States as a result of the high costs of purchasing RINs to comply with the RFS," he wrote.

**Higher park fees? Please no!** Ninety House Democrats, led by Arizona's [Tom O'Halleran](#), sent Zinke [a letter](#) Thursday urging him not to follow through with plans to raise entrance fees to 17 national parks. "Raising the entrance fees to these popular destinations will make our

public lands inaccessible to hardworking families, and it will devastate tribal and rural economies that support tourism," they wrote.

**NEW SCIENTIST WHISTLEBLOWER HOTLINE LAUNCHED:** 314 Action invited 36,638 government scientists at EPA, NASA and the National Science Foundation to anonymously report examples of science being undermined. Website with more information [here](#).

**PRICE SHOCKER!** Resources for the Future released a study Thursday finding releases from the Strategic Petroleum Reserve can have substantial effects on oil prices and spreads. Link [here](#).

**POINTS FOR HONESTY:** Via Rolling Stone's [Matt Laslo](#): "I don't think frankly that you need an EPA period," Rep. [Liz Cheney](#) tells me... "98% of the environmental regulation being done effectively at the state level that's where it ought to be," Cheney continued

**WHO'S GRAMIN':** Jack Gerard, the president and chief executive of the American Petroleum Institute, has joined Instagram, which the association says makes him the first head of a Washington trade group who's active on the platform. You can check out his Instas of children and the Oval Office [here](#) (h/t POLITICO Influence).

#### **QUICK HITS:**

— The Puerto Rico Contract's Lack Of Transparency? It's Not Unusual. [International Business Times](#).

— EPA's Pruitt and staff to attend chemical industry meeting at luxury resort next week. [Washington Post](#).

— Clash emerges over Puerto Rico power restoration. [AP](#).

— Kentucky coal report shows no sustained job rebound so far under Trump. [Lexington Herald-Leader](#).

— US coal's upturn favours open-pit mines in western states. [Financial Times](#).

— Trump Team to Promote Fossil Fuels and Nuclear Power at Bonn Climate Talks. [New York Times](#).

#### **HAPPENING TODAY**

12:30 p.m. — "[Dr. Ben Zaitchik on Water, Food, and Energy in the Eastern Nile Basin](#)," Johns Hopkins School of Advanced International Studies , 1619 Massachusetts Avenue NW, Rome Auditorium

#### **THAT'S ALL FOR ME!**

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/11/murray-benefits-big-league-under-perry-grid-plan-025368>

**Stories from POLITICO Pro**

## **Major climate science reports coming Friday [Back](#)**

By Emily Holden | 11/02/2017 06:19 PM EDT

The Trump administration will release three major scientific reports on Friday acknowledging manmade climate change, according to a source familiar with the studies.

The U.S. Global Change Research Program will publish two volumes of the National Climate Assessment, which is required by law to be issued every four years and expected in late 2018. The first volume is a final version of the Climate Science Special Report. The second is a draft for public comment that focuses on impacts of climate change on humans and the environment.

USGCRP also will post a draft of the State of the Carbon Cycle Report, a supporting document.

An early version of the science report, published by the New York Times in August, found that human activity is the driving force behind increasing temperatures that are already intensifying extreme weather and causing sea-level rise.

The reports will contradict President Donald Trump and cabinet officials like EPA Administrator Scott Pruitt and Energy Secretary Rick Perry, who have expressed doubts about mainstream climate science. Some green advocates had worried the administration might suppress the research.

The source told POLITICO that the reports, which include the work of multiple agencies and are reviewed by outside scientists, are expected to stick to the science, avoiding discussions of politics or mitigation policies.

USGCRP was not available to comment.

*To view online [click here](#).*

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## **House tax bill slashes value of wind energy tax credit [Back](#)**

By Eric Wolff | 11/02/2017 02:20 PM EDT

The House tax bill released Thursday would substantially reduce the value of a key wind energy incentive, tighten requirements on what renewable energy companies have to do to qualify for tax credits, extend a nuclear energy tax break, and restore support for clean energy technologies that had been "orphaned" from an earlier tax extenders law.

The bill also eliminates an electric vehicle tax credit and jettisons some little-used oil industry tax breaks — as well as getting rid of the more significant domestic production tax deduction enjoyed by oil companies and other manufacturers.

The wind industry was quick to condemn the changes to its tax treatment.

"Despite comments to the contrary, this proposal reneges on the tax reform deal that was already agreed to, and would impose a retroactive tax hike on an entire industry," Tom Kiernan, CEO of the American Wind Energy Association, said in a statement. "The House proposal would pull the rug out from under 100,000 U.S. wind workers and 500 American factories, including some of the fastest growing jobs in the country. We expect members of the House and Senate to oppose any proposal that fails to honor that commitment, and we will fight hard to see that wind energy continues to work for America."

Here are some highlights from the [text](#) and a [section-by-section summary](#) provided by the Ways and Means committee.

— **PTC cutbacks:** The bill would reduce the value of the Production Tax Credit to 1.5 cents per kilowatt-hour, the level it was set at in 1992, rather than indexing it for inflation. That would reduce its value far beyond the terms of a tax credit phase-out that was implemented with bipartisan support in 2015. Wind farms and other eligible projects that begin construction this year can now claim a 1.9 cents/kWh credit, down from 2.3 cents/kWh for projects that started last year. The credit is scheduled to disappear for projects built after 2019 under current law, a schedule maintained in the House bill.

Developers also would face tougher requirements to claim the credit, the value of which is determined by when construction begins. The House bill requires a "continuous program of construction" until a facility comes online in order to qualify for the credit, eliminating provisions of existing law that allow developers to make "safe harbor" investments to qualify. The Joint Committee on Taxation says eliminating the inflation-adjustment and tightening the construction requirements will save \$12.3 billion over 10 years, according to the bill summary.

— **ITC repealed after 2027, orphan credits revived :** The House bill extends the investment tax credit for a set of "orphaned" technologies left out of the 2015 legislation phasing out the ITC and PTC over five years. Fuel cells, small wind turbines, combined heat and power systems and microturbines can now claim the ITC until Jan. 1, 2022, with the credits phasing down at the same rate as the solar ITC. But what was to be a permanent 10 percent tax credit for solar investments will now terminate at the end of 2026. The House bill includes similar "continuous construction" requirements for the ITC as for the PTC. The changes would cost the government \$1.2 billion in reduced revenues over 10 years, according to JCT estimates cited in the bill summary.

— **Advanced nuclear tax credit extended:** The bill extends a tax credit for advanced nuclear projects, allowing the secretary of Treasury to transfer unused credits after 2020, which was the in-service deadline under current law. The extension has long been a priority for South Carolina Republican Sens. [Lindsey Graham](#) and [Tim Scott](#), among others. The credits would cost \$400 million over 10 years.

— **Utilities keep interest deduction:** The bill would change how much loan interest some businesses can deduct from their taxes, while allowing them to take advantage of full expensing of capital investments. However, it excludes regulated utilities from the new rules, providing a win for the industry. Eric Grey, director of government relations for the Edison Electric Institute, a trade group, told POLITICO in September that losing the interest tax deduction was a major concern for utilities. Overall, JCT estimates the deduction-and-expensing changes would save the government \$172 billion over 10 years.

— **No more 199:** The House bill would eliminate the domestic manufacturing credit known as

section 199. Current law allows certain oil and gas companies to claim a 6 percent tax deduction, and other manufacturers can claim a 9 percent deduction, but the House bill would strip section 199 from the tax code starting next year. Doing so would save \$95.2 billion over 10 years.

— **Minor oil credits repealed:** The bill repeals two small oil industry credits that have barely been used because they only kick in when commodity prices are low. Repealing the enhanced oil recovery credit would cost the government about \$200 million over 10 years, while eliminating the marginal well production credit would have no effect on revenues.

— **EVs lose credit:** The bill repeals a \$7,500 tax credit for electric vehicles. It is part of a slew of tax credits, along with a mortgage credit, and an adoption credit, that the bill proposes repealing. Repealing all of the credits would save \$4 billion over 10 years, but the summary does not include a JCT estimate for the electric vehicle credit alone.

— **Biodiesel, CCS missing:** An expired biodiesel blenders credit was not restored, something likely to become an issue in the Senate where Sen. [Chuck Grassley](#) wants it revived as a producers credit; and a credit for carbon capture and sequestration did not get in the text, despite having bipartisan support.

*To view online [click here](#).*

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**Senate tees up Wehrum vote next week** [Back](#)

By Alex Guillén | 11/02/2017 05:56 PM EDT

Senate Majority Leader [Mitch McConnell](#) filed cloture today on William Wehrum's nomination to run EPA's air office, setting up a floor vote for as early as next week.

Wehrum's committee vote last week was held up briefly over a spat between corn-state Republicans and an EPA proposal to weaken biodiesel mandates. EPA subsequently promised not to roll back the mandates and Wehrum cleared committee on an 11-10 party-line vote.

It is not clear precisely when the Wehrum vote will occur.

McConnell also filed cloture on nominees to the Transportation Department, Justice Department and National Labor Relations Board. A vote on the DOJ nominee is slated for noon on Tuesday.

*To view online [click here](#).*

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**Lamar Smith won't seek reelection to House** [Back](#)

By Darius Dixon | 11/02/2017 03:40 PM EDT

Rep. Lamar Smith, the controversial chairman of the House Science Committee, announced Thursday that he will leave Congress when his term ends in 2018.

The 16-term Texas Republican is one of the longest-serving members of the state's congressional delegation, and has often tussled with academics, scientific organizations and government regulators since become Science chairman in 2013. In a letter to constituents, Smith said there were several reasons he is choosing not to seek reelection next year, including that he will complete his term as chairman of the House Science Committee. Smith said he is looking forward to spending more time with his grandchildren, and "I hope to find other ways to stay involved in politics."

This year, Smith has been instrumental in [resurfacing](#) old allegations about Russian efforts to fund activists opposed to oil and gas drilling, an effort critics say is designed to distract from controversy over whether any members of President Donald Trump's campaign were involved with Russia's efforts to disrupt last year's election. On Tuesday, he [wrote](#) to executives at Facebook, Twitter and Alphabet requesting information about Russian purchases of anti-fracking ads on social media platforms.

Smith said he looks forward to staying busy.

"With over a year remaining in my term, there is still much to do," he wrote in the letter Thursday. "There is legislation to enact, dozens of hearings to hold, and hundreds of votes to cast."

During the Obama administration, officials at the National Science Foundation, the Environmental Protection Agency and the Energy Department all found themselves in Smith's cross-hairs. The 69-year-old lawmaker, who previously chaired the House Judiciary Committee, also made regular attempts to expand his committee's jurisdiction over cybersecurity to launch far-reaching probes targeting the New York Federal Reserve, Healthcare.gov and the companies that provided software to Hillary Clinton's email server.

He antagonized the broader science community when he touted a number of NSF grants as "frivolous" and sought to restructure how different areas of science were funded by the federal government.

Smith has also used his perch on the Science panel to undermine the Obama administration's efforts to address climate change, elevating several global warming skeptics to question the agreement among the vast majority of climate scientists that humans are the main driver of the phenomenon.

Smith's 21st District, which takes in parts of Austin and San Antonio as well as rural counties to the west, has been solidly Republican in the past. Mitt Romney won nearly 60 percent of the vote there in 2012.

But Trump got 52 percent to Hillary Clinton's 42 percent in the district in 2016, and several Democrats saw an opportunity to challenge Smith before he announced his retirement. One Democrat, veteran Joseph Kopser, outraised Smith in the third quarter and has over \$219,000 in his campaign account.

"The people of Texas are losing a dedicated public servant and skilled legislator, but we are confident they will select another conservative Republican like Chairman Smith who shares

their values," said National Republican Congressional Committee Chairman Steve Stivers (R-Ohio).

Smith' relationship with Rep. Eddie Bernice Johnson, the top Democrat on the Science Committee and a fellow Texan, has been rocky for years. Both lawmakers are soft-spoken and have served together in Congress for more than two decades. But Johnson has accused Smith of bringing "disrepute to our institution" and turning his panel into "little more than an arm of the Republican National Committee," particularly when he started issuing subpoenas in 2013, the first in 21 years.

Smith has subpoenaed the EPA for health data used for clean air regulations, and the National Oceanic and Atmospheric Administration under the suspicion that a scientific paper on climate change was mishandled.

*Scott Bland and John Bresnahan contributed to this report.*

To view online [click here](#).

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**Lamar Smith plows through criticism to create 'activist' Science Committee** [Back](#)

By Darius Dixon | 08/12/2016 05:03 AM EDT

The escalating subpoena showdown between Rep. [Lamar Smith](#) and two state attorneys general is the culmination of a long-running effort by the Science chairman to assert unclaimed territory and turn a once-sleepy panel into an investigative powerhouse.

The Texas Republican, who took over as chairman of the House Science, Space and Technology Committee in 2013, has tried to shift federal science dollars toward basic research and away from ambitious efforts to reshape the energy system that he feels the private sector should be tackling instead. But Smith has earned more attention for a series of confrontations with scientists, activists and public officials that have raised the public profile of what has traditionally been a B-list committee.

Smith accuses the Obama administration and environmental activists of politicizing scientists' findings about climate change in an effort to expand the size of government and more aggressively regulate businesses. Democrats say Smith is doing the bidding of his donors in the fossil fuel industry to shield companies from having to pay to reduce their carbon emissions.

The National Science Foundation, NOAA, EPA and the Energy Department all have found themselves in Smith's crosshairs, and the 69-year-old lawmaker has seized on his jurisdiction over cybersecurity to launch far-reaching probes targeting the New York Federal Reserve, Healthcare.gov and the companies that provided software to Hillary Clinton's email server.

When Congress reconvenes next month, Smith will have to decide whether to escalate his showdown with the AGs of New York and Massachusetts, both of whom [rejected subpoenas](#) from Smith seeking records related to their own [investigations](#) into whether ExxonMobil misled the public about climate change. Smith also has subpoenaed several nonprofit groups

who worked with the AGs. The chairman acknowledges his request is likely unprecedented but says his goal is to protect scientists from political interference.

"It's bigger than Exxon. It's the whole idea of trying to silent dissent and trying to silent what I consider to be legitimate scientific skepticism maybe," Smith told POLITICO last month in a wide-ranging interview in his personal office. "But they clearly are trying to intimidate individuals and trying to stop them from claiming that the science is not settled and that's about as basic as it comes when you talk about academic freedom, scientific right of speech or whatever."

Smith's critics argue that it's the chairman who is guilty of using intimidation tactics.

"He's using the chairmanship of the Science Committee, in my view, not only in a very partisan way but as a political tool, not really in consultation with or listening to the science community," said Andrew Rosenberg, a former regional administrator at NOAA and professor of natural resources at the University of New Hampshire.

"He's basically turned the entire discussion around the Exxon issue on its head," added Rosenberg, who now directs the Center for Science and Democracy with the Union of Concerned Scientists, which is refusing to comply with a subpoena from Smith. "That somehow we, the Union of Concerned Scientists and other organizations and state attorneys general, are trying to stifle scientific speech when in fact what we are saying is that Exxon did that — they suppressed the science that they had internally."

Rep. [Eddie Bernice Johnson](#), a fellow Texan, has excoriated Smith's work from her post as the panel's top Democrat.

Both lawmakers are soft-spoken and have served together in Congress for more than two decades, which makes her criticism all the more biting. In a series of dismissive letters and statements challenging his various investigations, Johnson has accused Smith of bringing "disrepute to our institution" and turning his panel into "little more than an arm of the Republican National Committee."

Johnson first felt that Smith was veering off-course in 2013 when he issued the [committee's first subpoena](#) in 21 years, hoping to get the EPA to turn over health data it used for its clean air regulations even though the agency said the information belonged to Harvard and the American Cancer Society.

Last year, Smith subpoenaed records from NOAA under the suspicion that a [scientific paper](#) refuting a widely touted "hiatus" in global warming was mishandled because it did not incorporate satellite data. Smith accused the agency of relying on "clearly cherry-picked" data to produce "politically correct science." Smith says an anonymous whistleblower told the committee the paper was rushed and the episode has made him question the peer review process at Science, which has long enjoyed a reputation as one of the most respected journals.

NOAA says the paper's nine authors did not incorporate satellite measurements because they were studying a dataset of land stations, ships and buoys at sea, and 23 [former NOAA scientists](#), who have collectively worked under every president since Richard Nixon, say Smith's charge is baseless. Moreover, after corrections were made to satellite data this spring, they too [refuted the hiatus](#), although there's still [debate](#) over the degree of warming. There also haven't been any complaints filed with NOAA's anonymous scientific integrity system, the

agency said.

Smith's critics say the episode exemplifies the chilling effect that such inquiries can have on the scientific community.

"Anybody can look at the paper, the methods and the data, and the results. And they can disagree with them or can come up with a different analysis — knock yourself out. That's the scientific process," Rosenberg said. "Now, we're going to investigate somebody's emails because you didn't like the answer? Tell them to take a month out of their time, compile everything you've ever written with the word 'climate' in it? That's not supporting the science work of the country."

Given the long odds of Democrats flipping control of the House next year, Smith is likely to return to his post, where he is eligible for one more term as chairman under party rules and could try to stretch his portfolio even further.

"Certainly, we are taking initiatives that haven't been taken on before, but I feel like I'm in Congress to do more than just vote," Smith said in the interview. "I want to maximize the potential of the committee, simple as that. And one way to maximize the potential is to explore the jurisdiction that we have."

Those following the Science Committee scratched their heads when Smith pinged the New York Fed about a [Bangladeshi "cyberheist."](#) subpoenaed Healthcare.gov, and sent letters to companies involved with the server Hillary Clinton used while secretary of State.

But the Science Committee has jurisdiction over federal cybersecurity programs as well as cyber standards developed by the National Institute of Standards and Technology.

People weren't thinking about cybersecurity 15 years ago, said David Stonner, who led NSF's congressional affairs for 16 years. "And the fact that it has become a huge issue opens the door for whoever on the Hill wants to be responsible for oversight of this issue, rather than oversight of just an agency."

Smith says he takes a special point of pride in all the buzz around the committee's work.

"I will say that one of my goals when I became chairman was to make the committee a committee that attracted members — that people wanted to be a part of what we were doing," Smith said. When he took over the panel, he said, it was the first time in 20 years that there were more Republican lawmakers who wanted to be on the committee than there were spots for.

Rep. [Randy Weber](#), a two-term Texas Republican who chairs a Science subcommittee, was attracted to Smith's panel by an opportunity to represent his constituents who work at NASA's nearby Johnson Space Center and to scrutinize activities across the federal government.

"Chairman Smith does a great job attracting new members, because he gives every member an opportunity to take a leading role in committee action," Weber said in an emailed statement. Smith, he added, "consistently reinforces the principle of good governance and fiscal responsibility over the federal agencies the committee oversees."

Johnson, on the other hand, is convinced that Smith has driven the committee off the reservation.

"I don't expect that we're going to agree on everything. But it's really not a political committee," said Johnson, who has served on the Transportation and Infrastructure Committee in addition to the science panel over her nearly 24 years in Congress. "For the most part I'd bragged for all these years that I was on two committees that didn't get into the politics and would stick to the issues. ... I can no longer say that."

For all his activism, Smith is not one to display a bombastic personality. He doesn't raise his voice and says that he doesn't let the many critiques of his leadership sink in.

Oddly enough, Smith has an unlikely advocate on the Science Committee: Rep. [Alan Grayson](#), a controversial left-wing Senate candidate uninhibited in his criticisms of Republicans.

"The chairman is a fair-minded, honest person," the Florida Democrat said of Smith. "In his heart he is a legislator, not an ideologue."

Smith appears to be a man who truly loves science — he draws inspiration from an "ultra-deep" field photograph of galaxies taken by the Hubble Space Telescope hanging near his desk, and talks fondly of taking physics and astronomy in college — but the Texan is considerably out of step with the larger science community on climate change.

He considers himself a "climate skeptic" who wants more detail in the science behind global warming — a position that distinguishes him from someone like GOP presidential nominee Donald Trump, who dismisses the issue as a hoax.

"I think human activity does have an impact on climate," Smith said. "I don't think we know exactly how much of an impact and I think that is a separate legitimate debate despite what some people might suggest."

To Smith, in clamoring for government programs to reduce carbon emissions, policymakers have lost faith in technology.

"Throughout our nation's history technology has always solved our problems and why suddenly now we don't think technology will solve our problems, I don't know," he said, adding that he supports more spending on R&D for "coming up with technological breakthroughs to address climate change."

Alongside his battle with NOAA, Smith ruffled feathers in the broader science community when he touted a number of NSF grants as "frivolous."

"The purpose of the science committees should be to help research progress, to get the barriers out of the way, not to generate barriers," said Rush Holt, a physicist and former Democratic congressman who is the CEO for the American Association for the Advancement of Science.

Holt, who said he didn't have "personal bone to pick" with Smith, said, "it was not lost on the science community that the House Science Committee, several times in the couple of years, has substituted political opinion for peer review."

Basic R&D is the bread-and-butter issue of the Science Committee, and Smith's support of it isn't unusual for a Republican. But he still managed to ruffle the ranks of the science community last year in his efforts to renew the America COMPETES Act, a major piece of research legislation. The bill cut spending levels for renewables and earth science, parceled

out funds depending on preferred fields and would require NSF grants to include an explanation of why they're in the "national interest."

Smith and his staff say that Congress has a responsibility to set priorities, and to some degree believe previous Science committee leaders have treated the science community with kid gloves even though most of them are accepting taxpayer cash.

"I think that there was initially pushback by academics and other researchers because they weren't used to anybody conducting any kind of oversight as to how the taxpayer dollars were being spent," Smith said. "And I consider that ... to be my obligation and responsibility."

A member of Smith's staff put it more bluntly: "Back in the good old days, very often, chairmen of the Science Committee were shoveling gold off the stagecoach. We're not in that era right now. We're in an era of very tight fiscal constraints and in general, if you can maintain the fraction of the federal spending dollars that basic research gets, it's a win every year."

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**Lamar Smith won't seek reelection to House** [Back](#)

By Darius Dixon | 11/02/2017 03:49 PM EDT

Rep. [Lamar Smith](#), the controversial chairman of the House Science Committee, announced Thursday that he will leave Congress when his term ends in 2018.

The 16-term Texas Republican is one of the longest-serving members of the state's congressional delegation, and has often [tussled](#) with academics, scientific organizations and government regulators since become Science chairman in 2013. In a letter to constituents, Smith said there were several reasons he is choosing not to seek reelection next year, including that he will complete his term as chairman of the House Science Committee. Smith said he is looking forward to spending more time with his grandchildren, and "I hope to find other ways to stay involved in politics."

This year, Smith has been instrumental in [resurfacing](#) old allegations about Russian efforts to fund activists opposed to oil and gas drilling, an effort critics say is designed to distract from controversy over whether any members of President Donald Trump's campaign were involved with Russia's efforts to disrupt last year's election. On Tuesday, he [wrote](#) to executives at Facebook, Twitter and Alphabet requesting information about Russian purchases of anti-fracking ads on social media platforms.

Smith said he looks forward to staying busy.

"With over a year remaining in my term, there is still much to do," he wrote in the letter Thursday. "There is legislation to enact, dozens of hearings to hold, and hundreds of votes to cast."

During the Obama administration, officials at the National Science Foundation, the

Environmental Protection Agency and the Energy Department all found themselves in Smith's cross-hairs. The 69-year-old lawmaker, who previously chaired the House Judiciary Committee, also made regular attempts to expand his committee's jurisdiction over cybersecurity to launch far-reaching probes targeting the New York Federal Reserve, Healthcare.gov and the companies that provided software to Hillary Clinton's email server.

He antagonized the broader science community when he touted a number of NSF grants as "frivolous" and sought to restructure how different areas of science were funded by the federal government.

Smith has also used his perch on the Science panel to undermine the Obama administration's efforts to address climate change, elevating several global warming skeptics to question the agreement among the vast majority of climate scientists that humans are the main driver of the phenomenon.

Smith's 21st District, which takes in parts of Austin and San Antonio as well as rural counties to the west, has been solidly Republican in the past. Mitt Romney won nearly 60 percent of the vote there in 2012.

But Trump got 52 percent to Hillary Clinton's 42 percent in the district in 2016, and several Democrats saw an opportunity to challenge Smith before he announced his retirement. One Democrat, veteran Joseph Kopser, outraised Smith in the third quarter and has over \$219,000 in his campaign account.

"The people of Texas are losing a dedicated public servant and skilled legislator, but we are confident they will select another conservative Republican like Chairman Smith who shares their values," said National Republican Congressional Committee Chairman [Steve Stivers](#) (R-Ohio).

Smith' relationship with Rep. [Eddie Bernice Johnson](#), the top Democrat on the Science Committee and a fellow Texan, has been rocky for years. Both lawmakers are soft-spoken and have served together in Congress for more than two decades. But Johnson has accused Smith of bringing "disrepute to our institution" and turning his panel into "little more than an arm of the Republican National Committee," particularly when he started issuing subpoenas in 2013, the first in 21 years.

Smith has subpoenaed the EPA for health data used for clean air regulations, and the National Oceanic and Atmospheric Administration under the suspicion that a scientific paper on climate change was mishandled.

*Scott Bland and John Bresnahan contributed to this report.*

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**Calendar: Zinke primarily called GOP lawmakers, governors ahead of sending monuments report** [Back](#)

By Esther Whieldon | 11/02/2017 07:20 PM EDT

Interior Secretary Ryan Zinke called mostly Republican lawmakers and governors the day before he sent his national monument report to the White House, according to copies of Zinke's [August](#) and [September](#) calendars the Interior Department released today.

Zinke's calls on Aug. 23 included Sens. [Lisa Murkowski](#), [Orrin Hatch](#) and [Dean Heller](#), Reps. [Rob Bishop](#) and [Greg Walden](#), and the governors of Utah, Maine and New Mexico, among others. Sen. [Angus King](#) (I-Maine) was the only non-Republican to receive a call that day, less than 24 hours before Zinke [submitted](#) his draft monument recommendations. Zinke met earlier in the month with Democratic Sens. [Ron Wyden](#) and [Jeff Merkley](#).

White House officials involved in the monument discussions included energy advisor Mike Catanzaro, Intergovernmental Affairs Director Justin Clark, Domestic Policy Council Director Andrew Bromberg, Cabinet Secretary Bill McGinley and White House deputy chief of staff Rick Dearborn, according to Zinke's calendar entries.

The calendar also showed that Zinke was off for two weeks earlier in August, just before the report was due. The secretary's wife, Lolita, posted photos to social media of the couple vacationing in the Mediterranean, drawing flak from [critics](#) who said he was not sufficiently focused on the monument review.

Only a few meetings were listed in August and September involving energy issues including one with oil and gas exploration company Hilcorp Energy CEO Jeffrey Hildebrand and some on more general topics such as sage grouse in early August and another on "solar emphasis areas" in early September.

To view online [click here](#).

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By Anthony Adragna | 12/12/2017 05:41 AM EDT

*With help from Sara Stefanini and Ben Lefebvre*

**NEW DAY IN DRILLING:** The Interior Department is preparing to offer the largest lease sales in years, if not decades, that could open waters in the mid-Atlantic, off Florida's west coast and possibly even areas of the Pacific for offshore oil and gas drilling, two sources who conferred with the agency in recent weeks tell ME. Bloomberg [reports](#) the Trump administration's new five-year drilling plan would run from 2019 to 2024 and could open Atlantic waters to drilling. The plan, which would replace and extend beyond the Obama-era drilling plan that ran through 2022, is expected to be music to the energy sector's ears and starkly opposed by the environmental community.

**Timing for the release remains in flux.** ME hears from multiple sources that the roll out, slated for today, had been placed on hold without any reason being provided and without word on when it might be rescheduled. Interior declined to directly respond to whether the announcement had been shelved for now. One thing to watch whenever the plan emerges is whether it seeks to reopen drilling off the coast of Florida. Congress imposed a moratorium on that back in 2006, but that moratorium ends in 2022 and this plan would go beyond then.

**PERRY'S RAISING EYEBROWS:** The tone of Energy Secretary Rick Perry's [letter](#) giving FERC more time to consider his proposal to address the nation's grid resiliency by boosting coal and nuclear facilities is raising concerns from some observers who worry about the energy regulator's independence in overseeing the nation's wholesale power markets, Pro's Eric Wolff [reports](#). "It's sort of odd for the commissioners to feel like DOE is holding the stopwatch on the commission's process," said a former Obama official.

**Some thought FERC Chairman Kevin McIntyre** could simply have declared that the agency needed more time rather than explicitly asking Perry for it. Other energy attorneys thought Perry's power assertion — he wrote, "It is solely within my authority ... to grant an extension" — could have been part of an effort to save face. Heather Curlee, an attorney at Wilson Sonsini Goodrich & Rosati who serves as federal regulatory counsel to the Solar Energy Industries Association, told Eric: "There's a power in a public concession, allowing another person to publicly to say, 'Clearly I'm the one in charge and this is all a grand plan.'" With the extension, FERC will now decide by Jan. 10 to adopt the rule, reject it, rewrite it or send it out for study, among other options.

**WELCOME TO TUESDAY!** I'm your host Anthony Adragna, and EPA's Molly Block was first to identify presidents Richard Nixon, Ronald Reagan and George H.W. Bush as the ones who never made use of their Antiquities Act powers. For today: Which former White House chief of staff lost consecutive Senate bids in the 2000s? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

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**MAKE OUR PLANET GREAT AGAIN?** Leaders, moguls, celebrities, activists and more descend on the French capital today to mark the second anniversary of the Paris climate agreement. There will be plenty of photo ops and inspirational rhetoric, but French President Emmanuel Macron hopes the [One Planet Summit](#) will add financial meat to the bones of the landmark accord. Expect new and expanding coalitions and initiatives, particularly aimed at shoring up financial aid, peaking emissions, ditching coal and helping countries already coping with the effects of climate change.

**In a Monday interview with [CBS News](#),** Macron said Trump's decision to withdraw from the Paris accord actually boosted momentum for climate action and slammed the U.S. withdrawal. "It's extremely aggressive to decide on its own just to leave, and no way to push the others to renegotiate because one decided to leave the floor," the French president said. "I'm sorry to say that. It doesn't fly."

**Opening the funding spigots:** Nearly 1,200 companies aim to align their emissions reduction plans with the Paris agreement by 2019, and 118 have committed to get all of their electricity from renewables (enough demand to power Ukraine), the We Mean Business Coalition [announced](#) today. In addition, 54 global companies from different industries put out a [joint call](#) on Monday for framework conditions that lay the foundation for a pathway toward limiting the temperature rise to well below 2 degrees Celsius. Domestically, the William and Flora Hewlett Foundation said Monday that it will donate \$600 million over a five-year period from 2018 to 2023 to nonprofits working on climate change solutions. And former New York mayor Michael Bloomberg will announce that 237 companies, with a combined market capitalization of over \$6.3 trillion, have committed to [voluntary recommendations](#) on climate disclosures.

**MORE DISCLOSURE FROM EXXON:** In a Monday SEC [filing](#), Exxon said it would begin releasing more information on the potential impact of climate change on its operations "in the near future." Those additional disclosures will include "energy demand sensitivities, implications of 2 degree Celsius scenarios and positioning for a lower-carbon future," according to the company.

**FIRST MOVE ON CPP REPLACEMENT:** An advance notice of proposed rulemaking seeking public comment on potential proposals to replace the Clean Power Plan will be released by EPA "in the upcoming weeks," Pro's Alex Guillén [reports](#), citing a Monday [court filing](#). The agency said the notice will "solicit information on systems of emission reduction that are in accord with the legal interpretation that has been proposed by EPA" and that the agency is still "considering the scope of any potential new rule."

**NEW ENERGY NOMINEE NAMED:** Trump announced his selection of Lisa Gordon-Hagerty of Virginia to be DOE's under secretary for nuclear security. Gordon-Hagerty has held a wide variety of jobs in Washington, including director of DOE's Office of Emergency Response and a five-year stint on the White House National Security Council staff. She now runs a national security consulting company.

**ICYMI,** judges on the 9th Circuit Court of Appeals appeared skeptical a case brought by children seeking dramatic government action against greenhouse gas emissions could prevail but seemed inclined to let it proceed to a trial phase, Pro's Alex Guillén [reports](#). If the court does allow the lawsuit to move ahead, a new trial date is likely to be set for some time next

year.

**FOR THE RECORD:** PolitiFact [rates](#) new West Virginia Senate candidate Don Blankenship's claim that the Upper Big Branch deadly explosion in 2010 represented "Obama's deadliest cover-up" as "Pants on Fire." It notes his campaign claims to have internal government records to back up its claims but refused to release them.

**ON THE CALENDAR:** Georgia's Public Service Commission will now vote Dec. 21 whether to allow construction to continue at the troubled nuclear project plant Vogtle, WABE [reports](#). Westinghouse, the lead contractor on the project, went bankrupt earlier this year and the cost of construction has doubled. "Whether our decision leads to the cancellation of this project, or that we agree to the owner's recommendation to go forward and complete the project with conditions, it is important that we move forward this year, before the end of the year," Public Service Commission Chairman Stan Wise said. A decision from the commission had initially been scheduled for February.

**PERMITTING PROCESSES UNDER THE MICROSCOPE:** The Senate Energy and Natural Resources Committee takes a look this morning at "opportunities to improve the efficiency, transparency, and accountability" of permitting from Interior and FERC for energy and resource infrastructure projects. Witnesses include: Jim Cason, associate deputy secretary at Interior, and Terry Turpin, director of the Office of Energy Projects at FERC. Watch [here](#).

**Before that,** lawmakers will vote on the nominations of Linda Capuano to run the Energy Information Administration and Timothy R. Petty's selection to be assistant secretary for water and science at Interior.

**CAR TALK:** Two House Energy and Commerce subcommittees gather today at 10 a.m. to look at the state of the federal government's fuel economy and greenhouse gas emissions regulatory program. Look for witnesses representing automakers to back the administration's decision to [reconsider the standards](#) for model years 2021-2025 and also to endorse legislation [H.R. 4011 \(115\)](#) from Reps. [Fred Upton](#) and [Debbie Dingell](#) to "harmonize" the programs. "It is not a matter of if we will meet the aspirational goals set by the previous administration in 2012, but rather, it is simply a matter of when," Mitch Bainwol, head of the Alliance of Automobile Manufacturers, will say per [prepared testimony](#). Background memo [here](#).

**SEEKING LONG-TERM HELP:** New York Gov. Andrew Cuomo and Puerto Rico Gov. Ricardo Rosselló chided Washington for its languid response to the ongoing crisis on the devastated island, POLITICO New York's David Giambusso [reports](#). "I believe there has been a disregard for the people of Puerto Rico because it's Puerto Rico and because they're Puerto Ricans," Cuomo said, flanked by Rosselló and members of New York's congressional delegation. Cuomo later released [recommendations](#) for how to rebuild Puerto Rico's electric grid that he said would make it "more resilient, efficient, advanced and less dependent on fossil fuel imports."

**BUTTERFLIES AGAINST BORDER WALL:** The non-profit North American Butterfly Association filed a lawsuit Monday against the Trump administration that argues it failed to meet constitutional requirements with preparations to build a wall on the U.S.-Mexico border. The lawsuit, filed in D.C. District Court, contends that federal authorities plan to build the wall through the association's 100-acre butterfly center in South Texas without adequate compensation. "Proposed border wall construction would cut off two-thirds of the Butterfly Center, effectively destroying it and leaving behind a 70-acre no-man's land between the

proposed border wall and the Rio Grande," the lawsuit argues. The plaintiffs also claim the wall preparations have violated environmental laws, and that construction could jeopardize the lives of threatened and endangered species. Read the complaint [here](#).

**WHAT'S OLD IS NEW?** Key Senate Democrats are vowing to fight over the looming collapse of key pension plans, including those for miners, in the next government spending package and it could be the sleeper cause of a government shutdown, POLITICO's Elana Schor [reports](#). "We're still going to do everything we can," Sen. [Joe Manchin](#) said. "I'm pushing as hard as I can."

**MAIL CALL!** EPW Chairman [John Barrasso](#) sent a letter to Energy Secretary Rick Perry and NRC Chairwoman Kristine Svinicki seeking information on whether the Obama administration may have misled Congress about the sale of Uranium One's uranium recovery facilities in Wyoming to a Russian state-owned firm. Link [here](#).

— **More than 100 House Democrats**, led by [Don Beyer](#), Dingell and [Raul Grijalva](#), sent a letter to their chamber's leadership urging the removal of provisions that they say would undermine Endangered Species Act protections as Congress works to iron out fiscal 2018 spending. Link [here](#).

— **Three Democratic senators** — [Sheldon Whitehouse](#), [Ed Markey](#) and [Ben Cardin](#) — hold a press conference today at 12:30 p.m. to urge the removal of the "base-erosion anti-abuse tax," reductions in the wind tax credit and elimination of the electric vehicle tax credit from the final GOP tax package.

— **More than 400 propane companies** from Idaho, Iowa, Kansas, Montana, North Carolina, South Dakota, Utah and Wyoming have asked senators to "extend the alternative fuel and alternative fuel infrastructure tax credits in the year-end federal spending bill." Link [here](#).

**LCV ENDORSES IN TEXAS RACE!** Rep. [Beto O'Rourke](#) landed the endorsement of the League of Conservation Voters Action Fund Monday for his uphill challenge against incumbent Sen. [Ted Cruz](#) in 2018. "At a time when the White House is rolling back conservation efforts across the country, scaling back our national parks and working to confirm climate change skeptics to environmental councils, Texans are demanding something better," O'Rourke said in a statement.

**ALL TALK, NO ACTION?** Consumers talk a good game about forswearing gasoline-powered vehicles in favor of ones powered by alternative fuels, but their actions don't back up those boasts, according to a new report from Fuels Institute. Among the reasons consumers ultimately don't pull the trigger on alternative fuel vehicles: low gas prices, lack of battery charging infrastructure, range anxiety and battery replacement costs. Axing the electric vehicle tax credit in the tax package (as the House-passed version did) would pose additional challenges to swift deployment of the new technologies, it notes. Link [here](#).

**SPOTTED:** Interior Secretary Ryan Zinke, Agriculture Secretary Sonny Perdue, House Natural Resources Chairman [Rob Bishop](#), Rep. [Bruce Westerman](#) and attendees from "Maine to Alaska" discussing forestry issues. Photo [here](#).

**Zinke also swore in** Brenda Burman as the leader of the Bureau of Reclamation on Monday.

**TAKE A GLANCE!** A report commissioned by Energy In Depth, a project of the

Independent Petroleum Association of America, finds the mortality rates have declined or remained stable in six Pennsylvania counties since the introduction of unconventional oil and gas development. Link [here](#).

**MOVERS, SHAKERS:** Janet McCabe has joined the Indiana University Robert H. McKinney School of Law as a professor. She was the Obama administration's top air official that led the development of the Clean Power Plan.

**Christine Heggem** started Monday as chief of staff to Rep. [Greg Gianforte](#). She was previously the House Agriculture Committee's director of coalitions and outreach and before that worked as a lobbyist for the National Rural Electric Cooperative Association (h/t POLITICO Influence).

## QUICK HITS

— A sudden change in Ryan Zinke's travel plans cost taxpayers nearly \$2,000, documents show. [Washington Post](#).

— Michigan lawmakers seek more EPA help with contaminations. [Associated Press](#).

— In the heart of the West Texas oil patch, a new fracking frenzy is putting a strain on groundwater. [Texas Observer](#).

— An Activist Stands Accused of Firing a Gun at Standing Rock. It Belonged to Her Lover — An FBI Informant. [The Intercept](#).

— British energy prices spike on major North Sea pipeline outage. [Reuters](#).

— With Climate Change, Tree Die-Offs May Spread in the West. [New York Times](#).

## HAPPENING TODAY

10:00 a.m. — "[Update on the Corporate Average Fuel Economy Program and Greenhouse Gas Emissions Standards for Motor Vehicles](#)," House Energy and Commerce Environment and Digital Commerce and Consumer Protection Subcommittees, Rayburn 2123.

10:00 a.m. — Senate Energy and Natural Resources Committee [hearing](#) on energy infrastructure projects and [business meeting](#), Dirksen 366.

12:30 p.m. — Sens. Whitehouse, Markey and Cardin hold press conference on energy provisions in GOP tax bill, Senate Radio and TV Gallery.

2:00 p.m. — "[Examining Consequences of America's Growing Dependence on Foreign Minerals](#)," House Natural Resources Energy and Mineral Resources Subcommittee, Longworth 1324.

2:30 p.m. — "[National Ocean Policy: Stakeholder Perspectives](#)," Senate Commerce Oceans, Atmosphere, Fisheries, and Coast Guard Subcommittee, Russell 253.

## THAT'S ALL FOR ME!

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<https://www.politicopro.com/newsletters/morning-energy/2017/12/new-offshore-drilling-plans-arrival-expected-shortly-048095>

## Stories from POLITICO Pro

### Perry's FERC letter raises eyebrows [Back](#)

By Eric Wolff | 12/11/2017 06:55 PM EDT

The urgent tone taken by Energy Secretary Rick Perry in his letter to FERC granting more time to consider his power market plan is raising eyebrows among some observers who are concerned about the energy regulator's independence in overseeing the nation's wholesale power markets.

The [letter](#) from Perry to FERC agreeing to give the agency another 30 days to develop a final action on his proposed rule to support coal-fired and nuclear power plants emphasized Perry's authority to grant an extension to the independent agency, while also noting that the Energy Department is reviewing its options for helping those plants on its own.

"If the commission fails to adopt the proposal within the original deadline ... the security of our nation's electric grid will continue to be at risk," the letter reads.

But many opponents of the plan say Perry's proposal to ensure the power grid's resilience is misguided, since power outages due to fuel shortages are extremely rare, and his effort appears designed to help a small number of companies, including coal producer Murray Energy. And the tight timeline he is pushing would be far faster than FERC's typical process.

"It's sort of odd for the commissioners to feel like DOE is holding the stopwatch on the commission's process," said a former Obama official. "Perry is continuing to assert his prerogative to control the stop watch for a process that should be FERC's process."

Perry's letter invoked Section 403 of the Department of Energy Reorganization Act, which grants him the authority to propose a rule and demand a final action, but most observers agree that DOE can't force the commission to take any action. Even President Donald Trump's authority over the agency is limited to nominating commissioners naming its chairman.

The rule proposed by DOE in October would establish payments to power plants that maintain 90 days of fuel on site. Perry had pressed FERC to take action on it by Monday, but FERC Chairman Kevin McIntyre requested a delay on Thursday, his first day in the new job. With the extension, FERC will now decide by Jan. 10 to adopt the rule, reject it, rewrite it, or send it out for study, among other options.

Some observers say that McIntyre didn't need to consult with Perry, and could simply have stated that the agency needed more time. Still, Perry's letter asserted he had the right to control the clock.

"It is solely within my authority under Section 403 to grant an extension of time for final action," Perry said in the letter.

The letter also says that DOE will make use of that same time to "continue to examine all options within my authority ... and any authorities to take remedial action as necessary to ensure the security of the nation's electric grid."

That reference could indicate DOE was considering using its emergency authority under the Federal Power Act to keep certain power plants running indefinitely, though administration sources have previously told POLITICO the Trump administration would not use that authority in such an unprecedented manner.

FERC Commissioner Neil Chatterjee, who has been a supporter of Perry's efforts to support coal-fired power plants, told reporters on Monday he wasn't concerned about the agency's independence.

"I've been pretty adamant that FERC has a history of independence and will continue to remain independent," he said. "If you look at the way we're handling it, we're doing it the way FERC always does it: Fact-based, data-based, and through the record. This has not been a political process, and pressure from DOE, pressure from the administration is not a factor in this."

Other energy lawyers said McIntyre's letter to Perry seeking additional time may have been part of a subtle political maneuver to help Perry save face.

"At the end of the day it's a power game," said Heather Curlee, an attorney at Wilson Sonsini Goodrich & Rosati who serves as federal regulatory counsel to the Solar Energy Industries Association. "There's a power in a public concession, allowing another person to publicly to say, 'Clearly I'm the one in charge and this is all a grand plan.'"

A DOE spokeswoman said Perry respects FERC's authority as an independent agency. "He also recognizes that FERC is the body charged with addressing these policy and market issues and he looks forward to action in the coming weeks," Shaylyn Hynes said in an email.

Republican former FERC Commissioner Tony Clark didn't see anything alarming in the letter.

"I read the letter as the Secretary making a case for his proposal and expressing some impatience, but I wouldn't necessarily equate that to infringing on FERC's independence," he told POLITICO in an email. "The text of sec. 403 provides that the secretary can propose a rule and set reasonable timelines for action, but after that, FERC can basically do whatever it feels appropriate given applicable statutes and the record before it."

*To view online [click here](#).*

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**EPA to release advance notice for Clean Power Plan replacement in 'upcoming weeks'**

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By Alex Guillén | 12/11/2017 06:29 PM EDT

EPA plans to release its advance notice of proposed rulemaking seeking public comment on potential proposals to replace the Clean Power Plan "in the upcoming weeks," the agency said in a [court filing](#) today.

The ANPR will "solicit information on systems of emission reduction that are in accord with

the legal interpretation that has been proposed by EPA," the filing added.

EPA Administrator Scott Pruitt last week [indicated](#) at a congressional hearing that EPA will write a replacement rule of some sort, a shift from EPA's past position that it would also consider writing no replacement rule at all.

Today's filing, however, says that EPA is still "considering the scope of any potential new rule."

**WHAT'S NEXT:** EPA will hold further public hearings on its proposed repeal of the Clean Power Plan in three states, although it has not yet set dates.

To view online [click here](#).

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**Judges appear skeptical of stopping kids' climate lawsuit early** [Back](#)

By Alex Guillén | 12/11/2017 02:51 PM EDT

Two appellate judges today hinted they believe a lawsuit brought by children seeking dramatic government action against greenhouse gas emissions should be allowed to continue, even as they raised significant questions about whether the suit can succeed.

The 9th Circuit Court of Appeals heard arguments today after the Trump administration asked it to take the unusual step of blocking the matter from reaching a trial phase. The Trump administration says the children do not have standing to bring the lawsuit.

But two of the 9th Circuit judges expressed skepticism at the unprecedented step of getting involved at this stage.

Judge Marsha Berzon, a Clinton appointee, said the suit is troublingly broad, but acknowledged that lawsuits are often narrowed at trial. "I would hope if this case did go forward that it would be pared down and focused and directed at particular orders or agencies," said Berzon.

Chief Judge Sidney Thomas, another Clinton appointee, said stopping the case now would mean the court would be "flooded" with similar requests for all kinds of suits.

Meanwhile, Judge Alex Kozinski, a Reagan appointee, appeared skeptical of the case's future, opining about what would happen if the Trump administration defied a court order to act and questioning the children's standing to sue.

Thomas also raised concerns about whether the children can plausibly seek relief over such a complex issue. Their attorney argued that courts have ordered the government to take wide-ranging action before, as with school desegregation.

**WHAT'S NEXT:** If the 9th Circuit lets the suit move forward, discovery will resume and a new trial date will be set, likely for sometime next year.

To view online [click here.](#)

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## EPA will review 2021 auto emissions rule alongside later years [Back](#)

By Alex Guillén | 08/10/2017 04:43 PM EDT

EPA will expand its review of 2022-2025 model year vehicle greenhouse gas emissions standards to include 2021 model year standards, the agency announced today.

The development mirrors a reconsideration of that year's fuel economy standards by the National Highway Traffic Safety Administration. NHTSA must set its Corporate Average Fuel Economy standards in blocks of up to five years, meaning it is only just starting to write rules for 2022-2025, and the agency [said](#) last month that it will also review its rule for 2021.

Because NHTSA is reviewing its own 2021 standard, EPA will do the same, according to a [pre-publication notice](#) signed today by EPA Administrator Scott Pruitt and Transportation Secretary Elaine Chao. It asks for input on the "availability and effectiveness of technology," costs and impacts on consumers, auto manufacturers and automobile safety, among other things.

EPA announced earlier this year that it will reopen the midterm review of the 2022-2025 standards after the Obama administration, in its final days in office, certified those standards as achievable. EPA has until April 1, 2018, to decide whether to weaken or keep those standards.

Any change to EPA's standards, either for 2021 or for the midterm review period of 2022-2025, would require a formal rulemaking process and would be open to legal challenges.

**WHAT'S NEXT:** The agencies will take public comments for 45 days once the notice is published in the Federal Register.

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**Date:** Wednesday, August 23, 2017 5:44:12 AM

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By Anthony Adragna | 08/23/2017 05:40 AM EDT

*With help from Esther Whieldon, Alex Guillén, Adam Behsudi and Eric Wolff*

**PEER-REVIEWED STUDY FINDS EXXON MISLED ON CLIMATE:** Harvard researchers are out this morning with a [peer-reviewed analysis](#) concluding Exxon Mobil misled the public over the course of 40 years of climate change communications. After poring over its scientific research, internal company memos, and paid, editorial-style advertisements, the study concluded that 83 percent of Exxon scientists' peer-reviewed papers and 80 percent of the company's internal communications acknowledged climate science — but just 12 percent of its advertisements did so, and 81 percent actually doubted human activity's role in the problem.

"We conclude that ExxonMobil misled the public," the report concludes. "We stress that the question is not whether ExxonMobil 'suppressed climate change research,' but rather how they communicated about it." The study, supported by Harvard University Faculty Development Funds and by the Rockefeller Family Fund, acknowledges "textual analysis is inherently subjective" but says the overall trends are "clear." The findings will be published in the journal *Environmental Research Letters*.

**Exxon, which did not have advance access to the study,** did not immediately respond to a request for comment on Tuesday night. A spokesman for the fossil fuel giant [previously said](#) allegations from environmental groups it misled the public and investors on climate change were based on "distorted reports that they have commissioned and a distorted history of climate research that we've done openly with government bodies."

**MONUMENT DECISIONS IMMINENT:** Rumors are swirling around Washington that Interior Secretary Ryan Zinke may send over his verdict as soon as today on what to do with the nearly two dozen national monuments the White House put up for review. The House Natural Resources Democratic staff released [a report](#) complaining Zinke used a secretive review process, obscuring the true purpose was to open up lands for fossil fuel development. "If President Trump and Secretary Zinke don't listen, then the courts and the voters will teach them that our public lands are not industry playthings to dispose of as they see fit," Ranking member [Raul Grijalva](#) said in a statement.

**Religious leaders weigh in:** A group of Christian leaders sent Vice President Mike Pence [a letter](#) Tuesday urging the administration to "not rescind or rollback any designations" of the national monuments currently under consideration. They called the Antiquities Act an "important tool" for "protecting the special places of God's Creation where we play, pray and learn."

**Irony alert:** During an interview with Fox News' "[Fox and Friends](#)," Pence said he was in favor of building more monuments around the country rather than tearing down existing ones. "I'm someone who believes in more monuments, not less monuments," he said in response to questions about whether statues commemorating the Confederacy should be removed. We'll

see if that desire to preserve monuments extends to ones designated by other presidents. Remember Zinke already [preliminarily suggested](#) shrinking Utah's Bears Ears National Monument back in April.

**WELCOME TO WEDNESDAY!** I'm your host Anthony Adragna, and ACC's Jonathan Corley nailed Nashville as the biggest U.S. city to glimpse Monday's total eclipse. For today: What is the only U.S. state to grow coffee commercially? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**DO YOUR DUTIES:** Biodiesel shipments from Argentina and Indonesia will face import duties after the National Biodiesel Board notched up an early victory in a trade case from the Commerce Department Tuesday, Pro's Eric Wolff [reports](#). In light of the preliminary ruling, Argentine and Indonesian companies will have to pay a cash deposit on shipments to the U.S. to cover potential future penalties. The Commerce Department will now take comment on the preliminary ruling and then issue a final decision likely next year. Here are the decisions on [Argentina](#) and [Indonesian](#) biodiesel.

**RIN-sanity:** The price for credits in biodiesel jumped 8 cents on the news, to \$1.17, the oil tracking service OPIS tells ME. Biodiesel credits are critical for refiners who need to buy them to comply with the Renewable Fuel Standard. EPA requires more ethanol blending than happens in reality, and some refiners buy the biodiesel credits to make up the difference. The ruling from Commerce has now raised their compliance costs.

**MORE MURKOWSKI INTRIGUE:** Zinke's [July calendar](#), which the agency released Tuesday, was relatively light compared to prior months on meetings with energy industry interests. But it did provide further evidence that the secretary may have pressed Alaska Sen. [Dan Sullivan](#) on July 26 over Sen. [Lisa Murkowski](#)'s vote on the healthcare bill, something the secretary has not denied doing. Hours before calling Sullivan that day, Zinke had a number of White House meetings and calls, including with Vice President Mike Pence, then-White House chief strategist Steve Bannon and Trump's top energy aide Mike Catanzaro. Zinke's calendar did not include a call with Murkowski, but the senator has said they did talk that day.

Zinke's July calendar also included a meeting with President Donald Trump's daughter-in-law Lara Trump on wild horses and animal welfare issues and a call with a number of lawmakers on both sides of the aisle, including Senate Energy and Natural Resources Committee ranking Democrat [Maria Cantwell](#).

**Fascinating tidbit:** From an excellent New York Times report on the simmering feud between Trump and Senate Majority Leader [Mitch McConnell](#): "Senator [Lisa Murkowski](#) of Alaska told colleagues that when Mr. Trump's interior secretary threatened to pull back federal funding for her state, she felt boxed in and unable to vote for the health care bill." Back in late July, Murkowski told [the Alaska Dispatch News](#) that Zinke's forceful call didn't sway her vote on the healthcare bill.

**FIRSTENERGY'S TOUGH SELL:** FirstEnergy Solutions, a unit of FirstEnergy Corp., wanted the federal government to use its emergency powers to save coal plants that teetered on the edge of insolvency — saving some of Trump supporter Robert Murray's coal mines that supply fuel for the plants — but it had a major problem: The power from the plants isn't deemed especially critical. The federal government has authority to keep plants open when crucial to local supplies, but PJM Interconnection, which manages the largest grid in the

country, has plenty of power. In an April [letter](#), the grid operator told Ohio Governor John Kasich that thanks to its capacity market, which pays power plants to remain on standby even if they don't run, it had 6 percent more power on reserve than it needed. The letter also said the operator maintained a robust process for managing retirements, and that typically new plants could come in to replace older ones.

That badly undermined FirstEnergy's position, as did the fact that the company asked for a three-year commitment to keep the plants operating. Normally the authority granted under section 202 of the Federal Power Act is used for short periods when there's an unexpected disruption, like when in April [lightning struck](#) a plant in Oklahoma, creating a need to change how nearby transmission operated for a few months. Keeping the plants open for so long would entail paying their owners to stay available — which presumably was FirstEnergy's point, but it adds costs for PJM and its ratepayers.

**ICYMI:** Pro's Alex Guillén and Eric Wolff [look at](#) how two wealthy backers of Trump — coal magnate Robert Murray and Wall Street billionaire Carl Icahn — failed to get their policy priorities turned into action despite the president's backing. Murray's failure to get DOE to use its emergency powers to force some Rust Belt coal-fired power plants to stay open, and Icahn's earlier inability to convince EPA to alter its ethanol rule, show the limits of trying to circumvent the federal bureaucracy even with a sympathetic ear in 1600 Pennsylvania.

**INSIDE TRUMP WORLD'S NAFTA STRUGGLES:** The Trump administration is grappling with its position on an investor-state dispute settlement mechanism in NAFTA, ratcheting up concerns among businesses eager to see the U.S. make a clear commitment to continue with the controversial provision as it has in past trade deals, according to sources with knowledge of the deliberations. The controversial international arbitration mechanism allows private companies to seek damages from government actions that violate their investment rights under a trade deal. Business groups, particularly in the oil and gas sector, have launched a full-court press on Hill offices to request that they put pressure on the administration to include the dispute provision. One lobbyist source said the energy sector's support of a modernized NAFTA deal hinges directly on the inclusion of ISDS.

**Speaking of which,** Trump on Tuesday night in Phoenix: "I think we'll probably end up terminating NAFTA at some point."

**DEVIL'S IN THE DETAILS, GUYS:** Trump's administration may seek to secure stakes in Afghanistan's vast mineral deposits — estimated at \$1 trillion by one U.S. government [report](#) — as a way to offset ongoing military costs there, Pro's Ben Lefebvre [reports](#). "We're looking at all those types of options," a senior White House adviser said. Analysts caution extracting and processing tons of minerals from a war zone and then transporting them out of a country with little modern infrastructure won't be happening anytime soon.

**MARK YOUR CALENDAR:** A coal industry source tell ME the Energy Department's big grid study will finally be released on Thursday.

**DAKOTA ACCESS COMPANY SUES 'ECO-TERRORIST' GROUPS:** Energy Transfer Partners, the owner of the Dakota Access pipeline, filed a lawsuit Tuesday against Greenpeace International and Earth First!, asserting they worked to spread misinformation about the project and damage the company, Diamond Naga Siu [reports](#). The federal racketeering lawsuit alleges the groups launched "attacks [that] were calculated and thoroughly irresponsible, causing enormous harm to people and property along the pipeline's route."

**In response,** Greenpeace USA General Counsel Tom Wetterer bashed the filing as the second "meritless" lawsuit filed against them by the law firm led by Trump's former personal attorney Marc Kasowitz. And Earthjustice President Trip Van Noppen called the lawsuit "an unprovoked and malicious attack on those who would use the power of the law and free speech for good."

**EPA IG TO REVIEW TSCA DATA REPORTING:** EPA's inspector general has begun an inquiry into chemical data reporting under the reformed Toxic Substances Control Act, according to a newly posted [memo](#). The reformed law requires chemical makers and importers to give EPA key data about those chemicals used to review potential risks, and to update that data every four years. Investigators will look specifically at "how the EPA is ensuring that companies are compliant" and whether EPA is using that data to prioritize which chemicals to review for health and environmental risks.

**PELOSI, OTHERS TALK MARINE MONUMENTS:** House Minority Leader [Nancy Pelosi](#), Reps. [Jared Huffman](#) and [Jackie Speier](#), and others are hosting a public forum today at the Bay Model Visitor Center in Sausalito, Calif. on protecting national marine sanctuaries and monuments. As a reminder, Commerce Secretary Wilbur Ross has until Oct. 25 to send Trump a report on the potential for offshore fossil fuel production, among other things, in 11 marine national monuments and sanctuaries. Members of the public will have an opportunity to comment at the event, which kicks off at 10:30 a.m. PST and can be streamed [here](#).

**MAIL CALL! PUMP THE BRAKES ON LNG EXPORTS:** The Industrial Energy Consumers of America sent [a letter](#) Tuesday to the Trump administration asking for a moratorium on additional approvals of natural gas exports. "If we export too much LNG, prices will eventually rise to global levels," Paul Cicio, the manufacturing group's president, wrote. "At that point, foreign nations demand for LNG will dictate what price Americans pay. This is certainly not in the interests of the American public."

**ELECTRIC CONTRACTORS OPPOSE SUNIVA PETITION:** The National Electrical Contractors Association sent [a letter](#) to the International Trade Commission Tuesday opposing an effort from Suniva and SolarWorld to have imported solar cells or panels slapped with steep tariffs. "We believe the proposed remedies will significantly harm American manufacturers of solar parts and panels and ultimately crush demand for solar installations nationwide," the group wrote.

**ME FIRST — CLEAN ENERGY WEEK EXPANDS!** The Center for Liquefied Natural Gas has joined the steering committee of National Clean Energy Week, bringing the number of groups planning the events of the week of Sept. 25 to 29.

**HERE'S ZINKE IN AN APRON:** His wife, Lola, tweeted a picture of him cooking breakfast in a pretty sweet apron. Check it out [here](#).

**REPORT: HERE'S HOW TO BOOST RGGI:** Resources for the Future released [a report](#) Tuesday outlining ways to strengthen the Regional Greenhouse Gas Initiative. Their top idea is a new mechanism known as an emissions containment reserve, which would be triggered when carbon allowance prices drop below a threshold that would be set to ensure it was still driving emissions reductions.

**MOVER, SHAKER:** Colin O'Neil has been promoted to legislative director at the Environmental Working Group where his portfolio includes agriculture and food, cosmetics

and chemicals outreach efforts on Capitol Hill. Before joining EWG, he was director of government affairs at the Center for Food Safety.

## QUICK HITS

— In Italy's Drought-Hit Vineyards, the Harvest of a Changing Climate. [New York Times](#).

— Chris Christie Leaves A Trumpian Legacy On Climate Change. But It Won't Last. [Huffington Post](#).

— Kentuckians to Trump: Restart study of how surface mining hurts health. [Lexington Herald-Leader](#).

— California sees strong results from cap-and-trade auction after program extension. [Los Angeles Times](#).

— Oil prices climb as traders eye another U.S. crude drawdown. [Reuters](#)

— In Alaska, One Man Fights To Save Oil Fund As Reserves Dry Up. [NPR](#).

— Climate change serves as central concern at annual Lake Tahoe Summit. [Tahoe Daily Tribune](#).

## HAPPENING TODAY

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## THAT'S ALL FOR ME!

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/08/peer-reviewed-study-finds-exxon-misled-public-on-climate-024357>

## Stories from POLITICO Pro

**Exxon scrambles to contain climate crusade** [Back](#)

By Andrew Restuccia | 05/09/2016 05:28 AM EDT

On Nov. 3, ExxonMobil dispatched its top lobbyists to Capitol Hill on an urgent mission — tamping down an escalating campaign aimed at making the country's largest oil company pay a legal and political price for its role in warming the planet.

The meeting marked a striking shift in Exxon's handling of the controversy. The notion of holding oil companies responsible for global warming, in the same way tobacco companies had to pay billions of dollars in damages over the health effects of cigarettes, had long been seen as a quixotic quest led by scruffy, oil-hating extremists. But POLITICO's interviews with dozens of activists, industry officials and lawmakers suggest that support for a legal crusade against Exxon is growing far beyond the political fringe — and now poses the biggest existential threat the company has faced in decades.

Just five days before the meeting on Capitol Hill, Democratic presidential front-runner Hillary

Clinton had urged the Justice Department to investigate whether the petroleum giant spent decades deceiving the public about the threat of climate change. State attorneys general had Exxon in their sights as well, preparing to issue subpoenas that would eventually rope in virtually all of Washington's conservative policy apparatus. A four-year effort by green activists, scientists and lawyers to turn Big Oil's biggest player into the poster child for climate change — deliberately patterned after the successful campaign to take down tobacco — was shaking the descendant of John D. Rockefeller's Standard Oil empire to its core.

So the four Exxon executives arrived at the office of California Democrat Rep. [Ted Lieu](#) with one job: convincing four of their most vocal congressional critics that the company wasn't the polluting villain its enemies were making it out to be.

Exxon supports "sound climate policy" and has tripled its greenhouse-gas cuts since 2008, the executives boasted to the lawmakers in a 10-page [glossy presentation](#), later obtained by POLITICO. Exxon was even on record in favor of a tax on carbon emissions — a climate remedy more radical than anything President Barack Obama has proposed.

The company left empty-handed, though, after refusing to directly answer questions about whether it had suppressed internal research that underscored the threat of climate change while publicly sowing doubt about climate science, according to people in the room.

The presentation made at least one thing clear, however: After years of shrugging off pressure from eco-activists, Exxon was showing signs of worry.

And Exxon wasn't the only one with reasons to be nervous.

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Interviews with advocates on both sides of the feud reveal how quickly the anti-Exxon movement has sprouted, to the point that it's now consuming op-ed pages, airwaves and courtrooms across the country. Once merely intent on shaming the oil giant into better behavior, environmentalists are pursuing a strategy to discredit the company, weaken it politically and perhaps make it pay the kinds of multibillion-dollar legal settlements that began hitting the tobacco industry in the 1990s.

The campaign — led by some of the same climate activists who defied Beltway wisdom by [killing the Keystone XL oil pipeline](#) — has mushroomed into far more than a greens-versus-Exxon feud.

Just last week, a leaked [subpoena](#) from the attorney general in the U.S. Virgin Islands revealed a vast probe that demanded Exxon's communications with more than 100 free-market think tanks, conservative consulting firms and climate-skeptic scientists — proof, the company's supporters say, that environmentalists are using the legal system to launch a broad attack on their political opponents. The subpoena targets Exxon's dealings with parties including the Competitive Enterprise Institute, the U.S. Chamber of Commerce Foundation, the Hoover Institution, George Mason University and scientists at the Massachusetts Institute of Technology, the University of Alabama and the University of Delaware.

The first subpoena to Exxon came from New York Attorney General Eric Schneiderman, who used his state's powerful consumer fraud law to hit the company with legal papers just a day after the lobbyists' meeting on the Hill. AGs in California and Massachusetts have also launched investigations into the company.

Members of Congress have weighed in too, with Sen. [Sheldon Whitehouse](#) (D-R.I.) and presidential contender Sen. [Bernie Sanders](#) (I-Vt.) urging DOJ to consider bringing civil racketeering cases against oil companies.

"Obviously, we take it extremely seriously," Exxon spokesman Alan Jeffers told POLITICO, noting that the company is complying with the New York subpoena while it fights the racketeering summons from Virgin Islands Attorney General Claude Walker. The greens' campaign is built on "distorted reports that they have commissioned and a distorted history of climate research that we've done openly with government bodies," Jeffers added.

Both sides describe the political stakes of the campaign as huge.

"Exxon's been able to work its political will for a quarter of a century — they shouldn't be able to," said climate activist Bill McKibben, a leader of the fight against Keystone. "They should be a toxic political brand."

"Exxon is taking this real seriously, and that tells you something, doesn't it?" Matt Pawa, a Massachusetts lawyer who has repeatedly gone after Exxon in court, said in an interview. "Maybe they've got something to hide."

Even rival oil companies that disdain Exxon's support for a carbon tax are spooked about how far the greens' campaign has gotten, especially when the industry is already reeling from a huge slump in fuel prices.

"Industry doesn't look at this and say, 'Too bad for Exxon,'" one fossil-fuel lobbyist said. "We say it's very chilling, a horrible precedent, and no one wants to see themselves next."

Underscoring the industry's anxiety is the breadth and intensity of the counterattack it has mounted. Industry consultants are accusing the state AGs of colluding with environmentalists, and have questioned the role of foundations created by the Rockefeller family — petroleum heirs turned anti-oil activists — in helping bankroll some news organizations' Exxon investigations.

The industry is even exploring the idea of launching a counter-probe: A lobbyist for one of Exxon's industry rivals told POLITICO he has reached out to red-state attorneys general to gauge their interest in probing where environmental groups are getting their funding. No takers have emerged so far.

But industry backers' main argument is that the greens are assaulting the constitutional rights of anyone who dissents from mainstream climate science. Heritage Foundation fellow Hans von Spakovsky has [denounced](#) Schneiderman's probe as a "Soviet-Style investigation," while conservative columnist George Will [called](#) it an example of "gangster government."

"Instead of honoring legitimate academic and scientific inquiry, the far-left has gone to extremes to silence those who disagree," Oklahoma Republican Sen. [Jim Inhofe](#), the chairman of the Environment and Public Works Committee, said Wednesday. He added, "This is nothing more than a misuse of power to score cheap political points."

Exxon itself has made similar arguments, fighting the Virgin Islands subpoenas in court as an infringement on the company's free-speech rights. But Walker, the territory's AG, dismissed that reasoning.

"The First Amendment is not a defense to fraud," Walker told POLITICO through a spokesman, and "the Constitution provides no right to mislead shareholders."

"The tobacco companies," he added, "raised exactly these arguments. ... That was soundly rejected by the courts."

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The seeds of the Venus flytrap closing around Exxon were planted in June 2012 in the wealthy seaside town of La Jolla, Calif., where two dozen scientists, lawyers and academics huddled for a scholarly conference on an issue that had vexed the environmental movement for decades: How, on a planet filled with 7 billion people, do you hold oil companies liable for

their role in worsening climate change?

"This wasn't a strategy session," said Peter Frumhoff, a conference organizer and the director of science and policy at the Union of Concerned Scientists. "This was a kind of first cut at, for lack of a better word, an exercise in applied scholarship."

But attendees emerged with two strategies that would set the tone for today's anti-Exxon fight.

First, they underscored the importance of building a catalogue of peer-reviewed research making the case that individual corporations could be held responsible for their contributions to climate change, a step that could serve as Exhibit A in future legal action. That tactic took a page from Exxon itself, which funded research after its 1989 Valdez spill arguing that Alaska's Prince William Sound was already recovering from the damage.

Richard Heede, a climate researcher who helped organize the La Jolla conference, said the attendees realized the "value" of having credible peer-reviewed research.

Working with other academics like Naomi Oreskes, whose book "Merchants of Doubt" drew parallels between the climate and tobacco fights, Heede published articles in peer-reviewed journals that placed the responsibility for climate change at the feet of major fossil fuel companies. In a November 2013 [study](#), for example, Heede estimated that 63 percent of worldwide emissions of industrial carbon dioxide and methane came from a group of 90 "carbon major" entities. (ExxonMobil was prominent in the list.) Environmental groups like Greenpeace immediately [trumpeted](#) the research.

"For a long time, fossil fuel companies have benefited from the idea that everyone is responsible for climate change — and if everyone is responsible, then nobody is responsible," said Carroll Muffett, the president of the Center for International Environmental Law. "Now the science is moving into a much finer resolution."

Second, the La Jolla attendees agreed that obtaining and publicizing internal corporate documents was the key to turning public opinion against the oil companies and eventually securing a legal victory.

"A key breakthrough in the public and legal case for tobacco control came when internal documents came to light showing the tobacco industry had knowingly misled the public," the 2012 conference organizers wrote in a [memo](#) on the meeting. "Similar documents may well exist in the vaults of the fossil fuel industry and their trade associations and front groups, and there are many possible approaches to unearthing them."

Exxon's opponents are likely to get hold of more internal records as the attorneys general proceed with their investigations. Schneiderman's aides are culling through tens of thousands of pages of documents from the company, according to a person familiar with the probe.

"I'd be amazed if there aren't several paper trails that will be found through subpoenas," said veteran lawyer Richard Ayres, one of the Natural Resources Defense Council's co-founders and an attendee at the 2012 conference. "Once subpoenas are answered, the trails will begin to be more visible and people will find this idea of litigation a lot more appealing."

The source familiar with Schneiderman's probe said the wide leeway afforded by his state's financial fraud law, the Martin Act, aided his request for documents. Those include records of

Exxon's internal research into climate change's causes, the role of climate information in business decisions, and marketing, advertising and company communications.

From the start, Exxon's critics drew heavily on the lengthy legal crusade against tobacco companies that culminated in a massive settlement in 1998 totaling hundreds of billions of dollars.

Tobacco critics made little headway in the 1950s, when few Americans knew of the dangers of smoking. But the anti-tobacco fight gained steam as studies directly linked cigarettes to cancer and other ailments, eventually allowing the states to collect huge windfalls from the tobacco companies as compensation for smoking's health costs.

For the people gathered in La Jolla, even getting to the lawsuit stage would be a victory. "No matter what the outcome, litigation can offer an opportunity to inform the public," anti-tobacco litigator Sharon Eubanks said at the meeting, according to the meeting notes.

At the heart of any legal strategy is proof of a conspiracy or fraud — in this case, an alleged effort by oil companies to conceal their internal knowledge of their product's contributions to climate change. The activists' big break came in September and October, when the nonprofit investigative website InsideClimate News and the Los Angeles Times [published](#) stories [alleging](#) that Exxon's scientists had known as far back as the 1970s that the company's fossil fuels would cook the planet, even as its executives hid that knowledge.

The stories, citing internal Exxon documents, didn't make an immediate splash in Washington. Lieu and Rep. [Mark DeSaulnier](#) (D-Calif.) didn't ask DOJ to launch an investigation until Oct. 15. Exxon addressed the controversy for the first time [on Oct. 21](#), singling out InsideClimate as "an anti-oil and gas activist organization" — the first of many times that the industry would slam the news outlet for taking money from the anti-fossil-fuel Rockefeller Brothers Fund and Rockefeller Family Fund.

Then the activists scored a political coup on Oct. 29 by injecting the issue into the mainstream of the presidential race. Responding to a question at a New Hampshire town hall, Hillary Clinton [told](#) an activist from McKibben's climate group that the Justice Department should look into Exxon's activities, saying, "There's a lot of evidence they misled."

Days later, Exxon's lobbyists were taking the meeting in Lieu's office with Lieu, DeSaulnier and two other liberal House Democrats. They aimed to "show the source documents that we think are the complete opposite of what the media reports have showed," Exxon spokesman Jeffers said afterward.

Their message: Exxon "believes in climate change, they believe it's largely caused by the burning of fossil fuels and human activity, and they support a fee on carbon," Lieu recalled in an interview. "That is the company line."

But when Lieu asked if Exxon supported any current proposal to tax the carbon in its nearly 25 billion barrels in proved worldwide oil reserves, the lobbyists said no. Nor would the company admit to the greens' accusations of deceiving the public.

"The basic questions were not at all resolved or seriously addressed in the meeting," Rep. [Peter Welch](#) (D-Vt.) told POLITICO. DeSaulnier called Exxon's pitch an attempt at "damage control," rather than an effort to be "open and honest and corrective."

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American oil companies are coping with the anti-Exxon campaign at a uniquely vulnerable time, with oil prices dropping to a 13-year low in February. Exxon lost its top-ranked credit rating last month thanks to a debt load that has more than tripled since 2012 and earnings that fell by 50 percent last year.

To be sure, Exxon's status as one of the world's most profitable companies remains unshaken. Its market value is nearly double that of Chevron, the nation's second-biggest oil and gas company.

But as the greens' campaign matures, Washington's conservative firmament is broadcasting its fury at what it sees as a fishing expedition aimed at ferreting out embarrassing information about the company.

Among those fighting back is CEI-affiliated conservative activist Chris Horner, who has used public records requests to uncover internal documents about coordination between activists and state attorneys general. Horner, who runs an anti-environmentalist research machine called E&E Legal, [released emails](#) last month that showed the attorneys general consulting with an anti-Exxon lawyer and an official at the Union of Concerned Scientists before holding a news conference in March with former Vice President Al Gore.

Two BakerHostetler litigators, David Rivkin and Andrew Grossman, have also founded a project called Free Speech in Science accusing the environmentalists of attacking climate skeptics' constitutional rights.

"You don't normally choose a target first, based on their speech, and say you're going to pursue all theories" available to attack that target, said Grossman, also an adjunct scholar at the conservative Cato Institute. "What's really going on here is intimidation."

Leaders of the Federalist Society, an alliance of conservative lawyers that counts Supreme Court Justices Clarence Thomas and Samuel Alito as members, have penned lengthy [attacks](#) on Schneiderman and other attorneys general investigating Exxon. [National Review](#), [Reason](#), [Powerline](#) and others followed suit in defending the oil giant, as have [members](#) of The Wall Street Journal's editorial board.

Exxon is "considering all of our options" for potential legal action against InsideClimate News, the Los Angeles Times or activist groups, spokesman Jeffers told POLITICO.

Aside from the company itself, the most vocal resistance to the greens has come from FTI Consulting, a firm filled with former Republican aides that has helped unify the GOP in defense of fossil fuels. Under the banner of Energy in Depth, a project it runs for the Independent Petroleum Association of America, FTI has peppered reporters with emails that suggest "collusion" between green activists and state AGs, and has raised questions over InsideClimate's Rockefeller grants.

The intensity of Energy in Depth's counter-assault reflects the degree of potential pain the entire industry faces from Exxon's troubles. IPAA senior vice president Jeff Eshelman said its efforts "haven't been to defend one company or interest, but rather to showcase [InsideClimate's] ongoing attacks on the American oil and gas industry that seem to be funded by multi-million-dollar activists."

InsideClimate News, which was named a Pulitzer Prize finalist last month for its Exxon stories, says it has received \$25,000 from the Rockefeller Family Fund, or about 2 percent of the company's budget. The idea that the funding is influencing its news coverage is "an easy accusation, but it's completely baseless," founder and publisher David Sassoon told POLITICO. "Our funders have no access to our editorial and they never have."

As for Exxon, he said: "They have never asked us for a correction. They don't dispute the authenticity of the documents that our report is based on."

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While nearly 200 nations hammered out a global climate agreement in Paris in December, many establishment environmentalists took a victory lap. But the anti-Exxon forces were girding for their next fight.

On the sidelines of the United Nations conference in Paris, Pawa — the Massachusetts lawyer — delivered a private talk to activists that McKibben described as his "opening argument in the case" against Exxon. Columbia Law School professor Michael Gerrard also spoke that day at Pawa's request about what he described as "some of the defenses that would be raised" by a corporation facing legal threats linked to its greenhouse gas emissions.

Pawa is a veteran Exxon antagonist, having won a \$236 million judgment against Exxon in 2013 for polluting New Hampshire's groundwater. He helped an Alaskan Inuit village sue the company in 2008 over the rising seas that threatened the local economy.

And the previously unreported closed-door huddle in Paris wasn't the only place Pawa has touted his legal theory of Exxon's culpability.

He delivered a courtroom-style presentation titled "What Exxon Knew About Global Warming, and What it Did Anyway" in March at an [environmental law conference](#) in Oregon. Later that month, he led a closed-door briefing with Democratic attorneys general and their staff, according to [emails](#) obtained by Horner's conservative think tank.

Pawa's central role in the escalating bombardment of Exxon has made him a target, as the company's allies liken him to a puppet master orchestrating the campaign behind the scenes. But he told POLITICO that he is not formally involved in any state investigations, even as he suggested that more AGs could jump into the fray.

"There will be a successful outcome some day, whether it's my or another generation of lawyers," Pawa said. He added: "I do think we will be successful. I hope it's in the short term."

Activists plan to make a public stand at Exxon's annual shareholder meeting May 25, where several resolutions intended to force the company into acknowledging the climate threat will come to a vote.

The calls for a DOJ racketeering investigation from Clinton, Sanders, Lieu and Whitehouse, a former state attorney general, are also paying off. The Justice Department told Lieu in March that it had referred the requests to the FBI, a move that doesn't preclude DOJ later filing a civil complaint.

Walker, the Virgin Islands' AG, predicted that his Exxon probe will take longer than the four

months it took for his office to secure an \$800 million settlement in a separate case against Hess Oil. But otherwise, he said, a thorough inquiry "takes time, and my job is to get it done right, not fast."

Oil companies may face yet another headache if Democrats regain the Senate in November: Lawmakers such as Whitehouse told POLITICO they will push to hold hearings like those in the 1990s where tobacco executives had to testify under oath.

The prospect of intensifying political trouble for Exxon and other major oil companies while a legal case drags on is an integral design feature of activists' campaign against the company. Whether the endgame is the type of multibillion-dollar settlement that crippled cigarette makers, or whether it's a Beltway surrender that forces the company to do more on climate change, no longer matters.

What matters, the company's critics say, is sending a message to the industry that its days of climate obstructionism are over.

In the meantime, Whitehouse is betting that the flood of internal Exxon documents emerging as a result of the investigations will uncover damaging information.

"It wouldn't surprise me if some of these organizations were busily scrubbing their files to get rid of culpatory materials," he said.

Meanwhile, the industry's seemingly united pro-Exxon front belies a paradox: Other American oil companies are frustrated by the company's stated advocacy of a "revenue-neutral" carbon tax. No Democrat or environmentalist takes that stance seriously, but Exxon's willingness to even utter the phrase makes it an outlier among U.S. drillers and refiners, which fear that a levy on greenhouse gases could gain momentum if Clinton wins in November.

Many in the industry are also skeptical of Exxon's ties to the Democratic front-runner: The company's Washington office includes senior lobbyist Theresa Fariello, who bundles contributions for Clinton's campaign, and former Democratic aide Dan Easley, both of whom attended the Election Day meeting in Lieu's office.

"Exxon was one of the first companies out of the gate on a carbon tax, and they've made no secret they want to get along with the Clinton guys," said one fossil-fuel lobbyist unaffiliated with the company. "Their chickens are coming home to roost."

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**Zinke recommends shrinking Bears Ears monument [Back](#)**

By Esther Whieldon | 06/12/2017 04:07 PM EDT

Interior Secretary Ryan Zinke proposed shrinking the Bears Ears National Monument on Monday, trimming back the controversial Utah monument created by former President Barack Obama during his final days in office.

A preliminary review of the 1.4 million-acre monument that Zinke sent to the White House over the weekend shows his "belief that the monument needs to be right-sized," Zinke said in a statement.

Any move by President Donald Trump to alter the monument designed to protect thousands of sensitive archaeological sites will set off a legal fight with tribes and conservation groups that have complained the Native American ruins there were being damaged and would be threatened by oil and gas development in the area.

Zinke's [preliminary recommendations](#) to Trump show he did not plan to go as far as revoking Obama's monument designation — a move that has been sought by the state's congressional delegation.

"Rescinding the monument was an option, but looking at it, there are some antiquities within the monument that I think deserve to be protected," he said in a press call.

Trump has ordered Zinke to review 22 of the national monuments that were established in the past two decades to determine if they should be altered or revoked. The secretary has until Aug. 24 to send his final recommendations to the White House, and Zinke has extended the comment period on Bears Ears to July 10.

Zinke is also pressing Congress to look at the Bears Ears boundaries "to see whether the lands are more appropriately designated as national conservation areas or national recreation areas," he said. "There's certainly a high demand of recreation. There's certainly a demand for conservation in some parts, but we believe that those areas are better suited under congressionally mandated designations than they are a monument."

The secretary also asked Congress to grant tribes the ability to co-manage specific areas within Bears Ears, and for Congress to clarify how wilderness areas that overlap with monuments should be treated, an issue for Bears Ears and some other monuments under review.

A former congressman from Montana, Zinke cited his concern that the federal government restricts activities on the land it designates as protected, saying that designating a monument the size of Bears Ears where "multiple-use management is hindered or prohibited is not the best use of the land and is not in accordance with the intention of the Antiquities Act."

President Barack Obama created the monument in southeast Utah in December, angering Republicans who accused the administration of federal overreach by ignoring locals who opposed the move and using the Antiquities Act to cut off commercial activity such as mining and oil and gas drilling.

Prior legislative attempts by the Utah delegation to curb federal monuments in the state have [failed](#). Utah Republicans [Rob Bishop](#) and [Jason Chaffetz](#) did manage last year to get their [Utah Public Lands Initiative](#) legislation through the Natural Resources Committee, which Bishop chairs, but it never received a floor vote.

If Trump ultimately decides to alter Bears Ears or the other monuments on the list, he is certain to face legal challenges from environmental groups. "An attack on one monument is an attack on all of them," said Jesse Prentice-Dunn, advocacy director at the Center for Western Priorities.

Past presidents have changed the size of monuments but none have revoked them entirely, and legal questions remain as to whether the law allows a president to fully undo their predecessor's actions.

Zinke last month traveled to the Bears Ears and Grand Staircase-Escalante monuments and this week he will head to New England to visit the Katahdin Woods and Waters National Monument in Maine, which is also under review.

Zinke has repeatedly talked about the need to balance conservation with commercial and recreational demands on public lands, and has already this year ended the moratorium on new coal leases and launched reviews on ways to open up more areas for oil and gas development.

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### **U.S. biodiesel industry gets early win in trade case [Back](#)**

By Eric Wolff | 08/22/2017 05:05 PM EDT

The Commerce Department will impose import duties on biodiesel shipments from Argentina and Indonesia as a result of a trade case brought by domestic producers, Commerce Secretary Wilbur Ross said Tuesday.

"The U.S. values its relationships with Argentina and Indonesia, but even friendly nations must play by the rules," Ross said in a statement announcing the rulings.

The department found the Argentine and Indonesian governments set up subsidies in violation of international trade laws, and penalties are needed to even out prices. "The subsidization of goods by foreign governments is something that the Trump administration takes very seriously, and we will continue to evaluate and verify the accuracy of this preliminary determination," Ross added.

Because the ruling is preliminary, companies in Argentina and Indonesia will have to pay a cash deposit on exports to the U.S. to cover potential future penalties. The cash deposit rates will range from 50.29 percent to 64.17 percent of the value of Argentine biodiesel, and from 41.06 percent to 68.28 percent for product from Indonesia.

Commerce also imposed a retroactive penalty so that the deposit rates will apply to biodiesel exports to the U.S. from those countries dating back to May, rather than starting Tuesday, as would normally be the case.

The National Biodiesel Board and 15 biodiesel producers brought the case in response to rapidly increasing imports of biodiesel from the two countries.

"The Commerce Department has recognized what this industry has known all along — that foreign biodiesel producers have benefited from massive subsidies that have severely injured U.S. biodiesel producers," Doug Whitehead, NBB's chief operating officer, said in a statement.

The National Association of Truck Stop Operators opposed the rulings, arguing they would raise fuel prices in the U.S. and ultimately lead to higher costs for consumer goods transported by truck in the U.S. "Any outcome that results in cutting off Americans' access to cleaner burning fuels, such as biodiesel, from foreign markets is a bad day for the United States," David Fialkov, NATSO's vice president of government relations, said in a statement.

Commerce will take comment on the preliminary rulings and then issue final decisions, which are likely to come next year.

Commerce is expected in October to issue a preliminary ruling in a separate case on whether Argentina and Indonesia deliberately dumped biodiesel in the U.S., undermining U.S. producers. NBB and the 15 biodiesel producers brought that action as well.

A memo Commerce released Tuesday on Argentine imports is [here](#). The decision is [here](#). A memo on Indonesian imports may be read [here](#). The decision is [here](#).

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**Trump rejects wealthy friends' pleas for help [Back](#)**

By Alex Guillén and Eric Wolff | 08/22/2017 07:30 PM EDT

Coal magnate Robert Murray has just joined Wall Street billionaire Carl Icahn in an exclusive club — wealthy backers of President Donald Trump who tried and failed to get lucrative concessions from his administration.

Murray, CEO of Murray Energy, one of the nation's biggest and most politically active coal miners, complained in an Aug. 4 [letter](#) made public Tuesday that the Energy Department had dragged its feet on his request that it use its emergency powers to force some Rust Belt coal-fired power plants to stay open. Trump was so taken by the idea that he immediately turned to Energy Secretary Rick Perry and ordered him to do it, wrote Murray, who said he had witnessed the conversation.

But DOE said no.

Murray's failure to shift the policy, and Icahn's earlier inability to convince the Environmental Protection Agency to alter its ethanol rule, raises questions about the limits of bulldog business leaders to circumvent the government's bureaucracy, even in an administration run by a sympathetic billionaire.

"These are two people who really don't understand how government works talking to a president who came into office not understanding how government works," said Jeff Navin, a founder of Boundary Stone Partners and former acting chief of staff at the Department of Energy under President Barack Obama. "What they're asking for causes serious legal problems for the agencies they're asking to take these steps."

Some conservatives, meanwhile, praised Trump for sticking up for market principles by refusing to grant favors to individual supporters.

The Trump administration "is committed to making sound policy decisions based on market principles and the rule of law, not political favoritism," said Tom Pyle, president of the industry-funded American Energy Alliance and former head of the Trump transition team at the Energy Department. "This is welcome news for Main Street and a wake-up call for K Street."

Icahn was an early Trump supporter — the two men go back decades — and though Murray started 2016 backing Texas Sen. [Ted Cruz](#), he eventually boarded the Trump train, hosting a major fundraiser in West Virginia and offering to educate Trump on coal issues. Trump's victory in November meant both had a chance to advance pet policies, especially since it seems both men have regular access to the president.

Yet both met with defeat.

The Energy Department rejected Murray's request that it use a special authority meant to protect the electric grid during emergencies to order FirstEnergy Solutions, part of Ohio-based utility FirstEnergy Corp., to keep open its coal-fired plants supplied by Murray's mines, even if the utility enters bankruptcy proceedings and would otherwise shut them down. Murray said that if those power plants shut down, it would force his company into bankruptcy.

Trump seemed fully supportive in private meetings, Murray revealed in [letters](#) to the White House, which were first published by The Associated Press.

At one meeting with the president, Trump turned to Perry in front of Murray "and said three (3) times 'I want this done,'" the coal company owner wrote. During a subsequent meeting with Murray and FirstEnergy Corp. CEO Charles Jones, Trump told an aide to "'tell [National Economic Council Director Gary] Cohn to do whatever these two want him to do.'"

But despite Trump's reported enthusiasm about granting Murray's unusual request, and despite Murray's assurances that other coal producers would benefit as well, the administration this week rejected it. DOE said in a short statement that "the evidence does not warrant the use of this emergency authority."

A White House spokeswoman did not address whether Trump had made the promises to Murray but said the president had acted on behalf of coal miners by killing Obama-era rules.

"Whether through repealing the Clean Power Plan and the 'Waters of the U.S. Rule,' removing the U.S. from the Paris Climate Agreement, or signing legislation to overturn rules and policies designed to stop coal mining, President Trump continues to fight for miners every day," White House spokeswoman Kelly Love said in a statement.

Similarly, Icahn's push to change a federal biofuel program to help his oil refining company CVR Energy suffered defeat earlier in the month. The Wall Street investor for years had railed against the EPA's Renewable Fuel Standard, which requires gasoline refiners to blend ethanol into their fuel, and Icahn's role as an unofficial Trump adviser on regulations presented him the opening he had sought.

In the early weeks of the Trump administration, Icahn presented the White House with language for an executive order to overturn the rule, which was costing his company hundreds of millions of dollars. But Icahn's effort hit a wall of opposition from oil companies and biofuel makers, and by spring, the proposal was largely left for dead. Sources [told](#) POLITICO

earlier this month that the president would not be changing the biofuel program, though EPA has yet to make the decision official.

Icahn "comes in hot, his guy wins, Trump places a crown on Icahn's head, and Icahn says 'OK, it's corporate raider time,'" said Tyson Slocum, energy director for the nonprofit consumer advocacy group Public Citizen. "He knows hardball tactics. What Carl Icahn doesn't know is D.C."

Last week, Icahn resigned his title, and in another sign that he was wrapping up his affairs in D.C., he settled a court challenge to an enforcement action brought by the Federal Railroad Administration against American Railcar Industries, another Icahn-controlled company. That final settlement largely resembles the inspection regime the agency originally imposed, an FRA spokeswoman said.

One critic said the lack of experience in the new administration appeared to open the door for both Icahn and Murray, even if neither managed to step through it.

"I think we've seen, in this administration, at least, reports of an under-attentiveness to those procedural and institutional safeguards. That creates risk for unsound decisions to be made," said Ali Zaidi, a former Obama White House energy adviser now at the law firm Morrison & Foerster.

Icahn and Murray aren't the only ones seeking special treatment.

Coal billionaire-turned-West Virginia Gov. Jim Justice has proposed a federal subsidy for Appalachian coal in a plan that could net his own mines millions of dollars.

Justice privately pitched Trump on a subsidy that would pay utilities \$15 per ton of Appalachian coal burned, and he said in a [recent interview](#) the president was "really interested" in the plan, which would cost an estimated \$4.5 billion a year and likely require congressional approval.

But Justice's proposal has not been received well by key circles. It's gone over "like a fart in church" with Western coal miners, according to Travis Deti, executive director of the Wyoming Mining Association. And Wyoming's congressional delegation — including Senate Environment and Public Works Chairman [John Barrasso](#), a Republican — [panned the idea](#) in a letter to Trump. Democrats, environmentalists and budget-hawk Republicans are also opposed to any coal subsidy.

Justice might look to the results that Icahn and Murray got.

Icahn and Murray "both became completely consumed with their own narrow self-interest, and they completely lost sight that there are a lot of stakeholders — including corporate stakeholders — that may not like their proposals," said Public Citizen's Slocum.

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**White House eyes Afghanistan resources to defray costs [Back](#)**

By Ben Lefebvre | 08/22/2017 03:01 PM EDT

President Donald Trump may press for a U.S. role in tapping Afghanistan's vast mineral reserves to defray the cost of military operations there, a senior adviser to Trump confirmed to POLITICO Tuesday.

Trump, who repeatedly called for the U.S. to take Iraqi oil to pay for its mission in that country, [plans to increase](#) troop levels in Afghanistan. But while he vowed in his policy [speech](#) on Monday that the U.S. would not engage in "nation-building again," he also said the U.S. would "participate in economic development to help defray the cost of the war to us."

Asked whether Trump was considering grabbing a stake in Afghanistan's vast mineral deposits — estimated at \$1 trillion by one U.S. government [report](#) — a senior White House adviser said it was on the table.

"We're looking at all those types of options," the adviser said.

A White House spokeswoman said there were no new announcements at the moment.

The war-torn country has an estimated 60 million metric tons of copper and 2.2 billion metric tons of iron ore, plus deposits of magnesium, gold, silver, rubies and other valuable resources spread across the country, according to a U.S. Geological Survey [study](#). It also holds up to 1.6 billion barrels of recoverable oil and 16 trillion cubic feet of natural gas, according to [government](#) data — a relative pittance compared to some of its Middle East neighbors, but enough that Exxon Mobil and other oil companies [sniffed](#) around the area briefly.

But extracting and processing tons of minerals in a war zone and transporting it out of the mountainous country with few modern roads or bridges is not something that can be done anytime soon, analysts said. Armed guerrilla groups and warlords currently mine the deposits to fund their own operations, according to a [study](#) by Global Witness, a nonprofit that campaigns for transparency in mining, oil and gas sectors.

Afghanistan's inherent infrastructure difficulties, both physical and political, blocked the building of a natural gas pipeline through the country in the late 1990s.

In 1997, Unocal, which was later bought by Chevron, joined a group of companies seeking to build a \$2.5 billion pipeline transporting natural gas from across the country, but it [abandoned](#) the effort. A company executive [told](#) the House Foreign Relations Committee in 1998 the lack of a strong government in the country posed a serious challenge to getting any energy infrastructure built there.

Trump can look at China for an example of how things can go wrong on the mining front, said Tony Cordesman, Burke chair in strategy at the Center for Strategic International Studies.

In 2007, two Chinese mining companies obtained Afghan government [permission](#) to extract copper from the country's Aynak region. A decade later, the project has [stalled](#) amid security concerns, contract disputes and controversy over the Chinese consortium's handling of Buddhist relics at the site.

"Above all it's a security problem. Is there mineral wealth there? Yes. Are we in position to secure a mine? If you don't have security, it is extremely difficult," Cordesman said.

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## Dakota Access owner sues green groups [Back](#)

By Diamond Naga Siu | 08/22/2017 04:44 PM EDT

Dakota Access Pipeline owner Energy Transfer Partners filed a federal racketeering lawsuit today against Greenpeace International and Earth First!, contending the environmental groups worked together to spread false information about the company to raise money and damage Energy Transfer's business.

"The alleged Enterprise is comprised of rogue environmental groups and militant individuals who employ a pattern of criminal activity and a campaign of misinformation for purposes of increasing donations and advancing their political or business agendas," ETP and its parent company said in a statement. "The Complaint asserts that the attacks were calculated and thoroughly irresponsible, causing enormous harm to people and property along the pipeline's route."

The 187-page complaint additionally alleges that "smaller, more violent eco-terrorist organizations and radicalized individuals" are mishandling their funds and instead of using it to help the environment, they used the money for personal gain.

"Under the 'Greenpeace Model,' raising money and the network's profile is the primary objective, not saving the environment," their complaint wrote. "Greenpeace's most senior leaders have admitted that their goal is not to present accurate facts, but to 'emotionalize' issues and thereby 'pressure' (i.e. manipulate) their donor audiences into parting with their money."

Greenpeace USA General Counsel Tom Wetterer said this is the second "meritless" lawsuit filed against them by the law firm led by President Donald Trump's former personal attorney Marc Kasowitz.

"They are apparently trying to market themselves as corporate mercenaries willing to abuse the legal system to silence legitimate advocacy work," Wetterer said in a statement.

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By Anthony Adragna | 11/22/2017 05:40 AM EDT

*With help from Eric Wolff and Darius Dixon*

**KINDA A GAS... IN MONTREAL:** Americans are looking forward to a little R&R with family for Thanksgiving, but diplomats from around the world are gathering in Montreal throughout the week to celebrate the 30th anniversary of the Montreal Protocol and to discuss the next steps at curbing emissions of extremely potent greenhouse gases. They're likely to be in an ebullient mood since reaching the 21-country threshold to ratify the Kigali amendment, which calls for the rapid phase down in production and use of hydrofluorocarbons. It will now go into effect in 2019.

**A key issue** to watch during the talks is the money promised for the Multilateral Fund, through which rich nations help developing ones with their efforts to phase out HFCs. The U.S. has dropped its support for international efforts like the Green Climate Fund, so we'll see if this agreement — which has significant support among industry groups — avoids the same fate. "It will be a good week for America if our diplomats come to Montreal to celebrate the achievements of the last 30 years, contribute generously to the Fund, and announce plans to stay the course on Kigali," NRDC's David Doniger wrote in a [blog post](#). An agenda for the meeting is available [here](#).

**One observer's thoughts:** "We expect the Protocol this week to stay on the course first set by Reagan, Thatcher, and Mulroney 30 years ago, tackling all the key issues, including funding for phasing out chemicals that nations have agreed to eliminate," said Durwood Zaelke, president of the Institute for Governance and Sustainable Development. "No one wants to see this workhorse treaty fail — and it won't."

**SWEARING-IN WATCH!** ME is on high alert for FERC news today. A couple of clued-in sources tell us that President Donald Trump has (finally) signed off on Kevin McIntyre, the incoming chairman, and Rich Glick getting sworn in at FERC, setting the stage for them to take office as soon as today. The pair were confirmed by the Senate on Nov. 2 but floated in limbo for reasons unclear to ME, providing plenty of grist for the rumor mill. In order for McIntyre to officially take the gavel, the White House needs to issue a separate chairman designation. So keep an eye out for that.

**IT'S ALMOST TURKEY TIME!** I'm your host Anthony Adragna, and QEP Resources' Shane Schulz was first to identify 1777 as the year the Continental Congress issued its first National Proclamation of Thanksgiving. For today: Norman Rockwell's iconic Thanksgiving painting (see it [here](#)) first appeared in which magazine? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**PROGRAMMING NOTE:** [Morning Energy](#) will not publish from Nov. 23-Nov. 26. Our next [Morning Energy](#) newsletter will publish on Nov. 27. Please continue to follow Pro Energy issues [here](#).

**MARK YOUR CALENDAR!** POLITICO is partnering with women-led businesses in the DC-metro area to offer a full week of exclusive perks in conjunction with the 5th annual Women Rule Summit! Join the fun at participating businesses during Women Rule Week (Nov. 27 - Dec. 1) for [exclusive deals](#) and tweet 5x using #WomenRule for a chance to win two free tickets to the Summit on Dec. 5! Listen to the latest Women Rule podcast featuring *Glamour* Editor-in-Chief Cindi Leive [HERE](#).

**GIMME WATER:** The new U.S. and Mexico water-sharing agreement for the Colorado River has given a further nudge to Southwestern states to help shore up the declining water reserves, Pro's Esther Whieldon [reports](#). The [deal](#), called Minute 323 and signed in September, changed procedures governing how much water each country can take during times of drought, but Mexico also agreed cut its offtake even deeper during shortages if Nevada, Arizona and California agree to a voluntary drought contingency plan to bolster Lake Mead's water levels.

**But internal squabbles among the states** are hampering the odds of them inking an agreement they hope to sign by next summer. "Minute 323 was a big step forward and it put an additional weight on the scales for pushing forward for [the drought contingency plan]," said Ted Kowalski, director of the Colorado River initiative at the Walton Family Foundation. Arizona, southern Nevada and southern California have all been drawing more water than the river can replenish in recent years and climate change is expected to further strain water supplies, adding further pressures to reach an agreement.

**PRUITT 'VERY DISAPPOINTED' BY KEYSTONE SPILL:** During an appearance Wednesday on [Fox News Radio](#), EPA Administrator Scott Pruitt hailed Tuesday's approval by Nebraska regulators of a key permit for the Keystone XL pipeline but said he was "very disappointed" by the 210,000 gallon spill from a portion of the original Keystone pipeline last week. "There needs to be some accountability there, but very, very excited about the approval overall of the pipeline," he said. Meanwhile, South Dakota regulators raised the possibility of revoking the pipeline's permit in their state if a probe determines TransCanada violated its license, Reuters [reports](#). TransCanada has yet to disclose the cause behind the spill.

**Pruitt also defended** efforts to cut down on agency spending. "We can afford to cut our budget," he said. "We are cutting the job done but at the same time doing it in a fiscally responsible way."

**CHECK THIS OUT!** Pro's DataPoint has created a stunning graphic looking at the geographical distribution of nearly 3,100 pipeline spills around the country during the last seven years. It also breaks them down by the substance released. Check it out [here](#).

**NEW NOMINEE NAMED:** Before heading off to Florida for Thanksgiving, Trump announced his selection of Phyllis L. Bayer of Mississippi to be an assistant secretary of the Navy for installations, energy and the environment. She was most recently chief of staff in the Office of the Assistant Secretary of Defense for Readiness and has held a variety of Defense-related roles before that.

**BROWNFIELDS READY TO ROLL:** House lawmakers appear ready to tackle a modified version of legislation [H.R. 3017 \(115\)](#) that reauthorizes EPA's Brownfields program, with a Rules Committee hearing slated for next Tuesday at 5 p.m. The measure cleared the Energy and Commerce Committee back in June by voice vote and a summary of modifications since

then is available [here](#).

**NO RFS WITH YOUR TURKEY THIS YEAR:** The White House was still reviewing the 2018 Renewable Fuel Standard volumes as of Tuesday morning, so it seems we'll all be free to get the turkey basted and the cranberry sauce made in advance of our Thanksgiving feasts this year, or at least get on the road early. RFS watchers will recall the Obama administration made for a stressful pre-holiday when it released the 2017 volumes the Wednesday before Thanksgiving. Pruitt still has plenty of time to make the Nov. 30 deadline, which falls a full week after those giant balloons float down Fifth Avenue.

**BLAST FROM THE PAST:** ME didn't have space for this last week, but Sen. [Jim Inhofe](#) told an interesting story about why Sen. [Roger Wicker](#) was the [lone senator](#) back in 2015 to vote against an amendment that climate change is real and not a hoax. "He walked in after it was over, he didn't know what that was [about]," Inhofe says. "He'll admit that, although he enjoyed being the one out of a hundred." At the time, the Mississippi Republican said he refused to participate in "[a political show vote](#)" so voted against the amendment.

**YOUR CALL:** Environmental advocates and EPA have been sparring over which circuit court should consolidate the lawsuits over two TSCA rules, but the U.S. Court of Appeals for the Fourth Circuit said Wednesday in [an order](#) that it would defer ruling until the U.S. Court of Appeals for the Ninth Circuit weighed in on the matter. Background from Pro's Alex Guillén [here](#).

**MORE TIME GIVEN:** The National Park Service has extended the public comment period through Dec. 22 on its proposal to sharply increase fees associated with use of national parks. The comment period was originally slated to end on Thanksgiving. In a statement, NPS said it had already received more than 65,000 comments and extended the deadline to "accommodate interest in this issue from members of Congress and the public." More information [here](#).

**MAIL CALL! QUESTIONS RAISED OVER TROPHY BAN:** Twenty-two Democratic senators [asked](#) Interior Secretary Ryan Zinke nine specific questions about the status of the administration's ban on importing elephant and lion trophies from Zimbabwe and Zambia, and demanded he formally halt any reversal of it. "While we appreciate that additional reviews may be underway, the fact remains that tweets alone do not constitute substantive federal policy without commensurate agency action and do not negate the need to file appropriate public notice," they wrote. Days after the administration said it would lift the ban, Trump [appeared to back away](#) from the decision in a series of tweets this week.

**Zinke slams phony photo:** A fake image circulating online purporting to show Zinke in front of a killed elephant drew condemnation from the Interior secretary. "The only thing I've hunted in Africa is terrorists. [#GotEm #NoBaggingLimit](#)," he [tweeted](#).

**MAINERS PUSH COLLINS ON DOURSON:** A group of Maine scientists [asked](#) Sen. [Susan Collins](#) to formally oppose Michael Dourson's nomination to run EPA's chemical office. "Professor Dourson has no business in any position at the EPA," they wrote. "The EPA cannot protect our land, air and water if it is led by officials who oppose those goals." Remember Collins said last week she's "[leaning against](#)" the nomination, which would sink it.

**WALDEN, CHABOT PRESS EPA ON SMALL BUSINESS CONTRACTING:** House Energy and Commerce Chairman [Greg Walden](#) and Small Business Chairman [Steve Chabot](#) asked Pruitt what his agency is doing to ensure it complies with requirements to spend a

certain amount of its outside research and development obligations on small business funding. Link [here](#).

**MORE ENFORCEMENT DISCRETION IN PUERTO RICO:** EPA said Wednesday it would continue to exercise some enforcement discretion from some Clean Air Act permit conditions and permitting requirements for Puerto Rico's utility through Jan. 31, 2018 as the island continues to recover from Hurricane Maria. "Extending the enforcement discretion for local power facilities is an important step to ensuring power is restored in communities across Puerto Rico," Pruitt said in a statement.

**SIERRA CLUB PUSHES CORKER, FLAKE, McCAIN ON TAXES:** The Sierra Club launched digital ad campaigns across Tennessee and Arizona in hopes of getting Republican Sens. [Bob Corker](#), [John McCain](#) and [Jeff Flake](#) to oppose their chamber's tax package, which the group described as a "misanthrope's dream and a nightmare for our country."

**NEWSPAPER ADS HIT PEARCE:** The New Mexico Wildlife Federation has taken out full-page newspaper ads in the state attacking Rep. [Steve Pearce](#) over his public lands record, especially his vote in favor of [H.R. 3990 \(115\)](#) in committee that would overhaul the Antiquities Act. Read the ads [here](#).

**BARRASSO MAKES THE GRADE:** Environment and Public Works Committee Chairman [John Barrasso](#) is among the recipients of Vice President Mike Pence's first contributions to the 2018 midterm election cycle, POLITICO's Alex Isenstadt [reports](#). Barrasso, who potentially faces several primary challengers, thanked Pence in [a tweet](#).

**YOU'RE OUT:** Gerry Cauley resigned as CEO of the North American Electric Reliability Corporation effective Nov. 20 following his arrest earlier this month for domestic violence. In a [statement](#), NERC said Charles Berardesco will continue to serve as interim CEO, and an outside firm will lead its search for a new chief.

**LOOK WHO DROPPED BY:** Energy Secretary Rick Perry met with his immediate predecessor Ernest Moniz on Wednesday just before Thanksgiving. Picture [here](#) (complete with awkward-looking handshake).

## QUICK HITS

- Donald Trump's Grandfather Was Likely a Climate Change Refugee. [Vice](#).
- Oil Legend Andy Hall Will Brief OPEC on U.S. Shale. [Bloomberg](#).
- California Appeals Court overturns oil refinery expansion lawsuit. [ABC23 Bakersfield](#).
- Fiat Chrysler, Eni cooperating on emissions reductions. [AP](#).
- Venezuela leans on foreign partners for oil to feed its refineries - sources. [Reuters](#).
- Jury picked in pipeline trespassing trial for climate change activist. [Great Falls Tribune](#).
- Russia, in Reversal, Confirms Radiation Spike. [New York Times](#).

## HAPPENING TODAY

\*Lots of sitting on I-95\*

## **THAT'S ALL FOR ME!**

*To view online:*

<https://www.politicopro.com/newsletters/morning-energy/2017/11/plotting-the-next-steps-for-hfc-reductions-030593>

### **Stories from POLITICO Pro**

#### **States struggle with Colorado River cuts after U.S.-Mexico deal [Back](#)**

By Esther Whieldon | 11/22/2017 05:03 AM EDT

The new U.S. and Mexico water-sharing agreement for the Colorado River is giving the Southwestern states that rely on the waterway a new incentive to help shore up the declining water reserves — if Arizona and California can resolve their internal squabbles over how split the burden.

The U.S.-Mexico [pact](#), called Minute 323 and signed in September, tweaked the procedures that govern how much water each country can take during times of drought, which is largely determined by water levels at Lake Mead, one of the two largest reservoirs on the Colorado River system. But Mexico also agreed cut its offtake even deeper during shortages if Nevada, Arizona and California agree to a voluntary drought contingency plan to bolster the lake's water levels — a deal the states hope to sign by next summer, officials said.

The river supplies drinking water to tens of million people in Mexico and U.S., including residents of Denver, Las Vegas and Los Angeles, as well as dozens of Indian tribes, and it irrigates millions of acres of valuable farm land.

"Minute 323 was a big step forward and it put an additional weight on the scales for pushing forward for [the drought contingency plan]," said Ted Kowalski, director of the Colorado River initiative at the Walton Family Foundation.

Lake Mead's water levels have been under pressure for years, and Arizona, Southern Nevada and Southern California have all been drawing more water than the river can replenish. Last year, the lake's levels reached only 30 percent of its capacity, and climate change and forecasts that a years-long drought will persist are raising fears the problem could get worse.

"If we don't have a plan in place to manage this river sustainably everybody that relies upon the river is going to be a loser," said John Entsminger, general manager for the Southern Nevada Water Authority.

The governors of Arizona, California and Nevada reached a draft agreement last year in which each state would voluntarily pull less water from the Colorado River than its users hold rights to — California's reductions would kick in last — in order to raise and sustain Lake Mead water levels.

But for those "lower basin" states to sign the deal, the water users inside each state must work out among themselves precisely how they will carry out those additional savings. Experts say that's where the real challenge arises.

"The low hanging fruit has been done as far as conservation ... you've got to really work harder to conserve even less quantities of water," said Christopher Harris, executive director of the Colorado River Board of California.

Nevada has avoided any nasty internal battles because the Southern Nevada Water Authority holds nearly all of the state's Colorado River water entitlements, Entsminger said in an interview.

But the situation is much more complicated in Arizona, where a wide range of water users including tribes, cities and farmers hold rights to the water. The challenges in California are equally complicated but appear to be closer to being resolved among the four water districts, including the Imperial Irrigation District and the Metropolitan Water District of Southern California, that hold rights to Colorado River supplies.

For the Metropolitan Water District to lessen its reliance on the Colorado River that feeds it from the south, it will need to solve its supply problem in the north, where its water supplies from Sacramento-San Joaquin Bay-Delta are at risk. That water source is shrinking because the pumps that pull the water from the delta are catching and killing endangered Delta smelt.

California Gov. Jerry Brown has proposed the \$17 billion "WaterFix" project to move the intakes further upstream to avoid threatening the fish. Jeffrey Kightlinger, Metropolitan's general manager, said enough water agencies have agreed to move forward with that plan, although it may be smaller than originally envisioned.

"We have critical mass to move forward with the state water project," he said.

For its part, the Imperial Irrigation District is balking at agreeing to use less Colorado River water until California authorities live up to their promise to add new wildlife habitat and curb toxic dust from the Salton Sea Lake in Southern California. The 350-square-mile lake is expected to shrink to one-third its original size as the Imperial Irrigation District and other users continue cutting back on water flows from the Colorado River.

The lake is an ecological haven for migratory birds, but its receding shoreline is polluted with chemicals from farming irrigation drainage, and the resulting dust from the dry lake bed has caused asthma problems in nearby communities.

The state [approved](#) a 10-year plan on Nov. 7 to implement the mitigation measures, which Tina Shields, the Imperial District's water department manager, said was needed to move forward.

"It's a first step, there's still more that will have to be done," Shields said. "We're going to need not just words on paper but projects on the ground. We're all about getting there."

In Arizona, a turf battle is raging over who decides how the state would implement its cuts.

Gov. Doug Ducey's office and the Arizona Department of Water Resources have sought to overhaul how the state manages its water, a move that's drawn pushback from the Central Arizona Project over what do with water supplies conserved under the drought contingency plan.

The Project, which operates hundreds of miles of canals and pipelines that ship Colorado River water to Tucson, Phoenix and Indian tribes, has controlled that excess water in the past

and wants the option to sell it to help pay off \$4 billion it owes the federal government for canal construction. It also contends that tribes that hold water rights do not have authority to reach their own conservation deals with the Bureau of Reclamation.

"We have a proposition on the table that would give that clear authority to DWR and ... Central Arizona Project folks don't like that outcome," said Thomas Buschatzke, director of the Arizona Department of Water Resources, who described the dispute as "a lively debate."

Chuck Cullom, manager of CAP's Colorado River programs said water users are "trying to shoehorn" other issues into the drought contingency plan discussion that are making it hard for CAP to agree to.

To win the state Legislature's approval next year of the water deals, the Department of Water Resources will need to garner the backing of most water users in the state, which is no small feat.

"They may be able to get there still, it's just sometimes hard to imagine it given the level of rhetoric that's been going on between the state and CAP," said the Colorado River Initiative's Kowalski.

Experts and water agency officials acknowledge that reaching a deal before August won't be easy, but they're optimistic it can be done in time.

"There's always atmospherics around deals like this," Entsminger said. "Things always seem to be wobbly until you actually push it across the finish line."

To view online [click here](#).

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**U.S., Mexico set aside Trump tensions for Colorado River deal** [Back](#)

By Esther Whieldon | 09/29/2017 05:02 AM EDT

The water-sharing pact signed this week by the U.S. and Mexico emerged despite tensions caused by President Donald Trump's policies on immigration and trade, showing the negotiators' willingness to take on problems caused by shrinking supplies from the Colorado River, according to western water experts.

That deal signed Wednesday was supported by state water agencies and major users in both countries, and sets out procedures to reduce off-take during times of drought that are expected to persist for the foreseeable future.

"Water is the lifeblood of this region," Jennifer Pitt, Colorado River Project director for the National Audubon Society, said in an interview. "It is fundamentally important to the economies of southwestern U.S. and northwestern Mexico. ... It's just too important for the two countries not to have good relations over [it] and not have a plan in place about how to manage supplies reliably for that enormous population."

Representatives from the International Boundary and Water Commission of the United States

and Mexico signed the pact, called [Minute 323](#), that largely carries forward for another nine years a prior agreement that was due to expire this year. Water levels at the Colorado River's most important reservoir, Lake Mead, have been plummeting, and both the U.S. and Mexico could have faced the threat of mandatory supply cuts starting as early as next year.

The river supplies drinking water to tens of millions of people in both countries and irrigation for millions of acres of agriculture, both of which would suffer unless the countries reached a deal.

Federal officials failed to sign a deal before the end of the Obama administration, [raising fears](#) that Trump's calls to build a wall along the Mexican border and the reopening of NAFTA would undo years of progress in the negotiations. But the officials, supported by state water agencies and Mexico water license holders, knew they had to reach a deal or risk years of litigation in a crisis that would force them to choose between cutting off water supplies to farms and sensitive wildlife habitats or to major population centers.

"In a crisis, you would have winners and losers, and some of the biggest losers would be agriculture and the environment," said Ted Kowalski, director of the Colorado River initiative at the Walton Family Foundation. "I think it's highly unlikely the Bureau of Reclamation is going to turn off the city of Las Vegas or the city of Phoenix."

So the officials continued plodding away at negotiations, hoping the Trump administration would in the end agree to a deal.

The water agency officials were "largely insulated from the political conversation between Washington, D.C., and Mexico," said Chuck Cullom, Colorado River programs manager for the Central Arizona Project. The water managers "focused on providing the greatest benefits for the country and the communities ... rather than the political winds that might be blowing in a number of directions," he said in an interview.

The basin states made reaching a deal a top priority this year, according to Pitt.

"There's a long-standing balance of power between the states and the federal government on the Colorado River where the federal government tries to as much as possible defer to the states, who are really the owners of the water. So as the states made it clear to the incoming administration this was a priority, the administration said, 'We will support you on this,'" she said.

A key sticking point in the negotiations had been Mexico's insistence that the lower basin states of California, Arizona and Nevada first agree to a drought contingency plan under which they would voluntarily conserve additional water beyond mandatory cuts in order to increase reservoir levels.

Mexico officials were worried they would be left holding the bag if a water crisis occurred before the states reached a deal. But Mexico eventually agreed to make additional cuts once the states pass a contingency plan.

Mexico is very dependent on the upstream dams in the U.S. for its water delivery, since a 2010 earthquake damaged its dams. But Mexico also took the position that the original 1944 treaty between the countries only required it to cut supplies if the U.S. suffered extreme drought, a vague term that left too much open to interpretation.

"That was a big concession for Mexico to follow our lead," said Tom Buschatzke, director of the Arizona Department of Water Resources. But the U.S. also agreed to fund \$31.5 million in water efficiency projects in Mexico through 2026 and to explore the possibility of investing in a desalinization plant that could help address future water supply challenges.

What made the deal possible is "the hard work that long preceded Trump," said Stephen Mumme, a political science professor at Colorado State University. "This is a classic example of ... a situation where not doing it could be really costly, and the sheer complexity of the number of players and the importance of the U.S. stake in this policy arena really overrode the Trump administration," he said.

"It's a good example in my mind of the limits of rhetorical breast beating and name calling and wall building."

*To view online [click here.](#)*

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### **TSCA rule lawsuits to head to different courts [Back](#)**

By Alex Guillén | 09/01/2017 03:51 PM EDT

Lawsuits over two key EPA rules for implementing the revised Toxic Substances Control Act will play out in two separate courts.

Various challenges were filed last month over EPA's prioritization rule, which determines how the agency chooses which substances it will focus on immediately, and its evaluation rule, which describes how EPA will review substances. Public health and environmental groups argued that both rules skewed in favor of industry interests.

Lawsuits over the rules were filed in the 2nd, 4th and 9th Circuits. EPA had asked for all the lawsuits to land in the same court, but each rule's challenges will proceed in a different court. The lawsuits over the prioritization rule [will move forward in the 9th Circuit](#), while the [4th Circuit will handle](#) challenges to the evaluation rule.

The decisions were made randomly by the Judicial Panel on Multidistrict Litigation, a group of seven judges who consolidate similar lawsuits that are filed in disparate courts.

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### **Collins 'leaning against' Dourson for EPA chemicals role [Back](#)**

By Anthony Adragna | 11/16/2017 12:35 PM EDT

Sen. [Susan Collins](#) told reporters today she's "leaning against" backing Michael Dourson's nomination to run EPA's chemicals office, which would leave him without adequate support

for confirmation in the closely divided chamber.

"I have a lot of concerns about Mr. Dourson, but I've not yet made a final decision," she said.

North Carolina Republican Sens. [Richard Burr](#) and [Thom Tillis](#) both came out in opposition on Wednesday to Dourson, who is currently working as an adviser at the agency. Both declined to say if he should leave that role today.

Sen. [John McCain](#) (R-Ariz.) also said today he had not decided whether to support the nomination.

*To view online [click here](#).*

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## **Pence doles out first contributions ahead of 2018 elections [Back](#)**

By Alex Isenstadt | 11/21/2017 06:00 AM EDT

Vice President Mike Pence is putting his imprint on the 2018 midterm elections, doling out contributions to three dozen Republican candidates — many of whom have been steadfast allies of the White House.

Pence is cutting his first batch of checks through his newly formed political action committee, Great America Committee. The vice president is giving financial support to a slate of high-profile candidates that includes Missouri Senate hopeful Josh Hawley, Nevada gubernatorial contender Adam Laxalt, and Florida Gov. Rick Scott, who is eyeing a potential Senate bid.

Not on the list: besieged Alabama Senate candidate Roy Moore, who is facing accusations that he engaged in sexual misconduct with teenagers when he was in his 30s.

Looking to reward those who have been loyal to the administration, Pence is wading into several prospective primaries. Among those getting checks are Tennessee Rep. Marsha Blackburn, a Senate hopeful who is facing a fight for the Republican nomination, and Wyoming Sen. John Barrasso. Several potential Barrasso primary opponents have emerged, including investor Foster Friess and Blackwater founder Erik Prince.

"The vice president is grateful to those who have gone above and beyond to promote the president's policies. He will always stand with those who stand with the president's agenda," said Alyssa Farah, a Pence spokeswoman.

Pence is also filling the coffers of a half-dozen members of the House Freedom Caucus, including the group's chairman, North Carolina Rep. Mark Meadows.

Several White House advisers, including political director Bill Stepien, legislative director Marc Short, counselor Kellyanne Conway and Pence chief of staff Nick Ayers, helped to craft the list of recipients.

Pence launched the political action committee earlier this year. That move led to speculation that the vice president was looking to expand his profile ahead of a potential future

national bid, something his advisers deny.

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**Date:** Thursday, December 07, 2017 5:46:33 AM

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By Anthony Adragna | 12/07/2017 05:43 AM EDT

*With help from Emily Holden, Eric Wolff and Alex Guillén*

**WELCOME TO CONGRESS, MR. PRUITT:** EPA Administrator Scott Pruitt makes his long-awaited first appearance before a House Energy and Commerce subpanel this morning where he's expected to get grilled on a host of issues. The session will be broken into two segments — 10-11 a.m. and then 2 p.m. onwards — to allow Pruitt to attend a White House meeting on biofuels (more on that below). Look for E&C Environment Chairman [John Shimkus](#) to recognize the arrangement is "not ideal, but gives members maximum ability to personally question the administrator about the agency's mission" during his opening remarks.

**What Republicans will say:** Expect Chairman [Greg Walden](#) to press Pruitt on budget transparency and his plans to address staffing issues: "I expect that 'Back to Basics' is not an abdication of environmental protection, but rather a rededication to mastering the most fundamental aspects of EPA's mission," he'll say, according to prepared remarks glimpsed by ME. Shimkus said his questions could touch on a range of topics, including TSCA, brownfields, safe drinking water and the agency's staffing.

**And Democrats?** "We're all noticing the orientation toward the environment is completely different with respect to budgeting, with respect to climate change, potentially with respect to methane, particulates," Rep. [Scott Peters](#), a subcommittee member, told ME. "So, I just think we want to get a sense of where he's going and how he'll measure success." The committee's top Democrat, [Frank Pallone](#), wouldn't reveal what he intends to grill Pruitt about when ME caught up to him in the hall.

**Pro's Alex Guillén's expectations for Pruitt's first Capitol Hill appearance in six months:** "Lawmakers have probably built up some serious questions in that time, so we could see questioning on practically any issue before EPA: the Clean Power Plan repeal effort; the Waters of the U.S. rewrite; Superfund work; proposed budget cuts; Pruitt's decision earlier this year not to ban chlorpyrifos; and his increased security and travel. Pruitt's [prepared testimony](#) offers a standard overview of his EPA philosophy."

**Rally time:** Environmental and public health advocates, including the Union of Concerned Scientists, Sierra Club, Business Forward and the Alliance of Nurses for Healthy Environments, will rally outside Rayburn at 9:20 a.m. to draw attention to Pruitt's lagging enforcement efforts, spending habits and overhauls of science advisory panels. Ahead of the session, the Environmental Defense Fund updated their "[Pruitt Playbook](#)" and the Union of Concerned Scientists offers some [suggested questions](#) to ask.

**If you go:** The [hearing](#) kicks off at 10 a.m. in Rayburn 2123.

**WHY PRUITT'S LEAVING:** Sen. [Ted Cruz](#) has secured a meeting today at 11:30 a.m. with President Donald Trump and several Cabinet members, including Pruitt, for what he told ME is likely to be a "free-ranging discussion" about biofuels and the [recent fights](#) over the

Renewable Fuel Standard. His message? "We need to find a solution that is a win-win. That is a win for corn farmers across the Midwest but at the same time is a win for blue-collar union members who work in refineries and right now are being bankrupted by a regulatory system that isn't working," the Texas Republican said. Other Senate Republicans are expected to attend as well (perhaps the ones who signed [this letter](#)). Remember Cruz still has a hold on Bill Northey's USDA's farm and conservation mission nomination, so watch to see if that's lifted as the most immediate outcome of the session.

**Oilies only:** Sen. [Chuck Grassley](#) wasn't invited to the meeting, his spokesman said, but not to worry: Grassley has said that a White House RFS meeting would be "a waste of time." And if there's one thing energy world knows now, it's that if you don't have Gang Grain, you got nothing.

**WELCOME TO THURSDAY!** I'm your host Anthony Adragna, and no one was able to name the Father Millet Cross national monument (which has since been transferred by Congress to a state park) as our nation's smallest at just 0.0074 acres when designated. For today: Which state currently has the most national monuments at 18? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**ARCTIC LEASE SALE FLOP:** Despite touting the "[largest ever](#)" lease sale in the National Petroleum Reserve-Alaska, BLM [received](#) just bids on seven of the 900 tracts offered, Pro's Ben Lefebvre [reports](#). Those bids, generating just \$1.2 million in high bids, came jointly by ConocoPhillips and Anadarko for 80,000 acres, or less than 1 percent of the acreage offered. The highest bid amount was \$14.99 per acre. The relatively low amount could undercut GOP arguments that opening up the nearby Arctic National Wildlife Refuge would generate \$1 billion in revenue. Leasing of state land did quite a bit better, according to the [Anchorage Daily News](#).

**For perspective:** At the price of \$14.99/acre, "leasing the entirety of the Arctic Refuge Coastal Plain's 1.5 million acres would raise slightly more than \$11 million in revenue for the federal government, a far cry from the billion dollar lie that Trump and Republicans are feeding the American public," the Alaska Wilderness League's Kristen Miller said in a statement. Remember the Republican budget calls for Senate ENR to kick in \$1 billion in revenue (which CBO [said would come](#) through ANWR drilling), though the lease results seem to bolster skepticism from environmental advocates and Democrats about those estimates.

**Situational awareness:** Energy Chairman [Lisa Murkowski](#) was named a tax conferee late Wednesday, along with Sens. [Orrin Hatch](#), [Mike Enzi](#), [John Cornyn](#), [John Thune](#), [Rob Portman](#), [Tim Scott](#) and [Pat Toomey](#). "With Congressman [[Don Young](#)] representing the House of Representatives on our energy provisions, Alaskans will have a very strong voice at the table to ensure this bill crosses the finish line," she said in a statement.

**No (strategic petroleum) reservations:** Count Shimkus, a tax conferee, among the backers of the Senate's approach of selling off 7 million barrels from the Strategic Petroleum Reserve as part of the final tax package [H.R. 1 \(115\)](#). "There was a reason to have the SPR," he told ME. "There is a credible reason to debate whether, for now and in the immediate future, there is a need." He also said he's a "big ANWR supporter" and that he doesn't see the Arctic drilling provision getting pulled from the final version.

**INHOFE, PRUITT'S TOXIC LEGACY:** POLITICO Magazine's Malcolm Burnley takes [a](#)

[deep dive](#) into the contaminated Oklahoma region of Tar Creek, an area so poisonous that only 10 holdouts live there, and he finds a buyout program for residents that left Sen. [Jim Inhofe](#) awash in scandal and litigation. Then-Attorney General Scott Pruitt ultimately concluded an audit into possible criminal wrongdoing didn't warrant charges and he shielded his review from public release, only to have some in the state believe his efforts were designed to spare Inhofe embarrassment. Many residents in the polluted zone of Tar Creek continue to express shock that no one was prosecuted over what happened in their federal buyout program

**Pruitt and Inhofe flatly denied** there was any political motivation in shielding the audit. "It was important to protect the individuals' reputation that were in that investigation," Pruitt said in an interview. "You would think that this wouldn't be a political issue, that people wouldn't put on the red and blue jerseys." One interesting fact though: Ryan Jackson, now Pruitt's chief of staff, was once Inhofe's point person on the Tar Creek issue. Photo gallery [here](#).

**Pruitt's new gig:** Trump named the EPA administrator to chair the Gulf Coast Ecosystem Restoration Council, a group formed after the Deepwater Horizon oil spill restore the ecosystems and economies of the Gulf Coast, your ME host [reports](#). Pruitt named Kenneth Wagner, a senior adviser, to be his designee on the council.

**MAY FERC NOW BE WHOLE:** New FERC Chairman Kevin McIntyre will be sworn in today, bringing the five-member agency to full power, Pro's Eric Wolff [reports](#). His swearing-in will put to rest rumors that either the Trump administration or McIntyre himself were delaying his start date to give current Chairman Neil Chatterjee enough service time to make staffing changes

**MORE HEARINGS COMING ON CLEAN POWER PLAN:** EPA announced Wednesday it would hold additional public hearings on its plan to repeal the Clean Power Plan in San Francisco; Gillette, Wyo.; and Kansas City, Mo., Pro's Emily Holden [reports](#). Pruitt said the change was "due to the overwhelming response" and the agency will announce the dates and locations of the meetings in the coming weeks.

**SPLIT OVER EXTENDERS?** Ways and Means Chairman [Kevin Brady](#) told reporters Wednesday he doesn't like the idea of moving a package of extenders this year but hasn't made a final decision yet, Pro Tax's Brian Faler [reports](#). "It's horrible policy and process," he said. But those comments come as Thune, the Senate's number three Republican, said lawmakers will revive biodiesel, geothermal and other energy-related breaks along with other "cats and dogs." Doing an extenders package as the chambers work to iron out differences between their broader tax bills is likely to test tax writers' bandwidth.

**Shutdown watch:** Congressional leaders head to the White House for a meeting with Trump on government funding today, but GOP lawmakers expect to pass a two-week spending package despite internal division within their party, POLITICO's Rachael Bade and Sarah Ferris [report](#). House Freedom Caucus leaders have been asking for a commitment GOP leadership does not believe it can give them: a promise to "hold the line" and refuse Senate Democrats' demands for increased spending on non-defense programs.

**House Democrats**, including Minority Whip Steny Hoyer, hold a press conference at 10 a.m. in Cannon 234 to call on Republicans to take up additional federal assistance for Puerto Rico and the U.S. Virgin Islands. Watch [here](#).

**ICYMI:** Both sides framed their arguments at a hearing of the U.S. Trade Representative over

whether to impose tariffs on solar equipment imports in language aimed at swaying Trump, Pro's Eric Wolff [reports](#).

**PATAGONIA SUES OVER BEARS EARS:** A coalition of groups, including Patagonia, became the latest to file a lawsuit challenging the Trump administration's downsizing of Bears Ears National Monument on Monday. Link to the lawsuit filed in Washington federal court [here](#).

**ENDANGERMENT FINDING PUSHBACK STALLS:** Conservative state lawmakers and businesses that are members of the American Legislative Exchange Council on Wednesday shot down an effort to urge Pruitt to challenge a science-based endangerment finding that requires EPA action on greenhouse gas emissions. "In subcommittee, a substantive conversation occurred where arguments were made for and against the draft model policy," said Bill Meierling, executive vice president of external relations for the group. "After debate, it was clear that neither the public nor the private sector supported the draft as written."

**Meierling added that** "ALEC members prefer to advance policy only after a consensus opinion has been reached." Reports suggested later the resolution had been pulled in the aftermath of strong opposition, including from Exxon Mobil. Pruitt was expected to speak at the ALEC meeting on Friday but canceled due to a "scheduling conflict," Meierling said.

**NO COMMENT:** Murkowski forcefully [urged](#) Sen. [Al Franken](#) to step down amid sexual harassment allegations on Wednesday, but a spokeswoman declined to state whether Roy Moore would be welcome on her committee if he wins the Alabama special election next week. "We aren't commenting until after the special election and decisions about committee seats are made by conference," she said. Outgoing Alabama Sen. [Luther Strange](#) currently has a slot on the energy panel.

**THERE'S ALWAYS A TIE:** Congressional Democrats said Tuesday they have evidence then-national security adviser Michael Flynn sent assurances to former business partners that a U.S.-Russia energy partnership in the Middle East, which reportedly would have included more than two dozen nuclear plants in the region, was "good to go," POLITICO's Kyle Cheney [reports](#). The revelations from a whistleblower came in [a letter](#) released Tuesday.

**MAIL CALL! LET'S BOOST EFFICIENCY CAPS!** A collection of energy efficiency organizations, led by the Alliance to Save Energy, sent a letter to congressional appropriators on Wednesday urging them to boost "budget cap allocations for federal energy efficiency programs." Failure to do so could result in steep cuts to EPA and DOE programs across the board, the groups warn. Link [here](#).

**TAKE A GLANCE! LESSONS FROM THE RFS:** The American Enterprise Institute is out with [a report](#) looking at policymaking lessons from the RFS. It argues the biofuels mandate would be better as a rate standard than a volume standard, EPA should issue multiyear rather than annual rules and that uncertainty should be explicitly incorporated into future rulemakings, among other things.

**BAD SOLAR ACTORS:** Campaign for Accountability released the results of a years-long investigation concluding two companies — Vivint and SolarCity — received more complaints about their sales tactics than others in the solar industry. "Unfortunately, the deceptive sales tactics of solar companies, like Vivint and SolarCity, are making rooftop solar a risky bet," Daniel Stevens, the group's executive director, said in a statement. Read it [here](#).

**DREAMS TURNED REALITY?** The Center for Western Priorities is out with a report finding the Trump administration has already granted 13 of the energy industry's 24 top priorities. Read it [here](#).

**SUGGESTIONS GIVEN:** American Council for Capital Formation released a paper this morning with ten ideas for improving the regulatory process. It's the product of a November 2016 roundtable with Sens. [Mike Rounds](#), [Angus King](#), [James Lankford](#) and others. Link [here](#).

**MOVER, SHAKER:** Michael Boucher has joined Crowell & Moring LLP environment and natural resources practice as a partner in Washington. He joins from Dentons US LLP, where he led that firm's chemical, pesticide, and consumer product regulation team.

## QUICK HITS

- California AG on Trump EPA: 'It's almost as if they believe they're above the law'. [The Hill](#).
- Wall Street's Fracking Frenzy Runs Dry as Profits Fail to Materialize. [Wall Street Journal](#).
- The IHS Markit electric resiliency study - much less than meets the eye. [Utility Dive](#).
- Patagonia sues over Trump's monuments order. [AP](#).
- Volkswagen Official Gets 7-Year Term in Diesel-Emissions Cheating. [New York Times](#).
- Pipeline explodes in southeastern New Mexico oil patch. [AP](#).
- Christie backs nuclear subsidies but won't sign 'wish list' bill from environmental groups. [POLITICO New Jersey](#).

## HAPPENING TODAY

9:00 a.m. — The Washington International Trade Association holds an event as part of its NAFTA series: "[Energy and the NAFTA](#)," Ronald Reagan Building and International Trade Center, 1300 Pennsylvania Ave. NW

10:00 a.m. — EPA Administrator Scott Pruitt [appears before](#) the House Energy and Commerce Environment Subcommittee, Rayburn 2123

10:00 a.m. — "[Transforming the Department of the Interior for the 21st Century](#)," House Natural Resources Oversight and Investigations Subcommittee, Longworth 1324

11:00 a.m. — The World Bank conference call briefing on the One Planet Summit, RSVP: [himtia@worldbankgroup.org](mailto:himtia@worldbankgroup.org)

12:00 p.m. — "[The Business Case for Tax Incentives Promoting Energy Efficiency](#)," Alliance to Save Energy, Rayburn 2203

2:00 p.m. — The House Natural Resources Federal Lands Subcommittee holds [a hearing](#) on various bills, Longworth 1324

2:00 p.m. — "[OPEC's World Oil Outlook 2017](#)," Center for Strategic and International

Studies, 1616 Rhode Island Avenue, NW

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*To view online:*

<https://www.politicopro.com/newsletters/morning-energy/2017/12/pruitt-heads-to-house-grilling-today-043377>

### Stories from POLITICO Pro

#### **Biofuel backers claim victory in EPA battle** [Back](#)

By Eric Wolff | 10/20/2017 05:37 PM EDT

Biofuels backers were breathing a sigh of relief on Friday after EPA Administrator Scott Pruitt backed away from changes to the Renewable Fuels Standard, a reversal that left oil refiners frustrated.

Pruitt [acceded](#) to demands from Sen. [Joni Ernst](#) that he publicly promise not to pursue plans to change the biofuel program rules — changes that had been sought by oil refiners who have long complained about the costs of implementing the program that many see as a giveaway to the corn states.

Pruitt's letter to Ernst, Sen. [Chuck Grassley](#) and five other Midwestern Republican senators delivered what they'd asked for: A promise not to expand the group of companies required to comply with the program, to keep the biodiesel volume requirements at levels proposed in July, to not alter the policy that strips RFS credits from exported ethanol, and to explore allowing year-round sale of gasoline with 15 percent ethanol nationwide.

The quick reversal by Pruitt — at the [direction](#) of President Donald Trump — showed the influence of the biofuel lobby, corn growers and farm-state lawmakers to scuttle changes in the decade-old policy sought by the energy industry.

"This was a basket of bad ideas for biofuels," said Brooke Coleman, head of the industry lobby group Advanced Biofuels Business Council. "And there's no way that we could have any other response than to take this approach. [Pruitt] didn't kick tires on changing the RFS, he tried to take a baseball bat to the program, and the response was matching and in response to, from a magnitude perspective, to the initial foul."

The push by the senators, as well as Midwestern governors, "made a huge difference in this matter," said Michael McAdams, head of the Advanced Biofuels Association. "In addition, the collective unity of the entire biofuels industry, including those who distribute and market these fuels, made a significant impression on the importance and support for the RFS program."

But oil refiners who have said the high cost of biofuel credits, called Renewable Identification Numbers, was costing them hundreds of millions of dollars, lamented the power of the biofuels lobby and the corn-belt lawmakers.

"The [Pruitt] letter is a result of political pressure applied by Midwestern politicians," said one refining source. "Some Midwesterners cannot accept any premise that the RFS could be improved. As a result, their overreaction included everything from holds on confirmations to even more personal threats launched at the White House and EPA."

The unified and vociferous campaign by the biofuels industry in attacking the proposal that would have lowered biodiesel volume mandates surprised some in the refining industry, as well as the political staff in the EPA, sources tell POLITICO.

The Trump administration's embrace of the oil industry had raised refiners' hopes that it could have the best opportunity in years for significant RFS changes, and refining giant Valero Energy, along with a group of Pennsylvania companies, believed they would get relief from what they considered an onerous program.

But Grassley took to the Senate floor to blast Pruitt's biofuel plans as a "betrayal" of Trump's promises to protect ethanol, and he arranged a call with Trump and Pruitt that led to the meeting in his office with Pruitt and Ernst as well as [Deb Fischer](#) (Neb.), [John Thune](#) (S.D.), [Ben Sasse](#) (Neb.), [Pat Roberts](#) (Kan.) and [Mike Rounds](#) (S.D.). Following that meeting, Ernst demanded the public statement from Pruitt, and said she would withhold her support for Bill Wehrum, who was nominated to run the agency's air office, forcing a delay in the Environment and Public Works Committee's vote until next week.

Ernst spokeswoman Brook Hougesson told POLITICO, "Now that Sen. Ernst has received the assurances that the EPA will support the spirit and the letter of the RFS, she will support Mr. Wehrum."

Valero was disappointed its efforts to change the program had been shot down by the fierce political opposition.

"These senators have intervened in a regulatory process, and the proposals and concepts in the letter address RFS implementation problems to which these senators have offered no constructive solutions," Valero said in a statement. "The only unifying principle of their bullying opposition seems to be a desire to maintain the status quo at all costs and to protect windfall profits associated with unregulated trading of renewable identification numbers, or RINs. Their position advances neither the goals nor the efficient implementation of the RFS, and places U.S. manufacturing jobs at risk."

But in a statement, the White House made clear that Trump remained fully behind the biofuels program.

"President Donald J. Trump promised rural America that he would protect the Renewable Fuel Standard, and has never wavered from that promise," spokeswoman Kelly Love said in a statement. "The president has had constructive conversations with several key officials about the RFS over the past week, and he understands their concerns. The Trump administration will protect the RFS and ensure that our Nation's hardworking farmers continue to fuel America."

One energy executive said the biofuel backers were victorious because they were unified in their support for the RFS, while Republicans, the oil industry, and even the refiners were not on the same page.

"The ethanol boys won this round, no doubt, but at a pretty high cost," said Stephen Brown, vice president for federal government affairs for Andeavor. "The refining industry is anything but united on the RFS beyond a sunset as individual companies have each made investments and honed mitigation strategies to comply with the statute. As those investment decisions become increasingly operationally embedded, the industry will continue to splinter on the

suite of RFS issues."

But some producers are still wary of Pruitt's pledge in his Thursday letter, and they note that he promised to release a final rule in which none of the mandatory volumes will be less than he proposed in July. For some producers, those volumes were already too low.

"There's some work to do here," Coleman said. "We won't know until the rule is done. And we recognize it's an ongoing rulemaking, it's not like they're going or republish the rule, they've said what they can say. The final rule really matters."

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### 'Largest ever' Interior Alaska oil lease sale draws little interest [Back](#)

By Ben Lefebvre | 12/06/2017 08:26 PM EDT

The Interior Department received only seven bids from two companies today in what it had billed as the "[largest ever](#)" oil and gas lease sale in the National Petroleum Reserve in Alaska.

The bids on the 10.3 million unleased acres in the NPR-A generated just \$1.2 million in high bids, according to a Bureau of Land Management summary. The relatively low amount could undercut GOP arguments that opening up the nearby Arctic National Wildlife Refuge would generate \$1 billion in revenue.

A BLM Alaska [lease sale last year](#) generated \$18 million for 1.4 million acres offered.

Subsidiaries of ConocoPhillips and Anadarko were the only two companies that participated in the lease sale. The companies only bid for 80,000 acres, or less than 1 percent of the acreage offered. The highest bid amount was \$14.99 per acre.

Low oil prices and the relatively cheap and plentiful land available for hydraulic fracturing in the lower 48 has hurt oil company interest in the out-of-the-way fields of Alaska and the Gulf of Mexico. Interior Secretary Ryan Zinke and Sen. [Lisa Murkowski](#) (R-Alaska) have pushed to open more public land to drilling, however, saying that doing so is important to increase domestic energy production.

Zinke had previously said that today's "large and unprecedented sale in Alaska will help achieve our goal of American Energy Dominance."

An Interior spokesperson did not immediately respond to questions.

**WHAT'S NEXT:** Republicans hope to keep ANWR drilling provisions in their budget proposal.

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## Democrats worry Arctic National Wildlife Refuge being lost amid tax debate [Back](#)

By Ben Lefebvre | 11/29/2017 05:17 AM EDT

Democrats' fight to keep oil and gas rigs out of the Arctic National Wildlife Refuge is losing ground as the Republican tax plan advances — and it's almost as if no one has noticed.

The prospect of drilling in the untouched Alaskan tundra is as close to reality as it's been in more than a decade, with none of the political drama that in past decades turned the refuge's fate into a top-tier rallying cry for liberals. Legislation to allow drilling in ANWR is quietly hitching a ride on the tax code overhaul that Senate Republicans [hope to complete](#) by the end of the week, overshadowed by larger debates on whether the bill is a giveaway to rich people and corporations at the expense of the poor and working class.

"It's really not gotten the attention that it should," Sen. Tammy Duckworth (D-Ill.), a member of the Energy and Natural Resources Committee, told POLITICO about the ANWR provision. "It's not just the budget discussion. It's about everything else that's going on, the flurry of all sorts of other news."

Angus King (I-Maine) said Republicans were trying to shield ANWR from opposition by adding it to the larger bill rather than bringing it to the floor separately under rules, which would require it to win support from 60 senators to overcome a filibuster.

"Well, clearly the strategy is to try to get it through as part of this tax reform effort and thereby avoid a direct up-or-down vote," King said in an interview earlier this month.

The nonstop news cycle and preponderance of other concerns with the tax bill are making it difficult to focus on an issue that normally fires up Democratic voters.

"I do think that putting ANWR in the budget reconciliation package hasn't drawn as much extremist opposition because it is completely overshadowed by tax reform, which is the center of the package," said Chris Guith, senior vice president of the U.S. Chamber of Commerce's Global Energy Institute. "But there are some who aren't exactly supportive of tax reform that support ANWR, and it's possible to see ANWR bring a vote or two to help pass tax reform."

Senate Energy Chair Lisa Murkowski (R-Alaska) easily advanced [legislation](#) through her committee directing the Interior Department to hold two lease sales for drilling in ANWR over the next decade. It would raise \$1 billion over that period, according to the Congressional Budget Office, making it eligible for inclusion in a budget reconciliation package that Democrats cannot filibuster.

The reconciliation package also will include Republicans' tax plan and a repeal of the Obamacare individual mandate. While Murkowski helped scuttle the Obamacare repeal push earlier this year, she says she [supports](#) ending the mandate. Murkowski's office did not respond to a request for comment.

ANWR, a swath of tundra on the northern Alaska coast, is home to polar bears, porcupine caribou and a landscape that hasn't been touched in thousands of years. Congress designated the 19 million-acre area a wildlife refuge in 1980, but it set aside a 1.5-million-acre parcel known as "10-02" for possible drilling if future lawmakers approved such a plan. The U.S.

Geological Survey [estimated in 1998](#) that part of ANWR could hold up to 12 billion barrels of oil, and President Donald Trump and Alaska Republicans have called it essential for their plans for American "energy dominance."

Sen. Susan Collins (R-Maine), who is undecided on the tax bill for a several reasons, said she will support an amendment on the Senate floor to eliminate the ANWR language, but she said success there is not a prerequisite for her to vote for the underlying bill. "No it is not, but I would certainly try to get it out of the package," Collins told reporters Tuesday. Collins was the only Republican to cross the aisle on an unsuccessful [amendment](#) to keep pro-drilling language out of the underlying budget resolution, meaning it is unlikely that she would be able to strip the ANWR provision from a reconciliation bill.

But Democrats say that passing a deficit-increasing tax bill in order to open ANWR would actually harm energy-producing states. That's because the \$1.5 trillion shortfall from the GOP tax cuts would trigger required "pay-as-you-go" cuts to mandatory spending programs, according to a CBO [analysis](#) sent to House Minority Whip Steny Hoyer (D-Md.).

One of the programs on the pay-go chopping block would be the energy royalty revenue sharing program carried out through the Mineral Leasing Act. Cutting those payments would lose Alaska [an estimated \\$15 million](#) in energy royalty payments next year alone, an amount important to a state already facing budget shortfalls.

"Communities throughout the West would be impacted by the loss of revenue, which is used to support a variety of needs including infrastructure, school funding, conservation, and recreation," Hoyer said in a statement to POLITICO. "This is yet another example of the consequences associated with forcing through legislation to add \$1.5 trillion to the deficit in order to give tax cuts to the wealthy."

Pay-go cuts also would hit popular programs like Medicare and student loans, but Congress can waive the law with 60 votes in the Senate. Democrats are not yet on board with that approach.

The current push to open ANWR, coming amid a swarm of competing headlines and buried in larger legislation, has come nearer to succeeding than the GOP's two previous attempts. President Bill Clinton vetoed a budget package in 1995 that included language opening ANWR, while a Democratic filibuster thwarted a second attempt in 2005.

Environmental groups have targeted public engagement at only a handful of congressional districts. The League of Conservation Voters spent \$550,000 on television ads in three Republican congressional districts. The LCV also paid for a bipartisan polling firm to probe public opinion on opening ANWR, but even that focused only on registered voters in eight congressional districts.

"The reason they're trying to sneak it into the tax package is they know they don't have the votes otherwise," said Tiernan Sittenfeld, the league's senior vice president of government affairs. "They know they can't pass it under regular order, that's why they're doing a sneak attack."

Even ANWR supporters are staying out of the spotlight.

"I haven't seen any full-out, front-page ads, nothing like that," Alaska Oil and Gas Association

President Kara Moriarty said. "We're a little battle-weary, to be honest. Alaskans support opening up ANWR. There's been a few statements reiterating that."

*Nick Juliano contributed to this report.*

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## **The Environmental Scandal in Scott Pruitt's Backyard** [Back](#)

By Malcolm Burnley | 12/06/2017 05:57 PM EDT

PICHER, Okla. — Tar Creek, Oklahoma, is breathtaking in a terrible way: At one time the world's deepest source of lead and zinc, the three-town region is now a cratered landscape so poisonous that no one, aside from 10 holdouts, can live there. Mountains of ashlike "chat," a toxic residue from lead-zinc milling, rise majestically among the remains of homes torn from their foundations. Abandoned pets forage around the ruins. A child's teddy bear lies sprawled in a ghostly living room. A gorilla statue fronts an empty high school, atop a sign proclaiming "1A Football State Champs, 1984."

Tar Creek is also part of the environmental legacy of one of the state's—and nation's—leading politicians, Senator Jim Inhofe, and his longtime ally, Scott Pruitt, the former Oklahoma attorney general who is now head of President Donald Trump's Environmental Protection Agency. After the EPA struggled to clean up the area, in 2006, Inhofe endorsed a plan in which a trust overseen by local citizens would use federal dollars to purchase homes and businesses in the toxic region so residents could move elsewhere. Then, when the plan proved so problematic that it spawned more than a half-dozen civil lawsuits and an audit into possible criminal wrongdoing, Pruitt, as the state's attorney general, invoked an exception to state freedom-of-information laws to keep the audit from being an open public record.

Now, that decision is coming into new light as many Oklahomans clamor for the audit to be released, suggesting that its revelations will prove embarrassing to Inhofe, who played a key role in designing the buyout plan, and cast doubt on Pruitt's decision not to move forward with charges. Last week, a Washington, D.C., nonprofit called the Campaign for Accountability raised the stakes even further, filing suit in Oklahoma courts to force the release of the audit.

"If you take a look at Scott Pruitt's record, you see a general disregard for transparency," said Daniel Stevens, the group's executive director. "I don't think it's outside our bounds to say that Pruitt is trying to hide evidence of criminal wrongdoing."

Pruitt, in an interview, dismissed the idea that he was covering anything up, saying his former office's grand jury unit reviewed the audit and determined that no charges were warranted. He said he declined to make it public because he didn't want innocent people to be besmirched, even though the auditor rejected that reasoning and maintained it should be a public document. "It was important to protect the individuals' reputation that were in that investigation," Pruitt said.

Nonetheless, the mess at Tar Creek continues to follow Pruitt in other ways. As EPA administrator, he has assumed full responsibility for the still-faltering cleanup. And eyebrows

were raised in Oklahoma this past January when, as Pruitt was awaiting confirmation for his EPA post, a White House spokesperson told Bloomberg News that the handling of Tar Creek was emblematic of Pruitt's philosophy: "national standards, neighborhood solutions."

Pruitt, in an interview, said he knew nothing about the Bloomberg article, saying only that he endorses the EPA's current work at Tar Creek and the principle of combining federal resources and state and local leadership, rather than the buyout that occurred before his time as EPA administrator, while he was Oklahoma's attorney general.

"I think as far as a model going forward outside of the buyout, what we're trying to do is have a renewed focus on what I think are some of the most beneficial things we can do for citizens across the country, and that's to address some of these legacy sites that have substantial environmental challenges that allow them to once again enjoy the communities in their backyard," he said.

But many residents of the Tar Creek area, who gave up their homes in a buyout they considered both coercive and corrupt, continue to blame Pruitt for the fact that no one was prosecuted. They described a program so rife with good-old-boy corruption that certain individuals received outsize payoffs while some homeowners got so little they couldn't relocate anywhere nearby; meanwhile, they said, the people hired to demolish the homes received inflated contracts through a flawed process.

"We were lied to and deceived from Day One," said Gloria Workman, who said her son has learning disabilities from growing up in the polluted zone of Tar Creek, which had lead-poisoning levels in children that were three times higher than those registered in Flint, Michigan, during the peak of its recent water crisis. "Not only were we losing our homes, we were raped in the process."

"It was a nightmare," said Mary Thompson, who was still awaiting a resolution from the trust when an EF4 tornado ripped through Tar Creek in 2008, throwing bodies and trailers through the sky, killing six people and destroying more than 100 homes. Without homes, many people took lower-than-expected buyout offers—however insufficient they were perceived to be—because they had nothing left, she said.

"They preyed on us after the tornado," said Thompson, whose home was leveled.

Nonetheless, Inhofe, in a 2015 news release touting the completion of the buyout, cast it as a success because it did not lead to an expanded federal role.

"This is an example of a government program created for a specific purpose and then dissolves after the job is completed," Inhofe proclaimed.

Now, he continues to defend it but sounds less celebratory. "The first thing to know about the Superfund site at Tar Creek is that it's what's called a 'mega-site' and that it is an exceptional circumstance in every way. You can't compare it to any other Superfund site in the country," Inhofe said in a statement to POLITICO. "The voluntary relocation assistance to get people out of harm's way was right for the situation at Tar Creek, but may not be for every other Superfund—that is why state and local partnership is critical."

To many former residents, who still want the investigative report by the state auditor to see the light of day, even these modest and conditional endorsements feel like slaps in the face.

"People hate the government out here, and it's because of things like this," said Aletha Redden, a lifelong resident of the area who has a Donald Trump bumper sticker on her pickup truck. "I want Scott Pruitt to know: This is not the model."

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**A flat expanse** of dusty roads and scrubby vegetation situated in the heart of Tornado Alley, the Tar Creek area was once the mainstay of the Quapaw Tribe, which was forcibly relocated there by the U.S. government in 1834. At the time, the territory had little economic value, but a half-century later, prospectors discovered enormously rich ore. By the turn of the 20th century, companies broke ground with drill rigs on Quapaw land.

Many of those firms made fortunes, luring white settlers into an uneasy state of coexistence with the Quapaw. Tar Creek proved to be the deepest reservoir of lead-zinc ore in the world, producing a whopping \$1 billion in minerals between 1908 and 1950, according to the Oklahoma Historical Society. Picher, the largest of the mining towns, swelled to a population of 14,000.

Almost every aspect of life in Tar Creek traced back to the mines. The high school took on the mascot of a gorilla, a reference to workers in the mines who broke up boulders with hammers. Children played in sandboxes filled with chat, the chalky mining debris. Teenagers earned the nickname "chat rats" for climbing up the pillowy piles of toxic rubble throughout town and rolling tires down their slopes.

By the end of World War II, however, the boom was over. Most of the mining companies decamped for richer pastures. For the families left behind—including that of Yankees slugger Mickey Mantle, who grew up in the Tar Creek area in the 1940s—it was a slowly unfolding disaster. The extent of Tar Creek's collapse was reflected in the words of John F. Kennedy, who barnstormed into Joplin, Missouri—25 miles away from Tar Creek—in the closing days of the 1960 presidential campaign.

"My own judgment is I know no tougher occupation in the world that [sic] to be a miner, lead, zinc, coal. I am always glad to meet them because I think they live with peril," Kennedy declared. "They have as tough a life as there is. Every other one whose hand you shake has a finger off, a foot crushed, the chances of in 20 years their having a bad accident are more than any of the rest of us. And yet in this community and in West Virginia and Idaho and in other sections of the United States, there has been no group that has been harder hit, no group that has been more forgotten."

Indeed, after the last prospector looking for ore packed up and left in the mid-1970s, people looked to casinos and farming to make a living. But the residue from decades of mining was poisoning them. In 1979, acid mine water leached into the ground, threatening the area's aquifers, killing fish and turning creeks a rusty orange color. When the federal Superfund program—designed to clean up the nation's most polluted and contaminated land—kicked off in the early 1980s, Tar Creek was named to the inaugural National Priorities List. It's still on the list.

The EPA has spent more than \$176 million over the past 25 years on cleanup work inside the 42-square-mile-area, on projects from plugging mine shafts to removing contaminated surface soil in people's yards. Though the amount of money sounds large, it hasn't been nearly enough to remove the toxic dangers, and many residents insist the cleanup was mishandled from the

get-go. In some cases, the removal of soil resulted in sloping yards, which, during bouts of rain, caused flooding and mold inside houses. In 2000, the FBI raided the offices of the EPA's prime contractor at Tar Creek, Morrison-Knudsen. The company later settled a lawsuit brought by the federal government alleging false representation of billing and progress reports for a sum of \$1 million. In the settlement, the company made no admission of wrongdoing.

Meanwhile, the environmental hazards began to multiply: Shortly after the start of that Superfund spending spree, in 1993, researchers at the University of Oklahoma found that 34 percent of Quapaw children were living with lead concentrations above the federal limit. Further studies found alarming rates of lead and arsenic in both the tribal and non-tribal populations. In 1997, a university-lead study estimated that 21 percent of children near Tar Creek had elevated blood-lead levels (defined as 10 micrograms per liter at the time), which is three times higher than the highest measurements found in Flint, Michigan, in 2015. The learning disabilities and memory loss that had plagued the schools and curtailed lifespans for decades suddenly had a culprit.

As the dangers became ever-more visible and the cleanup lagged, residents rallied around the idea that the government should quickly buy them out of their homes, rather than wait for the hazardous materials to be removed. They thought they might have an ally in the state's senior senator, Inhofe, a Republican who was chair of the Senate Environment and Public Works Committee. But Inhofe, who has a skepticism about environmental science that exceeds that of any of his colleagues, refused to consider the idea. "There will never be a buyout. I promise you that," Inhofe told the *Tulsa World* in late 2003.

Inhofe's refusal to take action of any sort was often criticized in local press, due in part to the relentless attacks of a young Democratic congressman named Brad Carson. "If you'd asked people in Oklahoma politics at the time, they'd say we were mortal enemies," said Carson, referring to himself and Inhofe. "I was elected [to Congress] in 2000, and my goal was to untie the Gordian knot. The area is desperately poor. If it was in suburban Tulsa or Oklahoma City, there would've been outrage."

In 2004, Governor Brad Henry signed a bill authorizing the use of state dollars for the relocation of roughly 100 families with children under the age of 6. Under pressure to take further action, the senior senator began to come around. At first, he secured \$2 million in federal funding to pay for a study that discovered that 286 homes within Tar Creek were at risk of being swallowed up from cave-ins of underground mine shafts. This provided an opportunity for Inhofe to reverse himself on the buyout, supporting it on the grounds of protecting residents from cave-ins.

"The stability with the underground mine workings was worse than anyone had previously been thought," recalls Ed Keheley, a retired nuclear engineer and native of Picher who co-authored the study's final report. In the spring of 2006, Inhofe announced a joint federal and state buyout program that would begin with \$20 million in funding, with the express purpose of relocating any and all people who'd voluntarily leave Tar Creek.

Having once opposed the buyout to his political detriment, Inhofe now used his clout to keep on funding it, but with the idea that decision-making would be concentrated among local leaders, not the federal government. With Inhofe's support, the Oklahoma legislature created a nine-member panel called the Lead Impacted Communities Relocation Assistance Trust to assume control over the project. The members were all volunteers, helping their community, but some had a vested interest in the buyout: They included, for example, a local banker

whose institution would later give loans to people to help them relocate; local property owners whose own homes—and those of relatives—would be subject to the buyout; town officials; and a leader of the Quapaw Tribe.

Inhofe cast himself in the role of the community's protector, putting out a 2008 campaign ad that declared: "Tar Creek: poisoned earth, the threat of schools and churches sinking into abandoned mines. Everyone thought it would be too much to tackle, except for one stubborn man named Inhofe."

But over a five-year period, the buyout would become the subject of a host of civil lawsuits and the subject of a state investigation.

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**The local members of the trust**—few, if any, of them schooled in environmental management—had two major tasks: figuring out how much each property owner should be paid for their home or business, and then choosing a company to demolish the properties. Both tasks would become the subject of complaints about cronyism, with residents saying the trust members rewarded their friends and politically connected individuals.

It didn't help that the trust often met behind closed doors, and that the vice chairman of the trust resigned within a year. The trust's sole employee, operations manager Sonya Harris, also quit, declaring in her resignation letter that she could no longer continue "with a clear conscience without recommending a change; I will not place myself in a position to be perceived as approving of the operations to this point."

The first case to raise eyebrows involved the mayor of Picher, Ernest "Sam" Freeman. In 2005, when the buyout was first being discussed as a probability, he acquired three large parcels of former mining land covered with chat from the Picher Development Authority, which he chaired. Freeman bought them at 3 cents per square foot, for a total price of \$2,088.50, according to the findings of a state audit at the time. It was, the audit declared, a violation of state laws forbidding members of public boards from entering into contracts with those boards. Ottawa County District Attorney Eddie Wyant called on Freeman to return the properties to the development authority in lieu of charges.

"If Sam wanted to buy that land, he needed to get off the board and purchase it legally," Wyant told a local newspaper at the time. "I am not one to put anyone in jail over this, but he needs to clear it up." Wyant, when reached by phone, declined to comment further.

Freeman returned the land, but, in a move that enraged some neighbors, profited off it anyway. The trust had decided that, because so much former mining land had been taken over by state authorities and tribal members, those who owned mobile homes or other shelters on land they didn't own would be eligible for buyouts. Freeman made a claim based on the fact that he had been maintaining and renting out homes on the chat-infested property for years before he tried to buy it.

Trust documents show that Freeman received at least \$274,000 from the buyout, more than half of which came from the same lots he had been ordered to return by law enforcement. (Freeman told POLITICO a payout of more than a quarter-million sounded accurate enough, though he declined to provide an exact figure.) Neighbors suspected cronyism. Freeman, who is no longer mayor, denied receiving any preferential treatment. "These people thought I

bought the lots to make a killing in the buyout," he said. "I don't think I got more than anyone else would have."

The size of the mayor's profit diminished public confidence in the trust, just as it was engaged in the most delicate part of its task, figuring out how much to pay each individual property owner. Property owners were supposed to receive fair market prices as if pollution hadn't existed in Tar Creek, based on the sales of similar properties elsewhere in northeast Oklahoma. But those calculations appeared to lack uniformity.

The average payout for the 695 properties involved in the buyout was just over \$65,000, but the disparity in prices between two properties could be dramatic. Residents complained about lowball offers on some decent properties and overly high payouts for others that were rundown or minuscule in size.

"I got \$3,000 for my gun shop. It took me \$16,000 to build it," said former Tar Creek resident John Frazier.

Wally Long said he and his wife got \$35,000 for their Dairy Queen, while another Dairy Queen right up the road got substantially more.

"We were told [by the trust] that's all the money there is," Long said. "It bothered my wife a lot. She put 23 years of her life into this business."

Meanwhile, a trust member named Janell Trimble got \$185,000 for her house, and her brother collected \$115,000 for his fiberboard house.

"I may be a member of the [relocation trust's committee], but I honor my duties and I recuse myself when family members are involved," Trimble told the [Tulsa World in 2008](#). "[B]ut as a buyout participant I also expect to be treated just like the next person."

Nonetheless, both Trimble and her brother received more than 35 percent above the average price per square foot. On the other end of the spectrum, an elderly woman named Betty Betts received an offer of \$12,000 for her home; when she protested, the appraised value was raised to \$20,000. Many people got so little for their homes that they had to turn around and take out loans in order to resettle elsewhere in Oklahoma. In the end, the trust finished up with millions in unspent funds.

Residents concentrated their anger on the company that the trust hired to conduct the appraisals, Cinnabar, which had previously made headlines for its management of a noise-insulation program at the Tulsa Airport, which involved [multiple lawsuits](#). In response, the trust engaged an "appraisal reviewer" to go back over Cinnabar's work. But the reviewer, a company named Van Tuyl Associates, quickly came under criticism as well. "They [often] didn't get out of their car. They never entered these homes," said Keheley, who was a member of the trust at the time. (Van Tuyl Associates is now defunct; its former president could not be reached for comment.)

When the unrest over the buyout made the local newspapers, the trust's leadership pointed to a 95 percent acceptance rate for buyout offers. But some residents accused trustees of pressuring them with "take it or leave it" offers, according to a class-action lawsuit brought against the trustees, Cinnabar and Van Tuyl by more than 250 residents affected by the buyout. Plaintiffs also complained that they were denied the right to view the appraisal paperwork. There was

even a fake camera—and posters notifying residents they were being videotaped—in the room where buyout offers were made, an apparent attempt to compel residents to take the offers, according to documents in the suit.

The suit, filed in Oklahoma district court, accused the defendants of cheating average property owners and rewarding friends and associates of the trustees. Depositions revealed an explanation for some of the inconsistencies in appraisals: For certain properties, Cinnabar expanded the boundaries of where it could find "comparables"—properties in adjacent counties whose sale prices were used to calculate the appraisals—with the approval of a state employee named J.D. Strong, who, according to the lawsuit, played a significant role in overseeing the trust.

One of the properties appraised in this fashion was that of Trimble, whose \$185,000 payout, according to appraisal documents, had infuriated other residents.

When, in 2008, residents outlined their frustrations in a scathing six-page letter to Inhofe, Henry and other elected officials, Strong dictated the governor's reply, which was co-signed by Inhofe, lawyers for the plaintiffs asserted in his deposition. "I may have drafted this," Strong responded, when presented with a copy of the letter saved on Strong's computer.

In an interview, Strong defended the trust and its system of appraisals: "We knew going in that we weren't going to be the most popular. We went in with the idea that we were going to be fair. I can honestly say that, looking back, we were fair and unbiased and frugal."

During the six years the lawsuit was making its way through the state court system, both Cinnabar and Van Tuyl Associates declared bankruptcy. Eventually, the plaintiffs and the trust settled the case in 2015 for \$1.3 million, which, after deducting attorney fees, meant that each resident ended up receiving an additional \$2,600.

But that didn't satisfy many property owners.

"The people of Tar Creek were treated like second-class citizens, based on where they were born and lived," concluded Wally Kennedy, a columnist at the *Joplin Globe* who reported on northeast Oklahoma, including Tar Creek, for more than 30 years. "For someone to portray the buyout of the people of Tar Creek as a successful program is lying through their teeth."

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**Once the trust** obtained the properties on the toxic land, the next problem was how to destroy the empty structures that were on them.

Inhofe made sure there was enough money for the job. Even as he joined fellow Republicans in condemning President Barack Obama's 2009 stimulus bill as an unwarranted giveaway, the senior senator helped secure an additional \$15.7 million in the bill to help the trust finish its work.

The trust hired a local businessman named Jack Dalrymple to oversee bids for the demolition contract. He was best known for organizing an annual deer hunt for paralyzed veterans, an endeavor that earned him a lifetime achievement award from a local Chamber of Commerce. His payment was to be 10 percent of the value of the winning bid. He formulated a scoring system to evaluate bids and, in March 2010, the trust awarded the contract to Stone's Backhoe,

the most expensive of all four bids. At \$2.1 million, it was nearly four times the cost of the lowest bidder.

Just 14 days after Stone's was declared the winner, it asked that the contract be reassigned to two subcontractors, CWF Enterprises, a carpet-cleaning business, and Vision Construction and Management. Former residents contend that there were longstanding ties between Dalrymple and the subcontractors. Whether or not they were friends before, they soon became hunting buddies. In October 2012, local coverage of Dalrymple's annual event for paralyzed veterans pictured the heads of the two firms setting up the flag for the hunt.

One of the losing contractors filed suit against the trust and individual trustees in Oklahoma district court, accusing them of violating the state's open-meeting act and competitive bidding act. The district county judge sided with the plaintiff, reopening the bidding process.

But rather than blame Dalrymple, the trust gave him a new contract. It included a flat rate for his services, \$305,472—about \$100,000 more than he would have received had the contract remained with Stone's.

In January 2011, a \$1.7 million demolition contract was awarded to none other than CWF Enterprises, the carpet-cleaning business, which was also the least expensive of the three bids received. A month later, however, the estimated cost of the contract ballooned to \$3,050,786—almost exactly 10 times what Dalrymple received in his new contract.

While many residents cried foul, Andy Lester, the trust's attorney, attributed the increase to the fact that the EPA-controlled repository for dumping debris had just closed down. Trekking the remains of the houses and businesses to a dumping ground further away caused the massive change order, and a near doubling of the contract.

Lester also defends the choice of Dalrymple to handle the bids, contending that he was an engineer with some prior experience with public contracts and that the trust members couldn't handle the process on their own.

"It is important to remember that the trust board consisted of nine members—including, for example, a physician, a school teacher, and a mushroom farmer. They were volunteers, not professionals at this kind of work," Lester said. "Jack Dalrymple is a professional engineer with significant experience. And candidly, there are very few professional engineers in northeast Oklahoma."

Nonetheless, lawyers out of the Tulsa region filed a lawsuit in 2012 under the False Claims Act that accused the trust members, Dalrymple and the heads of the companies hired to do demolition work of being part of a "good old boy network" and defrauding federal taxpayers.

Attorneys for the plaintiffs, Zach and Brad Barron, say the lawsuit fizzled when the Department of Justice took the stance that "the government didn't sustain damages" from the charges laid out in the complaint. In a false claims lawsuit, where the plaintiffs are effectively trying to recoup money that's owed to the government, a lack of willingness from the government is effectively a death knell, the Barrons said. The lawsuit was eventually dismissed.

In an interview, Dalrymple insisted the allegations of cronyism were entirely unfounded.

"There were a lot of emotions and feelings during that period," he said. "When you ask someone to leave their home, it's a tough thing. But ... there was nothing there."

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**Still, the drumbeat** of complaints continued, eventually reaching the ear of Jerry Morris, the state director for Oklahoma's then-junior senator, Republican Tom Coburn.

It was no secret that Coburn, a physician who cast himself as a political outsider, didn't look upon Inhofe with any sort of fond feelings of mentorship.

"I think they were often seen as having very different approaches to politics," said David Blatt of the Oklahoma Policy Institute. "Inhofe is seen as a classic, pork-barrel politician who'd bring federal dollars to Oklahoma, the more the merrier." Whereas Coburn, Blatt says, "hated that kind of politics and did as little of it as he possibly could. In fact, he spoke disdainfully and caustically about it the whole time he was in the Senate."

Coburn was not shy about stepping on his fellow Republican's toes. Morris forwarded a memo with a lengthy list of allegations related to the awarding of contracts in the Tar Creek buyout, especially regarding the demolition work, to then-Attorney General Pruitt. In April 2011, Pruitt asked the state auditor and inspector, Gary Jones, to look into the memoranda sent from Coburn's office.

"I have determined that these concerns are serious in nature such that an investigation of the matter is warranted," Pruitt wrote to Jones. A 17-point list of allegations for Jones to investigate followed, including whether there was collusion between Dalrymple and the contractors hired to do the demolition work.

After spending almost two years on the investigation, Jones turned over the results of the audit to the attorney general's office in January 2014, apparently believing it had uncovered important information.

For a year and a half, the attorney general sat on the findings. Then, in May 2015, Pruitt announced that he wouldn't press charges. In addition, he vowed to keep the audit secret by refusing to release it.

Jones fired back at the attorney general's office days later, penning a letter to Pruitt that described his rationale for withholding the audit as "baffling."

"To our knowledge, the individuals named in the report are members of a public trust or contractor whose services were retained as part of this substantive project," Jones wrote. Further, he contended, "our office has received no inquiries from you or your staff regarding the content of the audit report."

Pruitt justified the secrecy by comparing the investigation results to the findings of a grand jury. "Specifically, our office is concerned about publication of unsubstantiated criminal allegations against private citizens," Pruitt wrote in a 2015 statement.

In an interview with POLITICO, Pruitt appeared to go one step further, suggesting the audit had in fact been vetted by a grand jury.

"You're addressing issues that it's been some months since I've looked into," Pruitt said. "I

know the decision I made at that time was based upon the investigative audit. The investigative audit didn't yield anything to the grand jury, and, as such, it was important to protect the individuals' reputation that were in that investigation."

But when asked to clarify, a Pruitt staff member indicated that he was using the term "grand jury" as shorthand for the Multi-County Grand Jury Unit, a division of the AG's office, headed at the time by a Pruitt appointee, which decides whether to take cases to a grand jury for indictment.

It's not the same as a grand jury finding. Nonetheless, the attorney general's office, now overseen by Mike Hunter, Pruitt's former top deputy, has denied all open records requests for the audit, declaring it to be "under the supervision of the Multi-County Grand Jury Unit." A spokeswoman for the Oklahoma attorney general's office said that if there was in fact a grand jury, the office couldn't confirm or deny that.

These rationales befuddle open records experts.

"I don't think there's anything in the law that would prohibit it [the investigation] from being released," said Joey Senat of Oklahoma State University, the president of FOIA Oklahoma. "The law doesn't require that the audit be kept secret. What would its release be harming? They've closed the investigation and decided not to prosecute."

Jones, who is now running for governor, reiterated his call for the attorney general's office to release the audit, saying in a statement that "regarding any investigation of this kind, we always err on the side of transparency and the people of Oklahoma have a right to know."

Concluded Senat: "When you have the state auditor [Gary Jones] saying these are not unsubstantiated claims and this is a serious problem, good government would call for letting the public know what happened and showing the public the audit. Transparency helps alleviate a lot of concerns about favoritism, corruption, and incompetency—if those are indeed unfounded."

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**Tar Creek today** looks like an abandoned landfill. Illegal dumping has added a fresh layer of grime to the already ruined patch of earth. Giant craters from collapsed mine shafts, some as large as 200 feet in diameter, are filled with Bud Light cans, shotgun shells and the tangled remains of kids' playground equipment. "We call this urban renewal, Picher style," quipped former resident Gloria Workman.

Abandoned houses that were not part of the buyout are now coated with graffiti. The charred remains of the former mining museum in Picher, which burned down at the hands of arsonists, stands as a teetering monument to Tar Creek's former way of life. And the sense of danger and destruction extends beyond the former buyout area: On rainy days, local fields used for football practice bleed a toxic shade of orange.

The EPA is continuing its now 33-year-old cleanup effort, and it's thrust the Quapaws back into stewardship of the land. Although the tribe leased away or sold off significant chunks of Tar Creek to mining companies throughout the 20th century, the Quapaws have at least temporarily regained control of all of it. Since 2012, the tribe—a sovereign nation with roughly 5,500 members—has been the primary EPA contractor for environmental remediation

at Tar Creek. It's the first time any tribe has been a prime contractor on a Superfund site, assigning all the contracts and overseeing all the work.

"It's a great story," said Craig Kreman, assistant environmental director of the Quapaw tribe. "We're employing tribal members a lot of the time and members of the community. So that income [from the EPA contract] stays here in this community and is being spent in this community. We're not hiring a contractor out of Georgia."

Every day, a steady stream of trucks haul away more than 2,000 tons of soil saturated with cadmium, lead and other metals at the site. Each patch of earth requires years of passive soil treatments before it tests clean enough to plant row crops like winter wheat. Half-acre by half-acre, the hope is that Tar Creek can be put into productive agricultural use decades from now.

In August, after touring the abandoned area and surrounding towns, Pruitt's senior adviser Albert "Kell" Kelly, praised the EPA's efforts surrounding Tar Creek in sweeping terms: "People from all across the country count on the Superfund program to address pollution and revitalize their communities. Tar Creek cleanup is an excellent example of how the program should work. State and local partners, tribal partners, and EPA—all working together year after year to address historical pollution at this mega-site. It's cooperative federalism working at its best."

But many local observers, including Ed Keheley, aren't nearly as positive.

"Usually, the EPA comes in, they do their dirty work, sprinkle some wheat seed, take a picture to show Congress, and next year it looks like this," he said, pointing to a barren pasture. "Clearly, the EPA hasn't had the best interests of the people at heart. So I get personally offended when people like Scott Pruitt suggest otherwise."

For his part, Pruitt announced a fresh grant of \$5 million to the Quapaw-led project last May, and he is quick to distance this experiment in local control from the one that preceded it.

"We [the EPA] can't impact the buyout. We didn't authorize the buyout. I didn't manage the buyout and its unique situation," Pruitt said. "I think what's most tangible is what we can do together with the tribe to advance and continue remediation."

When asked to respond to the undying complaints of residents in rural Ottawa County, where Tar Creek is located—a county in which Trump received 71 percent of the vote in November 2016—Pruitt changed the subject. "I had no experience with Tar Creek, to be honest with you," he said.

That's true, except it was his office's decision, when he was attorney general, not to prosecute the people accused of mishandling the trust money, Keheley and other local residents point out.

But what galls them more than the failure to prosecute is the failure to release the results of a government investigation—an audit that they believe will raise questions about Pruitt's unwillingness to press charges and cast a negative light on a project near and dear to Inhofe's heart.

Pruitt's connections to Inhofe are extensive. One of Pruitt's first hires as EPA chief was Ryan Jackson, a longtime Inhofe staffer and the senator's point person on Tar Creek, who is now

Pruitt's chief of staff. He also brought on four other former aides to Inhofe, the Senate's leading proponent of the idea that man-made pollution contributing to climate change is a conspiracy and a hoax. Three of them are Pruitt's senior advisers on air, climate and legal issues.

"It gives me a level of comfort to know that we have a bureaucracy that's actually going to be serving instead of ruling," Inhofe told the *Washington Post*, applauding Pruitt for hiring his staff.

Numerous veteran Oklahoma political watchers, some of whom spoke to POLITICO on condition of anonymity, suggest that there may be an ulterior motive in Pruitt's embrace of Inhofe: It's widely believed that Pruitt, who is 49, wants to run for Inhofe's seat when the senator retires. Many observers think Inhofe is unlikely to seek reelection in 2020, when he'll be 85. And some have noted that Pruitt's decision not to advance the case against the buyout trust spared Inhofe the embarrassment of seeing the program he personally tailored and promoted go down in scandal.

"Pruitt is a rising Republican political star previously in Oklahoma and now nationally," said one journalist who closely follows the Oklahoma political scene. "There have been rumblings that Pruitt might have his eye on higher office. ... Pruitt would do everything to keep Inhofe close, assuming he wants to run for that seat."

Wally Kennedy, the *Joplin Globe* columnist who has covered the Tar Creek trust more closely than any other journalist, said, "My sense of the way that unfolded was that Pruitt decided he was not going to do any kind of prosecution, and then Inhofe writes a letter saying what an outstanding job the trust did. My reaction was 'Huh?'"

"The fact that the audit was not publicly disclosed tells me that somebody is hiding something," he added. "This is Oklahoma taxpayers' money being committed to ratting out what appears to be some apparent corruption. But everybody looks the other way. That's why I'm talking to you. Because if you can shed a light on this, maybe somebody will say 'We need to take a second look at this.'"

Pruitt, however, insists his decisions were strictly based on the law, and an Inhofe staffer flatly dismissed the possibility of Inhofe influencing Pruitt's decision.

"Senator Inhofe would have had no involvement in the case or in any of then-Attorney General Pruitt's decisions," the staffer said.

Pruitt was similarly bemused by the idea that there would have been any sort of political calculation behind his decision to shield the audit. The only politics in this case, he suggested, was on the part of those who want to embarrass him and Inhofe.

"You would think that this wouldn't be a political issue, that people wouldn't put on the red and blue jerseys," Pruitt said in frustration.

Others argue that transparency in this case is not a political issue as much as a legal right.

"The open records act seems pretty clear this audit should be released," said Stevens, executive director of Campaign for Accountability. "You have to ask why he's not releasing it? Pruitt should have to be held accountable for this."

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### **Pruitt named chair of Gulf Coast Ecosystem Restoration Council [Back](#)**

By Anthony Adragna | 12/06/2017 07:28 PM EDT

President Donald Trump announced today that EPA Administrator Scott Pruitt would chair the Gulf Coast Ecosystem Restoration Council.

The group, formed in 2012 after the Deepwater Horizon oil spill, helps restore the ecosystems and economies of the Gulf Coast. Pruitt was unanimously selected by Alabama, Florida, Louisiana, Mississippi and Texas, the five states on the council.

"I am honored to be selected by the states and look forward to working with the governors to continue the excellent work of this Council to further the critical mission of restoring the Gulf of Mexico ecosystem," he said in a statement.

Pruitt named Kenneth Wagner, a senior adviser, to be his designee on the council. He takes over the chairmanship from the Secretary of Agriculture.

**WHAT'S NEXT:** Pruitt begins his chairmanship of the group.

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### **Powelson says McIntyre to be sworn in Thursday [Back](#)**

By Eric Wolff | 12/06/2017 03:33 PM EDT

New FERC Chairman Kevin McIntyre will be sworn in on Thursday, FERC Commissioner Rob Powelson told an audience of electric power officials in Philadelphia today.

"At a general session this afternoon in Philadelphia, one of the key speakers was FERC Commissioner Rob Powelson, and during his speech this afternoon he confirmed that Kevin McIntyre will be sworn in tomorrow," PJM Interconnection spokeswoman Susan Buehler said.

President Donald Trump nominated McIntyre, a partner at the law firm of Jones Day, to be commissioner and designated him to be chair months ago. The Senate confirmed him in early November, and he received his signed commission just before Thanksgiving.

His swearing in will put to rest rumors that either the Trump administration or McIntyre himself were delaying his start date to give current Chairman Neil Chatterjee enough service time to make staffing changes. Chatterjee will miss that deadline by a day.

It also puts McIntyre in charge of the process initiated by Energy Secretary Rick Perry that is

aimed at supporting coal-fired and nuclear power plants in an effort to protect the power grid's resilience. Action on that proposal is expected by Monday.

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### **EPA to hold more hearings on Clean Power Plan withdrawal** [Back](#)

By Emily Holden | 12/06/2017 03:28 PM EDT

EPA will hold three additional public hearings on a proposal to withdraw the Clean Power Plan, in San Francisco; Gillette, Wyo.; and Kansas City, Mo., the agency announced today.

EPA Administrator Scott Pruitt in a press release said the change was "due to the overwhelming response" to two days of hearings in West Virginia last week. Many environmental advocates criticized EPA for initially scheduling hearings only in coal country.

The agency will announce the dates and locations of the meetings in the coming weeks, and speakers must [register](#).

The Obama administration, by comparison, held public hearings on the proposed climate standards in 2015 in Pittsburgh, Denver, Atlanta and Washington, D.C.

**WHAT'S NEXT:** Comments on the draft withdrawal are due Jan. 16.

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### **Republicans divided over taking up tax extenders this year** [Back](#)

By Brian Faler | 12/06/2017 05:40 PM EDT

Republican leaders are divided over whether to take up a second tax-cut bill this year.

Senate Republicans want to move legislation reviving a rump group of tax "extenders," separate from their more sweeping plan to rewrite the code.

But the House's top tax writer isn't so sure.

"I don't like the extenders," said House Ways and Means Chairman [Kevin Brady](#) (R-Texas). "It's horrible policy and process."

"No decision yet," he added, saying lawmakers need to talk it over.

His comments came after Sen. [John Thune](#), the chamber's No. 3 Republican, said today lawmakers will revive biodiesel, geothermal and other energy-related breaks along with other "cats and dogs," including a tax credit to maintain short-line railroads.

Thirty-four temporary tax provisions expired at the end of last year, including 16 energy ones, and lawmakers are now facing demands to revive them. Some want to attach the provisions to funding legislation needed to keep the government open [H.J. Res. 123 \(115\)](#).

Many Republicans had sworn off the "extender" ritual after a 2015 tax agreement made many of the breaks permanent while giving others what lawmakers said was one final extension — which, for some, ended last year.

Putting together an extender bill, even as lawmakers negotiate a final compromise on their tax-overhaul plans, is likely to test tax writers' bandwidth.

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### **Solar pitches target Trump at USTR hearing [Back](#)**

By Eric Wolff | 12/06/2017 03:46 PM EDT

Supporters of tough trade tariffs on solar energy equipment and their opponents squared off again at a hearing of the U.S. Trade Representative today, with both sides coloring their arguments in language aimed at swaying the White House.

The two companies seeking tariffs on foreign shipments of solar panels and cells, Suniva and SolarWorld Americas, pressed the case that barriers were vital for protecting U.S. manufacturing of the clean energy technology because of its importance for national security — issues at the heart of President Donald Trump's "America First" agenda.

"A strong remedy is required to persevere the U.S. industry, provide breathing space for this American-invented manufacturing technology," said Matt Card, vice president of operations for bankrupt Suniva. "Anything less would ... result in the loss of this industry. That would have a dramatic negative impact on national security."

Witnesses at the hearing opposed to instituting tariffs raised the same issues, but contended that trade barriers would threaten other businesses, and that the benefits of tariffs would help only a narrow segment of the solar industry.

"Factories in South Carolina and across the nation would suffer from solar tariffs," South Carolina Gov. Henry McMaster told the panel. "While there is only one operating factory in the U.S. petitioning for these tariffs, there are over 50 American-owned factories employing thousands of people that would be the ones harmed, including a steel mill in South Carolina that provides American-made steel for many of the U.S. factories that produce metal equipment for the utility scale solar farms."

The panel, which included representatives from the departments of Energy, Treasury, State, Labor and Commerce, and from the Council of Economic Advisers, appeared unmoved by the national security arguments, and instead peppered parties with detailed questions about the potential tariffs' impacts on U.S. solar power demand. Panel members also questioned whether a few years of trade protections would be enough time for Suniva and SolarWorld to hike their

production enough to catch up to overseas competition.

They pressed witnesses from both side on how tariffs would effect the domestic solar market, whether a modest tariff would be effective, and their opinions on the recommendations the U.S. International Trade Commission sent the White House last month. ITC members [recommended](#) a range of options, from sliding scale of tariffs to a cap on total shipments.

The Trade Representative will send the White House a recommendation, and Trump has until Jan. 26 to make a decision.

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By Anthony Adragna | 09/14/2017 05:41 AM EDT

*With help from Eric Wolff*

**PRUITT'S CARBON TIGHTROPE BALANCING ACT:** Leaving the door open to rewrite the Obama administration's Clean Power Plan would help President Donald Trump's administration honor the wishes of power companies looking to avoid years of legal uncertainty but might not satisfy the demands of some conservative activists, Pro's Emily Holden [reports](#). EPA wants to move to collect comments about whether to write a new regulation, and is likely to write a new rule given the agency would be on much shakier legal ground if it simply opted not to regulate carbon dioxide from power plants.

**Any replacement rule** would be unlikely to take a meaningful bite out of carbon levels and would be based on a much narrower interpretation of EPA's Clean Air Act authority. That may be enough in the interim for some conservatives who would prefer a straight withdrawal of Clean Power Plan but who wouldn't oppose a replacement rule. "Ultimately, the responsibility to fix this mess lies with the Congress, so until they act, the only thing the Administration can do is minimize the damage," said Tom Pyle, a conservative lobbyist with the American Energy Alliance who led Trump's Energy Department transition team. But the details could have political implications for Pruitt, who is widely seen as a potential candidate for the U.S. Senate in his native Oklahoma.

**Most utilities assume** future regulations or laws will ultimately require them to curb carbon emissions even if the Obama administration's Clean Power Plan goes down and support EPA issuing a replacement rule — albeit a much weaker one. "We think that future regulation of carbon emissions from power production is likely, and could provide additional planning certainty," Tammy Ridout, a spokeswoman with coal-heavy AEP, said. Regardless of the approach Pruitt ultimately selects, environmental groups are sure to vigorously contest his efforts in court.

**DOMENECH CLEARS SENATE:** Trump's pick for Interior assistant secretary nominee, Douglas Domenech, cleared the Senate by voice vote late Wednesday. The veteran of George W. Bush's Interior Department who was on the Trump transition team's landing team at the agency said during the confirmation process that he [still believes](#) that the human contribution to climate change is very small. Domenech also previously served as Virginia's secretary of natural resources.

**But others will wait:** Efforts to fill out the Trump energy team must wait a few more days again after the Senate Energy and Natural Resources Committee shelved votes slated for today on the nominations of five FERC, DOE and Interior nominees, Pro's Darius Dixon [reports](#). Votes are now slated for next Tuesday.

**Democrats threaten to delay Bodine:** Two EPW Democrats — [Sheldon Whitehouse](#) and [Jeff Merkley](#) — [threatened](#) to hold up Susan Bodine's nomination to be EPA enforcement chief until she provides details about her advisory role to the administrator and whether she played a

role in the agency's decision to enforce its methane rule on a "case by case" basis. They said Bodine's assumption of a role at EPA without being confirmed first may run afoul of federal law.

**EPA nominees up next week:** Four EPA nominees will get their day at Senate EPW for a hearing next Wednesday. They are: Michael Dourson to run the agency's chemical office; Matt Leopold to be general counsel; David Ross to run the water office; and William Wehrum's contentious bid to be EPA's top air official. The committee also will consider Jeffery Baran's renomination to another five-year NRC term.

**WELCOME TO THURSDAY!** I'm your host Anthony Adragna, and Bracewell's Frank Maisano named Schuyler Colfax and John Nance Garner as the two House speakers that became vice president. For today, and in keeping with the theme: Who is the lone speaker that went on to become president? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#), and [@POLITICOPro](#).

**GET PUMPED!** POLITICO Pro convenes its first-ever policy summit today (follow along [here](#)) with a little something for everyone. Of particular interest to energy fans: a 10:30 a.m. session hosted by Pro's Nick Juliano on the implications of the Trump administration on energy policy. Panelists include: Exelon CEO Chris Crane; Senate Energy staffer Spencer Gray; Business Council for Sustainable Energy President Lisa Jacobson and MWR Strategies' Mike McKenna. Other non-energy speakers throughout the day include: Treasury Secretary Steve Mnuchin, Commerce Secretary Wilbur Ross and top House taxwriters [Kevin Brady](#) and [Richard Neal](#).

**TEMPORARY REGULATORY WAIVERS GALORE:** With Florida and Texas still restoring power and taking stock of damage following Hurricanes Harvey and Irma, federal regulators are temporarily relaxing regulatory requirements to help those states get back online. As POLITICO Florida's Bruce Ritchie [reports](#), the EPA acknowledged in [a letter](#) Wednesday it recognized the need to use "flexibility" provided in federal stormwater discharge permits for facilities affected by the storm.

**Jones Act waiver extended:** Citing "severe disruptions of the oil supply system," DHS announced Wednesday it [extended](#) a Jones Act waiver through Sept. 22 to alleviate fuel shortages in the areas affected by the hurricanes. The decision will allow foreign-flagged vessels to deliver fuel from U.S. refineries to Florida and other impacted states, something barred under the 1920 Jones Act.

**Texas' too:** EPA [said](#) late Wednesday it would waive fuel requirements under the Clean Air Act for reformulated gasoline and low volatility gasoline in Texas through Oct. 1 to "help address the emergency circumstances" in the state from the hurricanes. In addition, the agency also continued to allow the use of Texas Low Emission Diesel in 110 Texas counties.

**Three's a trend!** OMB Chief Mick Mulvaney [told](#) CNN's Jake Tapper on Wednesday there's "plenty of time later" to discuss climate change but said the focus right now should be on helping hurricane victims in Texas and Florida. "I'd be more than happy to have a longer discussion another day about climate change, man-made climate change," he said. Energy Secretary Rick Perry previously said now's "[not the time](#)" to discuss climate change, while EPA Administrator Scott Pruitt called such talk "[insensitive](#)."

**Curbelo fine with climate talk:** Back on Capitol Hill after responding to Hurricane Irma's impacts on his district, Rep. [Carlos Curbelo](#) said climate change should be a part of post-storm discussion. "It shouldn't be the first thing people talk about — the first concern has to be all the people in the Florida Keys and throughout the state of Florida who are struggling," he told reporters. "[But] it's certainly not irresponsible to highlight how this storm was probably fueled — in part — by conditions that were caused by human-induced climate change."

**Backs Nelson's climate comments:** Curbelo said he "absolutely" agreed with his state's senior senator, [Bill Nelson](#), that Republicans were "[denying reality](#)" if they refused to acknowledge climate change. "I am critical of both the deniers and the alarmists because they don't contribute much to solving this problem," he said. "The deniers deny it so you can't address a problem you don't recognize and the alarmists scare everyone and take credibility away from the issue, and people who are convincible then shy away. People need to talk about this in a sober way, in a rational way."

**Be on the lookout:** Curbelo said his bipartisan Climate Solutions Caucus should hit 60 members in the near future, which would triple its membership from last Congress. The caucus grew to 56 members on Tuesday with the additions of Republicans [Chris Collins](#) and [Pat Tiberi](#) and Democrats [John Larson](#) and [Nydia Velazquez](#).

**HOUSE PANEL TAKES FIRST LOOK AT RELIABILITY:** They've split the original hearing into two, but the House Energy and Commerce Energy Subcommittee takes a first look at various issues associated at the reliability of the U.S. electric grid. Making his first congressional appearance since confirmation is FERC Chairman Neil Chatterjee. Also testifying is Gerry Cauley, president of the North American Electric Reliability Corporation, and Patricia Hoffman, an official within DOE's Office of Electricity. The background memo for the hearing, which kicks off at 10 a.m. in Rayburn 2123, is available [here](#).

**HERE'S SOMETHING YOU WON'T SEE EVERYDAY:** Still looking to drum up momentum for their bipartisan bill boosting carbon capture and sequestration technologies, one of the Senate's most unusual possible quartets — [Heidi Heitkamp](#), [Shelley Moore Capito](#), [Sheldon Whitehouse](#) and [John Barrasso](#) — participate in an event hosted by the Center for Climate and Energy Solutions on the latest innovations in the technology and efforts to speed its deployment. It kicks off in Hart 902 at 8:30 a.m. Details [here](#).

**PARTS OF EPA DISCHARGE RULE DELAYED:** EPA issued a final [rule](#) Wednesday formally delaying key compliance dates from a 2015 regulation limiting toxic discharges in power plants' wastewater streams, Pro's Alex Guillén [reports](#). Specifically, the agency will delay deadlines related to limits on discharges of flue gas desulfurization wastewater and bottom ash transport water, two waste streams associated with burning coal for electricity, while it reconsiders those standards. EPA said the delays will provide annualized utility cost savings between \$27.5 million and \$36.8 million.

**Environmental groups vowed to sue:** Mary Anne Hitt, director of Sierra Club's Beyond Coal campaign, said in a statement her group would take "immediate action" to fight a decision she called "so unconscionable from a public health — and common sense — perspective, that [Pruitt] couldn't even name a valid legal reason for the delay." Earthjustice Attorney Thomas Cmar called the rule "a bold-faced gift to the coal industry at the expense of the health of families everywhere."

**PROBE OF EPA GRANT PROCESS SOUGHT:** The Center for American Progress and

Union of Concerned Scientists are today asking EPA's inspector general in [a letter](#) to investigate the agency's grant review process, rumored cancellation of some grants and allegations of political interference. "We urge your office to begin an investigation of these matters immediately," they write.

**REVAMPED FEDERAL LEASING PROGRAM SOUGHT:** The Wilderness Society, along with several other petitioners, are [asking](#) Interior and BLM this morning to revamp the fiscal terms and management processes regarding oil and gas leasing on federal lands. The petitioners argue their reform proposals would not harm, slow, or stop energy production on public lands. "Analyses of these decades-old [current] policies has shown that they are harming the taxpayers that the BLM is obligated to ensure receive the benefits of leasing and the public lands that BLM is obligated to ensure are managed for multiple use and sustained yield," they write.

**HIDDEN DANGER IN OKLAHOMA?** Massive oil storage tanks in Cushing, Okla. could be growing more vulnerable by the day as man-made earthquakes stemming from fracking tests their limits, Kathryn Miles reports in POLITICO Magazine. Five of the largest energy companies each said have procedures and protocols for natural disasters, but that they would not comment on the specific designs of their tanks, nor how those tanks would fare in a major earthquake. Read the full thing [here](#).

**NRDC SEEKING REHEARING ON REFRIGERANTS CASE:** The Natural Resources Defense Council plans to ask the D.C. Circuit for an en banc rehearing of [last months' decision](#) striking down an EPA rule limiting use of hydrofluorocarbons, a global warming exacerbating coolant. NRDC believes the majority in the 2-1 decision erred in its determination that the law was clear and did not require agency interpretation, known as Chevron Step 1. "[D.C. Circuit Judge Brett] Kavanaugh interprets the law in a way that eviscerates the program," said David Doniger, head of climate programs for NRDC. "Everybody understood to this point that the substitutes for ozone depleting chemicals were replacements ... and when new ones are developed safer than the old ones, the old ones are supposed to give way." HFCs fall out of the atmosphere faster than CO<sub>2</sub>, but have a far higher global warming potential.

**Honeywell, too?** "We believe the EPA's regulation is well-supported by the law and was in the best interests of the public, industry and the environment," a spokeswoman for Honeywell International Inc. said in an email to ME. Honeywell makes next generation coolants. "We are closely reviewing the decision and are likely to pursue an appeal, and are already taking steps to ensure that the accelerated transition to HFC alternatives continues."

**FOR YOUR REFERENCE:** Advanced Energy Economy today released seven specific [issue briefs](#) as policymakers consider ways to modernize the U.S. electric grid. They cover: advanced metering; access to data; optimizing capital expenditures; distributed energy resource ownership; using energy efficiency as a resources; performance-based regulation and designing rates in a distributed energy resource future.

**BETTER LUCK NEXT YEAR?** Two ambitious bills in California — laying the groundwork for a regional electricity grid and eventually phasing out use of fossil fuels — won't advance this year, a key committee chairman [told the Los Angeles Times](#) Wednesday. "There's not a lot of time for the engagement we need to make it work," Assemblyman Chris Holden said, adding they should be considered as part of a "comprehensive conversation" in 2018. The legislative session ends Friday and the deadline for amending legislation was Tuesday night.

**REPORT: CLOSING COAL PLANTS MEANS BIG BUCKS:** Phasing out inefficient coal plants would save U.S. customers up to \$10 billion annually by 2021, a [new report](#) from Carbon Tracker finds. Constructing combined cycle gas turbines will be more cost-effective by the mid-2020s than continuing to operate 78 percent of the nation's current coal fleet, the study concludes. "The US power sector remains entirely unprepared for a coal phase-out consistent with a below [2 degree] C outcome," it finds, referring to the goal of the Paris climate agreement to limit global temperature increases.

**NEW EDF AD USES HARVEY FOOTAGE:** The Environmental Defense Fund is launching a [new ad](#) in the Washington area for three weeks using footage from the Arkema plant incident in Texas. The ad warns Congress that cutting the agency's budget could harm disaster response moving forward.

**MOVER, SHAKER:** Nick Conger starts a new gig as former Vice President Al Gore's communications director in Nashville on Oct. 2. The Obama administration EPA veteran leaves his current post as a press secretary at NRDC on Sept. 22. "I couldn't be more thrilled to join [Gore's] team and help shape his public activities," he writes of his role.

## QUICK HITS

- New York's buildings emit most of its greenhouse gases. The mayor has a plan to change that. [Washington Post](#).
- Former Vice President Al Gore: Investors can lead climate change battle. [CNBC](#).
- US judge cites tribal sovereignty in dismissing coal lawsuit. [AP](#).
- Colorado outlines how new pipeline rules will be considered after fatal Firestone explosion. [Denver Post](#).
- Saudis Prepare for Possible Aramco IPO Delay to 2019. [Bloomberg](#).
- Oil Rises on Signs of Tightening Supply. [Wall Street Journal](#).

## HAPPENING TODAY

8:30 a.m. — "[State of the Art: Innovations in CO2 Capture and Use](#)," Center for Climate and Energy Solutions, Hart 902

8:30 a.m. — The Alliance to Save Energy hosts Great Energy Efficiency Day (GEED), Columbus Club, Union Station, 50 Massachusetts Ave NE,

8:30 a.m. — POLITICO Pro policy summit, Omni Shoreham Hotel, 2500 Calvert Street, NW

9:30 a.m. — Business [meeting](#) to consider various nominations, Senate Energy and Natural Resources Committee, 366 Dirksen

10:00 a.m. — "[EIA's International Energy Outlook 2017](#)," Center for Strategic and International Studies, 1616 Rhode Island Avenue, NW

10:00 a.m. — "[U.S. Policy Options to Support Democracy in Venezuela](#)," Senate Foreign Relations Committee, Dirksen 419

10:00 a.m. — "[Part One: Powering America: Defining Reliability in a Transforming Electricity Industry](#)," House Energy and Commerce Energy Subcommittee, 2123 Rayburn

11:00 a.m. — Sen. Markey and Rep. Cartwright hold [press conference](#) to announce climate change and public health legislation, S-115, U.S. Capitol

## **THAT'S ALL FOR ME!**

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/09/replacing-clean-power-plan-could-disappoint-conservatives-024587>

## **Stories from POLITICO Pro**

### **Repeal and replace approach to EPA climate rule may disappoint Trump base [Back](#)**

By Emily Holden | 09/14/2017 05:01 AM EDT

The Trump administration is leaving the door open to replace former President Barack Obama's landmark climate regulation for power plants — a move that would fall short of conservatives' calls to erase it all together

A mend-it-don't-end-it approach from the Environmental Protection Agency on Obama's 2015 rule could appease power companies that say they need some kind of EPA regulations — albeit much weaker ones — to save them from years of legal uncertainty. But it might not satisfy the demands from some conservative activists, who have pressured EPA Administrator Scott Pruitt to reject the entire idea that climate change is a problem requiring federal action.

The agency is aiming by early October to issue a proposal to undo the Clean Power Plan, along with a separate advance notice of its intent to consider a replacement, a source close to the process told POLITICO.

That approach still leaves a wide array of options on the table — including ultimately deciding against a new rule — and it could allow Pruitt to stretch out the process for several more years without ultimately resolving how the agency should address the greenhouse gas emissions from power plants, one of the largest contributors to human-caused climate change.

The Clean Power Plan encouraged the power sector to shift away from coal and toward natural gas and renewable power, an approach that Obama's critics said exceeded EPA's authority under the Clean Air Act. At a minimum, Trump's EPA would likely seek to limit any replacement to require only the negligible carbon emissions reductions that could be achieved at coal plants themselves, without prodding states and utilities to replace those facilities with cleaner generation.

The details about how to begin unraveling Obama's climate regulations could have political implications for Pruitt, who is widely seen as a potential candidate for the U.S. Senate in his native Oklahoma. Repealing the power plant rule was an explicit campaign promise for President Donald Trump, who has dismissed man-made climate change as a "hoax."

For now, conservatives appear willing to give Pruitt the benefit of the doubt because he is walking a legal tightrope and could still decide to take aim at EPA's underlying obligation to

regulate carbon emissions. The D.C. Circuit Court of Appeals has agreed to keep litigation over the Clean Power Plan on hold through Oct. 7, but judges warned Pruitt last month that EPA is dodging its legal obligation to regulate carbon by failing to outline its next steps on the rule.

Myron Ebell, the climate skeptic who led EPA's transition team, has pushed for Pruitt to fight the agency's "endangerment finding" that it must address climate change. But he said a replacement rule might be an "adequate stopgap."

He said if the courts ultimately find that a coal-plant focused rule isn't enough to fulfill EPA's legal obligation, then "in order to keep the president's promise that we're going to get rid of these economically destructive rules, the only alternative they will have is to reopen the endangerment finding."

Challenging that finding, which determined that heat-trapping gases like carbon dioxide were a public health threat, would mean fighting climate change science, and most lawyers say it is a losing battle. The Obama administration issued the endangerment finding in 2009, two years after the Supreme Court told EPA to determine its role in fighting climate change.

Tom Pyle, a conservative lobbyist with the American Energy Alliance who led Trump's Energy Department transition team, said he would prefer a straight withdrawal of the Clean Power Plan but wouldn't oppose a replacement rule.

"Ultimately, the responsibility to fix this mess lies with the Congress, so until they act, the only thing the Administration can do is minimize the damage," Pyle said via email.

But EPA would be on much shakier legal ground if it just refused to regulate carbon dioxide from power plants, the nation's largest source of greenhouse gas pollution.

EPA wants to move to collect comments about whether to write a new regulation, and is likely to write a new rule, multiple sources said.

Any replacement would be based on a narrow interpretation of EPA's authority and is unlikely to make a meaningful dent in carbon levels — unlike Obama's version, which pledged to cut the power industry's carbon pollution as much as 32 percent below 2005 levels by 2030.

Opponents of the Clean Power Plan have also argued that the rule is illegal because EPA had [already regulated coal plants](#) under a different section of law. EPA could still make that argument while proposing to withdraw the plan and invite comments on the idea in its notice of a potential replacement.

Environmental groups are expected to sue no matter which path Pruitt and Trump take.

"There would be very intense protests to rescinding the Clean Power Plan and replacing it with nothing indefinitely, which is what this would be," said Sean Donahue, a lawyer at Donahue & Goldberg who represents environmental groups defending the Clean Power Plan in court.

EPA is planning to issue an Advance Notice of Proposed Rulemaking (ANPR), the first step toward issuing a replacement for the Clean Power Plan, according to the source familiar with the process. But that route leaves many options open.

Kevin Poloncarz, a lawyer with the firm Paul Hastings who represents energy companies

supporting the Clean Power Plan, said the notice could be "fairly nondescript" and could suggest a replacement rule or ask for feedback on whether EPA can legally regulate power plants under the section of the Clean Air Act that the Obama administration used.

If EPA simply rescinded the Clean Power Plan without announcing plans to consider a replacement, Poloncarz said power companies could face nuisance lawsuits.

Issuing the notice could be a compromise position. While it's in place, "the industry should feel some degree of comfort that they're insulated from those lawsuits," Poloncarz said.

States like New York could still take court action against EPA if the agency is taking too long or questions its own authority on greenhouse gases, he added.

It's not unusual for an agency to take years to follow up on an ANPR. EPA took about six years to issue its draft Clean Power Plan in 2014.

"The entire point of ANPR is to help agencies decide which course they want to pursue where there are multiple options," said Tom Lorenzen, a partner at Crowell & Moring who represents electric cooperatives challenging the Clean Power Plan.

"I think one purpose of an ANPR would be to send a message to the court that EPA is thinking about what comes next," he added.

Lorenzen said an ANPR could suggest a replacement rule or argue that any regulation is illegal because the agency has already regulated power plants under Section 112 of the Clean Air Act.

Several attorneys noted that Bill Wehrum, the lawyer nominated to run EPA's air office, has represented power industry clients who likely would back a replacement rule because they consider regulation to be inevitable.

Most utilities assume a future regulation or law will require them to curb carbon emissions, even if Trump's EPA rescinds the Clean Power Plan.

Even coal-heavy power companies have said they support EPA issuing a replacement rule.

AEP, a Midwestern power company that gets slightly less than half of its electricity from coal, would back a new proposal "consistent with the EPA's authority under the Clean Air Act," spokeswoman Tammy Ridout said.

In 2005, 70 percent of AEP's power came from coal, but the company has been intentionally shifting toward renewable power and lower-carbon natural gas.

"We think that future regulation of carbon emissions from power production is likely, and could provide additional planning certainty," Ridout said.

*To view online [click here](#).*

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## **Interior nominee Domenech says human role in climate change small [Back](#)**

By Esther Whieldon | 07/20/2017 01:12 PM EDT

Interior assistant secretary nominee Douglas Domenech told his senators at his confirmation hearing today that he still believes that the human contribution to climate change is very small.

At the Senate Energy and Natural Resources Committee hearing, Sen. [Al Franken](#) (D-Minn.) asked Domenech, President Donald Trump's nominee for assistant secretary for insular areas, if he still stood by his December [op-ed](#) that said that humankind was impacting the climate in "very small ways."

Domenech, an Interior veteran who was on the Trump transition team's landing team at the agency this year, said "yes."

The senator asked whether Domenech, given his views on climate change, is the "right person" to help vulnerable island communities that are being impacted by sea level rise.

Domenech said that as Virginia's secretary of natural resources, he helped the fishing community in Tangier Island in Chesapeake Bay deal with erosion and sea level rise.

"We worked with them quite a bit in terms of reinforcing their shoreline and those kinds of activities with the Corps of Engineers, and so I take it very seriously, I don't at all minimize that the climate is changing," Domenech said.

**WHAT'S NEXT:** Senators will by the end of today send Domenech a list of questions they want answered for the record and the committee will likely wait to schedule a vote on his nomination until they receive his responses.

*To view online [click here](#).*

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## **Senate energy committee delays vote on FERC, DOE and DOI nominees [Back](#)**

By Darius Dixon | 09/13/2017 06:28 PM EDT

The Senate Energy and Natural Resources Committee announced this evening it postponed a Thursday morning series of votes on President Donald Trump's nominees for FERC and the departments of Energy and Interior.

The panel was slated to consider Kevin McIntyre for chairman of FERC, Richard Glick for FERC commissioner, David Jonas for DOE general counsel, and Ryan Nelson and Joseph Balash for solicitor and assistant secretary for land and minerals management at DOI. The vote will now happen Sept. 19.

A committee spokesperson said the vote was delayed because of "member availability."

**WHAT'S NEXT:** The Senate energy committee will vote on the nominees on Tuesday at 9:30 a.m.

To view online [click here](#).

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## **POLITICO Pro Florida: EPA backs Florida on stormwater permit 'flexibility' following Irma** [Back](#)

By Bruce Ritchie | 09/13/2017 07:10 PM EDT

EPA is telling state officials they recognize the need to use "flexibility" provided in federal stormwater discharge permits for facilities affected by Hurricane Irma.

Florida regulations allow for temporary bypass of stormwater systems or unintentional noncompliance in emergency situations, Florida Department of Environmental Protection spokeswoman Dee Ann Miller said.

The state had relayed concerns to the EPA about those provisions relating to Hurricane Irma, said Miller, who added that those bypass provisions will allow ports and other facilities get back into operation as quickly as possible.

In a [letter](#) released today, EPA regional administrator Trey Glenn said the agency recognized the need under federal law for "potential flexibility" because of circumstances caused by Hurricane Irma that are "beyond the reasonable control" of permit holders.

"The EPA also recognizes there may be other unforeseen issues that arise as a result of this disaster and we stand ready to work together with our state partners to address these potential issues as they arise," Glenn wrote.

*This story first appeared on [POLITICO Pro Florida](#) on Sept. 13, 2017.*

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## **Florida Sen. Bill Nelson: Republicans 'denying reality' on climate change** [Back](#)

By Michael Grunwald | 09/12/2017 09:06 PM EDT

Democratic Senator Bill Nelson of Florida, after surveying the damage that Hurricane Irma inflicted across his state, blasted Republican politicians who reject the science and minimize the importance of climate change—including his likely opponent in 2018, Governor Rick Scott.

In an interview Tuesday evening with POLITICO, Nelson said it's clear that manmade global warming made Irma worse by increasing the temperature and the height of the seas that fueled the storm. He said he didn't want to play partisan politics in the aftermath of a hurricane, but then went on to criticize Republicans in general and Scott in particular—though not by name—for opposing climate action. He noted that both the Trump administration in Washington

and the Scott administration in Tallahassee have reportedly discouraged government employees from even talking about climate change.

"It's denying reality," Nelson said. "You can call it politics or whatever, but the Earth is getting hotter. This storm is another reminder of what we're going to have to deal with in the future."

Nelson, a former astronaut, launched into a detailed explanation of the science of climate change and the greenhouse effect, and how it has helped make the waters around Florida higher and warmer in recent decades. He said it would be a crucial issue in his reelection campaign, even as he avoided the words "Rick Scott."

"It's certainly going to be an important issue, and if certain people such as the one you mentioned is my opponent, there's a significant contrast in what we believe," Nelson said.

Florida is a swing state in presidential elections, but its state government and statewide offices tilt heavily Republican; Nelson has been an exception to the red wave, but a well-known, well-funded opponent like Scott would be by far his most difficult challenge to date. He clearly sees climate as a potential wedge issue in a state with a heavily coastal population and increasing vulnerability to Irma-type disasters. Scott did not discuss the issue in his frequent Irma briefings; a spokesperson for the governor, when asked about Nelson's comments, said, "Now is not the time for politics. This storm is not a partisan issue. Now is the time to focus on helping Florida rebuild."

But in the past, he has questioned climate science—or declined to affirm the scientific consensus that it's being caused by humans, often noting, "I am not a scientist"—and fossil-fuel interests have supported his campaigns. In 2015, the Miami Herald [reported](#) that Scott's administration had even banned the use of the terms "climate change," "global warming" and "sustainability" in official documents.

Nelson is not known in Washington as a leader on climate issues, but he said he's focused on them since he was Florida's insurance commissioner in the 1990s. He's fought against President Trump's proposed cuts to climate science at agencies like NOAA, NASA and EPA, and said he helped persuade the Obama administration to launch a satellite, first dreamed up by Al Gore, that takes continuous pictures of the Earth from deep space.

But Nelson didn't really argue that he deserved kudos for accepting the conclusions of the scientific community; he argued that Republicans on the other side of the issue need to explain why they think "99.5 percent of climate scientists" are wrong. Several prominent Republicans in South Florida—including Miami-Dade County mayor Carlos Gimenez and Reps. Carlos Curbelo and Ileana Ros-Lehtinen—have made it clear they believe Washington needs to take climate seriously. Nelson pointed out that politicians don't question government scientists when they say a hurricane is coming—but when the same agencies use the same scientific instruments to measure long-term climate trends, opinions suddenly differ.

"It's ironic, isn't it?" Nelson said. "They accept the hurricane information, but deny the climate information ... Look, some people still think the Earth is flat."

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## **EPA delays parts of power plant toxic discharge rule** [Back](#)

By Alex Guillén | 09/13/2017 03:35 PM EDT

EPA has finalized a [rule](#) delaying by two years the key compliance dates for a 2015 regulation limiting toxic discharges in power plants' wastewater streams while it reconsiders those standards.

The delay provides "relief from the existing regulatory deadlines while the agency revisits some of the rule's requirements," EPA Administrator Scott Pruitt said in a statement.

Following industry requests, EPA specifically is delaying deadlines related to limits on discharges of flue gas desulfurization wastewater and bottom ash transport water, two waste streams associated with burning coal for electricity. EPA estimates the two-year delay of those requirements will provide annualized utility cost savings between \$27.5 million and \$36.8 million.

The agency said it will not revisit new standards for other types of waste streams — including fly ash transport water, flue gas mercury control wastewater and gasification wastewater — and will leave deadlines associated with those streams in place.

The delay will take effect two weeks after it is published in the Federal Register, and is open to court challenges.

The Obama administration said the overall rule, known as effluent limitations guidelines or ELGs, ultimately would curb 1.4 billion pounds of aluminum, lead, mercury, arsenic and other toxic metals from entering waterways via discharge streams each year.

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## **How Man-made Earthquakes Could Cripple the U.S. Economy** [Back](#)

By Kathryn Miles | 09/14/2017 05:03 AM EDT

When Hurricane Harvey made landfall in Texas, U.S. oil refining plummeted to record lows. Now, two weeks later, six key refineries remain shut down and an additional 11 are either struggling to come back on line or operating at a significantly reduced rate. That slowdown, coupled with predictions of decreased demand in the wake of Irma and the devastating earthquake that struck Mexico last week, has shifted oil pressures in other places, too. And none may be quite as vulnerable as the tank farms in Cushing, Oklahoma.

Dubbed the "Pipeline Crossroads of the World," Cushing is the nexus of 14 major pipelines, including Keystone, which alone has the potential to transport as much as 600,000 barrels of oil a day. The small Oklahoma town is also home to the world's largest store of oil which sits in hundreds of enormous tanks there. Prior to this recent spate of natural disasters, Cushing oil levels were already high. They've increased nearly a million barrels to nearly 60 million

barrels in the two weeks since.

This concentration of oil, about 15 percent of U.S. demand, is one reason the Department of Homeland Security has designated Cushing "critical infrastructure," which it defines as assets that, "whether physical or virtual, are considered so vital to the United States that their incapacitation or destruction would have a debilitating effect on security, national economic security, national public health or safety, or any combination thereof."

The biggest potential cause of that incapacitation? According to Homeland Security, it's not terrorism or mechanical malfunction. It's natural disaster. And here's the problem: When most of the Cushing tanks there were constructed, the most logical cause of any such disaster seemed like a catastrophic tornado. No one anticipated swarms of earthquakes. But that's what began occurring about five years ago, when wastewater injection and other fracking-related activities changed the seismic face of Oklahoma in dramatic fashion. Two hours before that deadly quake in Mexico, for instance, a magnitude 4.3 temblor shook Central Oklahoma, knocking out power for thousands. The earthquake, which had an epicenter just 100 miles northwest of Cushing, was the 186<sup>th</sup> quake in Oklahoma to register a magnitude 3.0 or higher.

This man-made seismicity has changed the landscape of Oklahoma significantly, from a state with one of the lowest seismic rates in the country to the most seismically active in the lower 48, says Ken Erdmann is Senior Vice President at Matrix Engineering, the firm that designs, fabricates, and builds many of the tanks in places like Cushing. "It's not natural. It's not Mother-nature based."

That's a problem, he says because the statistical analysis used to establish safe environmental loads is based on historical intervals—both the average and maximums of events like snowfall or wind or seismic activity.

"When those levels become man-made induced numbers," says Erdmann, "statistics are no longer really relevant."

But while the number of earthquakes and their intensity has increased in recent years, the strength of the regulatory apparatus in place to ensure their safety hasn't kept pace. Oversight of the tanks has been left to a tiny agency buried inside the Department of Transportation that was never intended to serve this role. And the safety standards, which one earthquake expert calls the weakest permissible, were created by an industry trade group rather than the government agency. For those inclined to contemplate worst-case scenarios the prospect of an earthquake rupturing the Cushing tanks would be an environmental catastrophe far greater than the Exxon Valdez.

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**When most of these tanks** were constructed, seismic activity in Oklahoma was negligible. In 2011, the state experienced a 5.6 quake. Last year, they had a 5.8—the same magnitude as the quake that rocked Washington and much of the eastern seaboard six years ago. That Oklahoma event toppled the exteriors of historic buildings and prompted the Pawnee nation to declare a state of emergency. Seismologists at the United States Geological Survey say the area around Cushing is capable of an even stronger quake—maybe even a 7.0. Earthquake magnitude is measured exponentially, which means that a 7.0 quake would be 15 times larger than the biggest one to hit Oklahoma so far. And it would release over 60 times as much energy.

What would it do to the Cushing tanks? I posed that question to each of the five largest oil companies there.

Michael Barnes, senior manager of U.S. Operations and Project Communications at Enbridge, which holds nearly half the oil at Cushing, says it's the company's policy not to comment on speculative questions such as mine "because by their very nature they are hypothetical." What he would say is that the company regularly participates in safety drills, workshops and other activities. That includes protocols preparing for seismic activity.

"In the event of an earthquake, procedures are in place to respond quickly and confirm Enbridge tanks and other facilities were not impacted and can continue to operate safely," says Barnes. "This includes dispatching technicians and other experts to perform visual inspections and check instrumentation on tanks, pipes, motors and pumps."

I received a similar response from the other energy companies with major Cushing holdings: that they have procedures and protocols for natural disasters, but that they would not comment on the specific designs of their tanks, nor how those tanks would fare in a major earthquake.

Getting an answer out of the government can be just as frustrating. A big part of the problem is the Byzantine system of governmental agencies regulating these tank farms. This oversight varies from state to state. In Oklahoma, most energy concerns are controlled by the Oklahoma Corporation Commission (OCC). But, says their spokesperson Matt Skinner, the OCC only regulates intrastate pipelines and tanks.

"If any part of that oil leaves the state or comes from elsewhere," says Skinner, "it becomes totally outside of our jurisdiction."

Determining that jurisdiction is no easy matter. The EPA regulates "non-transportation-related oil storage tanks," but that excludes farms like Cushing, which are tied to pipelines. The person I talked to there couldn't tell me who regulates Cushing, nor could the spokesperson for the Department of Energy, which oversees our country's petroleum reserve sites. The Department of Transportation regulates oil and gas pipelines, unless they cross federal lands, in which case they are the purview of the Bureau of Land Management, or if they are operated by the military. Gas and oil produced on the outer continental shelf falls under the Department of the Interior, which works in concert with the Department of Transportation to regulate its movement.

I called those offices as well, asking if they knew what agency regulated tanks like the ones at Cushing. No one I spoke to knew—including at the public affairs office of the Department of Transportation. As it turns out, a tiny office in the DOT known as the Pipeline and Hazardous Materials Safety Administration (PHMSA) regulates the tanks. Established by President George W. Bush in 2004, PHMSA was intended to increase security around the transportation of hazardous fluids like gas and oil. As such, it was never really meant to govern stationary storage. I asked their spokesperson what seismic regulations were in place for tank farms like Cushing. He referred me to Appendix C of the Pipeline Safety Regulations. And it is true that there are seismic considerations there: provisions regarding safety reporting, any "unintended" or "abnormal" movement of a pipeline, or reduced capacity of a pipeline because of seismic activity. But none of these considerations mentions storage tanks per se. I asked that same spokesperson to direct me towards the language relating to tanks. He has yet to respond.

None of this surprises the OCC's Matt Skinner. "I've gone through the standards a bunch of

times," he says. "I haven't found any relating to tanks and seismic activity."

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**If the government isn't explicitly** regulating the ability of the tanks to withstand an earthquake, then who is? Turns out that what standards do exist are created by the American Petroleum Institute, a national trade organization representing the oil and gas industry. And the standards are not overly rigorous, say seismologists.

Tom Heaton, professor of Geophysics and Director of the Earthquake Engineering Research Laboratory at Caltech says most, if not all, of the tanks in Cushing are built to the weakest industry design standards. He thinks even a moderate quake could be enough to violently push the oil from one side of the tank to another. In geological terms, the phenomenon is known as a seiche: an internal wave or oscillation of a body of water. The more oil is in a tank, the more dangerous that seiche becomes.

That makes tank farms like Cushing particularly vulnerable in the face of other natural disasters like Harvey and Irma as oil and pipeline companies engage in a kind of shell game for oil storage—full tanks do better in high wind conditions like hurricanes and tornadoes; they fare far worse in earthquakes.

And certainly there is precedent for the kind of damage Heaton predicts. In the years after the 1994 Northridge earthquake in California, the National Institute of Standards and Technology (NIST), found evidence of seismically-induced oil tank damage going back as far as the 1930s and as recently as the 1994 quake, some of which was catastrophic.

But Ken Erdman is circumspect about just how much damage a major quake might wreak on the Cushing tank farms. In addition to his role at Matrix, Erdmann also heads up the API committee that creates standards for the tanks. He says it's true that ones in Cushing weren't built for moderate or severe quakes, and that the shaking caused by one would almost certainly be "beyond allowable limits" for the API standards utilized at the Oklahoma farms. Probably, he says, you'd see buckling and deformation of the tanks rather than full failure.

The real problem, he says, would be the pipelines themselves, says Ron Ripple, Mervin Bovaird Professor of Energy Business and Finance at the University of Tulsa. Ripple estimates that an earthquake or other disaster would have to knock out half those tanks to have a real impact on the market. Of bigger concern to him are the pipelines, which control a larger volume of oil. He points to the October 2016 explosion of the Colonial Pipeline in rural Alabama as a corollary. The resulting fire kept crews from repairing the pipeline proper for six days. During that time, oil commodity prices jumped 60 percent—the highest spike in nearly a decade. Exporters clamored to find work-arounds, including tankers capable of moving the oil by sea. As a consequence, freight cargo rates increased by nearly 40 percent. Meanwhile, motorists in southern states rushed the pumps, elevating prices there, too—forcing the governor of Georgia to issue an executive order warning about price gouging.

It wouldn't be unreasonable, says Ripple, to see a similar scenario were the Cushing pipelines to go down. The Colonial Pipeline moves about 100 million gallons of oil and gasoline a day—about the equivalent of the Seaway Pipeline, just one of the more than dozen that converge on this town. That pipeline was also shut down in late 2016, after authorities in Cushing noticed a spill. The effect of that shutdown had the opposite effect, pushing the price of US oil below \$50 a barrel, as international traders worried they wouldn't get their deliveries.

"Prices move through the markets fairly quickly," says Ripple. "We tend to see opportunistic changes in prices right after an event. Some of those look like a pretty close cause-and-effect relationship between supply and demand. Other times, you'll see impacts that leave us all scratching our heads. In the end, you just don't know how the market and consumers will react."

Johnson Bridgwater, director of the Oklahoma Chapter of the Sierra Club, says he's mindful of the economic effects of such a spill, but it's the impact on the landscape and the people who occupy it that most concerns him. Imagine, says Bridgwater, if Ripple's scenario of losing half the tanks came to fruition.

"That's fifty million barrels," he says. "We'd be looking at our own on-land *Exxon Valdez*."

Worse, actually. The *Valdez* was carrying just over a million barrels of oil. A quarter of that spilled. And light crude, the kind of oil stored in Cushing, poses particular challenges to an environment, often killing animals or plants on contact and emitting dangerous fumes that can kill both human and animal residents.

"This would not be a simple cleanup," says Bridgwater. "You'd have an uninhabitable community for a long time."

That shouldn't be acceptable to anyone, says U.S. Representative Bobby Rush, the Chicago area Democrat who serves as the ranking member on the Committee on Commerce and Energy's Subcommittee on Energy.

"Over the past five years or so Oklahoma has become more active as an earthquake zone. PHMSA must account for these changing circumstances and implement appropriate regulations that apply to tank farms located in these more sensitive areas to make them more sturdy and secure. The fact of the matter is that we must ensure that these tanks, which hold vast amounts of oil, are designed to withstand seismic activity in order to protect both the public safety and the local, state, and national economies that rely heavily on this resource."

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**Court ruling leaves HFC future in hands of EPA, Congress** [Back](#)

By Eric Wolff | 08/09/2017 05:09 PM EDT

The effort to get the U.S. to comply with a treaty eliminating a heat-trapping chemical now faces a grueling path after a major courtroom setback this week — and it may depend on EPA using its power to regulate chemicals.

The D.C. Circuit Court's [ruling](#) Tuesday forced EPA to abandon its plan to use the Clean Air Act to limit use of hydrofluorocarbons, a refrigerant that would be phased down under recent changes to the Montreal Protocol. Proponents of the effort, including environmentalists and the air conditioning industry, will now need the Senate to approve the treaty and Congress to pass a new law authorizing EPA to implement it, or they will have to persuade EPA

Administrator Scott Pruitt to act — no small feat considering the EPA chief's disdain for both climate change initiatives and regulations.

The changes to the Montreal Protocol agreed to in Kigali, Rwanda, last year would curtail global use of HFCs, a move that scientists say could prevent up to 0.5 degrees Celsius — 0.9 degrees Fahrenheit — of warming by the end of the century. U.S. industry groups have supported the Kigali agreement and had backed EPA's plan to implement it under the Clean Air Act's Section 612. That section, put in place nearly 30 years ago as authorizing language to implement the initial Montreal Protocol, established a market mechanism that was designed to reduce ozone-damaging chemicals.

But the court's rejection of using Section 612 may require new legal authority to empower EPA to act if the U.S. eventually ratifies the Kigali amendment.

"You'll have a treaty and have Congress look at it and pass implementing legislation," said Stephen Yurek, CEO of the Air Conditioning, Heating, and Refrigeration Institute, whose members are the world's biggest makers of HFCs — and will produce most of the next generation chemicals.

In its ruling, the D.C. court suggested a slew of laws EPA could use to regulate HFCs: The Toxic Substances Control Act, the National Ambient Air Quality Standards, regulating as a hazardous air pollutant, and regulating HFCs in cars and trucks. But several lawyers said TSCA was the only credible alternative.

"There's a lot of authority under TSCA to regulate chemicals and chemical uses," said Jane Montgomery, a partner with Schiff Hardin who works with power companies. "It's not as straightforward as what they intended to under 612, but there's an environmental harm portion of TSCA. ... For managing the sale and manufacturing and use, TSCA is the most appropriate statute we have."

Yurek said AHRI was still reviewing TSCA as an option, but he feared that it would be a blunt instrument, requiring EPA to issue a rule that immediately limited or banned HFCs, in contrast to the phase-down approach created under Section 612 of the Clean Air Act.

"I'm concerned that it's much more of a command-and-control-type regime, you have different categories, and potentially banning," he said.

Under the TSCA update Congress passed last year, EPA must assess HFCs before regulating them, and then issue a rule, a process that could take about five years, legal experts said. The agency would ultimately have the authority to limit or even prohibit them, Montgomery said. And in its ruling, the D.C. Circuit upheld several of EPA's tools used to assess the global warming impact of HFCs, bolstering the case for a potential TSCA rule.

AHRI and environmental attorneys largely dismissed the court's other suggestions for EPA to comply with the Kigali goals. The NAAQS program focuses on just six pollutants, none of which are HFCs, they said. Congress similarly created a fixed list of pollutants under the hazardous air pollutants rules, limiting that program's broader application, attorneys said. And refrigerants used in car and truck air conditioners make up only a small part of the refrigerants market.

"These authorities are even less congruent with the authority the EPA invoked in this

rulemaking to regulate ozone-depleting chemicals and their substitutes down the road," said Brendan Collins, a partner with law firm Ballard Spahr who represents power companies and oil and gas companies.

EPA says it is still reviewing the court decision, but it's not clear whether Pruitt would advance another rule to govern HFCs, even though it is backed by business interests. Proponents of the Kigali treaty could draw a skeptical reception from the Trump administration, which has been dismissive of both multi-party treaties and climate science — though the administration did defend the rule in court in February. The White House would need to submit the treaty amendment to the Senate for ratification.

Kigali advocates have long [aimed](#) to keep a low profile and quietly persuade staffers to support the effort as the administration got up to speed. AHRI is now trying to determine whether the court decision will require a change in its strategy, or if it can apply the same pro-U.S. business approach to the more conservative House.

"We have to decide [if] we do a more public push or keep the schedule," Yurek said. "Right now, the plan is that we continue to wait until the end of this year, and continue to educate both House and Senate."

Green groups who back the ban on HFCs may try a more direct route by appealing to the D.C. Circuit for en banc review. There are seven D.C. Circuit judges appointed by Democrats, versus four appointed by Republicans, potentially giving the appeal an edge — though that advantage flips at the Supreme Court, should the case go that far.

"We are exploring the options," said David Doniger, director of climate programs for the Natural Resources Defense Council. "Including rehearing based on the dissent."

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By Anthony Adragna | 11/21/2017 05:40 AM EDT

*With help from Ben Lefebvre, Esther Whieldon and Emily Holden*

**NO CAPSTONE FOR KEYSTONE:** Whatever chance the nearly decade-long fight over the Keystone XL pipeline had ending with Nebraska state regulators approving a key permit for the project seems to have evaporated. By [approving](#) an alternate route through the state that steers clear of more of the sensitive Sandhills region, the Nebraska Public Service Commission introduced more uncertainty as TransCanada may face the task of getting new permits approved, a new round of legal battles and further public resistance from a reenergized environmental community. "By pushing Keystone XL onto a new route, the commission all but guaranteed more delays and hurdles for TransCanada to work through," 350.org executive director May Boeve said in a statement. "We'll be there with our allies pushing back on them every step of the way."

**Another hurdle facing TransCanada** is securing additional easements from landowners along the pipeline's revised route. The company seemed to suggest frustration at the decision through its terse, one-sentence statement on the decision: "As a result of today's decision, we will conduct a careful review of the Public Service Commission's ruling while assessing how the decision would impact the cost and schedule of the project," TransCanada CEO Russ Girling said. But look for other backers, including President Donald Trump, to hail the decision as a big win for the U.S. energy industry. American Petroleum Institute CEO Jack Gerard welcomed the approval in a statement, saying "[t]he Nebraska Public Service Commission set an example for how to carefully evaluate critical energy infrastructure projects, even in the face of strongly held views and opinions."

**Pro's Ben Lefebvre's blunt take:** "Forcing TransCanada to use an alternative route will force the company see what additional permits BLM and the Army Corps of Engineers will require it to pull. If the regulatory lift is heavy enough - and if pipeline foes file enough appeals to the PSC decision and/or new court casts - years could be added to the KXL clock. Alternatively, TransCanada may decide to press pause, suspend the work and content itself to hold on to its State Department permit, perhaps resuming efforts when emotions settle and the market outlook for Canadian crude is brighter."

**WELCOME TO TUESDAY! IT'S ALMOST TURKEY DAY!** I'm your host Anthony Adragna, and Entergy's Rob Hall was first out of the gate to recall 1941 as the year Congress set Thanksgiving as the fourth Thursday of November. For today: In what year did the Continental Congress issue its first National Proclamation of Thanksgiving (from its temporary home of York, Pa.)? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#), and [@POLITICOPro](#).

**PROGRAMMING NOTE:** [Morning Energy](#) will not publish from Nov. 23-Nov. 26. Our next [Morning Energy](#) newsletter will publish on Nov. 27. Please continue to follow Pro Energy issues [here](#).

**COLLATERAL ADVANTAGE:** After breaking with the coal industry for much of the last decade over climate change policy, the U.S. nuclear industry has found its fate intertwined with the struggling industry thanks to a Trump administration push to shore up the old workhorses of the electric grid, Pro's Darius Dixon [reports](#). Energy Secretary Rick Perry's proposal to alter electricity markets has drawn nuclear power into the new administration's pro-coal fold by basing its grid rule on a characteristic the two technologies share — keeping 90 days of fuel supply on site. "Maybe in previous administrations there was some support [for nuclear power] but I feel this administration has been much more vocal," Nuclear Energy Institute CEO Maria Korsnick said.

**Help on the Hill:** Expanding the constituency of the regulatory push to also include nuclear may bolster Perry's plan gain support on Capitol Hill and survive any court challenges. "If you are trying to find a legal argument to keep coal plants open with a FERC rule, the broader you can make the applicability, the harder it is to lose an argument that the rule is overly discriminatory," said Alison Silverstein, an analyst who worked on DOE grid study earlier this year. "If I were owning nuclear generation within Entergy, FirstEnergy or Exelon, I'd be keeping my head down and let the coal guys do the work, and seeing what I can get."

**SENATE STAKES OUT ITS POSITION:** The chairman's [mark](#) released Monday by Senate Appropriations funds Interior at \$12.2 billion for Fiscal 2018, about \$300 million higher than the House-passed version earlier this year. The \$1.2 billion for the Bureau of Land Management, \$171 million for the Bureau of Ocean Energy Management and \$1.25 billion for the Fish and Wildlife Service all match spending levels in the House bill, while maintaining the U.S. Geological Survey's fiscal 2017 spending levels of \$1.09 billion and providing \$109 million to the Bureau of Safety and Environmental Enforcement. It's also chocked full of many of the same riders involving the Endangered Species Act that are also in the House version, but leaves out a rider barring offshore wind development off the Maryland coast.

**EPA funding did better here:** The draft would reduce the agency's funding to \$7.9 billion, down a bit from last year's levels but up several hundred millions from a House-passed bill that would've slashed the agency's spending to \$7.5 billion. And it's a far cry from the administration request, which would've slashed EPA's budget to \$5.7 billion. There's funding for programs like the Chesapeake Bay restoration effort and a modest boost for Clean Water and Drinking Water State Revolving Funds, as well as the agency's Superfund program. But environmental and public health groups are worried about zeroing out funding for the Integrated Risk Information System program, which establishes a federal database of the risks of various chemicals, as well as provisions encouraging the rollbacks of the 2015 ozone standards, as well as portions of the glider kits and heavy duty vehicle emissions standards.

**Spared:** The Trump administration push to slash funding to the National Park Service (it got a \$10 million boost) and the Land and Water Conservation Fund (it would maintain its \$400 million funding) were rebuffed in the bill, Pro Budget & Appropriations Brief's Sarah Ferris [reports](#). An explanatory statement on the bill is [here](#).

**Reminder:** This bill won't be marked up and should be viewed as the Senate's guideposts as negotiations between the two chambers kick off in earnest. Oh, and Democrats are still not on board. "I can't look past the deep and damaging cuts to the EPA budget in this bill that put public health at risk," Sen. [Tom Udall](#) of New Mexico, top Democrat on the Interior spending panel, wrote in a statement.

**DRILL AND CUT:** States would lose more than a billion dollars in energy production royalty payments if Congress passes the tax bill [H.R. 1 \(115\)](#) that came out of the House last week, according to a Center for American Progress [analysis](#). That's because the House bill creates a \$1.5 trillion deficit that the CBO said would trigger pay-as-you-go laws, which require discretionary programs be cut to offset that amount. On that chopping block would be the revenue sharing program that delivers about half the federal government's royalties from energy production on federal lands to states. Sen. [Lisa Murkowski](#), who helped shepherd a bill that would open up ANWR to drilling into the budget, would see her home state of Alaska lose \$15 million next year under that scenario, according to Interior [payment estimates](#). Murkowski didn't reply to an email seeking her thoughts on the matter.

**LEGAL LIMBO NO MORE?** D.C. Circuit judges seemed skeptical at oral arguments Monday that EPA would live up to its promise to enforce its coal ash regulation, Pro's Eric Wolff reports. That skepticism raises the chances the judges will rule on the issues raised by environmental groups. Two Obama appointees — Judges Patricia Millett and Cornelia Pillard — asked many technical questions about the regulation and a 2016 congressional change to its enforcement regiment. More from Eric [here](#).

**BACK ONLINE:** DOE reposted seven reports and presentations from National Energy Technology Laboratory analyzing the impact of coal plant closures on the grid. Among them: a [report](#) looking at the impacts of plant retirements resulting from Mercury and Air Toxic Standards on Eastern Interconnection and [another](#) analyzing infrastructure needs in PJM as coal plants retire and more natural gas-fired capacity comes online.

**ACC SPOTS BACK HELLER, STABENOW:** The American Chemistry Council released ads backing two vulnerable incumbents — Nevada Sen. [Dean Heller](#) and Michigan Sen. [Debbie Stabenow](#) — up for reelection in 2018, Campaign Pro's Kevin Robillard [reports](#). Heller's [ad](#) touts his conservative credentials and thanks him for "fighting for Nevada values," while Stabenow's [ad](#) says she's "dedicated to Michigan workers and families, she's fighting to keep jobs here, opposing unfair trade practices and fighting to close loopholes that give tax breaks to companies that move jobs overseas."

**DIGITAL ADS URGING NO ARCTIC DRILLING:** The Wilderness Society's Action Fund is launching a \$500,000 digital campaign in 15 House Republican districts urging them to protect ANWR from drilling. Sample ad [here](#).

**ANOTHER SPOT TARGETS ATLANTIC COAST PIPELINE:** NRDC is out with [a second ad](#) hitting Dominion over the controversial Atlantic Coast pipeline and urging Virginia Gov. Terry McAuliffe to cement his climate and clean energy legacy by rejecting the infrastructure project. It accuses Dominion of "using its power to muscle an unneeded pipeline across the commonwealth."

**GREENS FILE SUIT OVER MONUMENT REVIEW:** Friends of the Earth filed a lawsuit over unfilled FOIA requests seeking Interior documents related to its review of the Bears Ears, Gold Butte, Katahdin Woods and Waters, Mojave Trails, Northeast Canyons and Seamounts, and Giant Sequoia national monuments. The requests also seek information on Associate Deputy Secretary James Cason's role in the review. Read the lawsuit [here](#).

**FIGHTING PARK FEE INCREASES:** Representatives from groups including the Sierra Club, League of Conservation Voters and National Parks Conservation Association gather at 10 a.m. today at Interior to rally and deliver 150,000 comments against raising fees for

national parks access.

**SCOTT DEFENDS EVERGLADES EFFORTS:** Florida Gov. (and likely Senate candidate) Rick Scott said Monday in Palm Beach County that Everglades restoration has been a major priority during his time in office, POLITICO Florida's Bruce Ritchie [reports](#). He made the remarks at the completion of a reservoir to manage flows on the Loxahatchee River, which Scott said showed the state completed projects to restore the area. "When I ran, I talked to a lot of people about the Everglades," he said. "And what they said was, 'You know, the state never finishes projects. You know, they would start things, they never finish them.' What you can see today and a lot of other things — we finish projects."

**WORTH YOUR TIME:** POLITICO Europe's Sara Stefanini looks at how climate advocacy efforts aren't just for environmental groups anymore, but now also include savvy businesspeople looking to make a bundle while doing some good. "I could easily also work at an NGO, I think that's equally interesting. But for me to combine my focus on sustainability, my personal passion around climate change, with actually mitigating some of the problems we're all facing — that's the sweet spot for me," Pelle Pedersen, a 29-year-old head of responsible investment at the Danish Pension Fund, which has roughly €6 billion under management, said. Read more [here](#).

**TAKE A GLANCE!** The Environmental Council of the States released a report recognizing innovations in state environmental regulation from around the country. Read it [here](#).

**ON THE WAY UP:** Bloomberg New Energy Finance released new research Monday finding the global energy storage industry is expected to double six times between now and 2030 with \$103 billion expected to be invested over that period. More [here](#).

**TAKING A CLOSER LOOK:** Food Water Watch takes aim at Ineos in new report, scrutinizing the European environmental record of the chemical giant that's hoping to get new supplies of U.S. gas. Read its research report [here](#).

**STAFFING IT UP:** Ballard Partners, the Florida lobbying firm led by Brian Ballard, a top fundraiser for Donald Trump's campaign last year, has signed three more clients: CSG Development Services II LLC, Sunrun Inc. and Vivint Solar Inc. The registrations bring the number of federal clients Ballard has signed since opening a Washington office early this year to 51. (A handful of those clients have parted ways with Ballard since then.) The decision by Sunrun and Vivint, both solar companies, to hire Ballard comes after the U.S. International Trade Commission [opened the door](#) in September to tariffs targeting Chinese solar manufacturers (h/t POLITICO Influence).

**MOVER, SHAKERS:** Jamie Shimek joined the Democrats' House Appropriations staff on Monday, working on the Energy & Water subcommittee. She was previously at the Pacific Northwest National Laboratory (h/t Playbook).

**Kelsi Daniell** has started as press secretary for EPA Administrator Scott Pruitt. She was last in Sen. [John Boozman](#)'s office. She was communications director for Boozman's 2016 reelection campaign and communications director for Ark. Lt. Gov. Tim Griffin.

## QUICK HITS

— Russia's Rosneft inks new oil supply deal with Chinese partner. [Financial Times](#).

- Whitefish Halts Puerto Rico Work Early Over \$83 Million Bill. [Bloomberg](#).
- Floored by Fluorochemicals: Who Pays to Decontaminate Water? [Bloomberg BNA](#).
- Growing Gas Glut Threatens West Texas Oil Boom. [Wall Street Journal](#).
- Battered by extreme weather, Americans are more worried about climate change. [The Guardian](#).
- Rep. Rooney worried panel's approval of off-shore drilling bill imperils ban off Florida. [News-Press](#).

## HAPPENING TODAY

9:30 a.m. — The American Coal Ash Association holds its annual production and use news conference, National Press Club (Lisagor Room) - 529 14th Street NW

## THAT'S ALL FOR ME!

*To view online:*

<https://www.politicopro.com/newsletters/morning-energy/2017/11/rocky-road-remains-for-keystone-xl-029543>

## Stories from POLITICO Pro

**Keystone XL pipeline wins green light in Nebraska — but may face new hurdles** [Back](#)

By Ben Lefebvre | 11/20/2017 11:25 AM EDT

Nebraska regulators approved the Keystone XL pipeline Monday, but only if it is built along a new path that may force the project developer to jump through a new set of regulatory hoops.

The 3-2 vote by the Nebraska Public Service Commission gave the green light to a different route than the one preferred by Keystone developer TransCanada, moving it east to run partially alongside the original Keystone pipeline and through a portion of the state's ecologically sensitive Sandhills area as well across the Ogallala Aquifer.

The Trump administration is evaluating whether it would have to re-approve the controversial pipeline to account for the new route. But activists who have spent the better part of a decade fighting to block Keystone said the decision throws the whole project into jeopardy, while TransCanada, the company seeking to build the project, said only that it is evaluating its next steps.

"This decision today throws the entire project into a huge legal question mark," said Jane Kleeb, the activist who led the opposition to the pipeline and who is now Nebraska Democratic Party chair. "TransCanada will have to go back to the State Department because that route has never been reviewed by the feds."

The State Department said it is reviewing the PSC decision for just such a possibility.

"We won't know about any impacts until we learn precisely the extent of any changes, something we are currently engaged in," State Department spokesman Vincent Campos said.

TransCanada President and CEO Russ Girling said the company "will conduct a careful review of the Public Service Commission's ruling while assessing how the decision would impact the cost and schedule of the project."

Former President Barack Obama had blocked the permits for the pipeline in 2015, citing the oil sands' impact on climate change, but President Donald Trump quickly reversed that decision after taking office. Keystone XL is designed to transport up to 830,000 barrels per day of crude from Canada's oil sands and North Dakota's shale fields to oil refineries on the Gulf Coast.

The Nebraska PSC vote comes as TransCanada adds new crews to its cleanup operations in South Dakota, where the original Keystone Pipeline ruptured last week and released 210,000 gallons of oil. But Nebraska law bars the regulators from considering spills or pipeline safety in its decision-making process.

Environmentalists and landowners who opposed Keystone XL's construction have promised to try to overturn the commission's decision.

"We will appeal," Kleeb said. "We will challenge a foreign corporation being given eminent domain in the county courts, with every intent to bring it to the Supreme Court if needed."

Even with the approval, the project, whose costs to build the nearly 1,200 mile artery have ballooned to \$8 billion, is still not ready to be built since TransCanada is gauging the economics of the huge investment. Though prices for oil have rebounded moderately in recent months, and while TransCanada has said demand for space on the pipeline is strong, it's not yet clear that enough companies will commit to the 20-year contracts required to reserve space on it.

The opposition to Keystone XL had been a rallying cry for green activists who have long said mining Canada's oil sands would be a disaster for global climate change, releasing vast amounts of carbon dioxide into the atmosphere.

But supporters have said tapping the oil fields in Alberta is no worse than the oil production in Venezuela, where much of the heavy sour crude that is shipped to U.S. refineries comes from now.

Many in the oil industry, however, no longer see the Keystone XL pipeline as crucial to the U.S. refineries as they once did, especially since the railroad sector stepped in to offer a more flexible — though more expensive — way to ship the oil.

"There's not going to be a parade thrown, although everyone in the industry is going to be grateful," said Tyler Nelson, an energy lobbyist for Cornerstone Government Affairs. "It should have been done years ago. But now a lot of people want it to be over with and done and move on."

The pipeline may struggle to succeed in the oil business. [Energy markets](#) have made the Alberta oil sands less attractive, with ExxonMobil, ConocoPhillips and others pulling out of the region to concentrate on U.S. oil shale development in Texas. Meanwhile, rival pipeline company Enbridge has expanded its pipeline system delivering Canadian crude to the U.S.

Critics have pointed to the recent shale oil boom as a reason that supply from the Canadian

and North Dakota fields is in less demand, and they argue that much of the oil from Keystone XL could end up on tankers bound for export. U.S. oil production is on target to average more than 9 million barrels a day this year, nearly double what it was when TransCanada first proposed the massive pipeline.

If TransCanada gives its final approval to go ahead, construction would not start until 2019 at the earliest, Paul Miller, TransCanada's president of liquids pipelines, said during a conference call earlier this month.

The pipeline already is the focus of a court challenge stemming from Trump's State Department approving the project. A coalition of groups is arguing the State Department did not do due diligence before approving the cross-border pipeline in March. The case is still in the beginning stages, with a decision pending from the U.S. District Court of Montana on a Trump administration motion to dismiss.

To view online [click here](#).

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**DOE rule offers nuclear industry much-wanted attention** [Back](#)

By Darius Dixon | 11/21/2017 05:00 AM EDT

The nuclear industry may be a collateral winner in President Donald Trump's effort to end the "war on coal."

Nuclear power plant owners spent much of the past decade at odds with their coal-fired peers over climate change, but now they have found their fates intertwined thanks to the Trump administration's view that protecting the old workhorses of the electric grid is key to maintaining a reliable supply of power.

Energy Secretary Rick Perry's proposal to alter electricity markets would be a [boon for coal companies](#) like Murray Energy and the utilities supplied by its mines, but the proposal allows nuclear companies to come along for the ride — welcome relief for an industry that often felt left out of the Obama administration's climate push despite its carbon-free profile.

"It's not surprising to see nuclear energy and coal in there together because they were sort of the odd couple out in the Obama administration. With respect, their focus was on renewables," said David Blee, who heads the U.S. Nuclear Infrastructure Council, a coalition of companies working in the sector. "This administration is making up for lost time in those areas."

The Obama administration disappointed the nuclear industry by not providing much in the way of explicit incentives for existing reactors, despite relying on the carbon-free electricity they provide to hit the Clean Power Plan's emissions reduction target.

But now the Energy Department has drawn nuclear into the new administration's pro-coal fold by basing its grid rule on a characteristic the two technologies share. Perry's proposal calls for consumers to pay power plants operating in regional electricity markets for keeping 90 days of fuel supply onsite. Most coal-fired power plants in the PJM Interconnection could qualify, as would virtually all nuclear plants in those areas because reactors only refuel every 18 to 24

months.

"Maybe in previous administrations there was some support [for nuclear power] but I feel this administration has been much more vocal," Nuclear Energy Institute CEO Maria Korsnick said, noting that one of [Perry's first trips](#) as DOE chief was to the long-stalled Yucca Mountain nuclear waste site. "The challenge is how we lever that to make the most of it. This notice of proposed rulemaking is one example of their willingness to put something in play."

Trump and Perry's broadening strategy also may help the Energy Department's grid proposal gain support on Capitol Hill and survive inevitable court challenges.

"If your real focus here is to understand where we are with our baseload generation then you have to put those two together even though they are a pairing that, from an emissions perspective, are very different," said Alaska Sen. [Lisa Murkowski](#). "I don't know that it makes it a better pairing but it probably does build a broader constituency."

Illinois Rep. [John Shimkus](#), a senior GOP member of the House Energy and Commerce Committee, echoed that sentiment. "For me to be able to say it's 'baseload' and say it's coal and nuclear, and have that baseload argument, that's helpful," he said.

FERC Chairman Neil Chatterjee, a former top aide to Sen. [Mitch McConnell](#) (R-Ky.) who is now in charge of responding to DOE's proposal, says he wants to put in place an "interim" rule that would keep coal and nuclear plants online until the commission decides on long-term market changes. And he says climate advocates should be cheering the fact that nuclear plants would get a lifeline.

"One of the things that has been perplexing to me about the opposition to the interim step that I'm hoping to take to throw a lifeline to some of these baseload units is if we're going to seriously consider taking steps to mitigate U.S. emissions, nuclear power has to be part of that conversation," he said at a CQ Roll Call event last week. "To me, it seems very short-sighted to simultaneously stress the need to mitigate carbon emissions and not care about maintaining our nuclear fleet moving forward."

The Trump administration has largely managed to avoid criticism from nuclear backers for its efforts to pull back other federal climate programs that could have benefited the industry. Under Trump they are also getting much-wanted attention to their priorities, such as Yucca Mountain, a comprehensive review of U.S. nuclear energy policy led by the White House, and a conditional commitment to provide additional financing for the over-budget Vogtle nuclear project in Georgia.

"From our perspective, [we see] a real re-commitment to, frankly, the most important clean energy resource in the country," said Rich Powell, the executive director of the ClearPath Foundation, a conservative group that backs low-emissions energy sources.

"They may not call that a climate strategy, or a climate play," Powell added. "But in actuality, that is a very important measure on carbon."

There's also a legal upside of expanding the target audience beyond coal, said Alison Silverstein, an analyst who worked on DOE grid study earlier this year.

"Nuclear is still in the game principally because the secretary glommed onto the term baseload

and defined it as coal and nuclear. And there is now ... no way to separate them," she said. "If you are trying to find a legal argument to keep coal plants open with a FERC rule, the broader you can make the applicability, the harder it is to lose an argument that the rule is overly discriminatory."

But Silverstein, a former top aide to ex-FERC Chairman Pat Wood, added: "If I were owning nuclear generation within Entergy, FirstEnergy or Exelon, I'd be keeping my head down and let the coal guys do the work, and seeing what I can get."

Many coal plants, she said, are no longer baseload providers but that "nuclear is the true baseload resource."

For all the talk of aligning coal with nuclear despite their often disparate missions, Illinois Rep. [Bobby Rush](#) said don't expect him or his fellow Democrats to embrace coal anytime soon.

"That was the obvious attempt to protect coal by adding nuclear to it but I don't think that dog's going to hunt," he said. "I don't see any Democrats who want to change their position on coal by the fact of them adding nuclear. I think that, for the foreseeable future, coal is not going to be one of the options."

*To view online [click here](#).*

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**Senate panel bucks Trump to protect arts, conservation programs** [Back](#)

By Sarah Ferris | 11/20/2017 05:08 PM EDT

The Senate Appropriations Committee today unveiled legislation that rejects billions of dollars of President Donald Trump's proposed cuts to iconic cultural and conservation programs.

GOP appropriators drafted a fiscal 2018 Interior and Environment bill that exceeds the White House's requests for key programs including the U.S. Forest Service, the Bureau of Land Management and the U.S. Fish and Wildlife Service.

The bill would spend [\\$32.6 billion](#) in fiscal 2018, roughly \$5.3 billion above Trump's request for the same departments.

Republicans also rejected Trump's proposed cuts to beloved programs like the National Park Service — boosting its budget by \$10 million to \$2.942 billion. That figure is \$389 million above Trump's request.

The GOP bill would maintain the Land and Water Conservation Fund at \$400 million, far above Trump's proposed \$64 million budget. The National Wildlife Refuge Fund would receive a budget of \$13.2 million — a program that Trump wanted to slash entirely.

The Senate panel would boost funding for popular programs like the National Endowment for the Arts and the National Gallery of Art, which faced sharp cutbacks under Trump's budget.

The so-called chairman's mark of the bill was released this afternoon; unlike bills released earlier this appropriations cycle, it will not receive a formal committee markup.

Democrats cheered the GOP senators' decision to buck Trump in several areas, but vowed to fight against many other cutbacks and "poison pill" riders in the bill.

"I can't look past the deep and damaging cuts to the EPA budget in this bill that put public health at risk," Sen. [Tom Udall](#) of New Mexico, top Democrat on the Interior spending panel, wrote in a statement.

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### **Judges skeptical of EPA's coal ash claims on enforcement** [Back](#)

By Eric Wolff | 11/20/2017 06:41 PM EDT

Judges at the D.C. Circuit Court of Appeals seemed skeptical at oral arguments Monday that EPA would live up to its claim that it would enforce coal ash rules, raising the likelihood the court may reject the agency's bid to put the case on hold and instead move forward to rule issues raised by green groups.

EPA has asked the court to remand on five key issues under the 2015 rule so it can address issues raised by industry groups, though the agency has said it would leave the rule in place while it reconsidered the issues. But environmental groups insist they want a ruling.

Environmental groups had already lodged legal challenges to parts of the rule before Congress amended it in 2016 by passing the Water Infrastructure Improvements for the Nation Act, [S. 612 \(114\)](#). The new law tightened many coal ash standards while also enabling EPA to create a state-based permitting program for coal ash disposal. That new program was intended to replace enforcement that came as the result of lawsuits from citizens and non-profits.

Judge Patricia Millett, an Obama appointee, appeared to doubt that EPA was up to the task of implementing the 2016 change.

"You've already said states aren't lining up to set up permitting, and Congress hasn't appropriated money for EPA to establish a program," she said to Perry Rosen, the Justice Department lawyer representing the agency. And she was skeptical that EPA had the staff available to enforce new coal ash rules while the program got up and running.

Millett and Judge Cornelia Pillard, also an Obama appointee, peppered lawyers from both side with questions on technical matters related to active and inactive coal ponds, lined and unlined storage, along with the enforcement issues. Judge Karen LeCraft Henderson, a George H.W. Bush appointee and the senior judge on the case, asked few questions.

Millett raised eyebrows from attorneys on all sides by repeatedly citing a portion of the WIIN Act that appeared to incorporate EPA's 2015 version of the rule. By doing so, she said, Congress "endorsed the regulation" exactly as it stood. That would resolve many of the legal questions, and none of the parties had raised the possibility in their legal briefs.

"Doesn't that foreclose on industry arguments and take care of your challenges?" she said to Thomas Cmar, an attorney for Earthjustice representing environmental groups. "What's good for the goose is good for the gander."

Cmar sought to deflect the argument in court, but afterward agreed the judges went pretty deep on the regulation.

"I don't get the sense that they are going to decline to rule" on the case, he told reporters after arguments.

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### **American Chemistry Council ads back Heller, Stabenow [Back](#)**

By Kevin Robillard | 11/20/2017 03:32 PM EDT

The American Chemistry Council is out with television ads praising two vulnerable senators facing reelection in 2018: Michigan Democrat [Debbie Stabenow](#) and Nevada Republican [Dean Heller](#).

The ad backing Heller appears aimed at shoring up the Nevadan's support with Republican base voters. Heller, the only Senate Republican facing reelection in a state Democrat Hillary Clinton won in 2018, has faced criticism from Republicans for coming out against a version of Obamacare repeal. Danny Tarkanian, a businessman and frequent GOP candidate, is challenging him in the Republican primary.

"Fighting for conservative principles, Sen. Dean Heller is leading efforts to cut taxes for workers and reform the tax code so small businesses can invest and create high-paying jobs," a male narrator says. As an image of President Donald Trump and Supreme Court Justice Neil Gorsuch appears on screen, the narrator continues: "Sen. Heller is dedicated to putting conservative judges on the federal bench." The ad then asks viewers to call Heller and thank him for "fighting for Nevada values."

Watch the ad [here](#).

The ad backing Stabenow, which is paid for by both the Chemistry Council and North America's Building Trades Unions, is also a positive spot.

"Dedicated to Michigan workers and families, she's fighting to keep jobs here, opposing unfair trade practices and fighting to close loopholes that give tax breaks to companies that move jobs overseas," the male narrator says. "And Sen. Stabenow supports tax reforms that help middle-class families and small businesses."

Watch the ad [here](#).

Both ads began airing today. According to Advertising Analytics, the Nevada buy will run until Dec. 2 and includes \$436,000 of broadcast airtime in Las Vegas and Reno. The size of

the Michigan buy is unclear.

To view online [click here](#).

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## **Trade decision could devastate U.S. solar market** [Back](#)

By Eric Wolff | 09/22/2017 11:28 AM EDT

A federal trade panel declared Friday that surging imports of solar panels have hurt U.S. manufacturers — a decision that will allow President Donald Trump to penalize Chinese companies but could also choke off the fast-growing green energy industry in the U.S.

The U.S. International Trade Commission voted to uphold a complaint brought by two domestic solar manufacturers that complained that the low-cost imports had damaged their businesses. The decision was opposed by the much larger U.S. solar installation industry, which has seen the influx of the cheap panels spark a boom in construction of giant solar farms and rooftop systems around the country.

The issue will give Trump the opportunity to erect trade barriers he has hailed as key to his strategy to revive domestic manufacturing, and at the same time hit the Chinese companies that have largely evaded previous U.S. import penalties to become the leading suppliers of solar cells and panels. Administration officials say the trade case hasn't been a central one for the president, but they are increasingly confident Trump will favor tariffs when the commission sends the White House its recommendations in the next couple of months.

In a statement, the White House said Trump would make a decision that "reflects the best interests of the United States," and it praised the solar-makers, saying the domestic "solar manufacturing sector contributes to our energy security and economic prosperity."

The case could also give Trump a platform to advance his "America First" agenda and tout his effort to revive the ailing coal sector. Coal companies have complained that the Obama administration waged a regulation-heavy "war on coal" while tilting federal tax incentives and loans to renewable energy sources in order to advance climate change policies.

"[Trump] could easily reward his buddies in the coal industry who would really like to see high-priced solar panels competing with coal for space on the grid," said Clark Packard, a policy analyst and trade lawyer with the conservative think tank R Street Institute, which opposes tariffs. He added: "He may just want to stick it to people — your coastal elites who never would have voted for him who are more likely to use solar panels. He's looking for any circumstance to impose tariffs, it doesn't seem he cares what they are."

Trump has not weighed in on the case so far, though his administration has reopened the landmark North American Free Trade Agreement with Mexico and China, and he has regularly blasted China and other countries for what he calls unfair trade with the U.S.

"He's a protectionist, there's no doubt about it, and he's not very sympathetic to the renewable energy," said Gary Hufbauer, senior fellow for the Peterson Institute of International Economics. "As much as you can predict any president, I think his conclusion is foregone."

The complaint brought by Georgia-based Suniva and Oregon-based SolarWorld USA has brought sharp opposition from most of the U.S. solar industry, which has seen its growth skyrocket as costs for the technology fell to a fraction of what they were a decade ago. Aided by federal tax incentives and state-level programs, large solar power installations have sprung up across the country, driving down costs for those plants to levels that are now competitive with coal and natural gas power power stations. That's lifted employment in the sector to 260,000 even as the number of U.S. companies that make solar cells and panels sinks.

The solar industry has warned that high tariffs would eliminate 88,000 U.S. jobs by boosting costs and making many projects uneconomic just as the industry, which generates \$29 billion in revenue, was starting to stand on its own.

"If companies are going to be injured, we're going to be bringing in employees who will lose their jobs, mayors and governors and senators and representatives," said Abigail Ross Hopper, head of the Solar Energy Industries Association. "We're going to be making sure folks understand the impact, and putting a human face to it."

The four members of the ITC will now begin to formulate a remedy to address the injury suffered by the U.S. manufacturers, and they will take recommendations from solar companies. Any remedies taken by the U.S. will not apply to imports from Canada.

Suniva brought the case under Section 201 of the Trade Act, a rarely used but powerful tool that gives the president the ultimate authority to take or discard the recommendations of the commission. Most trade complaints — including two solar cases acted upon by the Obama administration — are limited to imports from specific countries, but Section 201 allows the president to impose tariffs on all imports of a product. The authority was last used by President George W. Bush in 2002 to implemented a tariff on imported steel, but it was withdrawn 15 months later.

The commission will hold hearings on potential remedies on Oct. 3 and send its recommendations to the White House by Nov. 13.

Unlike trade complaints that allege foreign companies had unfair advantages because of subsidies in their home countries or that companies were "dumping" products at below-market prices to squeeze out competitors, a case brought under Section 201 needs only to show that imports were harming the domestic industry. That lower standard appears to have been met by data showing imports from Asian countries surging as some 30 companies in the U.S. shuttered their manufacturing plants.

While solar manufacturers in China ship about 20 percent of the equipment that is imported in the U.S., many Chinese companies have moved production to countries like Malaysia or Vietnam to avoid trade penalties imposed during the Obama administration.

Suniva, which lodged the original complaint and filed for bankruptcy protection earlier this year, has said that putting tariffs or setting a floor price for imported solar equipment would generate new manufacturing jobs in the U.S.

"President Trump can remedy the industry's injury with relief that ensures U.S. energy dominance that includes a healthy U.S. solar ecosystem and prevents China and its proxies from owning the sun," Suniva, which is itself majority owned by a Chinese company,

Shunfeng International, said ahead of Friday's decision.

The company has recommended a remedy that would set a price floor of 78 cents per watt, as well as a tariff that starts at 40 cents per watt and declines over four years — proposals that would more than double the current panel costs. Analysts have said that could erase five years of cost declines made by the industry.

"We are confident there is a way to strengthen and save U.S. solar manufacturing without harming the strong growth that has made America such a powerful market for solar products," said Timothy Brightbill, an attorney at Wiley Rein who is representing SolarWorld. That company is a unit of Germany's SolarWorld Industries GMBH, which has also filed for bankruptcy in its home country.

Several lawmakers and governors had urged the commission to reject the trade complaint, including in a letter sent Thursday by Govs. Brian Sandoval of Nevada; John Hickenlooper of Colorado; Charles Baker of Massachusetts; and Roy Cooper of North Carolina.

"At a time when our citizens are demanding more clean energy, the tariff could cause America to lose out on 47 gigawatts of solar installations, representing billions of dollars of infrastructure investment in our states," they [wrote](#) to ITC Chairman Rhonda Schmidlein.

A bipartisan group of 16 senators sent a letter last month to the ITC asking it to "carefully consider the negative impact" of an injury finding. Those lawmakers included Sens. Johnny Isakson of Georgia and Jerry Moran of Kansas, both Republicans, along with coastal Democrats like Massachusetts Sen. Ed Markey.

Conservative groups that support free trade have also opposed erecting the trade barriers. Earlier this month, a group of six conservative organizations, including the R Street Institute, the American Legislative Exchange Council and the National Taxpayers Union, published an open letter arguing against tariffs. The conservative Heritage Foundation, which was not on the letter, also opposes a policy of tariffs and has been tracking the Suniva case closely.

"We believe that policies that pick winners and losers by imposing tariffs are bad, pretty much no matter what they are," said Tori Whiting, a research associate at the Center for International Trade and Economics at Heritage.

Suniva and SolarWorld are not without their own defenders: Sen. Ron Wyden (D-Ore.) and two members of the Washington House delegation sent a letter of their own in favor of the tariffs, and House members from Georgia and Michigan have both backed the petition. The groups have also been backed by steel manufacturers.

To view online [click here](#).

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**Date:** Thursday, November 30, 2017 5:44:59 AM

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By Anthony Adragna | 11/30/2017 05:42 AM EDT

*With help from Darius Dixon, Eric Wolff and Ben Lefebvre*

**ANWR ISSUES COMPLICATE TAX FIGHT:** Complications from language in the Senate's tax package related to ANWR drilling that ran afoul of budget reconciliation rules appeared on the verge of being resolved by late Wednesday. "We are finishing up the last of that and expect to have a curative amendment if you will as part of the process going forward," Senate Energy Chairman [Lisa Murkowski](#) (and major ANWR backer) told [Roll Call](#). The changes came after an anticipated [ruling](#) from chamber's parliamentarian that language easing environmental rules for ANWR drilling would need 60 votes to be kept in. Though final text of the legislation was not yet available, multiple aides said the concerns would be easily resolved.

**Murkowski backed a procedural motion** on the bill (along with the rest of the Republican caucus) on Wednesday evening and seemed upbeat about getting one of her top legislative priorities included in the mammoth package. She touted the ANWR section in a [statement](#) announcing her support, though she noted: "We still have work to do on this legislation and I look forward to the debate on the Senate floor and my colleagues' ideas to further improve it."

**Democrats rally against:** Six Senate Democrats, including Minority Leader [Chuck Schumer](#) and top Energy Committee Democrat [Maria Cantwell](#), are holding a press conference today at 12:30 p.m. in the Senate Swamp to rally against opening ANWR drilling as part of the tax package. That comes as a groups of [religious leaders](#) and [scholars](#) sent a letter to members of Congress also opposing the drilling push.

**Another issue to watch:** Money for wind and solar power projects could dry up if Congress doesn't alter language in the tax bill aimed at preventing banks from moving their profits abroad, Pro's Eric Wolff [reports](#). That's because renewable energy companies typically sell the federal tax incentives attached to their green energy projects to banks, but provisions in the Senate tax bill would make it difficult for banks with overseas subsidiaries to buy the credits. "To me it feels like a drive-by shooting," said Mike Garland, CEO of wind developer Pattern Energy. "Clearly the provision is aimed at corporations who are sending work overseas, but the result is that the investment in U.S. activities is penalized."

**IT'S THE END OF THE MONTH AS WE KNOW IT!** I'm your host Anthony Adragna, and LCV's Gene Karpinski was the first to identify Sen. [Richard Shelby](#) as a member of the boll weevils. For today: Which former Interior secretary's niece is currently running for governor next year as a member of the opposite political party? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#), and [@POLITICOPro](#).

**STICKING TO THE SCRIPT:** EPA plans today to set final 2018 biofuel volume requirements conforming closely to what Administrator Scott Pruitt promised Midwestern senators earlier this year, Pro's Eric Wolff [reports](#). The final rule will require blending of 15

billion gallons of conventional biofuels — typically corn ethanol — as well as 288 million gallons of cellulosic ethanol. Advanced biofuel volumes will rise slightly from the July proposal to 4.29 billion gallons overall, and the regulation will require 2.1 billion gallons of biomass-based biodiesel for 2019. Bloomberg first [reported](#) the volumes. But look for lawsuits to follow regardless.

**Iowa Sen. [Chuck Grassley](#) called the decision "disappointing" in a statement.** "I'm glad that EPA backed off a later proposal, which would have represented an abandonment of President Trump's stated commitment to biofuels and the integrity of the RFS," he said. "I plan to continue working to impress upon the Administration the capability to grow domestic energy production by unlocking the full potential of biofuels."

**MARKING ON UP:** House Natural Resources [gavels in](#) today at 10 a.m. to mark up seven bills on various topics, but two jump out to ME. One measure [H.R. 1778 \(115\)](#), offered by [Liz Cheney](#), would require specific congressional authorization for Interior to impose any moratorium on federal coal leasing. (Remember, the Trump administration [overturned](#) an Obama-era ban earlier this year.) The other, [H.R. 3117 \(115\)](#) from [Evan Jenkins](#), would bar EPA, DOE or Interior from using the social cost of carbon (or similar metrics) that are used to estimate monetary damage the country faces from climate change events linked to greenhouse gas emissions.

**Interior motives:** Deputy Interior Secretary David Bernhardt returns today to Capitol Hill for the second time in two days at 9:30 a.m. before a House Appropriations subpanel for oversight. What'll be on the mind of [Betty McCollum](#), top Democrat on the subcommittee, according to a spokesman? "Congresswoman McCollum will ask whether the supplemental includes sufficient funds for recovery from the recent natural disasters, including whether the department anticipates another supplemental request to address additional needs. She'll also ask about the backlog from damage caused by previous storms that has not yet been repaired, and about what the department can do to rebuild stronger and mitigate the effects of future disasters." More [here](#).

**No rush from Bishop for more nominees:** Natural Resources Chairman [Rob Bishop](#) said Wednesday he's not in any particular hurry for President Donald Trump to name additional people to permanently fill Interior slots. "I have to admit some of the acting directors right now are Utahns that I know, and I'm very comfortable with them," he said, highlighting acting BLM chief Brian Steed and acting Fish and Wildlife Director Greg Sheehan.

**STAYING OPEN:** The Navajo Generating Station will remain open through December 2019 after receiving the necessary federal approvals, Salt River Project [announced](#) Wednesday. "We are grateful for their effort as this agreement provides meaningful benefits for all involved and creates a path forward during this challenging transition," Mike Hummel, deputy general manager of Salt River Project, the plant's operator, said. A Navajo Nation task force and Salt River Project negotiated the new lease over a period of several months, as well as related agreements.

**TRIPPIN':** Energy Secretary Rick Perry leaves today for a trip to Saudi Arabia, Qatar and United Arab Emirates, Axios [reports](#), citing a department official. He's [expected to speak](#) next Wednesday at the Carbon Sequestration Leadership Forum in Abu Dhabi.

**MORE HEARINGS?** West Virginia GOP Senate candidate Patrick Morrissey appeared to endorse additional public hearings on the EPA's proposed repeal of the Clean Power Plan in [a](#)

[tweet](#) late Wednesday. "Just as WV was harmed by not holding a public EPA hearing in our state during the Obama Administration, it would be wrong to exclude other parts of the United States from this EPA hearing process now," the state's attorney general wrote. "Certainly wouldn't oppose other hearings. As someone who believes Obama Power Plan is wrong & illegal, I think it's important to hear from multiple places." The agency completed its lone scheduled public hearing on Wednesday.

**Meanwhile, former coal executive Don Blankenship**, who is [reportedly](#) planning a run for Senate, promised some news today: "We will be putting out a new ad tomorrow morning on TV, Facebook, and more. It will be a shocker. Government corruption is pandemic and obvious," he [wrote on Twitter](#). Blankenship, who was convicted of conspiracy to violate mine safety standards after the 2010 Upper Big Branch disaster that killed 29 of his workers, would face Morrissey and Rep. [Evan Jenkins](#) in a GOP primary to challenge Sen. [Joe Manchin](#).

**TEXAS HOLD 'EM:** The relationship between the U.S., Venezuela and CITGO may about to get tenser. Venezuela has detained six CITGO executives from Texas, Senators [John Cornyn](#) and [Ted Cruz](#) said in a press release. The news comes after Venezuelan President Nicolas Maduro [placed a loyalist general in charge](#) of the state-controlled oil company Petroleos de Venezuela S.A., which controls the U.S.-based refining company. The Treasury Department has already been slapping sanctions right and left on Venezuela government officials, including PdVSA execs, for several months as the country's human rights violations pile up. There's no indication yet what response the Trump administration may have to the detention of the Texans — a White House spokeswoman referred questions to the State Department, which did not immediately offer comment.

**TRUMP ENERGY INFLUENCERS GATHER:** Bigwigs with sway in the Trump administration's energy policy realm gather for a Heritage Foundation and Texas Public Policy Foundation [conference](#) today beginning at 8 a.m. There's a "very special" guest speaking at 8:45 a.m. (ME would put money on Pruitt, Perry or Zinke). Other speakers include: former Senate EPW Chairman [Jim Inhofe](#), outgoing House Science Chairman [Lamar Smith](#) and Sen. [Mike Lee](#). ME also hears coal magnate Robert Murray will be in the building. Heritage is also hosting [an event](#) on Perry's grid resiliency proposal at 12 p.m. if you want to make it a longer day on Mass Ave.

**BROWNFIELDS IN THE HOUSE!** Lawmakers today consider legislation [H.R. 3017 \(115\)](#) that would extend EPA's popular Brownfields program through 2022 at current funding levels and allow the agency to award more funding grants (up to \$500,000) to each site slated to be cleaned up. E&C Environment Chairman [John Shimkus](#) told ME he expected the measure would pass by a wide margin. It received bipartisan support during committee consideration.

**DEJA VU ALL OVER AGAIN:** Republican congressional leaders and the White House have hatched a plan that would dare Democrats to shut down the government by not including a fix for so-called DREAMers in a short-term funding measure that would keep the lights on into January, POLITICO's Rachael Bade, John Bresnahan and Sarah Ferris [reports](#). Democratic leadership sources suggest they could be open to a one- or two-week CR, but would be unlikely to move the deadline beyond Jan. 1.

**DOE REAUTHORIZATION BILL TEXT PUSHED TO 2018:** Embattled Rep. [Joe Barton](#) said his efforts to pull together a DOE reauthorization bill had fallen further behind after a meeting between Energy and Commerce Republicans and Democrats failed to materialize this week. "It's been postponed, I think, 'til maybe next week," he told ME, of the effort first

floated in January. "We're getting ready to really get to work." When asked about when he expected to have legislative text pulled together, Barton said he had aimed to have some draft text by the end of the year for lawmakers and their staffs. "I was hoping to use this meeting this week to get agreement on the general framework so that we could begin to have the staffs put that together on a bipartisan basis," he said, but the latest delay likely drags that milestone into early next year.

**And ICYMI**, Barton said he plans to remain vice chairman of the powerful House Energy and Commerce "for the time being" but acknowledged a "private conversation" with Chairman [Greg Walden](#) about the matter, Pro's Darius Dixon [reports](#). That comes as another woman came forward to share a series of private messages, some with sexual overtones, traded with Barton in the [Star-Telegram](#).

**FOR YOUR LUNCH PLANS:** FERC Chairman Neil Chatterjee, fresh off gaining a new colleague, addresses the Natural Gas Roundtable today at 12:30 (in perhaps one of his final appearances as chairman). On Wednesday, he [tweeted](#) of his new colleague Rich Glick: "I had the pleasure of working with Rich in the Senate and look forward to working with him in this new capacity," he said.

**LET ME SPEAK:** House Natural Resources ranking member [Raúl Grijalva](#) has asked the attorney of a former staffer to release him from confidentiality rules so he can discuss details of the workplace misconduct claim that's ensnared him this week, POLITICO's Elana Schor [reports](#). Until the former aide's counsel agrees to the release of the agreement, he added, "I can't unilaterally do it without exposing myself to getting sued on a personal level."

**THROW IT OUT:** Greenpeace asked a federal district court in North Dakota to dismiss a lawsuit filed on behalf of Energy Transfer Partners alleging the green group and others committed racketeering and other crimes. "It is incumbent upon every court that faces these baseless claims to ensure a robust arena for political speech and weed out efforts to suppress critical speech masquerading as [racketeering] claims," the group wrote in [its motion](#). "It appears clear that Greenpeace is being targeted by repeated lawsuits for the precise purpose of chilling its speech."

**TAKE A GLANCE!** Resources for the Future released a new [issue brief](#) Wednesday looking at the impacts of the shale revolution on the oil and gas industry. It concludes: "The shale revolution has dramatically changed the position of the United States as an energy producer, allowing the oil and gas sectors to more easily ramp up production in response to price changes."

## QUICK HITS

— Climate Scientists Watch Their Words, Hoping To Stave Off Funding Cuts. [NPR](#).

— Judge: East Chicago residents, EPA can argue case on role in cleanup process. [Chicago Tribune](#).

— Russia, Saudi Arabia Clash Ahead of OPEC Meeting. [Wall Street Journal](#).

— How to Fix Global Warming: We Talk to Tech Innovators, Entrepreneurs and Political Leaders. [New York Times](#).

— Snyder Proposes Draft Plan to Remove All Lead Service Lines in Michigan. [WDET](#).

— Atlantic Coast Pipeline faces another delay as NC officials push for more details. [News & Observer](#).

## HAPPENING TODAY

8:00 a.m. — "[At the Crossroads IV: Energy & Climate Policy Summit](#)," Heritage Foundation and Texas Public Policy Foundation, Allison Auditorium, 214 Massachusetts Ave NE

9:30 a.m. — "[Supplemental Oversight - Department of the Interior](#)," House Appropriations Interior, EPA and Related Agencies Subcommittee, Rayburn 2007

12:00 p.m. — "[Clean Energy Choices](#)," R St. Institute, Cannon 122

12:00 p.m. — "The Department of Energy's Grid Resilience Proposal: Examining Impacts on Consumers and Energy Markets," Heritage Foundation, Lehrman Auditorium, 214 Massachusetts Ave NE

12:30 p.m. — Natural Gas Roundtable [hosts](#) FERC Chairman Neil Chatterjee, University Club, 1135 16th Street, NW

12:30 p.m. — Senate Democrats and environmental groups rally against ANWR drilling in tax legislation, Senate Swamp

12:45 p.m. — "[New Realities for US Energy Security](#)," Resources for the Future, 1616 P St NW

2:00 p.m. — "[Legislative Hearing on Bill Streamlining Water Projects](#)," House Natural Resources Subcommittee on Water, Power and Oceans, Longworth 1324

2:30 p.m. — "[Legislative Hearing on Geothermal Exploration, 3 Other Bills](#)," House Natural Resources Energy and Mineral Resources Subcommittee, Longworth 1334

## THAT'S ALL FOR ME!

*To view online:*

<https://www.politicopro.com/newsletters/morning-energy/2017/11/senate-close-to-resolving-anwr-issues-036181>

## Stories from POLITICO Pro

**ANWR language complicates tax bill** [Back](#)

By Seung Min Kim | 11/29/2017 04:20 PM EDT

A Republican effort to tie Arctic drilling to the tax bill hit a snag in the Senate today.

The Senate parliamentarian has told Democrats and Republicans that parts of the tax bill authorizing drilling in the Arctic National Wildlife Refuge would not be able to pass under budget reconciliation rules that prevents a filibuster, a Senate aide told POLITICO. Language easing environmental rules for ANWR drilling would need 60 votes to be kept in, which

Republicans would not have.

The aide said provisions may have to be stripped from [the bill](#) before it could proceed, make drilling in the refuge virtually impossible, although multiple other sources said the issue was easily resolved.

The ANWR language had been a priority for Sen. [Lisa Murkowski](#) (R-Alaska), who is seen as a key swing vote on the bill.

To view online [click here](#).

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### Senate GOP clears key hurdle on taxes [Back](#)

By Seung Min Kim, Colin Wilhelm and Bernie Becker | 11/29/2017 09:15 AM EDT

The Senate set the stage Wednesday for possible passage of its tax bill later this week, voting to begin formal debate after a day of wheeling and dealing for enough Republican votes.

On a party line 52-48 vote, the Senate moved to formal debate on the GOP legislation, which Republicans are hoping to pass before the end of the year so they can take a key legislative victory into the 2018 elections after a year of disappointments on other major bills. The House passed its own version of tax reform earlier this month.

Senate GOP holdouts began lining up behind their party's tax overhaul earlier in the day. But Republican leaders still have a litany of issues to resolve before the bill gets across the finish line, which they hope will be by week's end. Those issues include an expected ruling from the Senate parliamentarian that could rule out a companion measure to allow drilling in the Arctic National Wildlife Refuge, one Senate aide said, although other sources downplayed how problematic that issue is.

Another factor, which would rile the White House, is a proposal to cut the corporate tax rate to 22 percent instead of 20 percent to free up money for a more generous child tax credit.

In a key concession, Senate Republicans agreed to increase the tax deduction offered to businesses that don't pay corporate taxes, called "pass-throughs," according to two GOP senators, a move meant to win over Sens. Steve Daines of Montana and Ron Johnson of Wisconsin.

Another GOP holdout, Sen. Susan Collins of Maine, voted to move the bill forward after assurances that other legislation would be passed to stabilize the health insurance market if Obamacare's individual insurance mandate is abolished in the tax bill as planned. And GOP senators said they had made progress on a "trigger" mechanism to raise taxes or cut spending that would kick in if the bill fell short of economic growth projections, a change sought by Sens. Bob Corker of Tennessee, Jeff Flake of Arizona and James Lankford of Oklahoma.

Collins also told reporters that both President Donald Trump and Senate Republican leaders support her request to include a deduction for up to \$10,000 in property taxes — paralleling a House provision — although they've yet to agree on how to pay for it.

She would pay for it by setting the corporate tax rate at 21 percent and keeping the top rate for individual earners at 39.6 percent, though Collins added, "They're not crazy about my pay-fors, I will admit."

At the same time, more than a few House Republicans, especially conservatives, gave poor reviews to the trigger proposal, potentially making it more difficult for the two chambers to reach a final compromise on a tax bill.

A negative decision on ANWR could also complicate matters in the Senate. But while one Senate aide said the parliamentarian found that the bill's ANWR provisions ran afoul of strict budget rules, other aides said the issue could be worked around without much trouble.

And Sen. Lisa Murkowski (R-Alaska), a perennial swing vote who scored the language that expands drilling in the refuge, said in a statement Wednesday that she would support the overall package.

Sen. John McCain of Arizona, who has kept his views on the tax bill muted this week, also voted to push it forward.

Other balking GOP senators also fell into line, including Jerry Moran of Kansas, who also has expressed concerns about the amount of red ink caused by the bill.

GOP senators earlier Wednesday said they were still working through the trigger sought by the three Republican deficit hawks, which experts say could violate Senate budget rules. Options for a trigger now include automatic spending cuts if the tax bill didn't spur the economy as much as Republicans want, according to Sen. John Kennedy (R-La.).

Senate Republicans had also been discussing automatic tax increases as a trigger, while Sen. Ted Cruz (R-Texas) is among those pushing the idea of guaranteed tax cuts if the economy exceeds expectations in the future.

An earlier proposal that was floated would boost the corporate tax rate — currently set at 20 percent in the bill — by 1 percent to make up revenue if GDP did not grow an average of 0.4 percent during a five-year period. Another trigger proposal could prompt tax increases worth as much as \$350 billion in additional revenue over a decade, starting in 2022, according to a source familiar with the negotiations.

Several GOP senators who said they didn't like a trigger also voted for the motion to proceed to ensure the tax bill's passage.

"We're not talking about a large tax increase," Lankford said. "We're talking about small things around the edges to be able to guard against future increases in deficits."

On the pass-through sticking point, the Senate bill would be changed to give the businesses a tax deduction of up to 20 percent of their income, an increase from the 17.4 percent currently in the measure.

But increasing the deduction would also give even more benefits to higher earners, feeding into Democrats' criticism of a measure that most polls find unpopular. Daines said the proposal also would cost around \$60 billion over a decade - which would take up most of the breathing room Senate Republicans have for their bill, which can cut taxes by no more than

\$1.5 trillion over a decade.

"There has been some good progress for Main Street businesses in the tax cut bill," Daines said.

Johnson, along with Daines, wants to eliminate the ability of corporations to deduct their state and local taxes, which would free up about \$140 billion in revenue, Johnson said Wednesday. That could increase the deductibility for pass-throughs as high as 27 percent, according to the senator.

Collins previously had outlined a series of objections to the bill, including that it totally eliminated the deduction for state and local taxes. The Maine Republican said she decided to vote to proceed to the tax bill after securing assurances from GOP leaders that proposals to stabilize Obamacare insurance markets and protect pre-existing conditions would be included on must-pass legislation this year.

But Keith Hall, the director of the Congressional Budget Office, told lawmakers Wednesday that his office did not expect one of those proposals, cosponsored by Sens. Lamar Alexander (R-Tenn.) and Patty Murray, to prevent increases in health care premiums.

Meanwhile, a number of House Republicans unloaded on the trigger idea. The Republican Study Committee, a conservative group of more than 150 House Republicans, won't take an official position on the trigger until it holds a formal vote of all members.

But Rep. Mark Walker of North Carolina, the group's chairman, said: "We don't want it," adding that not a single member of the group said they'd be willing to vote for the Senate tax reform package without further changes. The House passed its own tax bill this month, and GOP leaders there have repeatedly said the two chambers will go to a conference committee to resolve the differences in their bills.

At the same time, a pair of prominent Senate Republicans are pushing to raise the corporate tax rate from its current proposed 20 percent, in exchange for a larger benefit to families with children.

Sens. Mike Lee of Utah and Marco Rubio of Florida announced Wednesday they would introduce an amendment to do just that. It would take the corporate rate to 22 percent while making the child credit partially refundable and tie the changes to inflation. Trump has called the 20 percent corporate rate a red line, and the White House said Wednesday it would oppose increasing it to pay for a more robust child credit.

"We have a chance to do better by working families in this tax bill," Lee and Rubio said in a statement, adding that "this amendment would level the playing field for families, while still kick-starting national investment and growth."

Some other senators were amenable to the idea. "I wouldn't be opposed to going up to do a number of things," said Flake.

*Rachael Bade and Sarah Ferris contributed to this report.*

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## **Tax change would create havoc for renewable energy financing** [Back](#)

By Eric Wolff | 11/29/2017 05:56 PM EDT

Renewable energy advocates are warning that money for wind and solar power projects could dry up if Congress doesn't alter language in the tax bill that's designed to prevent banks from moving their profits abroad.

Companies that develop wind and solar projects typically sell the federal tax incentives attached to their green energy projects to banks, who can use them to reduce their own tax burdens. Those "tax equity" deals provide the renewable energy developers with the cash they need to build their projects.

But provisions in the Senate tax bill would make it difficult for banks with overseas subsidiaries to buy the credits, which are also accrued by low-income housing and infrastructure projects.

"To me it feels like a drive-by shooting," said Mike Garland, CEO of wind developer Pattern Energy. "Clearly the provision is aimed at corporations who are sending work overseas, but the result is that the investment in U.S. activities is penalized."

Under measures in the tax proposal aimed at reducing "base erosion," Congress would create a kind of minimum tax on profits earned in the U.S. to prevent companies from shifting that income onto the books of their subsidiaries in countries with lower taxes. But the current language would require energy project developers and their bank partners to recalculate their tax credits every year — creating uncertainty that would push many of the financial institutions out of the tax equity business.

"It takes us out of the market," said a source at one bank that does this kind of financing. "The best case scenario is it significantly reduces our involvement in the market, but it would be so difficult to plan in the near term at least, it would take us out. And we're talking about hundreds of millions of dollars of investment every year."

Renewable energy developers don't have the large profits that banks tend to generate, so they don't pay enough taxes to benefit directly from the Investment Tax Credit for solar or the Production Tax Credit for wind that Congress created.

So they have relied on the tax equity financing to drive their rapid growth. In a [blog post](#), Keith Martin, an attorney who is co-head of U.S. projects for Norton Rose Fulbright, said nearly half the financing for a typical solar project and more than half the money for a typical wind project comes from tax equity deals — and four financial institutions have already told him they would leave the market if the law is changed.

There are nearly three dozen financial institutions doing these kinds of deals presently, but about 40 percent of the total funding comes from just three of them: JPMorgan Chase, Bank of America and US Bank.

"Without tax equity financing, most of these projects don't go forward, solar or wind," said one renewables industry source who's lobbying on the issue.

The Senate bill has renewable energy industry groups up in arms. The Solar Energy Industries Association, the American Wind Energy Association, Citizens for Responsible Energy Solutions and the American Council on Renewable Energy sent a joint [letter](#) today to every senator asking for a fix. The lobbying source said the groups are pushing hard for changes, and they have several legislative proposals they hope to get attached to the bill during the vote-a-rama amendment process expected later this week. The person declined to describe the proposals because "things are at a delicate stage."

Financial institutions might be amenable to a provision that allowed banks to carry over unused tax credits to future years, according to the banking source. That would lower the returns on their investments, but it would keep them in the market.

Peter Kelley, vice president for public affairs for AWEA, said Sens. [Rob Portman](#) (R-Ohio), [Chuck Grassley](#) (R-Iowa), [Maria Cantwell](#) (D-Wash.) and [Ron Wyden](#) (D-Ore.) are "working to fix the problem before the bill is considered by the full Senate."

"We continue to advocate for a tax reform package that does not threaten the \$85 billion in economic activity and the projected 50,000 new American jobs from wind farm development through 2020," he said in a statement.

Grassley, who is already playing defense to keep cuts to the wind tax credit included in the House bill out of the final bill, and a spokeswoman said, "Sen. Grassley is aware of the concerns raised and is looking into the issue."

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### **Advanced biofuels set for slight bump in final RFS rule [Back](#)**

By Eric Wolff | 11/29/2017 09:16 PM EDT

EPA today will provide a slight bump for advanced biofuel volumes requirements in 2018 as part of a final Renewable Fuel Standard rule set to be released Thursday, oil and ethanol sources tell POLITICO.

The rule, which is largely in line with a proposal EPA released in July, also requires blending of 15 billion gallons of conventional biofuels — typically corn ethanol — the maximum allowed by law and the same as what the Obama administration required for 2017.

It sets the overall advanced biofuels target at 4.29 billion, 10 million gallons more than were required this year and a 50 million gallon increase compared to its July proposal. The rule requires 288 million gallons of cellulosic ethanol, a reduction from the 311 million gallons required this year, but up from the 238 million gallons proposed in July.

Biodiesel producers are likely to be upset by the rule's targets. It requires 2.1 billion gallons of biomass-based biodiesel for 2019, the same as what is required in 2018, despite the industry saying it could easily produce more. The agency did not change the already final 2.1 billion gallon biodiesel requirement for 2018, as it had suggested it might in a notice released last

month.

EPA Administrator Scott Pruitt had promised Midwestern senators earlier this year that he would not set levels any lower than the July proposed rule.

Bloomberg first reported the volumes earlier today.

The rule's Thursday release would mark the second year in a row EPA has released the volumes by the Nov. 30 deadline required by law, and it will fulfill Pruitt's promises to industry to produce a rule on time.

**WHAT'S NEXT:** EPA likely will face legal challenges to the numbers from oil interests, biofuel interests or others.

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**Zinke to end coal leasing moratorium, reinstate royalty advisory committee** [Back](#)

By Esther Whieldon | 03/28/2017 08:15 PM EDT

Interior Secretary Ryan Zinke on Wednesday will revive an internal advisory committee on energy leasing and royalties, and he will rescind the Obama administration's coal leasing moratorium, according to sources familiar with the plans.

Zinke's move will follow President Donald Trump's executive order today directing his administration to review or eliminate a suite of Obama-era climate and energy policies, including the leasing moratorium. Former Secretary Sally Jewell put Interior's coal leasing program on hold while the agency reviewed how much it should be charging for the leases.

Zinke will also reinstate Royalty Policy Committee that the Obama administration terminated in 2014, sources say. The committee advises the secretary on managing federal and tribal mineral leases and revenues and members have typically included federal representatives as well as state, tribes, industry and public interest groups.

As a congressman Zinke [sponsored](#) a bill that would have had Interior reinstate the committee. Sen. [Steve Daines](#), who has said he will attend the signing, sponsored a similar bill.

**WHAT'S NEXT:** Zinke will sign orders reinstating the royalty committee and ending the coal leasing moratorium at 10 a.m. Wednesday at Interior Department headquarters.

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**GOP looks to jam Democrats in shutdown fight** [Back](#)

By Rachael Bade, John Bresnahan and Sarah Ferris | 11/29/2017 01:06 PM EDT

President Donald Trump and congressional GOP leaders are daring Democrats to shut down the government over immigration rather than back a plan to extend funding into January.

After Democratic leaders Rep. Nancy Pelosi and Sen. Chuck Schumer boycotted a Tuesday afternoon White House negotiating session on government funding, Speaker Paul Ryan and Senate Majority Leader Mitch McConnell began hashing out a plan to pass a short-term spending bill to fund the government into January. The measure would not include a fix for so-called Dreamers, something Democrats have demanded be part of any spending bill.

Trump was open to the idea of a short-term continuing resolution during a White House meeting with GOP leaders, according to multiple Hill and White House sources familiar with the meeting.

While the plan hasn't been finalized, the House would move first under this scenario, passing a bill with only Republican votes. The Senate would then try to follow suit, but it would need to pick off at least eight Senate Democrats to clear the chamber's higher 60-vote threshold. Republicans believe that Schumer would come under heavy pressure from his own colleagues to avoid being blamed for a shutdown, GOP aides said.

Delaying a broader debate on government funding into 2018 would cheer conservatives, who have been dreading a massive year-end spending package that includes a fix for the Obama-era Deferred Action for Childhood Arrivals program. Republicans also want to complete work on a massive \$5 trillion tax bill before taking on another fight.

But it also raises the likelihood of an ugly shutdown battle just before the holiday season.

Many Democrats have vowed to withhold their votes from any spending agreement that does not include a fix for the young undocumented immigrants brought to the country as minors. Democratic leadership sources have suggested that Pelosi and Schumer could back a one- or two-week CR. But they're loath to move the deadline past Jan. 1.

Still, Democrats may come under pressure to avoid a government shutdown over DACA, which does not fully expire until March. One House Appropriations Committee Democratic source said there could be some wiggle room in the party's stance on DACA that could help avert a shutdown. The source speculated that while many Democrats are dead-set against a full-year spending package without an immigration deal, there may be fewer who would object to a CR into January.

"There are a lot of questions that would determine how Democrats vote," the source said. "DACA is one, but there's also the question of the supplemental. There's the question of a [spending] caps deal."

At the same time, Ryan and other GOP leaders have for weeks resisted the idea of a stopgap bill through January.

"This is something the speaker feels strong about," leadership ally Rep. Tom Cole (R-Okla.) told POLITICO on Monday night. "A CR and sequester for the military is not a way to begin the New Year."

But that stance is shifting as Dec. 8 — when the government runs out of money — approaches

and the GOP remains laser-focused on its tax bill.

Democratic leaders' refusal to show up at the White House for spending talks Tuesday, after Trump insulted them on Twitter, has also solidified a GOP desire to consider a more hard-line strategy.

"I'm very disappointed that Democrats abandoned the field with a shutdown looming. I think that's irresponsible," said Rep. Hal Rogers (R-Ky.), a longtime spending panel member who often works with Democrats on funding matters. "If the Democrats won't even talk, they're the ones who are going to cause a shutdown."

Asked about the new strategy, Ryan's office downplayed the notion that it has settled on a new GOP-only approach, arguing that everything is still in flux.

"No plan has been decided on," said Ryan spokeswoman AshLee Strong. "Assuming Democrats are interested in talking with congressional leadership and the White House, talks will continue."

The left is far from alone in its resistance to a CR through January. GOP defense hawks such as House Armed Services Chairman Mac Thornberry of Texas abhor the idea of funding the military on a temporary basis and often complain that the lack of budget certainty cripples the nation's readiness.

However, Defense Secretary James Mattis, who also attended the White House meeting Tuesday, plans to talk to defense hawks to try to make them more comfortable with the plan. GOP leadership is also going to try to win over defense hawks by promising more spending for the military if they wait until January, perhaps even higher than the nearly \$603 billion currently being considered, according to one House GOP source.

GOP leaders could also encounter resistance from moderate Republicans representing Hispanic-heavy districts. Rep. Carlos Curbelo (R-Fla.) on Tuesday said he would vote against any government funding bill past December that doesn't include a solution for Dreamers.

"I'm announcing today that I will not support any appropriations bill that funds the government beyond Dec. 31 unless we get this DACA issue resolved," Curbelo said at a panel on immigration reform in Florida held by the pro-immigrant business group IMPAC Fund and the University of Miami.

At the same time, a longer stopgap spending bill would be applauded by conservatives. Members of the House Freedom Caucus and Republican Study Committee have been urging Ryan not to create a new deadline right before Christmas, fearful that it would cripple the GOP's leverage and lead to the right getting steamrolled on immigration.

"If we have to do a CR, we prefer January rather than Christmas," Freedom Caucus leader Mark Meadows (R-N.C.) said Wednesday morning.

The lawmakers who actually have to write spending bills would also prefer a stopgap that stretches into January, as it would give them more time to work on a bigger appropriations package to fund the government.

*Eliana Johnson contributed to this report.*

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### **Barton to remain E&C vice chair [Back](#)**

By Darius Dixon | 11/29/2017 03:22 PM EDT

Rep. [Joe Barton](#) said today he had discussed his role as vice chairman of the powerful House Energy and Commerce Committee with Chairman [Greg Walden](#), but he has no plans to relinquish his spot following the embarrassing episode last week when an explicit photograph of him circulated online.

"For the time being," he told POLITICO. "I guess I can answer that."

A spokesman for the longtime Texas Republican has already said Barton had no plans to leave Congress, but he acknowledged discussing his position on the committee with Walden.

"I've had a private discussion with Chairman Walden, but it is private," Barton said. Whatever happens with his position as vice chairman would "be a mutual decision," he added.

Barton [apologized](#) over the picture last week and said that the Capitol Police are investigating the incident.

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### **Grijalva asks to end confidentiality of workplace misconduct settlement [Back](#)**

By Elana Schor | 11/29/2017 03:29 PM EDT

Rep. Raul Grijalva (D-Ariz.) said Wednesday that he has asked the attorney for a former aide he paid to resolve a workplace misconduct claim to release him from confidentiality rules so he can share the details of their settlement.

Grijalva became the second sitting House member embroiled in controversy over Congress' secretive system for settling workplace misconduct claims after the Washington Times reported Tuesday he paid more than \$48,000 to a staffer over a hostile work environment claim stemming from his alcohol use. The Arizona Democrat slammed the newspaper's report but did not dispute that a settlement was reached on his behalf.

Recalling the negotiation of the settlement, Grijalva told POLITICO on Wednesday that at times he thought he "should have insisted on" handling the complaint through litigation or through Capitol Hill's Office of Compliance, which requires the leaders of the House Administration Committee to approve any settlement.

Those options "would have not handcuffed me" when it comes to discussing the terms of the

settlement, Grijalva said. Until the former aide's counsel agrees to the release of the agreement, he added, "I can't unilaterally do it without exposing myself to getting sued on a personal level."

Grijalva said his office has yet to receive a reply to a verbal request that the former aide's attorney agree to release the terms of the 2015 settlement, which was paid through his committee operating budget rather than the Office of Compliance's fund for settling workplace disputes on Capitol Hill.

Rep. John Conyers (D-Mich.) is facing a political firestorm over three sexual misconduct complaints from former aides, one of whom settled a claim against him that was paid using his personal office's budget rather than the Office of Compliance's fund.

Reps. Jackie Speier (D-Calif.) and Barbara Comstock (R-Va.) have introduced bipartisan legislation that would publicly identify the offices on the receiving end of misconduct complaints and allow alleged victims to discuss their claims without being bound by confidentiality. Grijalva noted that "a plus" to that legislation is the transparency it brings to the settlement process.

"Because, otherwise, what are you hiding?" he said. "And then you leave it up to supposition, which is never good."

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**Date:** Wednesday, December 06, 2017 5:45:56 AM

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By Anthony Adragna | 12/06/2017 05:42 AM EDT

*With help from Emily Holden, Catherine Boudreau and Eric Wolff*

**ODDS LOOKING GOOD FOR ANWR:** Senior House Republicans said Tuesday they were optimistic a provision opening the Arctic National Wildlife Refuge to oil and gas drilling would make it into Congress' final tax package, even as a handful of their colleagues expressed unease. "I've been asking for ANWR for a long, long time," said Natural Resources Chairman [Rob Bishop](#), who is on the conference committee sorting out the differences between the House and Senate bills. "And so have most rational people. I expect it to be part of the final product." Alaska Republican Rep. [Don Young](#), also a conferee, said he was "feeling pretty good" about the provision's chances of making it through conference.

**Alaska Sen. [Dan Sullivan](#) summed up the state of play over ANWR:** "You don't want to jinx it and we're going to continue to work hard, but we're confident and we're going to have good representation on the conference." Senate Energy Chairman [Lisa Murkowski](#) is expected to join Young as a conferee once the Senate votes to go for conference. Sullivan added his vote on the package would be in jeopardy if the ANWR provision doesn't make it into the finished product.

**Grassley ready to rumble:** Senate Judiciary Chairman [Chuck Grassley](#) suggested he'd throw his weight around to alter [provisions in the House-passed bill](#) that would change qualification terms for some renewable energy projects and trim the renewable production tax credit. "I would think they'd be embarrassed of even putting it in," he told reporters. "What is there about wind that would cause them to do something that they haven't done for anything else?" Grassley also said changing the tax credits went against a promise he'd received from Treasury Secretary Steven Mnuchin back in January. A coalition of right-of-center clean energy groups sent [a letter](#) outlining their own concerns about the House and Senate bills on Tuesday.

**Extenders package coming together:** Legislation extending expired tax provisions, including short-term tax benefits to promote renewable energy sources like biodiesel and solar power, is expected to come together in the next couple of weeks, Pro Tax's Aaron Lorenzo and Bernie Becker [report](#), citing senior GOP senators. Multiple sources say a package could hitch a ride with an end-of-year government funding agreement. Sens. [Johnny Isakson](#) and [Tim Scott](#) are advocating to extend a 2020 deadline on tax credits for new nuclear energy projects, while Grassley has pushed a biodiesel credit.

**Meanwhile, senior congressional Republicans** are drawing a line in the sand by promising they won't grant Democrats concessions in a second short-term spending bill later this month to keep the government open, Pro Budget & Appropriations Brief's Jennifer Scholtes and Sarah Ferris [report](#). "If we pass a bill on or about the 22nd and go home, then the Senate will need to make up its mind about what to do about that," Rep. [Hal Rogers](#) said. "The option is either: Pass or have a shutdown in place."

**WELCOME TO WEDNESDAY!** I'm your host Anthony Adragna, and the ClearPath

Foundation's Spencer Nelson was first up to identify Joe Barton as the original sponsor of the Energy Policy Act of 2005. For today: What was the *smallest* national monument ever created in the U.S.? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](https://twitter.com/AnthonyAdragna), [@Morning\\_Energy](https://twitter.com/Morning_Energy) and [@POLITICOPro](https://twitter.com/POLITICOPro).

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**NEVER HEARD OF THIS BEFORE:** EPA Administrator Scott Pruitt will only stay for an hour during a Thursday [appearance](#) at an Energy and Commerce subcommittee before returning later in the afternoon. "Congressional Republicans need to grow a backbone and stand up to President Trump and the members of his cabinet, like Administrator Pruitt, who have repeatedly ignored any Congressional oversight," ranking member [Frank Pallone](#) told ME in a statement. "It's clear that we're simply not going to get any real oversight of the Trump Administration from Congressional Republicans anytime soon." A committee spokesman confirmed the arrangement and said it was to accommodate a meeting at the White House. EPA didn't respond to request for comment.

**Context here:** ME's never heard of a Cabinet official taking a lengthy break in the middle of a congressional hearing, regardless of the reason. And, remember, this is slated to be Pruitt's first appearance before the Energy and Commerce Committee.

**Ahead of the appearance,** more than 1,000 scientists [asked](#) congressional leaders to question Pruitt about efforts to overhaul the agency's science advisory panels. "Without the best available scientific advice, the EPA will be ill-equipped to tackle emerging environmental and public health challenges, and the American people will suffer," they write.

**GOOD DAY, SUNSHINE: TRADE REP TO HEAR SOLAR CASE:** The U.S. Trade Representative will hear arguments today at 9:30 a.m. for what kind of tariffs or quotas — if any — the president should impose on imported solar panels. The hearing will likely be a rehash of arguments that were made to the U.S. International Trade Commission before that body proposed its own set of remedies for the damage done to U.S. trade manufacturers by low cost imports.

**Trump gets to make the call:** The president will ultimately have full latitude to impose penalties on imported solar cells and panels, and the Solar Energy Industries Association is hoping to influence his decision by recasting their arguments against a tariff in Trump's preferred terms. The group rolled out its [America First Plan for Solar Energy](#), saying rejecting tariffs would promote "U.S. energy dominance," help national security and save jobs. Trump must make a decision by Jan. 26.

**Republicans urge no tariffs:** [35 House](#) and [six Senate Republicans](#) sent letters ahead of the hearing urging the Trump administration not to slap tariffs on imported solar equipment.

**ZINKE FLOATS SHRINKING MORE MONUMENTS:** Interior Secretary Ryan Zinke urged Trump in his [20-page final recommendations](#) to downsize Nevada's Gold Butte and Oregon's Cascade-Siskiyou national monuments, in addition to the drastic scalebacks of Bears Ears and Grand Staircase-Escalante national the president announced Monday. Management plans at half a dozen other monuments would be changed, though their boundaries would not be altered. And Zinke suggests creating three new national monuments: Camp Nelson in Kentucky; Medgar Evers's home in Mississippi; and the Badger II Medicine Area in Zinke's

own homestate of Montana.

**CITIES RALLY ON CLIMATE:** Some 36 U.S. mayors signed [an agreement](#) Tuesday vowing to do their part to curb greenhouse gas emissions even as the Trump administration has signaled its intent to leave the Paris agreement. Former President Barack Obama later delivered [brief remarks](#) to the gathering in Chicago thanking cities for showing "the kind of leadership that is needed at the moment" and mayors for helping to keep "our word on the world stage." Obama said "cities and states and businesses and universities and nonprofits have emerged as the new face of American leadership on climate change."

**MCINTYRE MIA?** It's been 34 days since Jones Day attorney Kevin McIntyre was confirmed by the Senate to be a FERC commissioner, and two weeks since he got his signed commission. Commissioners basically get to decide for themselves when they want to get sworn in, so speculation has swirled about why the would-be chairman hasn't shown up for work. McIntyre still has [a webpage](#) at Jones Day, which usually is one of the first things to go when a big firm lawyer takes a government job. An out-of-office reply from his work email account said he he would be back on Dec. 14. The White House did not respond to a request for comment, and a FERC spokesman said, "We have nothing on that at this time."

**AIN'T NO THING:** Grassley is downplaying the significance of the meeting that Sen. [Ted Cruz](#) secured with Trump and several Cabinet members on Thursday to discuss biofuels and vehicle fuel-efficiency policy. "The president keeps doing what he told the voters of Iowa, as well as me and Senator [\[Joni\] Ernst](#), which is supporting ethanol," Grassley told reporters Tuesday, adding that it's not unusual for the president to accept a meeting request from senators. The Iowa Republican also said he thinks Cruz's leverage has diminished since the EPA last week released the rule setting 2018 blending requirements for biofuels — which kept flat the levels for corn ethanol.

**SWEET TREAT:** Bishop gave Trump a special little treat during his Monday visit to Utah to unveil his monument recommendations: a box of chocolates from [a store](#) in his district. "It was cheesy but I thought why not?" he said. "He says he likes chocolates." No word on what Trump thought of the candy, which Bishop said was the store's popular nut roll.

**And another gift:** At a tax event at the White House on Tuesday, North Dakota state Sen. Jessica Unruh gave Trump a Make Coal Great Again hat as she praised the tax overhaul. "The production tax credit has destroyed the energy market, especially in the Midwest. We don't have a lot of electricity produced from natural gas in North Dakota. So wind production has really eroded our state tax base and replaced coal production when it comes to electricity production," she said. "We're also very thankful for all the regulatory reform we've seen come from your office."

**NO NOMINATION VACATION:** The Senate Environment and Public Works Committee [takes up](#) R.D. James' nomination to run the Army Corps of Engineers this morning at 10 a.m. in Dirksen 406. The nomination earlier this month cleared the Senate Armed Services Committee on a voice vote, though the crowded December to-do list suggests he may not get a floor vote until next year.

**In the afternoon,** an EPW subcommittee holds [a hearing](#) entitled "Challenges Facing Superfund and Waste Cleanup Efforts Following Natural Disasters." Witnesses are from Texas and California alone.

**SEE YOU IN COURT (AGAIN):** Joining environmental and public health [groups](#), a coalition of 15 Democratic attorneys general [sued](#) EPA on Tuesday for missing a key deadline related to implementation of its 2015 ozone standard, Pro's Alex Guillén [reports](#).

**MAIL CALL! DON'T TURN THE CAR (STANDARDS) AROUND:** At least 22 Democratic senators, led by [Ed Markey](#), [Sheldon Whitehouse](#) and [Kamala Harris](#), are sending Pruitt a letter this morning urging him not to weaken emissions standards for model years 2021 through 2025. "Regulated industries should not be able to undermine technically sound standards that have clear environmental and health benefits," they'll say in letter which ME has glimpsed. And their letter comes as the Union of Concerned Scientists releases a [new report](#) arguing automakers have for decades repeated a "familiar pattern" of attacking new policies as technologically infeasible.

**TAKE A LOOK PLEASE!** Seven Democratic senators asked GAO in a letter to examine how the Trump administration developed its lower social cost of carbon figure. In particular, they asked for an examination of how other states and countries created similar measures. Link [here](#).

**FIGHTING PARK SERVICE CUTS:** The NRDC Action Fund is launching a five-figure, TV ad campaign in Montana today against the Trump administration's proposed cuts to the National Park Service and urging Sen. [Jon Tester](#) to continue fighting them. Watch it [here](#).

**FOR YOUR RADAR:** The American Legislative Exchange Council is meeting today through Friday in Nashville and conservative legislators will weigh a model resolution calling on EPA to review the endangerment finding, which requires regulations to limit greenhouse gas emissions. ALEC members will vote on the proposal Thursday. Exxon Mobil, a private sector member of ALEC, is opposing the push, particularly because of its language questioning climate science, [The Hill reports](#).

**STUDY BUDDIES:** E2, former DOE head Ernest Moniz's Energy Futures Initiative and the National Association of State Energy Officials are teaming up on a detailed analysis of energy jobs for every state, including jobs in solar, wind, energy efficiency and clean transportation. The groups expect the report out by Spring 2018.

**HOW TO DIGITIZE AN ELECTRIC GRID:** The Bipartisan Policy Center released a series of recommendations Tuesday for how to digitize the electric grid. Among their suggestions: Having DOE convene a task force on the issue and including funding for modernizing grid investment as part an infrastructure package. Read the whole report [here](#).

## QUICK HITS

- A radical startup has invented the world's first zero-emissions fossil-fuel power plant. [Quartz](#).
- EPA Reaches Settlement With Energy Plant Over Toxic Odors. [AP](#).
- Trump science job nominees missing advanced science degrees. [AP](#).
- The Environmental Case Against Bitcoin. [New Republic](#).
- Lisa Murkowski warns Trump nominee to keep federal energy data free of politics. [Washington Examiner](#).

— PPL expects sharp decline in coal fleet by 2050. [Utility Dive](#).

## HAPPENING TODAY

9:30 a.m. — USTR hearing on crystalline silicon photovoltaic cells, 1724 F Street NW, Rooms 1 and 2

10:00 a.m. — Indigenous groups hold pray-in to demand Congress drop Arctic drilling from their tax bill, U.S. Capitol

10:00 a.m. — [Hearing](#) on "Endangered Fish Recovery Programs Extension Act of 2017," House Natural Resources Water Subcommittee, Longworth 1324

10:00 a.m. — Senate Environment and Public Works holds a [hearing](#) on the nomination of R.D. James to be assistant secretary of the Army for civil works, Dirksen 406

12:00 p.m. — "[The Role of Natural Gas in the US Economy](#)," Women's Council on Energy and the Environment, Denton's, 1900 K Street NW

12:30 p.m. — "[Agriculture and the environment in 2018: Conservation programs, the waters of the United States, and the Renewable Fuel Standard](#)," American Enterprise Institute, 1789 Massachusetts Avenue NW

1:00 p.m. — "[Fleeing Change: Relocating the Village of Newtok, Alaska](#)," Wilson Center, Ronald Reagan Building and International Trade Center, 1300 Pennsylvania Ave. NW

2:30 p.m. — "[Challenges Facing Superfund and Waste Cleanup Efforts Following Natural Disasters](#)," Senate Environment and Public Works Superfund and Waste Management Subcommittee, Dirksen 406

2:45 p.m. — Senate Indian Affairs Committee hearing on water rights, Dirksen 628

3:00 p.m. — Rep. McEachin hosts a roundtable discussion on Black Entrepreneurs in the Green Economy on Clean Power Plan repeal, Longworth 1539

## THAT'S ALL FOR ME!

*To view online:*

<https://www.politicopro.com/newsletters/morning-energy/2017/12/senior-republicans-feeling-upbeat-on-anwrs-chances-041784>

## Stories from POLITICO Pro

**House tax bill slashes value of wind energy tax credit** [Back](#)

By Eric Wolff | 11/02/2017 02:20 PM EDT

The House tax bill released Thursday would substantially reduce the value of a key wind energy incentive, tighten requirements on what renewable energy companies have to do to qualify for tax credits, extend a nuclear energy tax break, and restore support for clean energy technologies that had been "orphaned" from an earlier tax extenders law.

The bill also eliminates an electric vehicle tax credit and jettisons some little-used oil industry tax breaks — as well as getting rid of the more significant domestic production tax deduction enjoyed by oil companies and other manufacturers.

The wind industry was quick to condemn the changes to its tax treatment.

"Despite comments to the contrary, this proposal reneges on the tax reform deal that was already agreed to, and would impose a retroactive tax hike on an entire industry," Tom Kiernan, CEO of the American Wind Energy Association, said in a statement. "The House proposal would pull the rug out from under 100,000 U.S. wind workers and 500 American factories, including some of the fastest growing jobs in the country. We expect members of the House and Senate to oppose any proposal that fails to honor that commitment, and we will fight hard to see that wind energy continues to work for America."

Here are some highlights from the [text](#) and a [section-by-section summary](#) provided by the Ways and Means committee.

— **PTC cutbacks:** The bill would reduce the value of the Production Tax Credit to 1.5 cents per kilowatt-hour, the level it was set at in 1992, rather than indexing it for inflation. That would reduce its value far beyond the terms of a tax credit phase-out that was implemented with bipartisan support in 2015. Wind farms and other eligible projects that begin construction this year can now claim a 1.9 cents/kWh credit, down from 2.3 cents/kWh for projects that started last year. The credit is scheduled to disappear for projects built after 2019 under current law, a schedule maintained in the House bill.

Developers also would face tougher requirements to claim the credit, the value of which is determined by when construction begins. The House bill requires a "continuous program of construction" until a facility comes online in order to qualify for the credit, eliminating provisions of existing law that allow developers to make "safe harbor" investments to qualify. The Joint Committee on Taxation says eliminating the inflation-adjustment and tightening the construction requirements will save \$12.3 billion over 10 years, according to the bill summary.

— **ITC repealed after 2027, orphan credits revived :** The House bill extends the investment tax credit for a set of "orphaned" technologies left out of the 2015 legislation phasing out the ITC and PTC over five years. Fuel cells, small wind turbines, combined heat and power systems and microturbines can now claim the ITC until Jan. 1, 2022, with the credits phasing down at the same rate as the solar ITC. But what was to be a permanent 10 percent tax credit for solar investments will now terminate at the end of 2026. The House bill includes similar "continuous construction" requirements for the ITC as for the PTC. The changes would cost the government \$1.2 billion in reduced revenues over 10 years, according to JCT estimates cited in the bill summary.

— **Advanced nuclear tax credit extended:** The bill extends a tax credit for advanced nuclear projects, allowing the secretary of Treasury to transfer unused credits after 2020, which was the in-service deadline under current law. The extension has long been a priority for South Carolina Republican Sens. [Lindsey Graham](#) and [Tim Scott](#), among others. The credits would cost \$400 million over 10 years.

— **Utilities keep interest deduction:** The bill would change how much loan interest some businesses can deduct from their taxes, while allowing them to take advantage of full expensing of capital investments. However, it excludes regulated utilities from the new rules,

providing a win for the industry. Eric Grey, director of government relations for the Edison Electric Institute, a trade group, told POLITICO in September that losing the interest tax deduction was a major concern for utilities. Overall, JCT estimates the deduction-and-expensing changes would save the government \$172 billion over 10 years.

— **No more 199:** The House bill would eliminate the domestic manufacturing credit known as section 199. Current law allows certain oil and gas companies to claim a 6 percent tax deduction, and other manufacturers can claim a 9 percent deduction, but the House bill would strip section 199 from the tax code starting next year. Doing so would save \$95.2 billion over 10 years.

— **Minor oil credits repealed:** The bill repeals two small oil industry credits that have barely been used because they only kick in when commodity prices are low. Repealing the enhanced oil recovery credit would cost the government about \$200 million over 10 years, while eliminating the marginal well production credit would have no effect on revenues.

— **EVs lose credit:** The bill repeals a \$7,500 tax credit for electric vehicles. It is part of a slew of tax credits, along with a mortgage credit, and an adoption credit, that the bill proposes repealing. Repealing all of the credits would save \$4 billion over 10 years, but the summary does not include a JCT estimate for the electric vehicle credit alone.

— **Biodiesel, CCS missing:** An expired biodiesel blenders credit was not restored, something likely to become an issue in the Senate where Sen. [Chuck Grassley](#) wants it revived as a producers credit; and a credit for carbon capture and sequestration did not get in the text, despite having bipartisan support.

To view online [click here](#).

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**Senate tax writers teeing up tax extenders bill** [Back](#)

By Aaron Lorenzo and Bernie Becker | 12/05/2017 07:23 PM EDT

Leading GOP senators expect legislation to extend expired tax provisions to come together in the next couple of weeks.

Energy and agriculture provisions are driving the plan.

"We always wind up doing it, so yeah, I suspect that's something we'll have to do," said Senate Finance Chairman [Orrin Hatch](#) (R-Utah). "There hasn't been much talk about it right now, but there's always loose ends that you just have to tie up."

The items, which would revive short-term tax benefits to promote renewable energy sources like biodiesel and solar power, as well as rail lines crucial to farming communities, weren't included in the major tax legislation already advancing in Congress, [H.R. 1 \(115\)](#). Nor were they part of the massive package of tax extenders Congress passed in 2015.

Instead, these extra extensions of longstanding policies are moving separately.

They could ride with an end-of-year government funding agreement, according to multiple sources on Capitol Hill, as well as lobbyists.

"I wanted it in the bigger tax bill but there are so many extenders that they just made it too complicated," said Sen. [Mike Crapo](#) (R-Idaho). "So the decision was made — not by me — to pull the extenders back for a different bill."

Crapo is pushing to continue a tax credit to maintain short-line railroads, which connect farm goods from hard-to-reach locations around the country to main rail arteries that can carry the food anywhere.

Sens. [Johnny Isakson](#) (R-Ga.) and [Tim Scott](#) (R-S.C.) are advocating to extend a 2020 deadline on tax credits for new nuclear energy projects. Sen. [Chuck Grassley](#) (R-Iowa) has worked on biodiesel.

In the House, a separate effort has been afoot to further delay start dates on several health care-related taxes, like the medical device excise tax and health insurance tax, connected to the Affordable Care Act.

**WHAT'S NEXT:** Government funding runs out Dec. 8, and talks on longer-term spending plans are ongoing.

To view online [click here](#).

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**House GOP leaders vow no deals with Democrats on stopgap spending** [Back](#)

By Jennifer Scholtes and Sarah Ferris | 12/05/2017 11:06 AM EDT

House Republican leaders have promised conservatives that they won't grant concessions to Democrats to get enough votes for a stopgap spending bill — gaining GOP support but also raising the specter of a government shutdown later this month.

Majority party leaders in the House tentatively decided Tuesday morning to hold tight on their plan to fund the government through Dec. 22, bucking calls from conservatives to move the deadline to Dec. 30.

Still whipping to ensure sufficient GOP support, leaders pushed off a Rules Committee meeting and final floor action by a day, with House passage on the two-week patch, [H.J. Res. 123 \(115\)](#), now expected Thursday. Government funding runs out on Friday.

Those intraparty talks will drag into Wednesday, after a huddle with House Speaker [Paul Ryan](#), conservative holdouts and defense hawks ended without a resolution Tuesday afternoon. A final decision isn't expected until Wednesday morning, after another last-minute meeting by the House Freedom Caucus.

The problem with the House strategy is that Senate Republicans still need the votes of at least eight Senate Democrats to advance spending legislation, likely resulting in deal-making later this month that won't fly with fiscal conservatives in the House.

Enough Senate Democratic votes appear possible for a "clean" stopgap spending bill, or continuing resolution, that would extend from Friday until Dec. 22. Both parties hope to have reached a bipartisan, two-year agreement on overall spending levels for defense and non-defense programs by later in the month.

"We don't know what the House is going to do, but if it's a short-term CR, it gives us a little more time to do the things we're talking about now," Senate Minority Leader [Chuck Schumer](#) told reporters Tuesday afternoon, noting that top congressional leaders plan to meet with President Donald Trump on Thursday to work on topline budget caps.

Senate Majority Leader [Mitch McConnell](#) also indicated that Republicans in the upper chamber are gunning for a two-week stopgap rather than a deal until Dec. 30, which he said isn't "the best way to go forward."

But the trouble could come with the vote on a second stopgap just before the Christmas holiday, when Democrats would be expected to make more demands such as an agreement on how to treat DREAMers, young undocumented immigrants. If GOP leaders in the lower chamber stay true to their promises to the likes of the House Freedom Caucus, the game plan could result in shutdown-spurring deadlock right before lawmakers plan to leave town for the holidays.

The scheduling changes in the House came after members of the Freedom Caucus temporarily [withheld support](#) on a tax vote Monday night to get leaders to opt for a Dec. 30 deadline.

But for now, fiscal hardliners seem appeased by other commitments they've clinched after making that demand.

Rep. [Dave Brat](#) (R-Va.), a member of the Freedom Caucus, said leaders "made some great assurances" during a Tuesday morning Republican Conference meeting that "the team stays together" on issues that could emerge.

"And that means you don't go to the Democrats like usual at Christmastime or right after," Brat told reporters.

Longtime spending leader Rep. [Hal Rogers](#) (R-Ky.) suggested House lawmakers could try to force the Senate to accept their version of the second patch.

"If we pass a bill on or about the 22nd and go home, then the Senate will need to make up its mind about what to do about that," Rogers said. "The option is either: Pass or have a shutdown in place."

Ryan expressed confidence that the initial funding measure will pass this week but didn't address prospects for a deal beyond Dec. 22.

"I feel like we're going to have a majority, and we're going to have 218 for passing the CR we had this week," Ryan told reporters Tuesday morning. "We're having a good conversation with our members about timing and date and tactics and all the rest. The point is, we're having the kind of family discussion that we need to have on how to proceed forward with a majority, and I'm confident we'll have that."

In punting the drama to the week before Christmas, GOP lawmakers may try to jam

Democrats with big boosts to defense spending.

An unlikely mix of conservatives and defense hawks is still eyeing a plan to attach a full year of Pentagon funding to the Dec. 22 bill — a move that would cause a showdown in the Senate.

Democrats in that chamber have refused to back a bill that prioritizes the military over spending on domestic programs. And Senate Minority Whip [Dick Durbin](#) dug in on [that threat](#) Tuesday.

Some conservatives in the House are betting pressure to fund the Pentagon would be just enough to convince a handful of red-state Democrats to vote in support of a second government funding bill later this month.

If the military funding isn't enough, House Republicans are tossing around another bargaining chip: a disaster aid package. That bill would include tens of billions of dollars for storm-ravaged Florida, Texas, Puerto Rico and the U.S. Virgin Islands, making it tougher for Democrats to oppose.

Another must-pass item, funding for the Children's Health Insurance Program, could also be added to the bill, lawmakers said.

"Is the Senate going to turn around, Christmas or New Year's, and say we're not going to take care of the defense of America, we're not going to take care of these people with these hurricanes?" Rep. [Bradley Byrne](#) (R-Ala.) said. "If they are, then it's on them."

*Connor O'Brien contributed to this report.*

To view online [click here](#).

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**Greens sue EPA over missed ozone designation deadline** [Back](#)

By Alex Guillén | 12/04/2017 03:04 PM EDT

Ten environmental and public health groups today [sued](#) EPA for missing a key deadline to implement the 2015 ozone standard.

EPA faced a statutory deadline on Oct. 1 to say which parts of the U.S. were meeting the new ozone standard. Administrator Scott Pruitt said over the summer that he would delay that decision by one year, although he reversed course after several lawsuits were filed. EPA last month [issued designations](#) for 85 percent of all U.S. counties which it said met the standard or did not have enough information to decide.

But the agency has remained silent on the remaining 15 percent of the nation, which includes many of the urban and downwind regions that face the worst smog pollution. Any area deemed in "nonattainment" will have to write a plan to reduce ozone-related pollution, and EPA's delay also puts off any requirement for those areas to act.

A coalition of Democratic attorneys general is also expected to sue EPA soon.

EPA has faced similar lawsuits after delaying designations under previous standards — such as the 2010 sulfur dioxide rule, for which environmental groups negotiated a consent decree with the Obama administration that set a series of designation deadlines lasting through 2020.

It's unclear whether a similar deal can be reached here. Pruitt recently issued a directive barring EPA from agreeing to such consent decrees. If EPA resists negotiations, the court may set its own timeline for the agency to act.

**WHAT'S NEXT:** The environmentalists' suit was filed in the U.S. District Court for Northern California. EPA has not indicated when it may act on the remaining designations.

To view online [click here](#).

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### Democratic AGs sue EPA over missed ozone deadline [Back](#)

By Alex Guillén | 12/05/2017 05:06 PM EDT

Fifteen Democratic attorneys general today [sued](#) EPA for missing a key deadline to implement the 2015 ozone standard.

EPA Administrator Scott Pruitt faced an Oct. 1 deadline to declare which parts of the country failed to meet the 2015 standard. Pruitt has issued designations for 85 percent of the nation's counties that either meet the standard or lack the data to make a decision. But he has not said which areas are in nonattainment, a designation that would require those states to write and implement a plan to clean up the air.

A number of the states involved face ozone pollution problems, including car-heavy California and New York as well as states in New England, which are often referred to as the "nation's tailpipe" since pollution from other states blows in their direction.

The AGs who joined the lawsuit include those from California, Connecticut, Illinois, Iowa, Maine, Maryland, Massachusetts, Minnesota, New York, Oregon, Pennsylvania, Rhode Island, Vermont, Washington and the District of Columbia.

**WHAT'S NEXT:** The AGs' lawsuit comes one day after environmental and public health groups [sued](#) over the same issue. Both are in the U.S. District Court for Northern California.

To view online [click here](#).

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**Date:** Friday, August 25, 2017 5:44:39 AM

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By Anthony Adragna | 08/25/2017 05:41 AM EDT

*With help from Annie Snider and Ben Lefebvre*

**HARVEY MESSES WITH TEXAS:** Hurricane Harvey is [closing in on](#) the Texas coast, with the bullseye painted right on Corpus Christi. The storm will be the first to hit the Texas coast since the Category 4 Hurricane Ike slammed into Houston in September 2008. Harvey looks likely to reach at least Category 3 by the time it makes landfall early Saturday, according to forecasts. It has already caused BP, Exxon Mobil, Anadarko and other oil companies to evacuate their deepwater rigs. BSEE [estimated](#) the shutdowns took 10 percent of the Gulf of Mexico's oil production offline as of mid-day on Thursday, and that number is only likely to be higher when the agency's next bulletin comes out later today. Harvey will also throw a wrench into U.S. oil exports, much of which leaves the country via Corpus.

**Harvey could prove to be the first big test of FEMA's new head,** Brock Long, who won Senate confirmation in June. FEMA set up an Incident Support Base at near Seguin, Texas, complete with supplies, a spokeswoman said, but so far there have been no requests for support.

**Bolstering the case for the Ike Dike?** The petrochemical and refining operations around Galveston and the Houston Ship Channel aren't expected to be at the epicenter of this storm, as of Thursday's forecast, but emergency planners there have been worrying ever since Hurricane Ike inflicted \$29.5 billion in damages and killed 74 people in 2008. Texas politicians and business leaders have been pushing the idea of a massive seawall to protect Galveston and Houston, and in April [asked](#) President Donald Trump for \$15 billion for the project. Hurricane Harvey could help them continue to make the case as they fight for federal funding. But environmental groups are wary of the effort, dubbed the "Ike Dike," arguing it could hugely alter the salinity patterns and block key fish species in Galveston Bay, where millions of dollars, including money related to the 2010 Deepwater Horizon oil spill, have been spent on environmental restoration.

**What about New Orleans?** A dozen years after Hurricane Katrina ravaged the city, the Big Easy may not be prepared to handle heavy rains this time around with three of five turbines that power drainage pumps for the low-lying city not working, the New Orleans Advocate [reports](#). In addition, 15 of the city's 120 water pumps are offline as the city braces for between five and 10 inches of rain.

**Reupping:** How bad can it get for Houston? [This bad](#).

**TGIF EVERYBODY!** I'm your host Anthony Adragna, and Parametrix's Dwight Miller correctly identified Tonga as the country that once issued banana-shaped stamps. For today: Who is the oldest still-living former U.S. governor? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#), and [@POLITICOPro](#).

**PROGRAMMING NOTE:** [Morning Energy](#) will not publish from Aug. 28-Sept. 4. Our next [Morning Energy](#) newsletter will publish on Sept. 5. Please continue to follow Pro Energy issues [here](#).

**REPORT: THREE MONUMENTS IN BULLS EYE:** Interior Secretary Ryan Zinke didn't make public his report on what to do with 22 national monuments under review, but his recommendations call for shrinking three of the most controversial sites — Bears Ears and Grand Staircase-Escalante monuments in Utah and Cascade-Siskiyou in Oregon, the Washington Post [reports](#), citing "multiple individuals briefed on the decision." Remember a final decision to reduce the size of any of the national monuments will be almost immediately challenged by environmental and conservation groups, as well as sympathetic attorneys general.

**Groups slammed the decision** by the Interior Department not to release the draft report, and the complaints grew louder throughout the day Thursday. "This summary is not transparent and this is not how our government should do business," Sen. [Tom Udall](#) (D-N.M.) said in a statement. "The American people have the right to see his entire report. A proposal to strip protections from public lands should be made public immediately," Sen. [Dianne Feinstein](#) (D-Calif.) added in her own statement. The Center for Biological Diversity announced it had already filed [a FOIA request](#) for the document.

**One monument spared:** A source briefed on Zinke's decision told the [Bangor Daily News](#) the draft recommends keeping the Katahdin Woods and Waters National Monument intact while making "some changes on allowable uses." That goes against the wishes of bombastic Maine Gov. Paul LePage, who urged Congress and the Trump administration to [undo the designation](#).

**READY, STEADY, CAN DOE GO?** It's unclear whether any of the recommendations from Energy Secretary's Rick Perry much-anticipated grid study have legs, but that answer may depend on how much weight the administration throws behind them, Pro's Darius Dixon [reports](#). "If these recommendations, as a suite, are something that the administration really wants to do, someone in the White House is going to have to quarterback that," said Greg Gershuny, who served as chief of staff in DOE's Energy Policy and Systems Analysis office during the Obama administration. "How engaged Perry is and how many times a week he's going to the Hill and talking to other agency heads is going to tell us a lot about how serious they are about this."

**Four issues Darius suggests watching:** Efforts to have FERC "expedite" its work to reformulate how electricity markets pay power generators; research and development dollars toward grid reliability, which the Trump administration's first budget suggested cutting deeply; a push to speed and reduce the cost of "licensing, relicensing, and permitting of grid infrastructure" and calls for EPA to revisit its New Source Review permitting program that requires power plants to tighten emissions controls when they upgrade. **A caution:** Several of those issues have proven to be thorny matters for agencies to address over several administrations.

**API SOUNDS WARNING ON NAFTA:** In [an op-ed](#) published Thursday, the American Petroleum Institute's Jack Gerard urged the Trump administration not to tinker with key energy trade provisions as it worked to negotiate NAFTA. "By maintaining successful provisions on zero tariffs, market access, trade liberalization and strong investment protection, the Trump administration can modernize NAFTA without jeopardizing energy trade flows," he wrote. Among the most-watched provisions, Gerard voiced strong support for preserving

the investor-state dispute settlement provision, which he said is "a neutral arbitration system for enforcing these protections, safeguarding American investments."

**ACCESS DENIED:** EPA leadership has adopted a new social media policy that will see employees barred from accessing many popular sites, according to an email from the agency's human resources office obtained by ME. "Due to recent events in the news we are going to start blocking many of the popular social media sites for employees who do not need them for justified, business purposes," it says. Employees must now complete a mandatory survey on their behavior before a default block takes effect.

**MORE GROUPS OPPOSE CLOVIS:** Dozens of environmental and food groups are out this morning with [a letter](#) urging senators to oppose Sam Clovis' nomination to be USDA's chief scientist. "Without competent, science-based leadership, the USDA will be unable to protect our environment and help thousands of farmers and their communities adapt to these worsening burdens," the letter, led by Friends of the Earth and the Health, Environment, Agriculture, Labor Food Alliance, says. The groups argue the nomination of Clovis, who lacks any formal scientific training, also violates the law.

**REPORT: DEMOCRAT BACKS BLM MOVE WEST:** Sen. [Michael Bennet](#) became the latest Colorado politician to back moving three federal agencies — the Bureau of Land Management, the Bureau of Reclamation and the U.S. Fish and Wildlife Service — to the Denver area, according to a report in [Western Wire](#), a project of the Western Energy Alliance. "I think anything we can get out of Washington, D.C. and into Colorado, I'm for," the Democrat said. Republican Sen. [Cory Gardner](#) and Gov. John Hickenlooper are among the other proponents of the move west.

**WHAT A MESS!** Even as he takes pot shots at congressional leadership, President Donald Trump is trying to set up a meeting with Senate Majority Leader [Mitch McConnell](#), House Speaker [Paul Ryan](#), Minority Leader [Chuck Schumer](#) and House Minority Leader [Nancy Pelosi](#) in the near future to stave off a federal default and a government shutdown, POLITICO's Kyle Cheney and Seung Min Kim [report](#). Ryan predicted Thursday that Congress would pass a debt ceiling increase and said there are "a lot of options" about how to structure the legislation. He also said a short-term government funding bill would likely be needed to keep the lights on through December, though there's no guarantee Trump would sign that if it doesn't include border wall funding.

**ZINKE'S STILL ON THE MOVE:** He may be facing heat over his private national monument report, but Zinke travels to the Great Smoky Mountains National Park and the Blue Ridge Parkway today to commemorate the 101st anniversary of the founding of the National Park Service.

**ME's off next week,** but Energy Secretary Rick Perry travels to Astana, Kazakhstan on Aug. 28 for a "Future Energy" expo along with Rep. [Kevin Cramer](#) and Overseas Private Investment Corporation CEO Ray Washburne, among others.

**CALIFORNIA REPUBLICANS OUST LEADER OVER CLIMATE VOTE:** California Assembly Republicans voted unanimously Thursday behind closed doors to oust Chad Mayes as their leader following his vote last month in favor of bipartisan climate change legislation, the Mercury News [reports](#). "The Republican caucus just elected a new Republican leader," Mayes announced on the floor following the 25-member caucus' vote. The new leader of the bloc, farmer Brian Dahle, voted against the extension of the state's cap and trade program.

**MAIL CALL! N.H. LAWMAKERS SEEK UPDATE ON WATER CONTAMINATION:**

New Hampshire's two Democratic senators — [Jeanne Shaheen](#) and [Maggie Hassan](#) — and Rep. [Carol Shea-Porter](#) sent [a letter](#) to the Air Force requesting an update on efforts to decontaminate water supplies fouled with perfluorinated chemicals at the former Pease Air Force Base. They sought a public meeting as well as an opportunity for local elected officials to receive an update.

**REPORT: HOW TO GET HYDROPOWER DEPLOYED FASTER:** The R Street Institute released [a report](#) Thursday detailing a series of changes to the hydropower licensing process that it said would speed deployment of the renewable power source. "Congress and the administration should prioritize the reduction of uncertainties and delays in hydropower licensure, which largely stem from duplicative processes, poor dispute resolution and lack of schedule discipline," the report said. Among the top suggestions are making FERC the sole federal decision-maker and studying the possibility of privatizing federally owned dams.

**NO MORE HOLDING ON RENEWABLES:** Green America launched a [new campaign](#) Thursday urging AT&T and Verizon to publicly commit to fuel their operations with 100 percent renewable energy by 2025. "AT&T and Verizon both recognize the urgency of climate change and the need for action, now we need to see that concern translate into commitments to purchase of wind and solar power," Beth Porter, climate campaigns director at Green America, said in a statement. Both companies are currently using less than two percent renewable energy to power their massive servers, according to Green America.

**RECORDS SOUGHT OVER AUTO REVIEW:** The Center for Biological Diversity filed an [open records request](#) Thursday seeking copies of all communications between representatives of the auto industry and EPA and NHTSA over the federal reassessment of vehicle fuel economy standards. "The public deserves to know the truth about whether backroom deals are influencing the agency," Vera Pardee, a senior attorney with the group, said in a statement.

**TROLL SO HARD:** 314 Action, a new group hoping to get scientists elected to public office, [tweeted](#) a picture of several copies of "Environmental Science for Dummies" that they sent to EPA Administrator Scott Pruitt at the agency's headquarters.

**NEW DAY, NEW WEBSITE:** The House Energy and Commerce Committee unveiled a shiny new website Thursday that includes, among other things, an improved search system. Take a glance [here](#).

**QUICK HITS**

— Texas oil industry boasts of near-infinite supply — but what if the world stops buying? [Houston Chronicle](#)

— Billionaire Carl Icahn Has Lost More Money This Year Than Almost Anyone in the World. [Time](#).

— Small mining company seeks to kill Ironwood Monument designation. [Tuscon.com](#).

— Duke pipeline plan delayed over environmental concerns. [Cincinatti.com](#).

— China's Solar Appetite Eats Into India's Effort on Clean Energy. [Bloomberg](#).

## HAPPENING TODAY

\*Crickets\*

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#### **Perry's grid study: 4 things that may have legs** [Back](#)

By Darius Dixon | 08/24/2017 06:56 PM EDT

The Energy Department's study of the electric grid arrived late Wednesday, but it's not yet clear whether Secretary Rick Perry's efforts to help support nuclear and coal-fired power plants will have legs.

The 187-page [report](#) called for DOE to focus mostly on R&D and coordinating efforts to prepare for disasters, and left the heavy lifting for other agencies, such as FERC, EPA, the National Science Foundation and the Nuclear Regulatory Commission.

Among the recommendations are for FERC to "expedite" its work to reformulate how electricity markets pay power generators, and for EPA to revisit its New Source Review permitting program that requires plants to tighten emissions controls when they upgrade their plants — both issues that have proven difficult for the two agencies.

"If these recommendations, as a suite, are something that the administration really wants to do, someone in the White House is going to have to quarterback that," said Greg Gershuny, who served as chief of staff in DOE's Energy Policy and Systems Analysis office during the Obama administration and worked on the Quadrennial Energy Review.

"In the next four or five weeks, as Congress gets back, we'll see if these things are going to move," he said. "How engaged Perry is and how many times a week he's going to the Hill and talking to other agency heads is going to tell us a lot about how serious they are about this."

DOE, which did not submit the report for OMB review before its release, is now taking [public comments](#) on the study. Here's a breakdown of the issues.

**Wholesale electricity markets:** The new report calls on FERC to speed its work with states, grid operators and market players to "improve" how power producers are paid in the wholesale markets under the agency's jurisdiction. FERC had been grappling with the issue under its "price formation" initiative over the past three years, rolling out proposals and new rules to try to adapt to the increasing complexity of the electric grid — and to make sure power generators are fairly compensated.

However, grid operator PJM has [argued](#) regulators were thinking too small, and it released a trio of working papers earlier this year highlighting FERC's initiative while quickly noting that "fundamental" price formation issues hadn't been addressed. DOE suggested that FERC

consider "fuel-neutral" markets to pay for essential grid reliability services.

So far, FERC seems sympathetic.

Soon after President Donald Trump gave him the gavel this month, FERC Chairman Neil Chatterjee stressed that generators, including coal and nuclear plants, "need to be properly compensated to recognize the value they provide." FERC has broad authority to alter market pricing rules, but that can be a slow process, and can have vastly different impacts in different states and regions — and draw sharp political pushback.

ClearView Energy Partners analysts warned against dismissing opposition to market rules that raise electricity prices on consumers.

"FERC-led initiatives can often create strange bedfellows, strong alliances and more opposition than state-led proposals," a ClearView report issued Thursday said. "We are reluctant to assume this all goes as quickly as the change advocates hope."

DOE's study also argued that "negative offers should be mitigated to the broadest extent possible," a reference to the fact that renewables like wind power can still make money even if power prices go negative because they can rely on a federal production tax credit.

**Grid reliability R&D:** The new report says that DOE should "focus R&D efforts to enhance utility, grid operator, and consumer efforts to enhance system reliability and resilience." That view stands in contrast to the Trump administration's first budget proposal, which suggested cutting DOE's electricity office by 42 percent from current levels, to \$120 million.

Nevertheless, Perry has said he wants his agency to focus on "early-stage" research, with the intention of transitioning that work to the private sector as quickly as possible.

DOE's study says more research should be done on technology that will make it easier for grid operators to integrate increasing amounts of renewable power, facilitate technical coordination with Canada and Mexico, and increase "targeted" R&D to boost the efficiency of coal-fired power plants.

**Infrastructure development:** The new push calls on the federal government to "accelerate and reduce costs for the licensing, relicensing, and permitting of grid infrastructure" — including power plants and transmission — which could easily involve a half-dozen federal agencies.

DOE, the study says, "should review regulatory burdens for siting and permitting for generation and gas and electricity transmission infrastructure and should take actions to accelerate the process and reduce costs."

The Obama administration sought to quicken the electric transmission permitting process in 2013 with a [memo](#) to the chiefs at the departments of Agriculture, Commerce, Defense, Energy and Interior, which resulted in a [final rule](#) last year. Several members of Congress have also pressed the issue in legislation, including in the 2015 highway bill that [included](#) directives to more than a dozen agencies to join a new permitting council tasked with speeding up the federal process for large infrastructure projects.

DOE also recommends that the NRC "ensure the safety of existing and new nuclear facilities without unnecessarily adding to the operating costs and economic uncertainty of nuclear

energy" and, without much explanation, "[r]evisit nuclear safety rules under a risk-based approach."

The report doesn't target specific NRC regulations, but does discuss the agency's license renewal process and the expenses associated with equipment upgrades, which may make it a prime target for cost reductions.

**Breaking down barriers for coal power:** The study recommends that policymakers "encourage EPA to allow coal-fired power plants to improve efficiency and reliability without triggering new regulatory approvals and associated costs." That's a reference to the New Source Review permitting program, which was created under the 1977 Clean Air Act amendments to prevent coal plants and other major emitters from making equipment changes or upgrades that would increase their emissions.

Reforming the program has been an industry priority for decades, with companies arguing that power plants have held back on making upgrades that would increase their efficiency because of concerns that they would have to go through the NSR permitting process. A collection of unions earlier this summer, for example, [called for NSR reform](#) as part of any replacement rule for the Clean Power Plan.

But multiple Bush administration attempts to weaken permitting requirements show that NSR reform is much easier said than done. A 2002 rule was partly [struck down](#) by the D.C. Circuit Court of Appeals, which said several new exemptions were not allowed under the Clean Air Act. Another 2003 rule introducing another major exemption was completely [tossed out](#) by the D.C. Circuit. A third NSR [rulemaking](#), issued in the final days of Bush's presidency, dealt with how sources report emissions changes. Environmentalists sued, and the rule remains under reconsideration at EPA to this day.

To view online [click here](#).

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**Trump takes potshots at GOP leaders as fiscal crisis looms** [Back](#)

By Kyle Cheney and Seung Min Kim | 08/24/2017 03:40 PM EDT

President Donald Trump on Thursday reignited his feud with GOP leaders, taking fresh potshots at Senate Majority Leader Mitch McConnell and House Speaker Paul Ryan. But underneath the bluster, there's a recognition that Congress and the White House still need to work together to avoid fiscal disaster in September.

Trump is working to convene a meeting with McConnell and Ryan as well as Senate Minority Leader Chuck Schumer and House Minority Leader Nancy Pelosi soon after the August recess ends, according to congressional sources. Avoiding a federal default and a government shutdown will likely be chief among the topics of discussion.

It could be an awkward meeting.

Trump blamed McConnell and Ryan in a pair of tweets Thursday for creating a "mess" over the debt ceiling, contending they rejected his call to attach an increase in the nation's

borrowing limit to a bipartisan veterans bill.

"I requested that Mitch M & Paul R tie the Debt Ceiling legislation into the popular V.A. Bill (which just passed) for easy approval," Trump wrote Thursday morning. "They didn't do it so now we have a big deal with Dems holding them up (as usual) on Debt Ceiling approval. Could have been so easy-now a mess!"

The tweets underscore the absence of a strategy heading into a delicate month of negotiations that could rock the U.S. economy as well as Trump's refusal to call a truce in the GOP's growing civil war.

The White House had said Wednesday that Trump and McConnell will meet following the August recess to discuss the fall agenda, though it did not mention Democratic leaders. A White House spokesperson didn't immediately respond to a question about a bipartisan meeting, but press secretary Sarah Huckabee Sanders said Trump intends to work closely with congressional leaders on shared policy goals.

Trump's tweet aside, passing a debt limit increase was never going to be easy.

The White House favors a "clean" debt ceiling hike. But conservatives in the House and Senate are loath to back any measure that increases the nation's borrowing authority without corresponding spending cuts and reforms. Connecting a "clean" debt ceiling hike to a veterans bill would have put them in an untenable position of either voting against their fiscal priorities or against the bipartisan VA measure.

Though the notion of tying a debt ceiling increase to the veterans measure was always likely to be doomed, one GOP source said the Senate had been preparing to support it, only to be stymied when House leaders opted to adjourn for the August recess.

Ryan said on CNBC on Thursday that the House had looked at linking the debt ceiling to the VA bill but the deadline came up and "we weren't able to do that then." Recess was also fast approaching, and House GOP leaders didn't want to keep Republicans in town for a toxic vote and then send them home feeling demoralized and angry.

Two House Republican sources also note that leaders in their chamber were worried that some GOP lawmakers would fume at being squeezed into supporting veterans and a debt increase they hated — or voting against those who served the country and sticking to their fiscally conservative principals.

At one point in early August, according to the same sources, the White House suggested the House, which left a week before the Senate, return for a debt ceiling vote. House GOP leaders rejected the idea outright because they knew it would upset their members to return for despised legislation.

Still, Ryan predicted Thursday that Congress would pass a debt ceiling increase and said there are "a lot of options" about how to structure the legislation.

Ryan also said he expects the House to pass bills to keep the government open about a week after Congress returns. But he said the Senate's heavy workload in September — which, unlike the House agenda, includes confirmation of judges, subcabinet officials and ambassadors — will likely require a short-term funding measure to keep the government open until December.

Trump, though, has signaled that he's open to playing hardball for border wall funding, raising the prospect of a shutdown next month if he doesn't sign the short-term funding extension.

Trump is increasingly furious at Senate Republicans for failing to repeal Obamacare and not doing more to curb the Russia investigations. He [vented to](#) Sens. Bob Corker (R-Tenn.) and Thom Tillis (R-N.C.) over the phone, is [seeking a primary challenger](#) to Sen. Jeff Flake (R-Ariz.) and has expressed frustration at Sen. John McCain (R-Ariz.). He's also drawn criticism from senators for his handling of the violent white supremacist march in Charlottesville, Virginia.

Trump has particularly tangled with McConnell, shouting at him in a phone call earlier this month, while the Senate majority leader later questioned Trump's political acumen.

After hitting McConnell and Ryan over the debt ceiling, Trump added another broadside in his morning tweetstorm.

"The only problem I have with Mitch McConnell is that, after hearing Repeal & Replace for 7 years, he failed!" Trump tweeted. "That should NEVER have happened!"

Trump's attack on the Republican leaders came just a day after the White House and McConnell's office issued conciliatory statements intended to tamp down talk of a breach and after the two men had not spoken for two weeks. McConnell's statement also listed preventing a government default among his and Trump's shared goals.

And even as Trump showed no inclination to lighten up on his fellow Republicans, GOP lawmakers on Thursday appeared to try to lower the temperature around their squabble with the president.

Asked about Trump's debt-ceiling swipe, Ryan told CNBC, "I don't really take it as going after me." McConnell also [praised](#) Trump at a public appearance in Kentucky on Thursday.

Sen. Lindsey Graham (R-S.C.), a frequent Trump critic, said during an interview with conservative radio host Hugh Hewitt that Trump is right to criticize Congress and encouraged lawmakers to take tough votes.

Even Sen. Jeff Flake told Fox News he was "glad" Trump visited Arizona this week to tour the border, despite Trump's repeated attacks on him.

Still, Flake also poked at Trump in a separate interview, with CNN reporting Flake said Trump was "inviting" a 2020 challenger by how he is governing.

*Elana Schor and Rachael Bade contributed to this report.*

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**Date:** Monday, December 04, 2017 5:43:03 AM

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By Anthony Adragna | 12/04/2017 05:40 AM EDT

*With help from Alex Guillén*

**TRUMP'S MONUMENTAL DECISION:** The news spotlight will shift to Salt Lake City today, where President Donald Trump is expected to unveil his decision to drastically trim Utah's Bears Ears and Grand Staircase-Escalante national monuments after deciding the designations under the Antiquities Act were overreach. The moment marks a huge victory for the state's congressional delegation, which fought hard to undo the designation. "Every elected official from the mayors to the commissioners, every single elected representative, got engaged in it. It was the real, Utah cumulative, everybody-pull-together kind of thing," Boyd Matheson, president of the Sutherland Institute, told the [Salt Lake Tribune](#). Look for a whole bunch of VIPs, including Interior Secretary Ryan Zinke, Sen. Orrin Hatch and House Natural Resources Chairman [Rob Bishop](#), to be on hand for the Trump's announcement.

**But expect the pushback to be instantaneous** and lengthy legal battles to follow. Some 5,000 people protested the anticipated decision outside the Utah State Capitol over the weekend (picture via League of Conservation Voters [here](#)). Look for Native American, public lands and environmental groups to lodge lawsuits arguing the Antiquities Act doesn't provide the president authority to change a prior designation. Representatives from the Navajo, Ute, and Hopi Tribes will hold a telephone press conference tomorrow at 5 p.m. EST responding to announcement.

**Trump is due to speak at 2:40 p.m. EST** in Salt Lake City. One thing to watch for is whether his comments touch on the other national monument designations that Zinke recommended shrinking such as Cascade-Siskiyou, Organ Mountain-Desert Peaks, Rio Grande del Norte and Katahdin Woods and Waters.

**Also**, look for Trump to use the trappings of a presidential trip — and a roundtrip flight on Air Force One — to heap praise on Hatch as he tries to persuade the seven-term Utahn to seek reelection and block Mitt Romney's path to the Senate, POLITICO's Alex Isenstadt [reports](#).

**ANWR IN AS HOUSE-SENATE MOVE TO TAX CONFERENCE:** House lawmakers vote today on whether to go to conference on their tax plans [H.R. 1 \(115\)](#) after senators [voted](#) 51 to 49 early Saturday morning to pass their massive tax overhaul. Sen. [Maria Cantwell](#)'s push to block language opening ANWR to oil and gas drilling fell short on largely party lines 48 to 52 during the debate. Here's what the energy and environment world had to say following the vote:

—**Clean energy groups:** "We applaud the reduction in the corporate tax rate and preserving frameworks that support the clean energy sector. However, we are concerned about provisions that will have a negative impact on clean energy investments, including Base Erosion Anti-Abuse Tax (BEAT) provision and the impact of the corporate Alternative Minimum Tax (AMT) on investment tools that have been critical to the growth of the clean energy sector," a statement, signed by six groups including American Wind Energy Association and Citizens

for Responsible Energy Solutions, reads.

—**Oil, gas and utility industry groups liked what they saw** and encouraged the chambers to iron out their differences ASAP. "We are encouraged that both the House and Senate agree that reducing the corporate tax rate is vital to modernizing the tax code, and urge Congress to quickly finalize legislation for the President to sign into law," American Fuel & Petrochemical Manufacturers said in a statement.

—**Environmental groups warned the bill** would undermine public health and environment: "The bill would threaten the climate by leaving billions of dollars of fossil fuel subsidies intact while changing the tax code in ways that would jeopardize the financing of numerous clean energy projects under construction and discourage future clean energy investments in wind and solar," Ken Kimmell, president of the Union of Concerned Scientists, said in one such statement.

**Someone's not happy:** Coal magnate Bob Murray bashed the Senate's plan as a "mockery" of the tax reform process and warned it might put him out of business, according to the [Wall Street Journal](#). "This is not job creation. This is not stimulating income. This is driving a whole sector of our community into nonexistence," he said.

**Speaking of ANWR,** two-thirds of voters (including 43 percent of Republicans) don't think Congress should make ANWR drilling a major priority, according to a new poll conducted by Harvard T.H. Chan School of Public Health and POLITICO, Pro's Ben Lefebvre reports.

**What's next on taxes?** Pro Tax's Brian Faler has an [excellent rundown](#).

**WELCOME TO MONDAY!** I'm your host Anthony Adragna, and Squire Patton Boggs' James Eklund was first to identify Michael Bennet as the senator who once led the public schools of his state's largest city. For today: Which current senator was once roommates (briefly) with former Sen. Trent Lott? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#) and [@POLITICOPro](#).

**Legislative Compass - Preferred Pricing for 2017:** Test out POLITICO Pro's powerful, easy-to-use tool that simplifies federal and state legislative tracking. [Get started](#).

**THE PLAYBOOK POWER LIST: 18 TO WATCH IN 2018:** The final Playbook Power List of the year highlights 18 politicians, activists and operatives across the country who are poised to make waves in 2018. From the anti-Trump "Resistance" on the left to the far right Bannontite wing trying to remake the GOP, keep an eye on these people over the next 12 months. [Click HERE](#) to find out who made the list.

**Please welcome to the stage:** The Pro Energy team's Darius Dixon and his wife recently expanded their family. Marcus Inali Dixon was born at 3:06 a.m. Friday at a healthy 8lbs. 10oz. All is well with the Dixon clan but it's not yet clear whether Marcus will share Dad's interest in FERC and nuclear waste. Here's [a pic!](#)

**EPA SAYS NEVERMIND ON MINE BONDING RULE:** EPA on Friday evening backtracked on the Obama administration's proposal to require hardrock miners to prove they have the money to clean up their mines, saying that it's actually "not appropriate" to regulate. The issue has been brewing for years following an environmentalist lawsuit that said EPA had

never fulfilled part of the Superfund law requiring it to write financial assurance regulations for industries that could leave behind toxic messes. The Obama administration's proposed rule required hardrock miners to obtain some type of bonding or collateral would have cost \$171 million annually and was projected to save taxpayers \$527 million in Superfund clean-ups over 34 years. It was strongly opposed by industry and Republicans.

On Friday, at the court-ordered deadline to finalize a rule, [EPA said no regulation was necessary](#). "EPA is confident that modern industry practices, along with existing state and federal requirements address risks from operating hardrock mining facilities," Administrator Scott Pruitt said in a statement. "Additional financial assurance requirements are unnecessary and would impose an undue burden on this important sector of the American economy and rural America, where most of these mining jobs are based." The final rule noted especially that the savings for taxpayers would have been "relatively small" and that miners would have faced costs "an order of magnitude greater" than the government's savings.

**Industry, Republicans celebrate:** Supportive statements flooded in Friday night from the National Mining Association, Senate Energy and Natural Resources Chairwoman [Lisa Murkowski](#), Senate Environment and Public Works Chairman [John Barrasso](#), and Bishop. EPA's own release included praise from three Republican governors and Sen. [Steve Daines](#), who chairs the Senate Western Caucus. Earthjustice, which represented a coalition of green groups in the lawsuit, vowed to sue over the decision in a statement over the weekend.

**Two more points:** 1) The Obama administration's plans to write similar rules for chemical makers, electric utilities and petroleum and coal products manufacturers are looking unlikely to happen following this decision. 2) Coal mines are regulated differently and are required to obtain financial assurance, a practice regulated by the states. Hardrock mining covers a variety of non-fuel resources, including gold, copper, silver, iron, gypsum and sulfur.

**TAKE A PASS?** Ahead of a Thursday [meeting](#) between Trump, Sen. [Ted Cruz](#) and other senior officials about biofuels policy, Texas Gov. Greg Abbott formally asked for a Renewable Fuel Standard waiver from Pruitt. "The time is ripe for EPA to grant substantive relief from the unique, adverse impacts the RFS program is having on the state of Texas," he wrote in a Friday [letter](#). "The extreme, detrimental impacts on large portions of the refining sector have now placed unacceptable burdens on the Texas economy and the economy and security of the nation as a whole." Abbott, in particular, cited high RIN prices as causing hardship to refiners across the state.

**SHUTDOWN? WHAT SHUTDOWN?** Senior Republicans projected strong confidence Sunday they'd be able to avoid a government shutdown by passing a short-term funding package before the Friday deadline, POLITICO's Kevin Robillard [reports](#). "There's not going to be a government shutdown," Majority Leader [Mitch McConnell](#) said on ABC's "This Week." "It's just not going to happen." House Appropriations Chairman [Rodney Frelinghuysen](#) on Friday released a two-week CR that would keep the lights on through Dec. 22.

**But disaster aid will wait:** House Republicans are tentatively planning to package the next installment of disaster aid with the Dec. 22 stopgap funding bill, Pro Budget & Appropriations Brief [reports](#). "There's working agreement to that model," Texas Rep. [Pete Sessions](#) said Friday. "I think some of these things all collide together." No word yet on how much bigger that package will be compared to the White House's \$44 billion request.

**WHITEFISH HIRES MORE LOBBYISTS:** Whitefish Energy, the tiny Montana-based company that drew controversy for its now-canceled \$300 million grid repair contract in Puerto Rico, hired the Tallahassee office of Foley & Lardner to lobby on its behalf, POLITICO's Matt Dixon [reports](#). Lead lobbyists will be Robert Hosay, a former Gov. Jeb Bush administration official, and Jason Allison, who once led the Scott administration's Agency for State Technology. The hiring comes as the company filed a lawsuit Friday alleging a subcontractor interfered with tens of millions in payments, the Associated Press [reports](#).

**Speaking of which,** Senate Homeland Security ranking member [Claire McCaskill](#) sent a letter Friday seeking additional information about a \$200 million contract inked by Puerto Rico's utility with Cobra Acquisitions LLC, another newly-formed company, for grid restoration work. Link [here](#).

**OBAMA LAMENTS CLIMATE LEADERSHIP PAUSE:** Speaking in France on Sunday, former President Barack Obama said U.S. states and cities were making up for what he called "a temporary absence of American leadership" on climate action, Reuters [reports](#). Obama also met with French President Emmanuel Macron, his predecessor Francois Hollande and Paris Mayor Anne Hidalgo.

**CALLING ALL COMMENTERS!** EPA convenes a public hearing this morning at 10 a.m. at agency headquarters on [its plan](#) to repeal the Obama-era Phase 2 emissions rule for heavy-duty trucks that classified "glider kits" as new vehicles or engines that are subject to more stringent requirements. More information [here](#).

**PERRY'S IN THE MIDDLE EAST:** Energy Secretary Rick Perry continues his Middle East swing this week. Among this weekend highlights: [Meeting](#) with His Royal Highness Crown Prince Mohammed bin Salman in Saudi Arabia and [touring](#) Aramco's facilities in Dhahran. ME readers will of course remember that Trump asked the oil giant to make its hugely anticipated stock offering on the New York Stock Exchange.

**GETTING IN THE FAST LANE:** Zinke used a trip to Louisiana over the weekend to pledge to remove regulatory barriers slowing down coastal restoration projects, The Advocate [reports](#). "Louisiana and the coastline are important, and we're losing too much of it. ... There's a lot of things that Interior can do," Zinke said. Photos from his visit [here](#) and [here](#).

**CLARIFYING:** ME wrote last week that coal magnate Robert Murray said at a conservative energy conference that he had met with Pruitt seven times. A spokesman clarified that Murray was referring to all meetings with anyone from the Trump administration, not just Pruitt, including "before and after the election." It was previously reported Murray has met several times this year with President Trump himself to discuss strategies to boost the coal industry, including his ultimately unsuccessful proposal to use the Energy Department's emergency authority to keep coal plants operating.

## QUICK HITS

- VW Bosses Coached Me to Lie, Jailed Manager Tells U.S. Judge. [Bloomberg](#).
- Anchorage's climate change conundrum. [The Week](#).
- A county in Utah wants to suck 77 million gallons a day out of Lake Powell, threatening

the Colorado River. [Los Angeles Times](#).

— Builders Said Their Homes Were Out of a Flood Zone. Then Harvey Came. [New York Times](#).

— Blankenship has told courts that Las Vegas is his 'home'. [Charleston Gazette-Mail](#).

— Study aims to determine feasibility of underground carbon storage. [Bismarck Tribune](#).

## **HAPPENING THIS WEEK**

### **MONDAY**

10:00 a.m. — EPA holds hearings on proposed repeal of emission requirements for glider vehicles, glider engines, and glider kits, 1201 Constitution Avenue NW

5:00 p.m. — Representatives from the Navajo, Ute, and Hopi Tribes will hold a telephone press conference tomorrow on national monuments, RSVP: BearsEars@fenton.com

### **TUESDAY**

9:30 a.m. — U.S. International Trade Commission holds [meeting and vote](#) on "Biodiesel from Argentina and Indonesia," 500 E Street SW

10:00 a.m. — Senate Energy and Natural Resources Committee holds [a hearing](#) on nominations, Dirksen 366

2:30 p.m. — Senate Energy and Natural Resources Energy Subcommittee holds a [hearing](#) on a series of bills, Dirksen 366

5:30 p.m. — "[Subnational Climate Diplomacy: New Roles Post-Paris](#)," German Marshall Fund, 1744 R Street NW

### **WEDNESDAY**

9:30 a.m. — USTR hearing on crystalline silicon photovoltaic cells, 1724 F Street NW, Rooms 1 and 2

10:00 a.m. — [Hearing](#) on "Endangered Fish Recovery Programs Extension Act of 2017," House Natural Resources Water Subcommittee, Longworth 1324

10:00 a.m. — Senate Environment and Public Works holds a [hearing](#) on the nomination of R.D. James to be assistant secretary of the Army for civil works, Dirksen 406

12:00 p.m. — "[The Role of Natural Gas in the US Economy](#)," Women's Council on Energy and the Environment, Denton's, 1900 K Street NW

12:30 p.m. — "[Agriculture and the environment in 2018: Conservation programs, the waters of the United States, and the Renewable Fuel Standard](#)," American Enterprise Institute, 1789 Massachusetts Avenue NW

1:00 p.m. — "[Fleeing Change: Relocating the Village of Newtok, Alaska](#)," Wilson Center,

Ronald Reagan Building and International Trade Center, 1300 Pennsylvania Ave. NW

2:30 p.m. — "[Challenges Facing Superfund and Waste Cleanup Efforts Following Natural Disasters](#)," Senate Environment and Public Works Superfund and Waste Management Subcommittee, Dirksen 406

2:45 p.m. — Senate Indian Affairs Committee hearing on water rights, Dirksen 628

## THURSDAY

9:00 a.m. — The Washington International Trade Association holds an event as part of its NAFTA series: "[Energy and the NAFTA](#)," Ronald Reagan Building and International Trade Center, 1300 Pennsylvania Ave. NW

10:00 a.m. — EPA Administrator Scott Pruitt [appears before](#) the House Energy and Commerce Environment Subcommittee, Rayburn 2123

10:00 a.m. — "[Transforming the Department of the Interior for the 21st Century](#)," House Natural Resources Oversight and Investigations Subcommittee, Longworth 1324

11:00 a.m. — The World Bank conference call briefing on the One Planet Summit, RSVP: [himtiaz@worldbankgroup.org](mailto:himtiaz@worldbankgroup.org)

12:00 p.m. — "[The Business Case for Tax Incentives Promoting Energy Efficiency](#)," Alliance to Save Energy, Rayburn 2203

2:00 p.m. — The House Natural Resources Federal Lands Subcommittee holds [a hearing](#) on various bills, Longworth 1324

2:00 p.m. — "[OPEC's World Oil Outlook 2017](#)," Center for Strategic and International Studies, 1616 Rhode Island Avenue, NW

## FRIDAY

9:00 a.m. — "[Examining the Role of the Department of Energy in Energy Sector Cybersecurity](#)," House Energy and Commerce Energy Subcommittee, Rayburn 2123

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<https://www.politicopro.com/newsletters/morning-energy/2017/12/trump-visits-utah-for-monument-announcement-today-038971>

## Stories from POLITICO Pro

**Trump moves to block Romney from the Senate** [Back](#)

By Alex Isenstadt | 12/03/2017 08:23 PM EDT

Donald Trump is going all out to persuade seven-term Utah Sen. Orrin Hatch to seek reelection — a push aimed in no small part at keeping the president's longtime nemesis, Mitt Romney, out of the Senate.

Romney has been [preparing](#) to run for Hatch's seat on the long-held assumption that the 83-year-old would retire. Yet Hatch, the longest-serving Republican senator in history, is now refusing to rule out another campaign — a circumstance Romney's infuriated inner circle blames squarely on the president. Their suspicions are warranted: Trump has sounded off to friends about how he doesn't like the idea of a Senator Romney.

The president's mostly behind-the-scenes campaign to sway Hatch will burst into public view on Monday, when he arrives in Salt Lake City to hold a well-choreographed event designed to showcase his affection for the powerful Senate Finance Committee chairman.

Trump's appearance is ostensibly official in purpose: He will announce his decision to reduce the size of Utah's Bears Ears and Grand-Staircase Escalante national monuments, a cause that Hatch has championed. But it's also undeniably political: To use the trappings of presidential power to get a veteran lawmaker to rethink his long anticipated plans to leave the Senate.

Trump is slated to ride with Hatch both ways on Air Force One — a total of roughly nine hours round-trip. After descending from the plane together, the two will meet with Mormon leaders and then head to the state capitol for the signing of the executive order, according to three White House officials. Hatch will introduce Trump, who in turn is expected to lavish praise on the senator. After the order is signed, Hatch is expected to receive the president's pen.

The public display of affection isn't just about blocking Romney, senior administration officials say. Trump has felt loyal to Hatch since the senator defended him in the wake of the "Access Hollywood" tape episode late in the 2016 campaign. Hatch stuck by Trump even as other members of Utah's Republican delegation withdrew their support.

More recently, Hatch has played a key role in moving Trump's prized tax reform bill through the Senate.

Trump aides say the president's bond with Hatch began long before Romney emerged as a potential successor. Hatch visited Trump in the Oval Office during the first week of his presidency for a lengthy discussion about the then-vacant Supreme Court seat and Utah's national monuments.

Yet people close to Romney are convinced that Trump's main motivation is to keep the 2012 GOP presidential nominee out of the Senate. Romney himself has expressed frustration with the ongoing uncertainty about Hatch's plans, said three Republicans who've spoken with him recently. The former Massachusetts governor has pointed out that it was Hatch who urged him to consider running in the first place, but now appears to be wavering on whether to step aside.

"Hatch is a known entity for Trump and has been really good for the president for the most part," said Kirk Jowers, a friend of Romney who formerly served as the chairman and general counsel of his political action committee. "He knows for a fact he's not going to get that with Romney. I don't know that he knows what he's going to get with Romney, but it's not going to be what he's got with Hatch."

Indeed, there's widespread concern within the White House that Romney in the Senate could make Trump's life difficult. During the 2016 campaign, the former Massachusetts governor emerged as the de-facto leader of the GOP establishment's "Never Trump" campaign, delivering a nationally-watched speech in which he blasted candidate Trump as a "phony, a

fraud" and implored the party to stop him.

Hatch, by contrast, went all-in for Trump in Utah, where Trump received just 46 percent of the vote but still carried the state because of a third-party candidate. Before the election, the senator also campaigned for Trump in four states, hitting the trail with the candidate's son, Donald Trump Jr. While many Republicans air their issues with Trump publicly, Hatch has usually chosen to telegraph his concerns in private discussions with the president.

"I'll just put it this way. Sen. Hatch was one of the leading voices for the president during the entire campaign," said Don Peay, a Trump family friend who led his Utah campaign. "Hatch clearly was a strong supporter of Trump from the beginning," said Peay, who helped to organize Monday's event.

Trump's push to get Hatch to run for an eighth term has taken place in furtive phone calls and West Wing visits. In early October, the senator called the president to invite him to Utah to announce his monument plan, said one person briefed on the discussion.

Near the end of the call, the president conveyed a request. "Orrin," he said, "I really hope you will consider running again."

Hatch told Trump he hadn't made up his mind.

Their mutual endearment has at times been public. When Hatch was asked last week by reporters about Trump's decision to retweet several anti-Muslim videos, the senator said he wasn't "aware" of the firestorm — and then praised Trump.

"I'll say this for ya.' He's been one of the best presidents I've served under, and the reason is he's not afraid to make decisions. He's not afraid to take on the big boss around here," Hatch said.

Trump responded by tweeting out a video of the remark. "Thank you @SenOrrinHatch," he added. "Let's continue MAKING AMERICA GREAT AGAIN!"

Romney's post-election relationship with Trump has been far more ... complicated.

During the transition, Trump considered appointing Romney as secretary of state. Trump was expecting not to like Romney but was surprised by how well they gelled during the interview process, something he told aides repeatedly at the time. Trump ultimately decided against Romney.

As the year wore on, the former governor praised the new president for some of his personnel choices. But he also made his differences known.

During an appearance in Park City, Utah, in June, Romney told a group of prominent Republican donors that Trump's White House was too consumed by palace intrigue. He also offered an [implicit critique](#) of the president's "America First" approach to foreign policy, growing emotional as he outlined the country's humanitarian responsibilities overseas.

Then, in August, Romney struck again — this time to implore the president to apologize for equating white supremacists who sowed violence in Charlottesville, Va. with their counter-protesters.

"Mr. President," Romney wrote in a Facebook message, "act now for the good of the country."

Romney has been making the rounds in Utah amid speculation that Hatch is nearing retirement, huddling with an array of Republican figures including state House Speaker Greg Hughes. Romney has told people that while he wouldn't be reflexively anti-Trump as a senator, he would be more than willing to let his criticisms be known.

Some Trump allies contend that Utah would be better served by having a presidential loyalist in the seat.

"I think he could be a great ally of the president but, as you well know, they're very different people and have very different personalities," said Hughes, who recently met with Romney in his office in the state capitol. "Sen. Hatch," he added, "understands the president very well."

Asked who the president would rather have in the seat, Hughes, who was once mentioned as a candidate for a position in the Trump administration, said he had little doubt: "I think the president enjoys having a strong ally."

Romney, for his part, won't be at Monday event. He was invited but, several people close to him said, will be out of town.

Over the weekend, Romney wrote a tweet that underscored his respect for Hatch but also, perhaps, hinted at a belief that the senator had now accomplished what he needed to before moving on.

"A very big week for Utah's own Senator @OrrinHatch," he wrote, "with tax reform, Bears Ears reversion, and a presidential visit."

*To view online [click here](#).*

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**Trump to meet with Cruz over biofuel policy [Back](#)**

By Ben Lefebvre and Andrew Restuccia | 12/01/2017 04:04 PM EDT

President Donald Trump will meet with Sen. [Ted Cruz](#) (R-Texas) and several Cabinet members next week to discuss U.S. biofuel policy and fuel efficiency standards, an administration official told POLITICO on Friday.

The Thursday meeting is an attempt by the White House to reach a compromise between Cruz, who has held up a Trump nominee to the Agriculture Department nominee over the administration's support for the Renewable Fuel Standard, and the farm-state lawmakers who pressured EPA to back down from potential changes to the regulations for biofuels.

The White House had until now [ignored](#) Cruz's requests for a meeting. Cruz and eight other senators sent a [letter](#) in October requesting changes to the program overseen by EPA, which sets the minimum volumes of ethanol and biodiesel to be used in the fuel market. Refiners must either purchase the biofuels to blend with their gasoline or diesel fuel, or buy credits to show their compliance — credits the refiners say are too expensive and threaten to push some

refiners out of business.

Cruz retains a hold on Trump's nomination of Bill Northey to a senior USDA post, a move seen as payback after EPA backed down from considering changes in how the biofuels program is implemented amid an outcry from farm-state lawmakers.

"The key here is they need to get Cruz something to get rid of that hold," said one industry representative familiar with the meeting.

The meeting will include Agriculture Secretary Sonny Perdue, Energy Secretary Rick Perry, EPA Administrator Scott Pruitt and National Economic Council Director Gary Cohn, the administration official said, though the person added that the attendee list could change. No industry representatives are expected to attend.

While biofuels will most likely be the first topic discussed, attendees will also delve into the higher CAFE standards the Obama administration put into place, as well as octane requirements. The Trump administration has delayed implementing an increase in civil fines for automakers who violate the fuel economy standards, a move that [triggered](#) a lawsuit from environmentalists.

Cruz and Trump have had a rocky relationship in the past, including after Trump linked Cruz's father to the assassination of President John F. Kennedy during the 2016 campaign, though they have been on better terms in recent months.

Cruz's office did not reply to a request for comment, and the White House declined to comment.

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**McConnell: 'There's not going to be a government shutdown'** [Back](#)

By Kevin Robillard | 12/03/2017 10:16 AM EDT

Senate Majority Leader Mitch McConnell said Sunday he was confident there wouldn't be a government shutdown when funding runs out at the end of the week.

"There's not going to be a government shutdown," he said on ABC's "This Week" when asked whether the Republican-controlled Congress could keep the government running. "It's just not going to happen."

Democrats have threatened to withhold their votes for government funding unless Congress acts to provide legal relief to tens of thousands of children of undocumented immigrants who are protected by an Obama-era program that is set to end in March.

McConnell argued there is no "crisis" that would justify tying saving the so-called Dreamers to government funding.

"That's a ridiculous position. There is no crisis," McConnell said. "There's no emergency. The

president has given us until March to address it. I don't think the Democrats would be very smart to say they want to shut down the government over a non-emergency."

Government funding is expected to run out on Friday.

OMB Director Mick Mulvaney, appearing on CBS' "Face The Nation," was slightly less confident, but predicted Republicans would be able to avoid a shutdown despite a "broken" system of government spending.

"I think there's a group of right-wingers in the House who say they want to shut the government down," he said. "There's a group of Democrats who want to shut the government down over DACA. And there's a group of lawmakers from some of the hurricane states who want to shut the government down until they get what they want. This just sheds light on the fact that the appropriations, the spending system is broken when any little group can sort of hold the government hostage. We need to get beyond that. I think that we will, I don't think you'll see a government shutdown."

When host John Dickerson noted Mulvaney was once a fiscal hardliner in the House, the OMB director replied: "All the more reason the system should be fixed. We don't spend money properly in Washington, D.C."

*To view online [click here](#).*

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**EPA proposes repealing 'glider kit' part of truck rule [Back](#)**

By Alex Guillén | 11/09/2017 12:48 PM EDT

EPA today [proposed repealing](#) part of the Obama-era Phase 2 emissions rule for heavy-duty trucks that classified "glider kits" as new vehicles or engines that are subject to more stringent requirements.

Glider kits are new truck chassis with rebuilt engines and can cost significantly less than a new truck with a new engine. The proposal argues that EPA does not have the authority to regulate glider kits under the Clean Air Act.

In a statement, EPA Administrator Scott Pruitt said the Obama administration unlawfully tried to expand the Clean Air Act's reach. "Gliders not only provide a more affordable option for smaller owners and operators, but also serve as a key economic driver to numerous rural communities," he said.

Pruitt announced plans to revisit that part of the rule in August following a May meeting with and a July [petition](#) from Fitzgerald Truck Sales, the biggest U.S. manufacturer of glider kits.

**WHAT'S NEXT:** EPA will take public comment through Jan. 5 and hold a hearing on Dec. 4 at EPA headquarters in Washington.

*To view online [click here](#).*

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Neutral



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**Date:** Tuesday, December 05, 2017 5:43:50 AM

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By Anthony Adragna | 12/05/2017 05:40 AM EDT

*With help from Alex Guillén and Tanya Snyder*

**UPPING THE ANTE ON ANWR:** Environmental advocates and Democrats are upping the pressure on the House GOP's self-styled climate hawks to withhold their vote on the final tax package [H.R. 1 \(115\)](#) if it contains a Senate provision allowing oil and gas drilling in the Alaska National Wildlife Refuge. But those efforts don't appear to have borne any fruit yet, Pro's Ben Lefebvre and your ME host [report](#). The rider — a key priority for Senate Energy Chairman [Lisa Murkowski](#) — is just one of many dicey items Senate and House negotiators must work through as they go to conference to iron out differences in their bills, even as drilling opponents push Republican members of the Climate Solutions Caucus to back up their words with action.

**Six of the 12 House GOPers who signed [a letter](#)** last week opposing ANWR drilling backed the initial tax bill, and activists staged protests at the offices of Reps. [Pat Meehan](#) and [Carlos Curbelo](#) on Monday. Three of those six tax bill supporters who oppose ANWR — Reps. [Dave Reichert](#), [Ryan Costello](#) and Curbelo — suggested the fate of the ANWR rider wouldn't determine their final vote. "It would be very disappointing, but I doubt that I would deny all of my constituents the opportunity to experience tax relief because of any one provision," Curbelo told ME at Monday votes.

**Earthjustice, the Center for Biological Diversity and other groups** sent a [letter](#) to Climate Solutions Caucus Republicans asking them, among other things, to work against opening ANWR. And Democrats say the final tax bill vote offered a concrete opportunity for members of the group to demonstrate their pro-climate stance. "It would certainly be nice if the symbolic power of them acknowledging climate change through this caucus translated into action at some point," Rep. [Jared Huffman](#) told ME. "This would be a good point."

**Two interesting polls** suggest there's no widespread public support for opening ANWR despite the vocal backing of Alaska's delegation. [One](#), from the Harvard T.H. Chan School of Public Health and POLITICO, found 67 percent of respondents said opening ANWR "should not be a priority" for the federal government. The other [poll](#), conducted for the Yale Program on Climate Change Communication, found that 70 percent of Americans oppose drilling in ANWR.

**Late Monday**, Speaker [Paul Ryan](#) named four lawmakers of particular note to ME fans to the House's conference committee: Natural Resources Chairman Rob Bishop, Energy and Commerce Chairman [Greg Walden](#), [John Shimkus](#) and [Don Young](#). Also joining the Republican conference party: Ways and Means Chairman [Kevin Brady](#), [Devin Nunes](#), [Peter Roskam](#), [Diane Black](#) and [Kristi Noem](#).

**WELCOME TO TUESDAY!** I'm your host Anthony Adragna, and Squire Patton Boggs' Lem O. Smith was first to identify Sen. Lamar Alexander as the one-time Trent Lott roommate. For today: Who was the original House sponsor of the Energy Policy Act of 2005?

Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](https://twitter.com/AnthonyAdragna), [@Morning\\_Energy](https://twitter.com/Morning_Energy) and [@POLITICOPro](https://twitter.com/POLITICOPro).

**FIRST MONUMENT LAWSUITS FILED:** A coalition of environmental groups filed the [first lawsuit](#) challenging President Donald Trump's long-expected move to shrink the Grand Staircase-Escalante National Monument just hours after he [announced](#) his decision to significantly pare two national monuments in Utah. The groups argue in their complaint filed in Washington federal court that the Antiquities Act "does not authorize Presidents to abolish [national monuments] either in whole or in part, as President Trump's action attempts to do." And the Native American Rights Fund, representing the Hopi Tribe, Navajo Nation, Pueblo of Zuni and Ute Mountain Ute Tribe, filed its [own challenge](#) the Bears Ears proclamation late Monday evening.

**Report's coming today:** While on hand for Trump's announcement in Utah, Interior Secretary Ryan Zinke told the press pool to expect the release of the results today of his review of several dozen national monument designations. And Natural Resources Chairman [Rob Bishop](#), as well as Utah Reps. [Chris Stewart](#) and [John Curtis](#), host a pen and pad briefing this morning at 11 a.m. where they'll discuss [Trump's visit](#) and the introduction of related legislation on Utah monuments.

**Pro's DataPoint** has whipped up a nifty graphic showing Trump's drastic reductions to the Bears Ears and Grand Staircase-Escalante national monuments in Utah. Check that out [here](#).

**The quote everyone's talking about:** "Does he know the interior. He's knows it, he loves it. He loves seeing it and riding on it," Trump on Zinke.

**NEW REQUESTS FOR KEYSTONE XL PROJECT:** Environmental groups are asking the Trump administration to conduct a new [supplemental environmental impact statement](#) and [Endangered Species Act consultation](#) after the Nebraska Public Service Commission approved a modified path for the Keystone XL pipeline last month. "Now the administration has no choice but to update its assessment to reflect the pipeline's current proposed route," Doug Hayes, a senior attorney with the Sierra Club, said in a statement. That comes as the Nebraska regulators scheduled a Dec. 12 hearing for TransCanada and environmental groups to argue it should reconsider its decision on the controversial pipeline, Pro's Ben Lefebvre [reports](#).

**Meanwhile,** the Pipeline and Hazardous Materials Safety Administration said a weight put in place to keep the Keystone pipeline from moving may have played a role in the 210,000 gallon oil spill in South Dakota last month, Reuters [reports](#). It's a finding that could trigger costly inspections of tens of thousands of miles of underground pipelines.

**KEEPING THE LIGHTS ON:** House Republican leaders think they'll have enough votes from their caucus alone to pass a two-week, stopgap spending package to keep the lights on this week, Pro Budget & Appropriations Brief [reports](#). But a warning signal went up Friday as the Florida and Texas delegations (that's 63 people for those counting at home) [threatened](#) to withhold support unless they get a more generous disaster aid package. That threat didn't appear to refer directly to the two-week bill currently under consideration, but shows how much power the two delegations could exert on the spending debates going forward.

**Even amid the now-routine House hiccups over the short-term package,** Senate Majority Leader [Mitch McConnell](#) coolly predicted his chamber "will pass it before the end of this week."

**Green groups launch new push:** Ahead of the funding deadline, a collection of environmental and public health groups are unveiling a [new website](#) today highlighting local stories of the importance of environmental protections and what budget cuts could mean for health and safety. That comes as Mike Mikulka, president of the largest union for EPA Region 5 employees, warned a government shutdown would "create an unprecedented emergency for human health and our environment."

**And a dozen environmental and union groups** are sending a letter to congressional leaders calling for a disaster supplemental package that is "robust, funds recovery and rebuilding efforts in a way that results in stronger and more resilient communities." Link [here](#).

**Oh and ICYMI:** House Republicans, including Ryan, weighed stripping House Appropriations Chairman [Rodney Frelinghuysen](#) of his gavel after the long-time New Jersey Republican voted against their tax bill, POLITICO's Rachael Bade and John Bresnahan [report](#).

**AMERICA FIRST FOR SOLAR PLAN:** The Solar Energy Industries Association this morning rolls out [its plan](#) for Trump that it argues would keep America First and, at its core, reiterates the group's push against any tariffs or quotas on imported solar equipment. SEIA argues imposing tariffs represents a "bailout" for two foreign-owned companies that are exploiting U.S. trade law and would be a "bad deal for America." One idea floated in the plan is an import license fee that the group says would "get hundreds of millions of dollars in direct investment help to U.S. companies and our economy." They'll roll the whole thing out at 9:15 a.m. at the National Press Club.

**DOT PUTS THE BRAKES ON ECP MANDATE:** DOT Monday rescinded the mandate for trains carrying crude oil and ethanol to be equipped with electronically controlled pneumatic brakes, with the understanding that such brakes would reduce the risk of derailment in cases of emergency. The 2014 FAST Act ordered a scientific evaluation of ECP brake performance in emergencies, with a requirement for a final decision on the rule's fate by Monday — the two-year anniversary of the law's passage. The scientific study was [inconclusive](#), and a [GAO study](#) found that DOT didn't have enough data to make a call. But a [DOT analysis](#) in October found that the costs outweighed the benefits of an ECP mandate by a factor of three. Commerce Committee Chairman [John Thune](#) praised the repeal decision. "Repealing this rule puts sound science and careful study ... over flawed guesswork," he said in a statement.

**MOVING MORE NOMINATIONS:** The Senate Energy and Natural Resources Committee takes up the nominations of Timothy R. Petty to be Interior assistant secretary for water and science and Linda Capuano to run the Energy Information Administration today at 10 a.m. Watch [here](#).

**LAWSUIT ROUNDUP! SUIT FILED OVER MISSED SMOG DEADLINES:** Ten environmental and public health groups filed [a lawsuit](#) Monday over a missed Oct. 1 statutory deadline for EPA to say which parts of the U.S. were meeting the 2015 ozone standard, Pro's Alex Guillén [reports](#). A coalition of Democratic attorneys general is also expected to sue EPA soon.

**Interior appeals loss in methane rule stay suit:** The Interior Department said Monday evening it will appeal a federal judge's October [ruling](#) that said its delay of the Obama administration's methane waste rule was illegal. The judge said the Bureau of Land Management should have gone through notice-and-comment rulemaking to delay the rule since it had already taken effect. Interior [proposed](#) an 18-month delay and took public

comments into November. It is unclear when that delay will be finalized. Interior's appeal will go to the 9<sup>th</sup> Circuit.

**Are you new here?** A lawsuit challenging EPA's delay of a regulation limiting power plants' toxic wastewater discharge was transferred from an Obama appointee to newly confirmed Judge Dabney L. Friedrich on Monday, Pro's Alex Guillén [reports](#). Environmental advocates originally filed the case in May, and in September EPA [finalized](#) the delay of certain implementation deadlines.

**ANOTHER HIRE AT EPA:** Clint Woods, the head of an association that represents conservative state air agencies, will become the deputy assistant administrator of EPA's air office, Pro's Emily Holden [reports](#). Woods is executive director of the Association of Air Pollution Control Agencies. He previously worked for the energy and environment subpanel of the House Science Committee and for the American Legislative Exchange Council. He'll begin his new job at EPA in mid-December.

**NEW EPA PUSH ON PFAS:** EPA announced Monday it was launching a [cross-agency effort](#) to address PFAS contamination around the country that will include identifying a set of near-term actions it can take to help local communities. No details were given though. You'll remember that concerns over PFAS contamination in North Carolina waterways were one of the major concerns for that state's senators in [deciding they couldn't support](#) Michael Dourson's nomination to run the agency's chemical office.

**MUSICAL CHAIRS AT E&C:** Mississippi Rep. [Gregg Harper](#) takes over as chairman of the Energy and Commerce Oversight and Investigations Subcommittee, Chairman Greg Walden announced Monday. Also of interest to ME readers: South Carolina Rep. [Jeff Duncan](#) joins both the Energy and Environment subcommittees.

**PERRY'S IN UAE!** Energy Secretary Rick Perry's swing through the Middle East next takes him to Abu Dhabi in the United Arab Emirates, where he'll co-chair the Carbon Sequestration Leadership Forum along with UAE Minister of Energy Suhail Mohamed Al Mazroui. Agenda [here](#). The visit comes after he inked a memorandum of understanding with Saudi Arabia during his trip there to increase research and collaboration on carbon capture technologies. "This MOU outlines a future alliance not only in supercritical carbon dioxide, but also in a range of clean fossil fuels and carbon management opportunities," Perry said in a statement.

**Also, guys, he's having the best time!** Check out these pictures of Perry with his feet in the sand, shopping and doing other fun looking things [here](#).

**TAKE A GLANCE!** The American Council for Capital Formation is out with [a report](#) today blaming the struggles of the California Public Employees' Retirement System, the nation's largest public pension fund, in part on investments in "certain political causes and issues at the expense of doing what's necessary to improve fund performance." It argues prioritizing environmental, social and governance investments frequently comes "at the expense of other investments more likely to optimize returns."

**FOR YOUR VIEWING PLEASURE:** Vice President Al Gore is hosting The Climate Reality Project's seventh-annual 24 Hours of Reality through 6:30 p.m. today with people like California Gov. Jerry Brown, San Juan Mayor Carmen Yulín Cruz, Mariah Carey, Sheryl Crow, Ellie Goulding and others talking up the importance of climate action and activism. Watch online [here](#) and a schedule of speakers is [here](#).

**STREAMLINING UTILITY SUSTAINABILITY REPORTING:** The Edison Electric Institute announced Monday a pilot template that it said would help utilities more consistently provide investors with sustainability and other similar information. Utilities participating in the pilot project will begin using the template as they report 2016 information in the coming weeks.

**LIGHTER CLICK!** Pruitt tweeted out scenes from what seemed like a lovely holiday party in his office. Check them out [here](#).

## QUICK HITS

- Trump Disbands Group Meant to Prepare Cities for Climate Shocks. [Bloomberg](#).
- Trump's Attack Dog on the Environment. [Outside](#).
- OPEC oil output falls in November to lowest since May. [Reuters](#).
- Secrecy surrounds pro-coal group eyeing Ohio wind cases. [Midwest Energy News](#).
- Governor's staff struck climate change language from Act 250 report. [Burlington Free Press](#).

## HAPPENING TODAY

9:15 a.m. — Solar Industry Representatives Chart Course for an "America First" Solar Energy Plan, National Press Club, Edward R. Murrow Room, 529 14th Street NW

9:30 a.m. — U.S. International Trade Commission holds [meeting and vote](#) on "Biodiesel from Argentina and Indonesia," 500 E Street SW

10:00 a.m. — Senate Energy and Natural Resources Committee holds [a hearing](#) on nominations, Dirksen 366

11:00 a.m. — Bishop, Stewart, Curtis hold press availability to discuss President Trump's Utah visit, introduction of legislation on Utah monuments, RSVP: [katie.schoettler@mail.house.gov](mailto:katie.schoettler@mail.house.gov)

11:00 a.m. — API launches new initiative to advance methane and environmental performance, RSVP: [porterr@api.org](mailto:porterr@api.org)

2:30 p.m. — Senate Energy and Natural Resources Energy Subcommittee holds a [hearing](#) on a series of bills, Dirksen 366

5:30 p.m. — "[Subnational Climate Diplomacy: New Roles Post-Paris](#)," German Marshall Fund, 1744 R Street NW

## THAT'S ALL FOR ME!

*To view online:*

<https://www.politicopro.com/newsletters/morning-energy/2017/12/trying-to-turn-gop-climate-talk-into-action-040348>

## Stories from POLITICO Pro

### Climate-minded Republicans face heat in Arctic drilling debate [Back](#)

By Ben Lefebvre and Anthony Adragna | 12/04/2017 07:15 PM EDT

Pressure is mounting on House Republicans to oppose new Arctic drilling in the tax bill.

Protesters staged sit-ins Monday in two GOP lawmakers' offices, and environmental groups are working to grow the number who have expressed reservations about opening the Arctic National Wildlife Refuge to oil rigs. The fate of the ANWR rider — a top priority for Senate Energy and Natural Resources Chairwoman [Lisa Murkowski](#) (R-Alaska) — is one of several tricky issues Republican leaders will have to work out as they try to reconcile the differences between the House and Senate tax bills with the goal of getting their \$1.5 trillion overhaul of the tax code to President Donald Trump's desk by the end of this year.

Despite its strong backing from Alaska's congressional delegation, the prospect of drilling in ANWR draws little support among the public at large, according to a new [poll](#) conducted by the Harvard T.H. Chan School of Public Health and POLITICO. It found 67 percent of those surveyed believe opening ANWR "should not be a priority" for the federal government, compared with 19 percent who said it was a "very" or "extremely important" priority. Among Republicans, 43 percent said ANWR should not be a priority, more than the 35 percent who said it was at least very important, according to the POLITICO-Harvard poll.

Another [poll](#), conducted for the Yale Program on Climate Change Communication, found that 70 percent of Americans oppose drilling in ANWR.

A dozen House Republicans, six of whom supported the House tax bill, voiced their objections to the ANWR language in [a letter](#) to GOP leaders last week, although none has threatened to vote against the underlying bill if the provision remains. Environmentalists who are dead set against the Senate version's ANWR language have promised to make the issue a test for the 31 Republicans in the Climate Solutions Caucus.

"As Congress enters conference, we have two primary goals: Encourage the 12 House Republicans who signed the letter supporting the Arctic Refuge to stand strong and oppose the bill, and push other members to join them," said League of Conservation Voters spokeswoman Alyssa Roberts. "That includes members of the Climate Solutions Caucus. Any member who supports drilling in a pristine wildlife refuge that is feeling the impacts of climate change firsthand is doing the exact opposite of supporting 'climate solutions.'"

Protests started early Monday as advocacy group Sunrise Movement sent protesters to stage sit-ins Monday at the offices of caucus member Rep. [Pat Meehan](#) (R-Penn.) and co-chair [Carlos Curbelo](#) (R-Fla.).

Curbelo said he was sympathetic to the opposition to opening ANWR, but that it wouldn't swing his vote against the tax bill, [H.R. 1](#).

"It would be very disappointing, but I doubt that I would deny all of my constituents the opportunity to experience tax relief because of any one provision," he said.

Murkowski wouldn't directly answer whether she's concerned about ANWR's prospects during the conference. "I am going to be obviously very engaged in trying to move ANWR

throughout the whole process," she told POLITICO on Monday evening. "And, as I've been doing, I just said everything is one step at a time."

Sen. [Maria Cantwell](#) (D-Wash.), the top Democrat on the Energy and Natural Resources Committee, said she "certainly appreciate[s]" the 12 House Republicans opposing ANWR drilling and said the final vote would be an "awesome" opportunity for the Climate Solutions Caucus to show its power.

"We know there are more members of Congress that are concerned about the inclusion of that rider than the ones who signed that letter," said Lydia Weiss, the Wilderness Society's government relations director for lands. "This is one more headache for [House Speaker] [Paul Ryan](#)."

The House and Senate hope to start conferencing on the bill this week. But the versions of the bill the two chambers passed differ [on key](#) provisions in the package, including language Murkowski added to the Senate bill to open the ANWR for drilling.

ClearView Partners, a research firm, gave the bill an 80 percent chance of success in a note to clients Monday. "That said, we caution that the other 20 percent reflects the complexity of the conference process ahead," the analysts wrote.

Earthjustice, the Center for Biological Diversity and other groups also sent a [letter](#) to the caucus Republicans asking them, among other things, to work against opening ANWR. The letter was "an accountability mechanism," said Bill Snape, senior counsel for the Center for Biological Diversity, one of the groups that signed the letter.

A spokeswoman for Rep. [Ryan Costello](#) (R-Pa.), who backed the House plan on the floor but signed the GOP letter opposing ANWR, said he'd like the drilling provision taken out of the bill, though that was not a precondition for his support.

A spokeswoman for Curbelo would only say "the congressman does not believe the tax bill is the appropriate venue for addressing ANWR," but did not say whether the congressman would vote against the bill.

Rep. [Dave Reichert](#) (R-Wash.), a Ways and Means member who also opposes ANWR drilling, stopped short of threatening to oppose the final bill if the drilling provision stays. "It is my hope that there will be a robust conference discussion and in working through the differences between the two plans, improvements will be made," he said in a statement. "This includes protecting the Arctic."

*To view online [click here](#).*

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**Trump strips monument protections from 2 million acres in Utah [Back](#)**

By Ben Lefebvre | 12/04/2017 03:10 PM EDT

President Donald Trump announced Monday that he is removing more than 2 million acres of protected territory from two national monuments in Utah, handing a political win to the state's

lawmakers but setting off more protests from environmentalists and outdoor sports groups.

"You know how best to conserve this land for many, many years to come," Trump told a phalanx of the state's Republican lawmakers in Salt Lake City, as he took yet another swipe at the conservation legacies of former Presidents Barack Obama and Bill Clinton — and at regulators in Washington. "They don't know your land and truly they don't care for your land like you do. From now on that won't matter."

Trump's efforts to change the monuments' status started in April, when he signed an [executive order](#) directing Interior Secretary Ryan Zinke to review more than a hundred national monuments. Zinke said Monday that the finished report will be released Tuesday.

The long-expected announcement was a victory for Sen. Orrin Hatch, Rep. Rob Bishop and other Utah Republicans who had pressed the administration to shrink the territories of the Bears Ears and Grand Staircase-Escalante monuments from their combined 3.2 million acres. But Trump's action enraged environmentalists and some Utah residents, who see the move as a first step toward allowing fossil fuel extraction near the monuments.

The planned cuts — essentially a rollback of the borders Obama and Clinton had set — was leaked to POLITICO and other news outlets last week. Obama set aside a total of more than 5.7 million acres of federal land into national monument parks, the most of any president under the Antiquities Act of 1906.

The new borders would shrink the 1.353-million-acre Bears Ears down to about 201,400 acres and break it into two new monuments called Indian Creek and Shash Jaa. That would free up oil, natural gas and uranium deposits for possible extraction.

Trump would also cleave the nearly 1.9 million-acre Grand Staircase-Escalante monument into three parts, totaling 997,490 acres: Grand Staircase, Kaiparowits and Escalante Canyons. The move would free up protections over areas high in mineral resources.

In the proclamations that reduced the monuments, Trump argued that many of the objects and physical features named in Clinton's and Obama's original designations "are not unique to the monument, and some of the particular examples of those objects within the monument are not of significant historic or scientific interest."

Environmental groups and Native American tribes have vowed to tie up Trump's move in courts. Southern Utah Wilderness Alliance plans to file a suit "within days, if not hours," legal director Steve Bloch said.

"The general gist of the argument regarding both national monuments is that the Antiquities Act is a limited grant of authority from Congress to the president to establish national monuments," Bloch said. "Nowhere in the act does Congress give the president the power to revoke or diminish national monuments, and by doing so the president is acting beyond his authority and unlawfully."

The Navajo Nation also promised to fight Trump's decision. The Navajos, who consider the Bears Ears monument of "critical importance" to the culture of many tribes in the region, said the White House ignored their requests to meet and discuss the issue.

"The decision to reduce the size of the Monument is being made with no tribal consultation,"

Navajo President Russell Begaye said in a press release. "The reduction in the size of the monument leaves us no choice but to litigate this decision."

A spokesman for the tribe did not immediately respond to questions.

Trump is also in danger of inflaming public opinion even while he appeases the Utah congressional delegation. Besides environmentalists, hunting and fishing groups have come out against the move, including some groups that had expressed early optimism about Trump and Zinke.

"Staircase Escalante in particular is troubling with a carve-out for the coal industry," said Land Tawney, president of Backcountry Hunters and Anglers. "That carve-out is smack dab in the middle of some of the most important habitat for desert bighorn sheep and will impact that species immensely, all for some coal that will most likely be sent to China."

Tawney had said a year ago that [he hoped](#) Trump and Zinke would oppose GOP efforts to "liquidate" federal lands. But more recently, as Zinke has carried out Trump's review of past presidents' monument designations, Tawney's organization has run [ads](#) out West asking, "What Happened to Ryan Zinke?"

Oil and gas companies, which have supported Trump and his push for American "energy dominance," welcomed the shearing back of the monuments' borders.

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**Trump strips monument protections from 2 million acres in Utah** [Back](#)

By Ben Lefebvre | 12/04/2017 03:10 PM EDT

President Donald Trump announced Monday that he is removing more than 2 million acres of protected territory from two national monuments in Utah, handing a political win to the state's lawmakers but setting off more protests from environmentalists and outdoor sports groups.

"You know how best to conserve this land for many, many years to come," Trump told a phalanx of the state's Republican lawmakers in Salt Lake City, as he took yet another swipe at the conservation legacies of former Presidents Barack Obama and Bill Clinton — and at regulators in Washington. "They don't know your land and truly they don't care for your land like you do. From now on that won't matter."

Trump's efforts to change the monuments' status started in April, when he signed an [executive order](#) directing Interior Secretary Ryan Zinke to review more than a hundred national monuments. Zinke said Monday that the finished report will be released Tuesday.

The long-expected announcement was a victory for Sen. Orrin Hatch, Rep. Rob Bishop and other Utah Republicans who had pressed the administration to shrink the territories of the Bears Ears and Grand Staircase-Escalante monuments from their combined 3.2 million acres. But Trump's action enraged environmentalists and some Utah residents, who see the move as a first step toward allowing fossil fuel extraction near the monuments.

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## **Nebraska regulators set hearings to review Keystone XL decision [Back](#)**

By Ben Lefebvre | 12/04/2017 03:40 PM EDT

Nebraska Public Service Commission will hold a hearing on Dec. 12 for TransCanada and environmental groups to argue it should reconsider its decision on the Keystone XL pipeline.

The PSC [last month](#) approved a route for the controversial Keystone XL that did not follow the path the Calgary-based company originally proposed. That could force TransCanada to apply for additional permits.

The company, which [asked for the additional hearing](#) in late November, has said it is still reviewing the PSC's decision.

Besides TransCanada, the Sierra Club and Nebraska landowners also requested to approach the board during the hearing, the notice said. Each party will have 20 minutes to discuss the commission's decision. The commission will not make a decision based on the hearings until a later date, the PSC said.

**WHAT'S NEXT:** The parties will meet for the hearing in Lincoln, Neb., on Dec. 12.

To view online [click here](#).

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## **Trump, Democrats restart talks to avert shutdown [Back](#)**

By Sarah Ferris, Jennifer Scholtes and Seung Min Kim | 12/04/2017 01:27 PM EDT

Senate Minority Leader Chuck Schumer and House Minority Leader Nancy Pelosi said Monday they will meet with President Donald Trump to resume high-stakes negotiations to avoid a government shutdown at week's end.

The Thursday sit-down at the White House with Trump and GOP leaders would amount to a do-over of the meeting Democrats ditched last week over a fiery Trump tweet that slammed the Democrats and cast doubt on the prospect of reaching a deal. The boycott caused a political spectacle and temporarily halted talks on a broader spending deal congressional leaders have been negotiating behind the scenes.

"We hope the President will go into this meeting with an open mind, rather than deciding that an agreement can't be reached beforehand," the Democratic leaders wrote in a joint statement.

Government funding runs out Friday at midnight, though Republican leaders believe they have the votes to push back that deadline until just before Christmas. Both parties hope to have reached a bipartisan, two-year agreement on overall spending levels for defense and nondefense programs by the time funding runs out again on Dec. 22.

That year-end deal is also likely to include other long-stalled legislative priorities, including addressing funding lapses for the Children's Health Insurance Program and the National Flood Insurance Program.

South Dakota Sen. John Thune, the third-ranking Senate Republican, said "probably not all [GOP senators] but most of them" will support the brief, two-week funding fix when it hits the Senate floor later this week.

"It's a matter of just making the government function," Thune said.

Democratic leaders reiterated on Monday that they are seeking a compromise to extend protections for the hundreds of thousands of undocumented immigrants who came to the country as children and are protected by an Obama-era program that Trump is ending in March.

Though top congressional Republicans would prefer to defer the immigration battle to early next year, several key GOP lawmakers are getting impatient and trying to work up their own legislative fix for Dreamers in order to pressure leadership.

Sen. Jeff Flake (R-Ariz.) quietly began working with Sen. Michael Bennet (D-Colo.) several weeks ago in a new "gang" to craft Dreamer legislation that could pick up 60 votes, according to a Flake spokesman. Flake and Bennet worked together nearly five years ago to write the Gang of Eight comprehensive immigration reform measure. Aides declined to name all the senators who are involved, although Democratic officials said Sen. Dick Durbin of Illinois is also engaged in the talks.

"To have those kids go through another end of the year without knowing what their status is, is not good," Flake said Monday evening. "There are a couple of issues we still need consensus on, but we're getting close on a number of them."

House GOP leaders plan to pass a two-week stopgap on Wednesday to buy more time for striking a broader spending deal. House Majority Leader Kevin McCarthy promised on Saturday at the Reagan National Defense Forum that "we'll get out of this mess."

But the major question remains the Senate, where Republicans will need Democrats to pass any stopgap legislation and the Democratic leadership has declined to say whether it will offer votes to avert a government shutdown, even if some of its members say they'll vote for a stopgap bill.

"It doesn't make a difference whether we do [vote for the continuing resolution] or not," said Vermont Sen. Patrick Leahy, the top Democrat on the Appropriations Committee. "The Republicans are in charge."

Sen. Dianne Feinstein (D-Calif.) said she expects enough Democrats to support the bill: "The

last thing we need is for the government to shut down."

Enacting the temporary patch would likely allow GOP leaders to postpone Democratic demands on prickly political issues like the deal for young immigrants and funding for the children's health care program.

The two-week stopgap does include language, however, that would make more funding available until month's end to states that are running out of money for administering the children's health program.

House GOP leaders believe they can secure enough votes from Republicans alone to clear this week's stopgap bill without making concessions to Democrats. But some conservatives have scoffed at the idea of punting until Dec. 22, which they fear will lead to a rash of spending before Christmas.

House Freedom Caucus members have asked Ryan for a stopgap through Dec.30 instead

"It's still up in the air," one House GOP staffer said about whether Republicans will back the two-week continuing resolution. "It's like a Kabuki dance in slow motion."

Defense hawks have also balked at the idea of a stopgap bill through the end of January, warning of budgetary uncertainty for the Pentagon.

With that in mind, some House Republicans are pushing a strategy that would include a full year's worth of funding for the Defense Department on one of the stopgap bills this month.

Rep. Mike Gallagher (R-Wis.) said that strategy would allow the House GOP to take a "bigger stand."

"I don't think there's an appetite among ... defense hawks in Congress for a long-term CR going into the next year," Gallagher, a member of the House Armed Services Committee, said at the Reagan National Defense Forum on Saturday.

Senate Majority Leader Mitch McConnell on Monday was confident Congress could pass a short-term funding bill. "We'll pass it before the end of the week," he said on the floor of the two-week measure.

And Republican leaders, despite some agitation from their rank and file, see no justification for Democratic demands for tying a so-called Dreamers deal to legislation intended to prevent a government shutdown.

"You hear our Democratic colleagues say, well, they're going to shut down the government unless we capitulate on the DACA fix, which is not going to happen," Senate Majority Whip John Cornyn of Texas said on Monday.

White House Budget Director Mick Mulvaney noted over the weekend that Democrats who are hell-bent on getting a Dreamers deal aren't the only ones threatening to withhold votes on government funding. Some House "right-wingers" have threatened opposition, he noted, as well as lawmakers from hurricane-hit states who want more disaster aid.

"This just sheds light on the fact that the spending system is broken when any little group can sort of hold the government hostage," Mulvaney said on CBS' "Face the Nation" on Sunday.

"We need to get beyond that. I think that we will. I don't think you'll see a government shutdown."

*John Bresnahan, Rachael Bade and Connor O'Brien contributed to this report.*

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## **Ryan weighed stripping Frelinghuysen of chairmanship [Back](#)**

By Rachael Bade and John Bresnahan | 12/04/2017 03:13 PM EDT

Speaker Paul Ryan and his leadership team recently discussed replacing House Appropriations Chairman Rodney Frelinghuysen after he bucked the party and voted against the GOP tax bill, multiple sources told POLITICO.

Ryan, House Majority Leader Kevin McCarthy (R-Calif.) and Majority Whip Steve Scalise (R-La.) over the Thanksgiving recess considered calling up the GOP steering committee charged with selecting chairmen to force a roll call on whether Frelinghuysen should maintain his position. Scalise, three sources said, pushed hard for the move and was furious that the New Jersey Republican opposed the legislation that leaders believe is vital to maintaining their majority.

"Committee chairmen are expected to support the team," said one senior GOP leadership aide said. "How does he expect to win support for his own bills when he's unwilling to support the President and Speaker's number one priority?"

Spokespeople for Ryan's office and the Appropriations Committee declined to comment.

News about the talks comes after Ryan last week pulled out of a fundraiser for Rep. Lee Zeldin of New York, another centrist Republican who voted against the tax bill. Both Zeldin and Frelinghuysen share concerns about what repealing the state and local tax deduction would mean for their high-tax districts, where constituents use that benefit to lower their federal tax bill.

But Republican lawmakers are even more angry about Frelinghuysen, who's one of the most powerful chairmen in the conference. Chairmen are expected to support GOP leaders on tough votes or major pieces of legislation. And Frelinghuysen, who hails from a more moderate-minded swing district, was not given a green light to vote against the tax bill.

The chairman's "no" vote is particularly sensitive because Ryan, McCarthy and Scalise often have to strong-arm other Republicans to vote for government funding bills that come out of Frelinghuysen's committee. There's a fear that if the chairman is not punished, other lawmakers will balk when GOP leaders need them most on spending bills.

"If there's no perceived blowback against Frelinghuysen, Ryan's hand is weakened," said a second House Republican source familiar with the back-and-forth. "It's almost a political necessity. There has to be real or perceived blowback."

At the same time, many conservative Republicans grew angry when former Speaker John Boehner removed lawmakers from prized committees for voting against leadership on critical bills. Boehner punished former Rep. Tim Huelskamp by kicking him off the Agriculture Committee — which helped lead to his primary defeat just over a year later.

"I disagree with the chairman's vote, but he, like all of us, should vote according to the principles on which he was elected—as long as within bounds of the Constitution," said Rep. Justin Amash (R-Mich.) on Twitter. "Leaders would be wise to surround themselves with more people, not fewer, who hold alternative viewpoints."

It's not the first time Frelinghuysen has gone against leadership. Ryan and his top lieutenants had to work hard to flip him from "no" to "yes" on the Obamacare repeal bill earlier this year. The New Jersey Republican did not want to vote for the health bill and worried it would undercut his re-election effort, multiple sources told POLITICO at the time.

Frelinghuysen was also one of only two Republicans to vote in early October against a GOP bill to restrict abortions after 20 weeks except in instances of rape or where the mother's life is in danger.

Beyond floor votes, Frelinghuysen clashed with Ryan over a new, controversial Authorization for the Use of Military Force. Frelinghuysen, eager to embrace "regular order," allowed his panel in June to adopt a bipartisan amendment to a spending bill that would phase out the post-9/11 authority for military action overseas and call for new war guidelines.

Ryan called it a "mistake" at the time — and instructed the House Rules Committee to strip the language from the bill before it even hit the floor.

Then, again to the chagrin of GOP leaders, Frelinghuysen took the unusual step in July of allowing controversial immigration language to be adopted by voice vote during a committee markup. Using the same tactic as with the AUMF provision, GOP leaders again overrode the chairman's call by plucking the immigration language before it reached the floor.

The discussion about Frelinghuysen's fate comes as Congress barrels toward a potential shutdown at week's end. House Republicans are expected to pass a two-week spending stopgap without Democratic support on Wednesday, a painful vote for conservatives and appropriators who see "continuing resolutions" as bad policy.

Even if a shutdown is averted, conservatives are likely to be forced in the coming weeks to accept an increase in non-defense spending in order to win a Pentagon budget boost — then back a massive omnibus in January that could include additional spending for other programs that is not offset with cuts elsewhere.

*Jennifer Scholtes contributed to this report.*

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**National Academies study on rail ECP brake efficacy inconclusive** [Back](#)

By Lauren Gardner | 10/05/2017 11:00 AM EDT

A National Academies committee tasked with reviewing DOT-conducted train brake testing could not conclude whether an advanced system that regulators have required for unit trains carrying hazardous materials like oil performs better in emergencies compared to others, according to a report released today.

That finding, based on results produced by DOT, may pave the way for the department to roll back a 2015 mandate for certain trains to install electronically controlled pneumatic brakes. Congress required studies of the requirement in the FAST Act and directed DOT to use the results to either justify its costs or repeal it by the end of 2017.

The latest report builds off an initial study released in February that [determined](#) DOT didn't adequately support why it planned to use certain parameters and factors to analyze ECP brakes and their performance relative to other systems. The panel made recommendations on that issue in advance of physical tests in the field and in a lab, which the members witnessed in the spring.

"DOT's efforts to validate its modeling and simulation approach in response to the committee's request do not instill sufficient confidence in DOT's comparison of the estimated emergency performance of ECP braking systems with that of" others, the report said.

A 2016 Government Accountability Office [report](#) on competing ECP braking studies from DOT and the railroad industry concluded that both sides' studies suffered from a lack of data to support their claims, in part because at that time the railroad industry had shared limited data.

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**GAO: Data lacking in DOT and freights' arguments on ECP brakes** [Back](#)

By Jennifer Scholtes | 10/12/2016 04:39 PM EDT

Special brakes for trains hauling flammable liquids might not be as beneficial as the DOT claimed in its rule last year strengthening protections for crude-by-rail, the Government Accountability Office reported this afternoon.

DOT has argued that electronically controlled pneumatic brakes not only allow trains to stop faster but also save money by reducing fuel consumption, operational inefficiency and wear. But GAO says those conclusions were based on limited data — at least in part because the information railroads have shared on their use is itself limited.

"Industry stakeholders claim that DOT overestimated benefits," GAO stated in its [report](#). "DOT's use of limited data adds uncertainty to the estimates that DOT did not always acknowledge in the rule and its supporting analysis."

The railroad industry has deployed its own studies finding essentially the opposite.

It may not be possible to determine which side's studies are most accurate, considering GAO found DOT's modeling "lacked transparency as the information published may not be sufficient to enable an independent third party to replicate it." GAO also dinged industry studies that suffered from the same lack of data: "only two out of five railroads provided GAO extensive quantifiable data to support these claims."

DOT contends GAO's argument is lacking and has disagreed with its recommendations that DOT "acknowledge uncertainty" in revising its economic analysis on ECP brakes, collect data from railroads on their use of the technology and publish more information on brake modeling.

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### **Revised ECP brake rule analysis shows costs greater than benefits [Back](#)**

By Lauren Gardner | 10/13/2017 02:43 PM EDT

DOT's updated regulatory impact analysis of a 2015 braking mandate for certain unit trains found that its costs exceed its estimated benefits, putting the rule one step closer to repeal later this year.

While costs and benefits associated with the electronically controlled pneumatic braking requirement both decreased, the estimated benefits plummeted even more compared to the original analysis. DOT attributed the change to the decline of tank cars transporting flammable energy goods since 2015 and to railroads failing to order ECP brakes on new trainsets, meaning required installations would have to be done via costlier retrofits.

The FAST Act directed DOT to update its analysis to take into account studies by GAO and the National Academies on ECP brakes, though the department indicated it will review the National Academies report during the comment period. Freight railroads and some lawmakers had protested the ECP requirement, arguing that not enough data exists to justify the cost of retrofitting them onto locomotives.

DOT has until early December to justify the ECP requirements or repeal them.

The Association of American Railroads applauded the updated report and said it shows the rule should be thrown out. But the group took issue with DOT's citations of testing FRA conducted within the analysis, pointing to the National Academies [study](#) that couldn't conclude whether those brakes were more effective than others.

"Nothing could be further from the truth," the group said, regarding the study's validity.

Comments on the updated analysis are due Nov. 1.

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## **Greens sue EPA over missed ozone designation deadline** [Back](#)

By Alex Guillén | 12/04/2017 03:04 PM EDT

Ten environmental and public health groups today [sued](#) EPA for missing a key deadline to implement the 2015 ozone standard.

EPA faced a statutory deadline on Oct. 1 to say which parts of the U.S. were meeting the new ozone standard. Administrator Scott Pruitt said over the summer that he would delay that decision by one year, although he reversed course after several lawsuits were filed. EPA last month [issued designations](#) for 85 percent of all U.S. counties which it said met the standard or did not have enough information to decide.

But the agency has remained silent on the remaining 15 percent of the nation, which includes many of the urban and downwind regions that face the worst smog pollution. Any area deemed in "nonattainment" will have to write a plan to reduce ozone-related pollution, and EPA's delay also puts off any requirement for those areas to act.

A coalition of Democratic attorneys general is also expected to sue EPA soon.

EPA has faced similar lawsuits after delaying designations under previous standards — such as the 2010 sulfur dioxide rule, for which environmental groups negotiated a consent decree with the Obama administration that set a series of designation deadlines lasting through 2020.

It's unclear whether a similar deal can be reached here. Pruitt recently issued a directive barring EPA from agreeing to such consent decrees. If EPA resists negotiations, the court may set its own timeline for the agency to act.

**WHAT'S NEXT:** The environmentalists' suit was filed in the U.S. District Court for Northern California. EPA has not indicated when it may act on the remaining designations.

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## **Judge says Interior delay of methane waste rule was illegal** [Back](#)

By Alex Guillén | 10/04/2017 07:32 PM EDT

A federal judge [ruled](#) today that the Bureau of Land Management's June postponement of key compliance dates for the methane waste rule was unlawful.

BLM relied on Section 705 of the Administrative Procedure Act to justify the delay. But Magistrate Judge Elizabeth Laporte of the U.S. District Court for Northern California said it was too late because the rule's effective date had already passed. That means BLM should have gone through a round of notice-and-comment rulemaking before suspending any part of the rule, she said.

Coincidentally, the ruling came on the same day that Interior [proposed](#) an 18-month delay of the methane waste rule as it works to rewrite it.

Laporte's ruling acknowledges the pending rulemaking but said it could be months before it is finalized and takes effect, and may not survive its own legal challenge, giving her no reason to pause now.

She vacated the delay and ordered the requirements reinstated. She rejected BLM's arguments that the delay should be kept in place, saying that doing so would create "a free pass for agencies to exceed their statutory authority and ignore their legal obligations under the APA, making a mockery of the statute." And Laporte said any company that misses upcoming January deadlines because of Interior's delay is in "a problem to some extent of their own making."

Laporte previously used similar legal reasoning to [strike down](#) Interior's delay of a resource valuation rule.

**WHAT'S NEXT:** BLM will take public comment for 30 days on its new proposal to delay the methane waste rule.

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**BLM proposes 18-month delay to methane rule** [Back](#)

By Ben Lefebvre | 10/04/2017 09:59 AM EDT

The Interior Department proposed to suspend enforcement of an Obama-era rule on methane emissions for 18 months as it plans to rewrite it, according to a [document](#) to be filed tomorrow in the Federal Register.

"The BLM is currently reviewing the 2016 final rule and wants to avoid imposing temporary or permanent compliance costs on operators for requirements that may be rescinded or significantly revised in the near future," the agency said in the document.

The agency said it is concerned that the final rule analysis "may have underestimated costs and overestimated benefits, and [BLM] is therefore presently reviewing that analysis for potential inaccuracies."

The 2016 rule was intended to require oil and gas developers on federal lands to capture more of the methane that leaked during their operations. The rule went into effect in January 2017 and survived an effort by Congressional Republicans to repeal it.

**WHAT'S NEXT:** BLM will accept public comments on the proposal for 30 days.

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## Trump judge assigned challenge to EPA water rule delay [Back](#)

By Alex Guillén | 12/04/2017 04:01 PM EDT

Environmentalists' lawsuit seeking to end EPA's delay of a regulation limiting power plants' toxic wastewater discharge has been assigned to a judge newly placed on the bench by President Donald Trump.

The suit was reassigned today from Judge Ketanji Brown Jackson, an Obama appointee, to Judge Dabney L. Friedrich, who was confirmed by the Senate last week by a vote of 97-3.

Green groups filed the lawsuit in May after EPA stayed certain requirements under the rule, known as the steam electric effluent limitations guidelines. But in September, EPA [finalized a delay](#) of certain implementation deadlines as it works to reconsider those parts of the rule, and the agency argues that means this lawsuit should be dismissed as moot since the stay was ended.

EPA and environmentalists have been trading briefs on the matter in the months since.

Friedrich was a former White House attorney under George W. Bush and was formerly an aide to Sen. [Orrin Hatch](#). From 2006 to 2016, she served on the U.S. Sentencing Commission, which creates sentencing guidelines for federal courts.

**WHAT'S NEXT:** Friedrich will have to determine whether to dismiss the suit, but will likely need time to get up to speed on the case.

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## EPA delays parts of power plant toxic discharge rule [Back](#)

By Alex Guillén | 09/13/2017 03:35 PM EDT

EPA has finalized a [rule](#) delaying by two years the key compliance dates for a 2015 regulation limiting toxic discharges in power plants' wastewater streams while it reconsiders those standards.

The delay provides "relief from the existing regulatory deadlines while the agency revisits some of the rule's requirements," EPA Administrator Scott Pruitt said in a statement.

Following industry requests, EPA specifically is delaying deadlines related to limits on discharges of flue gas desulfurization wastewater and bottom ash transport water, two waste streams associated with burning coal for electricity. EPA estimates the two-year delay of those requirements will provide annualized utility cost savings between \$27.5 million and \$36.8 million.

The agency said it will not revisit new standards for other types of waste streams — including

fly ash transport water, flue gas mercury control wastewater and gasification wastewater — and will leave deadlines associated with those streams in place.

The delay will take effect two weeks after it is published in the Federal Register, and is open to court challenges.

The Obama administration said the overall rule, known as effluent limitations guidelines or ELGs, ultimately would curb 1.4 billion pounds of aluminum, lead, mercury, arsenic and other toxic metals from entering waterways via discharge streams each year.

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### **Head of conservative states' air group to take top EPA post [Back](#)**

By Emily Holden | 12/04/2017 05:07 PM EDT

EPA is hiring Clint Woods, the head of an association that represents conservative state air agencies that have challenged federal pollution and climate regulations, to become deputy assistant administrator of the agency's air office.

Woods is executive director of the Association of Air Pollution Control Agencies. He previously worked for the energy and environment subpanel of the House Science Committee and for the American Legislative Exchange Council, an organization of conservative state legislators and businesses. Before that, he was government affairs manager for the Recreation Vehicle Industry Association.

Woods will work under the agency's air chief, Bill Wehrum, a former Hunton & Williams lawyer who has represented fossil fuel and chemical companies and was acting head of the air office under the Bush administration. Woods says he will also work with Principal Deputy Assistant Administrator Mandy Gunasekara, who took up the role last month, and David Harlow, an EPA air adviser from the same law firm as Wehrum.

Woods did not say what his specific duties would be but noted that his time with state and local agencies through AAPCA will "draw a lot of parallels" with EPA's work in implementing the Clean Air Act through cooperative federalism.

He is currently based in Lexington, Ky., and will assume his new position in mid-December.

AAPCA President Stuart Spencer, the associate director of the Arkansas Department of Environmental Quality, said Woods helped grow membership, increased engagement with EPA and produced reports on the state role in environmental protection.

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## **Dourson at risk of rejection as more Republicans lean no [Back](#)**

By Nick Juliano and Anthony Adragna | 11/16/2017 05:55 PM EDT

President Donald Trump's nominee to a key chemical safety job at the EPA is at risk of rejection after Republican senators balked amid accusations that he is too eager to cover for companies peddling dangerous products.

North Carolina's two GOP senators have said they will vote against confirming Michael Dourson as an EPA assistant administrator, citing a record that included work on a chemical linked to cancer deaths near a Marine Corps base in their home state. And Maine Republican [Susan Collins](#) said Thursday that she is leaning no as well — a vote that would be enough to sink his nomination.

Democrats are optimistic about turning four additional Republicans who they believe should be in play based on contamination issues back home.

Republican leaders have not decided what to do about Dourson's nomination, Senate Majority Whip [John Cornyn](#) (R-Texas) said Thursday.

"We'll have to see whether it's a viable nomination, and with two against him obviously that doesn't leave us a lot of room," Cornyn told POLITICO. "We haven't made a decisions on that yet, but we'll be revisiting it."

Critics say Dourson, a former industry-funded toxicologist, regularly downplayed the risks of chemicals such as PFOA and trichloroethylene that are contaminating soil and water in communities across the country. Dourson has already begun working at EPA as a senior adviser to Administrator Scott Pruitt, an arrangement Democrats have condemned as improper.

"There are all these local contamination issues across the country that have been bubbling up recently or have been out there for years, and because Dourson is this hired gun ... he's almost by nature of his job been working on these really controversial chemicals," said Jack Pratt, chemicals campaign director for the Environmental Defense Fund, which opposes Dourson's nomination.

Republican North Carolina Sens. [Thom Tillis](#) and [Richard Burr](#) said Wednesday that they could not support Dourson because of his past work as a toxicologist who was frequently hired by industry to rebut public health concerns about chemicals. Collins said Thursday that she is "leaning against" confirming him.

A legislative aide said Democrats are eyeing Republican Sens. [Jeff Flake](#) of Arizona, [Lisa Murkowski](#) of Alaska, [Bob Corker](#) of Tennessee and [Pat Toomey](#) of Pennsylvania, although Flake, Toomey and Corker told POLITICO they're still undecided.

"Sen. Toomey remains concerned about the PFOA issue in Bucks County and Montgomery County and remains dedicated to addressing it," a spokesman for the Pennsylvania Republican said, naming two Philadelphia-area counties where [toxic firefighting chemicals](#) leached into the ground from [two closed naval bases](#). Toomey is reviewing the nomination "with these concerns in mind," but the spokesman did not say how he plans to vote.

However, even if the nomination is pulled or rejected, Dourson will still be able to influence

EPA's implementation of a major chemical safety law because he has already started working at the agency. Democrats have criticized that arrangement, though EPA says previous administrations allowed people to begin working there before being confirmed.

EPA's chemical safety office, which Dourson has been nominated to lead, has a heavy workload after Congress in 2016 passed a bipartisan law updating the Toxic Substances Control Act for the first time in nearly 40 years. The office has been charged with evaluating the safety of chemicals already in use and determining how to test new chemicals before they are allowed into the marketplace.

The near-universal support TSCA reform won in Congress last year may help explain the wariness among lawmakers about giving chemical industry allies too much of a foothold in EPA.

"They wanted to give the public some assurance that the products on their shelf are safe, and when you put the chemical industry in charge that's not going to happen," said Madeleine Foote, a legislative representative with the League of Conservation Voters.

Tillis and Burr stopped short of calling for Dourson to step down from his existing position at the agency. "I'll leave that up to the EPA to decide," Tillis told POLITICO.

Sen. [Joe Manchin](#) (D-W.Va.), who has supported several Trump nominees, said he would vote against Dourson but not object to him continuing to work at EPA.

Before joining EPA last month, Dourson was a professor at the University of Cincinnati College of Medicine's Risk Science Center, and he founded the nonprofit Toxicology Excellence for Risk Assessment, which was often conducted industry-funded research. He also previously worked at EPA from 1980 to 1995. Past clients of Dourson and his research group have included Dow Chemical, Koch Industries and Chevron, according to [the Associated Press](#).

Critics say Dourson's research routinely concluded that chemicals were safer in far higher concentrations than those recommended by agencies like EPA, putting communities at greater risk of finding toxic substances like perchlorate, TCE or PFOA in their air or drinking water.

Pratt said Dourson's work followed a pattern.

"Over and over again these chemical companies would hire him, he'd look at the research, and say the standard that EPA or whatever regulatory body has is too strict — it should be looser," Pratt said.

EPA defended the nominee.

"Dr. Michael Dourson is a highly qualified scientist to lead EPA's Office of Chemical Safety and Pollution," EPA spokesman Jahan Wilcox said in a statement. "He worked at EPA for 15 years, founded a program that characterized the health hazards of chemicals, performed pro-bono work that saved a family near Cincinnati and his expertise on TCE contamination resulted in settlements that helped 130 families outside of San Francisco."

Dourson told the Environment and Public Works Committee at his confirmation hearing last month that he did not have a thumb on the scale.

"I can give you as many or more examples of situations where the science that we brought forward as a team actually lowered the safe dose or risk position for various sponsors," Dourson told Sen. [Tom Carper](#) (D-Del.) at the hearing. "If confirmed, I will rely on the guidance of EPA ethics officials."

Tillis and Burr said they could not support Dourson based on his record and North Carolina's history of chemical pollution problems, such drinking water at Camp Lejeune that was contaminated for decades by chemicals including trichloroethylene. TCE is one of the first 10 chemicals EPA must evaluate under the new safety law, but Dourson has previously endorsed health standards that are 1.5 to 15 times less protective than those backed by other researchers, [according to EDF](#).

Retired Marine Corps Master Sgt. Jerry Ensminger, whose daughter died of leukemia linked to the contaminated water at Camp Lejeune, met with Tills and aides to Burr to urge their opposition, according to the [Wilmington Star News](#).

Among his other industry-funded work, Dourson [appeared](#) before an EPA scientific advisory panel session concerning the pesticide chlorpyrifos on behalf of CropLife America. He led a 2008 [paper](#) on acrylamide, which can form during high-temperature cooking of some starchy foods, that received funding from major food companies like Burger King, Frito-Lay and McDonald's. And he [studied](#) 1-bromopropane, a solvent linked to some neurological and reproductive disorders, in 2004 with funding from Albemarle Corp. and Ameribrom Inc.

In all cases, he recommended standards many factors less protective than public health and EPA research suggested.

He also has done work for industry-friendly state governments. In the early 2000s, Dourson helped West Virginia set drinking water guidance limits for PFOA, also known as perfluorooctanoic acid or C8, at 150 parts per billion. That was 150 times less protective than manufacturer DuPont's own internal standard of 1 part per billion and more than 2,000 times less protective than EPA's [recommendation](#) of 70 parts per trillion.

During his confirmation hearing, Dourson argued that the research had evolved significantly since his recommendation to West Virginia, saying that "the science has progressed, significantly advanced since the time of 2004 and the new science indicates a lower level." And he defended the integrity of his work overall.

"Throughout my career — with EPA, TERA and now with the University of Cincinnati — I have been objective in my work and applied sound science to come to my conclusions," Dourson said.

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**Date:** Monday, November 27, 2017 5:46:38 AM

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By Anthony Adragna | 11/27/2017 05:44 AM EDT

**U.S. BACKS HFC REDUCTION DEAL:** While you were munching on turkey and mashed potatoes, the Trump administration pledged its support for an international accord aimed curbing emissions of hydrofluorocarbons, highly potent greenhouse gases. "The United States believes the Kigali Amendment represents a pragmatic and balanced approach to phasing down the production and consumption of HFCs, and therefore we support the goals and approach of the amendment," Judith Garber, the State Department official who led the delegation to Montreal Protocol conference, said in [remarks](#) on Thanksgiving Day. It's a big deal because the agreement, which enters into force in 2019, is expected to avoid a temperature increase of 0.5° C [0.9° F] by 2100.

**And the U.S. ponied up, too:** The U.S. [agreed](#) to pour \$36.67 million annually from 2018 through 2020 into the Multilateral Fund, through which rich nations help developing ones to phase out HFCs. That's part of a broader \$540 million countries agreed to contribute over the three-year period. Look for Congress to be a lot more willing to contribute for this than it has been for other international climate efforts given both industry and environmentalists strongly back the broader agreement.

**Limping toward Senate consideration:** Garber told diplomats the U.S. had "initiated the process" for putting the Kigali agreement to the Senate for its advice and consent, though she cautioned there was "no timeline currently determined" for formally sending it over to Congress. "There are a number of steps in our domestic process that we would need to complete before reaching a final decision," she noted.

**WELCOME TO MONDAY!** I'm your host Anthony Adragna, and NRDC's Ed Chen was first to identify the Saturday Evening Post as landing spot for Norman Rockwell's iconic Thanksgiving painting. For today: Within two percentage points, what percentage of Americans hold valid passports? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#), and [@POLITICOPro](#).

**WOMEN RULE WEEK!** POLITICO is partnering with women-led businesses in the DC-metro area to offer a full week of exclusive perks in conjunction with the 5th annual Women Rule Summit! Join the fun at participating businesses during Women Rule Week (**Nov. 27 - Dec. 1**) for [exclusive deals](#) and tweet 5x using #WomenRule for a chance to win two free tickets to the Summit on Dec. 5!

**HEADS TURN TO WEST VIRGINIA:** Washington's attention will be trained on what will be a critical week in Congress for the GOP's tax package, but the eyes of the energy and environmental world turn to Charleston, W.Va. for the lone public hearing on EPA's proposed repeal of the Obama-era Clean Power Plan. Preliminary lists of witnesses on [Tuesday](#) and [Wednesday](#) include numerous heavy-hitters: coal magnate Robert Murray, West Virginia Attorney General (and Senate candidate) Patrick Morrisey, Rep. [Evan Jenkins](#), as well as dozens of environmental, health and public interest advocates vocally opposing the

regulation's repeal. Remember EPA continues to [accept comment](#) on its proposed repeal through Jan. 16.

**Oversight hearings from Appropriators:** As they [work to stave off](#) a government shutdown, House Appropriators will check in with the [U.S. Forest Service](#) and [Army Corps of Engineers](#) on Wednesday before hearing from [Deputy Interior Secretary David Bernhardt](#) on Thursday. Bernhardt, who will be joined by officials from EPA and Energy, is also due to provide [an update](#) to the House Oversight Committee on their regulatory reform initiatives on Wednesday.

**Taking stock:** POLITICO's Seung Min Kim [looks at](#) the daunting remainder of the year for Congress.

**EPW to move more nominees:** The Senate Environment and Public Works Committee is [scheduled to vote](#) on the nominations of Kathleen Hartnett White to run the White House Council on Environmental Quality and Andrew Wheeler to be EPA deputy administrator on Wednesday at 10 a.m.

**Brownfields bill hits the floor:** The House is slated to vote Thursday on legislation [H.R. 3017 \(115\)](#) that reauthorizes and revamps EPA's Brownfields program, which helps promote the redevelopment of contaminated sites.

**MAKING PROGRESS:** TransCanada said it's removed 44,400 gallons of oil from the site of a spill from the Keystone pipeline in South Dakota in its [most recent update](#) on the situation. The company said it has 170 people "on-site, working around-the-clock" to clean up the spill and that "there have been no significant" environmental impacts from the incident. Preliminary inspections were supposed to be completed Sunday, and the company has not given any estimate of when the pipeline will begin operations again.

**UPTON STAYING ON ENBRIDGE'S CASE:** House Energy and Commerce Energy Subcommittee Chairman [Fred Upton](#) told [Michigan radio](#) on Sunday that he, along with Gov. Rick Snyder's office, met "at length" with representatives from Enbridge about its troubled Line 5 pipeline, and he vowed to continue seeking greater transparency from the company about the status inspections and repairs. "There is no room for an accident here," Upton said. "We're going to stay on their case."

**More on why he passed on a Senate run.** "I've never lost an election - didn't think that I would - but it's a tough sledding that's for sure, so at the end we just said, 'No, not gonna do it.'"

**QUITE AN INTERESTING RECOMMENDATION:** Interior Secretary Ryan Zinke has recommended the creation of a new national monument in Montana that would protect more than 200 square miles of federal land from any fossil fuel development, a move some see as politically shrewd given the former Montana congressman's whispered future ambitions, [NPR reports](#). "I think the secretary has talked about wanting to come back to Montana after he's done being secretary and potentially run for governor," said Land Tawney, president of the Montana-based sportsmen's group Backcountry Hunters and Anglers. During an April executive order signing, Trump described national monument designations made under prior administrations as "massive federal land grab[s]" and Zinke has suggested shrinking a handful of them.

**DEFENDING GAETZ IN CLIMATE CAUCUS:** Rep. [Matt Gaetz](#) 's joining the Climate Solutions Caucus raised more than a few eyebrows in Washington given his legislation earlier this year to abolish the EPA, but the Citizens Climate Lobby actually sees it as a major sign of progress. "We think his joining (which happened at the invitation of a fellow freshman Congressman from across the aisle) signals a big shift in the way climate change is being approached in Congress," Flannery Winchester, a spokeswoman for the group, wrote in an email. "Gaetz's membership on the caucus shows that the issue is becoming less politicized, and his exposure to the other Republicans in the group will likely bring him closer to bipartisan climate legislation that's actually viable."

**BACK ON THE JOB:** In a Thanksgiving [statement](#), Whitefish Energy said it resumed efforts to repair Puerto Rico's electric grid after receiving enough of a payment to indicate a "good faith intent" from the island's beleaguered utility to pay the Montana-based company. The amount of the payment was not specified. Government [figures](#) Sunday showed more than 42 percent of the island remains without electricity.

**DON'T DO IT!** Eleven state attorneys general sent [a letter](#) last week to the National Park Service voicing strong opposition to proposed fee increases at high-profile parks around the country. "The Service has not offered a reasoned explanation for its proposed fee increases and its actions are inconsistent with the laws that govern our national park system," the letter, led by California's Xavier Becerra, says.

**NOW LOBBYING:** Former Sen. Byron Dorgan has been hired by the Wilderness Society to lobby on "conservation issues relating to the Arctic National Wildlife Refuge," according to records [posted](#) last week.

**OBSTACLES AHEAD:** Keeping energy consumption in check is crucial if the European Union intends to meet 2020 targets for renewables and energy efficiency, POLITICO Europe's Kalina Oroschakoff [reports](#), citing an European Environment Agency [warning](#). The agency also urged countries to speed up cutting fossil fuel use in their energy systems to meet the 2030 renewable and energy efficiency targets.

## QUICK HITS

- Growing Gas Glut Threatens West Texas Oil Boom. [Wall Street Journal](#).
- Scott Pruitt on a mission to change the culture of the EPA. [USA Today](#).
- Meredith to buy U.S. publisher Time in Koch-backed deal. [Reuters](#).
- Kansas: Feds Say All Its Counties Meet Air Quality Standards. [AP](#).
- Aramco Sees Oil Market Balanced as U.A.E. Dismisses Shale Threat. [Bloomberg](#).
- Behind Buffett's support of Keystone XL pipeline project. [Omaha World-Herald](#).
- US appeals court orders halt on natural gas pipeline in Ohio. [AP](#).

## HAPPENING THIS WEEK

### MONDAY

2:00 p.m. — Health, Business, and Environmental representatives hold press call detailing arguments against Clean Power Plan repeal, RSVP: Kris@blueenginemedi.com

## **TUESDAY**

9:30 a.m. — "[Status of Carbon Capture 2017](#)," Center for Strategic and International Studies, 1616 Rhode Island Avenue, NW

10:00 a.m. — Senate Environment and Public Works Committee holds a nomination [hearing](#), Dirksen 406

10:00 a.m. — "[Security and climate change in the Pacific: from Asia to the US](#)," International Institute for Strategic Studies, 2121 K Street NW, Suite 801

12:00 p.m. — "[Green Tyranny: Exposing the Totalitarian Roots of the Climate Industrial Complex](#)," Heritage Foundation, Lehrman Auditorium, 214 Massachusetts Ave NE

1:30 p.m. — "[Energy and Development: Providing Access and Growth](#)," Center for Strategic and International Studies, 1616 Rhode Island Avenue, NW

2:00 p.m. — "[Can tax reform include a carbon tax?](#)" Brookings Foundation, 1775 Massachusetts Ave. NW

4:30 p.m. — "[Oil's Coming Decade of Disorder](#)," Securing America's Future Energy, 918 F St. NW

5:00 p.m. — House Rules Committee [meets](#) to consider two bills, including one reauthorizing the Brownfields program, H-313

## **WEDNESDAY**

10:00 a.m. — "[Modernizing NEPA for the 21st Century](#)," House Natural Resources Committee, Longworth 1324

10:00 a.m. — "[The Future of WOTUS \(Waters of the United States\): Examining the Role of States](#)," House Science, Space and Technology Subcommittee on Energy, Rayburn 2318

10:00 a.m. — Senate Environment and Public Works Committee holds [business meeting](#) on Hartnett White and Wheeler nominations, Dirksen 406

10:00 a.m. — "[Supplemental Oversight: U.S. Forest Service](#)," House Appropriations Subcommittee on Interior, Environment and Related Agencies, Rayburn 2007

10:00 a.m. — "[Regulatory Reform Task Forces Check-In: Part III](#)," House Oversight and Government Reform Subcommittees on Environment and Intergovernmental Affairs, Rayburn 2154

10:00 a.m. — The American Petroleum Institute holds a lunch event to showcase a new study on "STEM education and the energy workforce of the future," George Washington University - Elliott School of International Affairs, City View Room, 1957 E Street NW

10:15 a.m. — "[Powering America: Examining the Role of Financial Trading in the Electricity](#)

[Markets](#)," House Energy and Commerce Energy Subcommittee, Rayburn 2322

11:00 a.m. — "[Supplemental Oversight - US Army Corps of Engineers](#)," House Appropriations Energy and Water Subcommittee, Rayburn 2362-B

2:15 p.m. — National Academies hold [open meeting](#) to review draft Fourth National Climate Assessment, National Academy of Sciences Building, 2100 C St. NW

## THURSDAY

8:00 a.m. — "[At the Crossroads IV: Energy & Climate Policy Summit](#)," Heritage Foundation and Texas Public Policy Foundation, Allison Auditorium, 214 Massachusetts Ave NE

9:30 a.m. — "[Supplemental Oversight - Department of the Interior](#)," House Appropriations Interior, EPA and Related Agencies Subcommittee, Rayburn 2007

12:00 p.m. — "[Clean Energy Choices](#)," R St. Institute, Cannon 122

12:30 p.m. — Natural Gas Roundtable [hosts](#) FERC Chairman Neil Chatterjee, University Club, 1135 16th Street, NW

12:45 p.m. — "[New Realities for US Energy Security](#)," Resources for the Future, 1616 P St NW

2:00 p.m. — "[Legislative Hearing on Bill Streamlining Water Projects](#)," House Natural Resources Subcommittee on Water, Power and Oceans, Longworth 1324

2:30 p.m. — "[Legislative Hearing on Geothermal Exploration, 3 Other Bills](#)," House Natural Resources Energy and Mineral Resources Subcommittee, Longworth 1334

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## Stories from POLITICO Pro

### Trump and congressional leaders to hold talks to avoid shutdown [Back](#)

By Seung Min Kim, Heather Caygle and Andrew Restuccia | 11/22/2017 01:42 PM EDT

President Donald Trump and top congressional leaders will meet next week to try to hammer out a year-end agreement to avert a government shutdown, according to multiple sources, as Capitol Hill careens toward a legislative pile-up next month.

The so-called Big Four — Speaker Paul Ryan, House Minority Leader Nancy Pelosi, Senate Majority Leader Mitch McConnell and Senate Minority Leader Chuck Schumer — haven't even agreed on total government spending levels that would allow appropriators to write a massive funding bill for the rest of the fiscal year.

That means a short-term funding extension to keep the government operating beyond a Dec. 8

deadline is all but inevitable. Congressional leaders would likely need to reach an agreement on the top-line figures by early next week for there to be any chance of finishing an omnibus spending bill in December.

The meeting is scheduled for Tuesday at 3 p.m., according to congressional sources and a White House official. White House Deputy Press Secretary Lindsay Walters later said in a statement, "The President will be meeting with congressional leaders next week to discuss end-of-year legislative issues."

In addition to having to move a must-pass bill to fund the government, Republicans hope to pass a sweeping rewrite of the tax code by Christmas.

Further complicating matters is the ongoing dispute over the fate of the Deferred Action for Childhood Arrivals program, the Obama-era initiative that has shielded hundreds of thousands of young undocumented immigrants from deportation.

Trump has announced that DACA permits will expire beginning in March, although immigration advocates have said scores of current DACA recipients have already lost protections because they weren't able to get their status renewed before an October deadline.

One source familiar with the negotiations said Democrats, particularly Pelosi, have pushed aggressively to include a DACA fix to a short-term continuing resolution that would keep the government open beyond Dec. 8. A Democratic leadership aide said Pelosi has not asked specifically for a DACA fix to be attached to a short-term extension, although she and Schumer have been publicly adamant that a legislative solution for DACA needs to pass Congress next month.

Democratic leaders have also insisted on ensuring that any agreement to raise defense spending above sequester levels also boosts funding for domestic programs.

*John Bresnahan contributed to this report.*

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**Congress stares down shutdown amid December deluge** [Back](#)

By Seung Min Kim | 11/26/2017 03:23 PM EDT

December is shaping up to be the cruelest month for Republicans who control Capitol Hill.

Under enormous pressure for a legislative achievement, GOP senators will attempt to follow their House counterparts this week by passing a massive tax overhaul they can send to President Donald Trump by the end of the year.

At the same time, they're dealing with Democrats to avert a Christmastime government shutdown. And that battle is complicated even further by an emotional fight over the fate of hundreds of thousands of young undocumented immigrants.

"I'm not prepared to go home for the holidays until we get our work done," Senate Minority Whip Dick Durbin (D-Ill.) said Sunday on CNN's "State of the Union."

The to-do list, which Trump will discuss with top congressional leaders at a White House meeting on Tuesday, doesn't end there. Lawmakers are butting heads over a third tranche of emergency aid for hurricane-ravaged areas. Key surveillance powers used by the National Security Agency need to be renewed. Funding for a health insurance program benefiting 9 million lower-income children is already long expired, with several states close to running out of cash.

And it all comes against a continuous backdrop of sexual harassment bombshells that are ensnaring a growing number of lawmakers — not to mention a dramatic Senate special election in Alabama that could immediately prompt ethics proceedings, a rarity in the chamber.

First up is the tax overhaul. The House passed its plan just before the Thanksgiving break with surprising ease — putting pressure on the Senate to cobble together 50 Republican votes, the same task that stymied GOP senators in the Obamacare battle this summer.

Senate Majority Leader Mitch McConnell (R-Ky.) is reckoning with multiple dueling factions, all with competing concerns about the tax bill. A bloc of deficit hawks, including Sens. Bob Corker of Tennessee and Jeff Flake of Arizona, is worried the measure would balloon the deficit. Sen. Ron Johnson (R-Wis.) is opposed, at least for now, because of the way the bill treats small businesses.

Other Republicans, including moderate Sen. Susan Collins of Maine and conservative Sen. Jerry Moran of Kansas, aren't pleased that a health care fight is being injected into the tax mix. The Senate legislation would repeal Obamacare's requirement that everyone carry insurance, yielding hundreds of billions in savings but potentially destabilizing health care markets.

If Senate Republicans can pull it off, they'll immediately begin trying to reconcile their bill with the very different House plan.

Then there's the matter of keeping the government open. As Republicans try to jam through their partisan tax bill, they'll be in talks with Democrats on a sweeping year-end spending package to fund the government through September. That task always needs bipartisan buy-in, but the immigration dimension makes the challenge vastly more complicated than in past years.

A short-term funding patch delaying the current Dec. 8 deadline at least a couple of weeks is inevitable, since top Hill leaders haven't even agreed on spending numbers for federal agencies. The appropriations committees would need at least three to four weeks to write funding legislation.

Because it involves a must-pass bill, the spending fight gives House Minority Leader Nancy Pelosi (D-Calif.) and Senate Minority Leader Chuck Schumer (D-N.Y.) maximum leverage to demand a top priority for Democrats by year's end: codifying Deferred Action for Childhood Arrivals into law.

While not explicitly threatening to withhold votes without a DACA measure, both Pelosi and Schumer have vowed to save the Obama-era immigration program legislatively before

lawmakers leave Washington for the year. Moderate Republicans have also urged their leadership to find a fix.

But doing so could prompt a rebellion among conservatives who don't want to be steamrolled by Democrats on such a contentious issue. The White House is also insisting on funding for President Donald Trump's border wall with Mexico.

In addition to a huge omnibus spending package, Congress has another pricey funding measure to deal with — aid for hurricane-wrecked states and territories — that many on Capitol Hill say doesn't go far enough.

The White House has suggested a \$44 billion emergency measure distributed to Texas, Florida, Puerto Rico and the U.S. Virgin Islands for ongoing hurricane relief, as well as money for combating wildfires in the West. Democrats and some powerful Republicans — including Senate Majority Whip John Cornyn of Texas, the No. 2 GOP leader — have said the package is far too small, though they will have to contend with fiscal conservatives who are getting weary of continued spending on aid, particularly if it's not paid for with other cuts.

Other prime government programs could be temporarily shuttered if Congress fails to act.

One is Section 702 of the Foreign Intelligence Surveillance Act, which empowers the NSA to monitor communications without a warrant. That authority expires at the end of the year, and there is bipartisan opposition to a "clean" renewal of the spying powers. There are varying proposals that would extend the programs, but with key reforms.

The National Flood Insurance Program, which has become financially strapped after the spate of powerful hurricanes this year, also needs to be reauthorized by Dec. 8. The House and Senate have dueling proposals to renew the program.

On the health care front, the expiration of funding for the Children's Health Insurance Program is already causing problems as more states have turned to temporary cash infusions from the federal government to keep the programs running.

House Republicans passed a largely partisan CHIP funding measure earlier this month. Still, CHIP could be a relatively simple fix: One option would be to let funding ride along with a short-term continuing resolution that will need to clear Congress by Dec. 8.

Lawmakers will also face pressure to act on legislation that would stabilize the Obamacare markets after Trump's decision last month to stop paying so-called cost-sharing reduction subsidies to insurers.

All of this activity could be overshadowed by ballooning sexual harassment scandals on Capitol Hill.

Multiple women have come forward with allegations against Sen. Al Franken (D-Minn.) and Rep. John Conyers (D-Mich.), who have faced calls for ethics investigations or to step aside from powerful leadership posts. On Sunday, Conyers announced that "in light of the attention drawn by recent allegations made against me," he is stepping down from his post as the top Democrat on the Judiciary Committee. At least one House Democrat said Conyers should resign from Congress.

On the GOP side, Senate Republicans have scoured through essentially every option to try and

knock Alabama Senate candidate Roy Moore out of the race, after at least nine women accused him of varying degrees of sexual misbehavior, including when one woman was 14 years old.

Democrat Doug Jones has a shot at an upset in the Dec. 12 election, which would be a political stunner in the conservative state. But if Moore wins, he will immediately face calls for expulsion from some of his own colleagues, and McConnell has promised that ethics proceedings for Moore would begin promptly. That could lead to his eventual expulsion, though doing so would be unprecedented.

To top it off, Rep. Al Green (D-Texas) has promised to force a vote to impeach Trump by Christmas. Green backed away from his first attempt to push the issue to the House floor earlier this fall after private pressure from Democratic leaders.

"Whatever others will do is their choice," Green said in a speech laying out his impeachment vow. "My conscience dictates that I will vote to impeach. Let others do what they may. History will judge us all."

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By Anthony Adragna | 09/15/2017 05:41 AM EDT

*With help from Alex Guillén*

**GOP STILL ANXIOUS OVER AGENCY VACANCIES:** President Donald Trump's administration has been more active in recent weeks in formally nominating people to host of vacant energy and environmental posts throughout the federal government, but members of his party still aren't satisfied with the pace. In conversations with 10 GOP senators, most said there were still numerous vacancies hampering the president's ability to implement his agenda. Here's what a couple of them had to say:

— [John Barrasso](#), **EPW chairman**: "The pace has picked up, and I'm encouraged by that. I still am looking forward to getting the nominations for the Bureau of Land Management, Fish & Wildlife [and] of course the National Park Service. So there are still some critical ones out there that need to come forward."

— [Shelly Moore Capito](#), **another EPW member**: "I still think we have too many vacancies."

— [Jerry Moran](#), **also on EPW**, said there are too many instances where senators can't find the right person at an agency because they haven't been nominated. "I'm pleased to see any movement, which we're seeing from the White House, in the nominations and I hope we can — without objections from Democrats — take up those nominations as they arrive."

— [Lisa Murkowski](#), **Energy chairwoman**, cautioned that while the pace of names had increased recently, "we've got to get them through the whole process."

**Carper raises concerns:** EPW ranking member [Tom Carper](#) said in a statement EPA Administrator Scott Pruitt "must follow through with the answers he assured us he would provide during his own confirmation hearing before we move forward with additional nominees" after meeting with four nominees slated to have confirmation hearings next week. But Barrasso told ME "we're going to continue" to process nominations regardless of those concerns.

**HAPPY MIDWAY POINT OF SEPTEMBER!** I'm your host Anthony Adragna, and Meguire Whitney's Elizabeth K. Whitney was first to identify James K. Polk as our only speaker to ever become president. For today: What's the only current state where both senators share the same first name? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](#), [@Morning\\_Energy](#), and [@POLITICOPro](#).

**TRUMP SHRUGS OFF CLIMATE LINK TO HURRICANES:** After visiting Florida on Thursday, Trump told reporters aboard Air Force One he saw no link between climate change and Hurricanes Harvey and Irma, which devastated much of the southern U.S., Pro's Emily Holden [reports](#). "We did have two horrific storms, epic storms," he said. "But if you go back into the '30s and '40s, and you go back into the Teens, you'll see storms that were very similar

and even bigger, OK?"

**Scott too:** Even after twice touring the storm-ravaged Florida Keys this week, Florida Gov. Rick Scott still won't say if he believes man-made climate change is real, POLITICO Florida's Marc Caputo [reports](#). "Clearly our environment changes all the time, and whether that's cycles we're going through or whether that's man-made, I wouldn't be able to tell you which one it is," the governor (and Trump's [preferred Florida Senate candidate](#)) said.

**Two Superfund sites need work:** EPA officials have now examined 30 of the 90 affected Superfund sites in Florida and concluded two of them in Jacksonville — Fairfax Wood Treating and U.S. Naval Air Station Cecil Field — require follow up work due to flooding in the area.

**ANOTHER EPA RULE RECONSIDERED:** Pruitt has [granted](#) separate petitions of AES Puerto Rico and the Utility Solid Waste Activities Group to reconsider aspects of the agency's 2015 coal ash regulation, Pro's Alex Guillén [reports](#). USWAG [asked](#) that pending deadlines be pushed back and called for the rule to be changed in the wake of a December 2016 law changing the enforcement scheme, while AES' [petition](#) centered on how utilities could store the residue from coal-fired power generation on site. "In light of EPA's new statutory authority, it is important that we give the existing rule a hard look and consider improvements that may help states tailor their permit programs to the needs of their states, in a way that provides greater regulatory certainty, while also ensuring that human health and the environment remain protected," Pruitt said in a statement, referring to provisions in last year's water infrastructure law.

**Environmentalists bashed the decision** to reopen the rule, which took almost six years to develop, as endangering human health and the environment. "This decision is a galling giveaway to industrial polluters, even by this Administration's standards of pandering to industry at the expense of the public," Earthjustice attorney Lisa Evans said in a statement. They vowed to fight moves to undermine the regulation, though Pruitt's EPA is likely to ask a federal appeals court case with oral arguments currently scheduled for Oct. 17 be put on hold while it reconsiders the rule.

**MINING INDUSTRY HEADED TO TRUMP HOTEL:** The National Mining Association confirmed to ME a [report](#) in The Intercept that it will host its private conference next month at the Trump International Hotel in Washington. "We evaluated information from five different venues and this was the only venue able to accommodate a group of our size and our meeting requirements on our desired dates," a spokeswoman said. Interior Secretary Ryan Zinke is slated to address the group at the hotel.

**SCIENCE PANEL WANTS FACE-TO-FACE WITH PRUITT:** EPA's Science Advisory Board, the influential group of scientists who weigh in on key science issues, have invited Administrator Scott Pruitt to a meeting "to share your vision of the SAB's ongoing role in providing scientific advice and to hear about your priorities for the Environmental Protection Agency," according to a [letter](#) sent this week. The meeting will "allow for a dialog on how best the SAB can work to ensure the highest quality science supports Agency's policies and decisions," wrote SAB Chair Peter Thorne. It's not unusual for administrators to appear before the SAB on occasion; Gina McCarthy, for example, spoke to SAB in April 2016.

**Elephant in the room:** EPA is currently taking public comment on [132 nominees](#) for SAB. It has 48 slots, with 15 opening up at the end of the month. The current SAB is dominated by

academics, but also has members from state agencies, private companies and environmental groups. Comments are due Sept. 28.

**GOTTA START SOMEWHERE:** The White House Council on Environmental Quality took the first step Thursday toward implementing Trump's August executive order aimed at speeding the environmental reviews of infrastructure projects with the release of a work plan, Pro's Emily Holden [reports](#). Among the steps to come: Work with other groups to create a framework for the "One Federal Decision" process, coordination to identify high-priority projects and the issuance of guidance to speed the NEPA process.

**LET'S GET TOGETHER?** Murkowski told reporters Trump had invited her over for lunch last Friday, but she had to bow out due to a commitment in Alaska. She viewed the invite, though, as a sign that their relationship could be productive in the aftermath of her vote against health care legislation. (She wasn't sure if it was a solo invite.) "I don't think there's a sourness," she said. "If there were, I don't think he would continue to be engaging."

**PERDUE STICKING WITH CLOVIS:** Agriculture Secretary Sonny Perdue voiced his enthusiastic support for Sam Clovis' nomination to be USDA's top scientist hours after Senate Agriculture Chairman [Pat Roberts](#) suggested he would leave the [fate](#) of the controversial pick to the administration, Pro Agriculture's Helena Bottemiller Evich [reports](#). "President Trump made a good choice in nominating Dr. Sam Clovis and he has my full support," Perdue said. Clovis has raised eyebrows for his climate skepticism and lack of scientific background, among other issues.

**NEW YORK OPPOSES SOLAR TRADE PETITION:** With just a week to go until the International Trade Commission votes on whether to slap imported solar products with steep tariffs, New York state [added its voice](#) to those opposing the petitions of Suniva and SolarWorld Americas Inc. "If the relief requested by the Petitioners were to be ultimately granted, New York State's residential, small commercial, and industrial-scale PV projects would all substantially contract or disappear," Richard Kauffman, the state's energy czar, wrote. "Rather than grow to 12,000 jobs by 2021, the industry would be able to support just half the number of jobs it supports today."

**UTAH GOVERNOR: ZINKE INDICATED MONUMENT DOWNSIZING:** Utah Gov. Gary Herbert [told local reporters](#) Thursday that Zinke had indicated to him that Grand Staircase-Escalante National Monument was an "abuse of the Antiquities Act" and said he thought it should be carved up "into smaller monuments — two or three." In addition, Herbert said the "indication" on Bears Ears National Monument is it will be shrunk down. The Trump administration has not said when it plans to release Zinke's recommendations publicly, though rumblings are it could come as soon as today.

**ICYMI:** Democrats and taxpayer advocates are concerned industry has an outsized role on the 20-member advisory committee named by Zinke to review royalty rates that oil, natural gas and coal companies pay for access to federal land and water, Pro's Ben Lefebvre [reports](#). The group includes five energy company representatives and six others members who hail from energy-friendly, GOP-led local governments, but critics say it lacks adequate public interest group or Democratic representation.

**EPA TOP LAWYER NOMINEE REPRESENTED BASF, FORD, UTILITY:** Matt Leopold, President Donald Trump's nominee for EPA general counsel, has represented several regulated companies in recent years, including a leading chemical manufacturer, automaker

and utility, according to a [financial disclosure posted](#) by the National Law Journal. Leopold has been an attorney at the Tallahassee-based Carlton Fields since 2015, and his client roster, according to the disclosure, included chemical giant BASF, automaker Ford Motor Company and utility Florida Power & Light. Leopold also listed analysis firm Resource Environmental Solutions; Comanco Environmental Corporation, which builds containment systems; and sand miner Edgar Minerals. He was previously general counsel for the Florida Department of Environmental Protection. Leopold and other EPA nominees will get a hearing Wednesday.

**WOTUS-LINKED JUDGE ADVANCES:** North Dakota District Judge Ralph Erickson, who gained national attention (at least among energy watchers) when he placed the Obama administration's waters of the U.S. regulation on ice back in 2015, saw his nomination to 8th U.S. Circuit Court of Appeals advance through the Senate Judiciary Committee on Thursday. The vote was 20-0. Democrat [Heidi Heitkamp](#) praised the action as "[great news](#)" following the hearing.

**REPORT: RAPID ACTION NEEDED TO ADDRESS CLIMATE CHANGE:** Limiting global temperature increases to less than 2 degrees Celsius cannot be done by reducing carbon dioxide emissions alone and additional action must be taken by 2020, according to [a report](#) and [peer-reviewed paper](#) out late Thursday from 33 climate policy experts. Policymakers must also drastically reduce short-lived super climate pollutants, such as HFCs and methane, by 2020 and undertake atmospheric carbon extraction. "Scientists have many ideas about how to reduce emissions, but they all agree on the urgency of strong and decisive action to remove carbon from the economy," California Gov. Jerry Brown said in a statement about the study.

**MAIL CALL! WHAT'S THE DEAL WITH THOSE EPA CUTS?** Six EPW Democrats, led by Carper, asked EPA in a Thursday [letter](#) to provide additional information on its intended workforce reductions. They expressed concern that implementing the Trump's administration already proposed cuts and "further White House direction to plan for additional longer term down-sizing would damage EPA's ability to carry out its Congressionally-mandated mission to protect public health and the environment."

**DEMOCRATS FIGHT WOTUS REPEAL:** Twenty-one members of the Senate Democratic caucus, led by [Ben Cardin](#) and Carper, urged Pruitt and the Army Corps of Engineers in [a letter](#) released Thursday to reconsider plans to scrap the Obama administration's Waters of the U.S. regulation. "For an administration to change the definition of what constitutes a water of the United States almost immediately upon entering office creates more, not less, regulatory uncertainty," they wrote. "We need stability and certainty for our constituents to be safe and our economy to grow."

**LAWSUIT CHALLENGES EFFICIENCY ROLLBACK:** Democracy Forward, representing the Natural Resources Defense Council, filed [a lawsuit](#) Thursday challenging the Trump administration's decision to stay two provisions of a January air conditioning efficiency rule. The lawsuit argues the rule had already gone into effect when DOE issued the stay and that the agency failed to adequately explain its decision.

**GROUP SLAMS TRUMP'S CHEMICALS NOMINEE:** The Environmental Working Group released a report today arguing Michael Dourson, Trump's nominee to run EPA's chemicals division, has "consistently fought to weaken proposals to protect our families from dangerous chemicals, including chemicals linked to cancer, brain damage and reproductive harm." Read it [here](#).

**MORE SUPPORT FOR NORTHAM IN VIRGINIA:** A broad array of liberal groups, including the Tom Steyer-backed Next Gen America and the Virginia League of Conservation Voters PAC, are joining forces in a \$2 million campaign to boost Democratic Lt. Gov. Ralph Northam for governor, Pro Campaign's Kevin Robillard [reports](#). The digital ads, which begin running this week through the election, aim to reach and turn out more than 1.2 million voters.

**GREENS, SPORTSMEN TEAM UP:** The Congressional Sportsmen's Foundation and the National Wildlife Federation have signed a memorandum of understanding in hopes of advancing wildlife conservation and access to public lands.

**MOVER, SHAKER:** Tracy Stone-Manning is the new associate vice president for public lands at the National Wildlife Federation. She was previously Montana Gov. Steve Bullock's chief-of-staff and before that his director of the Department of Environmental Quality.

**Doug Little**, an Arizona Corporation Commissioner, has accepted the position of deputy assistant secretary for intergovernmental and external affairs at DOE. "I have enjoyed serving Arizona and look forward to this tremendous opportunity to influence energy policy at the national level," he said in a statement. First elected in 2014 (more on that [here](#)), Little served as chairman of the commission last year and also joined the board of directors for the National Association of Regulatory Utility Commissioners. He starts Oct. 2.

## QUICK HITS

— EPA won't release benzene levels collected post-Harvey; private tests show elevated levels. [Texas Tribune](#).

— Mexico court temporarily blocks higher ethanol in gasoline -activist. [Reuters](#).

— EPA Will Let Houston Lab's Lease Expire In 2020, Agency Says. [TPM](#).

— How to make \$240,000 in 6 months by being friends with Rick Perry. [Think Progress](#).

— Pennsylvania coal production up by 20 percent from 2016. [Tribune-Review](#).

— North Korea conflict could cripple these oil and chemical facilities. [CNBC](#).

— Floating Tar, Dead Fish: Oil Spill Threatens Greek Beaches. [New York Times](#).

## HAPPENING TODAY

12:00 p.m. — "[Battery Storage and the Power Sector](#)," National Capital Area Chapter of the United States Association for Energy Economics, Carmine's, 425 7th St NW

## THAT'S ALL FOR ME!

*To view online:*

<https://www.politicopro.com/tipsheets/morning-energy/2017/09/unfilled-vacancies-still-worry-gop-senators-024607>

## Stories from POLITICO Pro

**Trump on climate change: 'We've had bigger storms'** [Back](#)

By Emily Holden | 09/14/2017 04:36 PM EDT

President Donald Trump on Thursday discounted any link between climate change and the intense hurricanes that ravaged Florida and the Gulf Coast while talking to reporters aboard Air Force One on his return from storm-stricken Fort Myers and Naples

"We've had bigger storms than this," Trump said when asked if the highly destructive Hurricane Harvey and record-breaking Hurricane Irma were changing his views of climate change.

Trump said storms from the 1910s, 1930s and 1940s were worse.

Members of Trump's cabinet have [repeatedly said](#) that now is not the time to talk about climate change, which is predicted to make hurricanes more intense, increase rainfall totals and put coastal communities at higher risk to storm surges as sea levels rise.

To view online [click here](#).

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**Trump pushes Rick Scott to run for Senate during Irma recovery visit** [Back](#)

By Nolan D. McCaskill | 09/14/2017 11:39 AM EDT

President Donald Trump traveled to southwest Florida with a message for the people of Fort Myers, who are recovering from Hurricane Irma: Rick Scott for Senate.

Trump, first lady Melania Trump and Vice President Mike Pence flew to Florida on Thursday morning to visit Fort Myers and Naples, two Gulf Coast cities that Irma tore through earlier this week.

Trump acknowledged the devastation in brief remarks he delivered in Fort Myers ahead of a briefing from state and local officials.

"We're gonna see some more of it now, unfortunately," he lamented.

"I have to say that your governor — where is our governor here? Rick Scott," Trump said, pausing for applause of the Republican governor. "The job he's done is incredible, and I guess I've been very lucky because, you know, you have a great governor in Texas; you have a great governor in Florida. The job that Rick has done is being talked about all over."

Trump offered more praise of Scott, who he has continued to nudge to challenge incumbent Democratic Sen. Bill Nelson in 2018, taking advantage of Thursday's backdrop of a recovering city.

"I just, again, I have to say that — what do I know? But I hope this man right here, Rick Scott, runs for the Senate," Trump said.

Scott has publicly said he is weighing a Senate run, but he has insisted that he feels little pressure to make an early decision. And Trump is unsure whether the governor ultimately will

run.

"I don't know what he's gonna do, but I know that at a certain point it ends for you, and we can't let it end," Trump said. "So I hope he runs for Senate. Who knows what he's gonna do?"

Thursday marks the second time the president has publicly asked Scott to run. In June, [during an announcement](#) about Cuba regulations in Miami, Trump urged the governor to challenge Nelson.

The president helicoptered to Naples later Thursday, flying low enough to see some of the flood damage throughout the region. Irma dropped more than a foot of rain in parts of South Florida over the weekend, and Naples was hit with the storm's strongest winds — which registered at up to 142 miles per hour, according to the National Weather Service.

He spoke to homeowners and handed out handshakes and hoagies to community members.

"They're too small," the president remarked as he yanked off his thin plastic gloves and resumed shaking hands.

He asked a buff man if he was "a workout guy" and encouraged him to "keep it up." And he questioned whether one woman who was holding a small dog was a biker, noting that "the bikers love us."

The president also shook the hand of a man who asked where former President Barack Obama was the last time the area was hit with a hurricane. "On the golf course!" the man answered.

Trump asked if the man had voted for him. "Best vote of your life?" he wondered. He then turned to the press. "Don't report that," he said, smiling. "That's good news."

The president ended his trip the same way it began: with a tweet.

"Just left Florida for D.C.," Trump announced. "The people and spirit in THAT GREAT STATE is unbelievable. Damage horrific but will be better than ever!"

*Marc Caputo and Kevin Robillard contributed to this report.*

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**Pruitt to reconsider parts of 2015 coal ash rule** [Back](#)

By Alex Guillén | 09/14/2017 04:15 PM EDT

EPA will reconsider key portions of the 2015 coal ash rule, according to a [letter](#) from Administrator Scott Pruitt to industry officials released by Earthjustice.

Two petitions were filed in May by AES Puerto Rico and the Utility Solid Waste Activities Group, an umbrella group whose members include the Edison Electric Institute, National Rural Electric Cooperative Association, American Public Power Association and more than a

hundred utilities and related companies.

Pruitt's letter does not specify which parts of the rule he plans to reconsider, but both USWAG and AES identified specific issues with the regulation.

[USWAG's petition](#) asked that pending deadlines be pushed back and called for the rule to be changed in the wake of a December 2016 law changing the enforcement scheme in order to accommodate new management options based on site-specific risk analyses rather than the original "burdensome, inflexible, and often impracticable requirements." USWAG also argued that various executive orders from President Donald Trump dealing with regulations justify cracking the rule open.

[AES' petition](#) focused on requirements for how power plants store their coal ash piles before they are moved off site to be disposed of or to make products such as concrete and wallboard.

Oral arguments at the D.C. Circuit Court of Appeals over the rule are currently scheduled for Oct. 17, but EPA is likely to ask the case be put on hold while it reconsiders the rule.

**WHAT'S NEXT:** Pruitt will initiate a formal reconsideration process. Any actual changes to the rule will have to go through public comment and will be open to legal challenge.

To view online [click here](#).

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## **White House outlines plan for expediting environmental reviews** [Back](#)

By Emily Holden | 09/14/2017 06:12 PM EDT

The White House took its [first step](#) toward speeding environmental reviews for infrastructure projects today, with the Council on Environmental Quality releasing a work plan in response to President Donald Trump's August executive order.

CEQ in a [fact sheet](#) called the current review and permitting process "fragmented, inefficient and predictable," saying "projects often involve numerous federal agencies, overlapping statutory requirements, and duplicative or redundant processes."

The Trump administration has attacked reviews under the National Environmental Policy Act for holding up projects. In a June speech at the Department of Transportation, Trump threw binders full of highway environmental reviews on the floor, calling them "nonsense."

CEQ said the median timeline for issuing environmental impact statements is four years, but some take more than 10 years. Trump's order directs agencies to try to complete reviews within two years, issue a single decision that represents all agencies and provide permits within 90 days.

CEQ said it will:

— work with the Office of Management and Budget and Federal Permitting Improvement Steering Council to create a framework for the "One Federal Decision" process laid out in

Trump's order.

— coordinate with the Council, DOT and the Army Corps of Engineers to identify high-priority projects.

— review its own regulations on implementing NEPA.

— issue guidance to speed the NEPA process.

— form an interagency working group to review regulations that may bog down reviews and permitting.

*To view online [click here.](#)*

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**Roberts looks to Perdue, Trump to make call on Clovis' nomination** [Back](#)

By Catherine Boudreau | 09/14/2017 01:27 PM EDT

Senate Agriculture Chairman [Pat Roberts](#) said today he is leaving the fate of controversial USDA nominee Sam Clovis up to Agriculture Secretary Sonny Perdue and President Donald Trump.

Roberts told reporters today the committee will move forward "expeditiously" with Clovis' nomination to be USDA's chief scientist if "that is the desire of the secretary and the president."

Roberts said the committee hasn't received all of Clovis' paperwork, which is why a confirmation hearing has not been scheduled.

The committee has a "few outstanding asks" for publications and other materials, spokeswoman Meghan Cline told POLITICO in an email.

Clovis, the nominee for USDA undersecretary for research, education and economics, has come under fire from Democrats and environmental groups over what his opponents say is a lack of scientific experience that is required for the job, as well as his skepticism on climate change and a series of controversial past statements — which include [racially charged comments](#) about progressives and former President Barack Obama, and about federal protections for the [LGBT community](#).

*To view online [click here.](#)*

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**Perdue: Clovis has 'my full support'** [Back](#)

By Helena Bottemiller Evich | 09/14/2017 05:39 PM EDT

Agriculture Secretary Sonny Perdue said today that his support for USDA nominee Sam Clovis hasn't wavered.

"President Trump made a good choice in nominating Dr. Sam Clovis and he has my full support," Perdue said through a spokesperson. "I look forward to his hearing, so the committee has the opportunity to get to know him personally."

The comment comes hours after Senate Agriculture Chairman [Pat Roberts](#) suggested he is leaving the [fate](#) of the controversial nominee for USDA undersecretary for research, education and economics up to Perdue and President Donald Trump. Roberts told reporters today that the committee will move forward "expeditiously" with Clovis' nomination to be USDA's chief scientist if "that is the desire of the secretary and the president."

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## **Taxpayer advocate, Democrats see industry tilt on Zinke's royalties panel [Back](#)**

By Ben Lefebvre | 09/14/2017 03:33 PM EDT

Interior Secretary Ryan Zinke has pledged to increase energy revenue from federal lands, but congressional Democrats and public watchdogs are worried the agency is putting key policy decisions about royalties in the hands of the industry.

Interior officials have said increasing drilling on federal lands would help fulfill President Donald Trump's promise to "usher in a golden age of energy dominance" — and help restore the agency's coffers back to levels seen a decade ago, when they were bolstered by oil prices that flirted with \$150 a barrel.

Now, with oil prices under \$50 a barrel, the portion of Interior's budget from those revenues has dropped to \$6.2 billion, one-quarter of where it was in during the heady market of 2008.

"I will be looking at revenue," Zinke [told](#) senators during a June budget hearing, pointing to the federal income from natural gas, oil and wind. "If you're going to operate on public land, then the public should have a say, because we are all stewards of our public lands. We want to make sure we have a fair return. That return should be transparent."

But public interest groups and Democrats say the 20-member advisory committee Zinke [named](#) to review royalty rates that oil, natural gas and coal companies pay for access to federal land and water is stocked with industry-linked members.

The committee includes five energy company representatives and six others members who hail from energy-friendly, GOP-led local governments. Critics say it lacks representatives from public interest groups or Democrats who might question whether the public is getting a fair deal from new drilling.

"We should be exploring better royalty structures," Sen. [Tom Udall](#) (D-N.M), whose state is the fifth largest oil producer in the country, said in an email. "But I'm skeptical that the royalty policy committee established by Secretary Zinke is structured to ask the most probing and

balanced questions to benefit citizens." Udall plans to reintroduce his legislation, [S. 2254 \(108\)](#), next week that would institute royalties on gold, silver and other precious minerals currently excluded from generating royalties.

Ryan Alexander, president of public watchdog group Taxpayers for Common Sense, lauded Zinke's move to restart that commission as an opportunity to make sure taxpayers get a fair return for energy developed on public lands, but its make-up didn't give her confidence that would happen.

"There's a lot of people who know a lot of stuff on that committee," said Alexander, whose nomination to the committee was rejected by Interior. "But there isn't anyone who focuses on taxpayer interest. It is a definitely a concern that this is weighted toward the industry. We're going to be watching carefully."

Republicans have backed Zinke's exclusion of environmental and public interest groups.

"Many of these public interest groups have been driving this debate in court and so forth at the demise of our natural resource industry, and our economies and jobs in places like Montana," Sen. [Steve Daines](#) (R-Mont.) told POLITICO. "So it's time to change it up."

Interior's royalty rates dictate the percentage of the proceeds from oil, gas or other energy produced from federal lands or waters that companies must share with the government. The new committee will "provide advice to the Secretary ... on the fair market value of and on the collection of revenues derived from, the development of energy and mineral resources on Federal and Indian lands," according to the [charter](#) Zinke approved in March.

Oil production on federal lands reached an all-time high of 580 million barrels in 2016 from the surge in offshore production, according to data from the Office of Natural Resources Revenue, an overall increase of 33 percent from 2008.

Even as oil production surged, oil revenues flowing to Interior dropped to \$2.8 billion, however, the lowest point since 2005, largely because of weak market prices. U.S. oil averaged \$43.29 per barrel last year, less than half the price in 2014.

Natural gas volumes have fallen by a third since 2008, with most of the drop because of offshore drillers' shift to more profitable oil production. And coal production on federal land fell by a third between 2008 and 2016, following electric utilities' switching to cheaper natural gas.

Interior's decisions on royalties have a major impact on state budgets. In 2016, Wyoming received \$684 million from federal leases, nearly one-quarter of the state's \$3 billion budget that year, while New Mexico got \$386 million, about 6 percent of the state's total budget.

Interior lowered the minimum royalty payments for oil and gas produced from shallow-water areas of the Gulf of Mexico that it [offered](#) in a lease in August. But that cut failed to attract companies to the area, which is largely tapped out of oil and gas from years of development, and only 10 percent of the tracts up for auction were leased.

Interior has also rolled back an Obama-era rule on assessing the value of coal from federal lands that required mining companies to use the price they sold the coal at on the open market — not to affiliate companies they may have sold it to at a steep discount. Zinke's move did

away with a rule that the department [estimated](#) would increase Interior's coal royalty revenues by up to \$85 million a year, but that coal companies complained was too burdensome.

Zinke's appointments to the committee include employees of ConocoPhillips, Anadarko Petroleum and the National Ocean industries Association, a trade group representing offshore drilling companies.

He also included Matthew Adams, vice president of taxation at Cloud Peak Energy, a Wyoming-based coal company that donated \$10,000 to Zinke's PAC in 2016. Cloud Peak paid the department \$80 million in royalties last year, according to government [data](#).

Interior Department spokeswoman Heather Swift called the commission members "eminently qualified individuals," and added that Cloud Point Energy's donation to Zinke's PAC was "absolutely not" a factor in appointing a company representative to the commission.

Another member of the committee is John Sweeney, an investor relations executive at VWR Corp., a Pennsylvania-based company that provides laboratory services to the pharmaceutical, biotech, industrial and healthcare industries.

Sweeney nominated himself to the commission and was appointed because of "his education and experience in business connecting investors with developers," Swift said. Sweeney did not reply to messages seeking comment.

Swift also pointed to the native American tribes on the commission as operating some renewable energy projects. Those tribes on the board are also heavily invested in oil, gas and coal projects. The Navajo Nation, whose president Russell Begaye is on the royalty commission, runs the largest coal-fired power plant in the western United States, and Begaye [wrote](#) an op-ed in March asking for government assistance to keep plant from shutting.

Zinke promised to appoint up to four members representing "academia and public interest" groups when he announced plans for the commission, and he has stressed the importance of public oversight on royalties.

But the sole slot that was allotted in the end for a representative for the public interest went to Daniel Rusz, a coal expert from energy industry consulting group Wood MacKenzie.

Interior's Swift initially said the choice came about because "no groups identifying themselves as public interest were nominated or self-nominated." She didn't address the rejection of the Taxpayers for Common Sense nomination, but said the group was "still permitted to attend the public meetings and the public comments are taken into consideration in decision making processes."

The commission also doesn't include any local government representatives identified as Democrats or nominated by Democratic governors. No one from Colorado or California was appointed, despite those two states producing more energy resources from federal lands than Alaska or Texas.

Gov. Steve Bullock, the Democratic head of Zinke's home state of Montana, nominated a Montana Department of Natural Resources employee who helps manage 6.2 million acres in the state that received \$23 million in royalties from Interior in 2016, though that nominee was rejected. Interior did name a Montana representative as an alternate board member in case a

sitting member drops out.

Instead, Interior appointed a Clinton Carter, Alabama's Republican state finance director. Alabama received \$1.9 million in royalties from the department in 2016.

The lack of public accountability advocates on the board threatens to undermine its purpose of helping Interior increase public revenue, House Natural Resources committee ranking member [Raul Grijalva](#) (D-Ariz.) said in a [letter](#) to Zinke.

Appointing a committee dominated by the fossil fuel industry with no public interest voices does not build "greater trust and transparency," Grijalva said in his letter, adding that the committee "should not be allowed to act as a fig leaf for actions designed solely to favor the interests of drilling and mining companies."

To view online [click here](#).

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### **Liberal groups pour \$2M into Virginia governor digital ads [Back](#)**

By Kevin Robillard | 09/14/2017 10:00 AM EDT

A slew of liberal groups are teaming up for a \$2 million digital ad buy aiming to drive Virginia voters to the polls in November and back Democratic Lt. Gov. Ralph Northam for governor.

Planned Parenthood Votes and Planned Parenthood Virginia PAC, the Tom Steyer-backed Next Gen America, Priorities USA Action and the Virginia League of Conservation Voters PAC are all contributing hundreds of thousands of dollars to the effort, which will begin this week and run until Election Day. The ads will aim to reach and turn out more than 1.2 million voters.

"When it comes to women's health in Virginia, everything is on the line, which is why we are doubling down to elect progressive champion Ralph Northam," said Deirdre Schifeling, the executive director of Planned Parenthood Votes. "We are pushing boundaries with the most coordinated and innovative digital program we've seen on this scale. This cutting edge digital program in Virginia will set a new precedent for coordinated investment and execution of a digital media program to reach, persuade and mobilize voters in a statewide race."

Planned Parenthood's ads, the first to be released, [tout Northam](#) as a "true champion for women's health" who will fight to expand Medicaid and [attack](#) Republican gubernatorial candidate Ed Gillespie for saying he would like "to see abortion be banned."

The groups are touting the buy as an unprecedented effort from liberal groups to coordinate their digital spending. The groups are sharing data and working together to develop messaging, voter contact timelines and dividing targeted audiences.

Democrats have often worked together to coordinate their television and mail efforts, but digital efforts have sometimes been more scattershot.

Priorities, which was the main super PAC backing Democratic presidential nominee Hillary Clinton in 2016, hopes to replicate the effort in other states with competitive races in 2018.

"For years, Democrats have worked together on TV advertising and field, but fallen behind on digital advertising. Progressives can and must work together if we are going to make electoral gains in 2017, 2018 and beyond, and this first-of-its-kind coordinated digital effort is going to provide us a blueprint moving forward," said Patrick McHugh, executive director of Priorities USA Action. "Working closely together will allow us to efficiently deliver complimentary messages using the same data and targeting to ensure we're all working toward the same shared goal without duplicating or competing efforts."

To view online [click here](#).

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**To:** [lori\\_mashburn@ios.doi.gov](mailto:lori_mashburn@ios.doi.gov); [POLITICO subscriptions](#)  
**Subject:** Morning Energy: Zinke defiant amid helicopter controversy — Perry grants FERC more time in grid resiliency push — Enforcement slips dramatically at EPA in first months of Trump term  
**Date:** Monday, December 11, 2017 5:44:16 AM

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By Anthony Adragna | 12/11/2017 05:41 AM EDT

*With help from Alex Guillén*

**LASHING OUT:** Taking a cue from his boss, Interior Secretary Ryan Zinke continues to bash Patagonia and "the DC media" amid the latest wave of headlines. Reports that Zinke spent more than \$14,000 for government helicopters so he could attend events in D.C., including to go horseback riding with Vice President Mike Pence, were "total fabrications and a wild departure from reality," the Interior secretary wrote in a [statement](#) on Twitter Saturday, without providing any new facts to contradict POLITICO's initial [report](#), which was based on Interior Department [travel logs](#). "All of these instances were thoroughly vetted and scrutinized before being approved by the department's career ethics officers and solicitors," he said in a posted Saturday. "We will continue to use government resources efficiently." More from Pro's Ben Lefebvre [here](#).

**That came after** Sen. [Maria Cantwell](#), top Democrat on the Energy and Natural Resources called for the agency's inspector general to add the trips to its ongoing probe of Zinke's travel habits: "If the Secretary misused public funds, he should write the treasury a check for the full amount and apologize," she said in a statement.

**Questions, meanwhile, have arisen** after Zinke and the Trump administration repeatedly attacked Patagonia, which filed a lawsuit challenging the decision to downsize Bears Ears National Monument in Utah. Zinke, in a Friday [appearance](#) on "Fox News," bashed the company by name as "made in China" and said Patagonia "should focus on how to bring manufacturing back into this country rather than lying to the public about losing federal land." (The House Natural Resources Committee made their [own jab](#)).

**That prompted Walter Shaub**, former director of the U.S. Office of Government Ethics, to urge the company to explore its legal options. "I don't know if there's any legal recourse, but I hope Patagonia has a law firm research the issue," he [tweeted](#). "The federal govt officially and publicly calling a company a liar for political reasons is a bizarre and dangerous departure from civic norms. It's also decidedly anti-free market." And he [added](#) later Saturday: "Zinke is the poster child for this lawless administration's misuse of governmental authority & resources. His thuggish interference with a business is outside the scope of his duties, raising a question as to whether a sovereign immunity defense might fail if @patagonia sues."

**Speaking of monuments**, the uranium company Energy Fuels Resources lobbied the Trump administration to trim Bears Ears, the Washington Post [reports](#). Zinke and Utah Republicans repeatedly insisted that mining and drilling considerations played no role in the decision.

**One more thing:** The FEC fined Zinke's congressional campaign committee \$3,929 for failing to properly disclose contributions it received just before the 2016 election, Ben also [reports](#), citing commission [documents](#).

**WELCOME TO MONDAY!** Hope everyone in the Washington area enjoyed the first flakes

of winter on Saturday! I'm your host Anthony Adragna, and Safer Chemicals Healthy Families' Liz Hitchcock was first to guess that 31 states (plus D.C.) have at least one national monument. For today: Just three presidents never used their authority under the Antiquities Act to designate a national monument since the program begun. Who are they? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](https://twitter.com/AnthonyAdragna), [@Morning\\_Energy](https://twitter.com/Morning_Energy) and [@POLITICOPro](https://twitter.com/POLITICOPro).

**SEE YOU IN JANUARY:** FERC now has until Jan. 10 to take final action on DOE's grid resiliency proposal that would prop up coal and nuclear plants after Energy Secretary Rick Perry granted the commission an extra 30 days late Friday, Pro's Eric Wolff [reports](#). In [a letter](#), Perry said that he preferred a faster outcome but would allow the extra time [requested](#) by new FERC chairman Kevin McIntyre hours after being sworn in.

**DOE spokeswoman Shaylyn Hynes:** "Secretary Perry understands and respects the reasons for the Chairman's request and looks forward to swift action from the Commission to promptly address grid security."

**Eric reads the tea leaves** and [reports](#) the extension could indicate there's no consensus among the five commissioners on what to do. The commission is unlikely to either fully reject or adopt outright the proposal from Perry that calls for power plants that keep 90 days of inventory on site to receive full cost recovery, but could try to split the difference. Observers think FERC could call for a technical conference, or opt for a plan reportedly being considered by Commissioners Cheryl LaFleur and Rob Powelson to close the current DOE docket and open a new one that seeks input from grid managers.

**Though his company** told Eric they'd "defer" to Perry's judgement, coal magnate Robert Murray [told](#) The Washington Examiner he was deeply disappointed by the delay in considering Perry's plan. "We must have it. The 30-day delay is disappointing. I am concerned. It needs immediate action," he said. Remember Murray, a big Trump backer, [had early access](#) to Perry and other administration officials to push his ideas to save the struggling coal sector.

**And long-time former FERC staffer** (and now consultant) Alison Silverstein summed it up to [The Washington Post](#): "The secretary's proposal seems to me to be unsupported by facts of any kind."

**TROUBLING SIGNS ON ENFORCEMENT:** EPA Administrator Scott Pruitt's agency has been far more lenient on enforcement actions during its first nine months than either the Obama or George W. Bush administrations, according to [analysis](#) conducted by the New York Times. The 1,900 civil cases started during the first nine months of Trump era are one-third fewer than under Lisa Jackson and one-quarter fewer than George W. Bush's first months, according to the Times. Pruitt's agency has sought \$50.4 million in civil penalties to date, just 39 percent of what the Obama administration sought and about 70 percent of what the Bush administration sought. And the agency hasn't forced companies to retrofit their facilities to prevent pollution as much: the \$1.2 billion in injunctive relief sought under Pruitt is just 12 percent of what was sought under Obama and 48 percent under Bush.

**In addition,** enforcement staff must now seek permission from Washington before ordering certain air and water pollution tests, according to [documents](#) obtained by The Times. "Certain people who are polluting are doing it with impunity right now and I think it is horrible," Nicole Cantello, an EPA lawyer in Chicago, said.

**EPA responds:** The agency told the Times it focuses "more on bringing people back into compliance than bean counting." In a statement Sunday, EPA said "Pruitt has not directed EPA staff to decrease their enforcement efforts," and questioned the Times methodology. "EPA and states work together to find violators and bring them back into compliance, and to punish intentional polluters. As part of this effort, we are collaborating more with states and we are focusing more on outcomes. Unless the activity is criminal, we focus more on bringing people back into compliance," the agency said.

**QUITE THE PREDICTION!** Speaking at his rally in Florida Friday, Trump promised the U.S. would be "totally self-sufficient" on the energy front by the end of the year and suggested using profits from energy exports to "start paying off our \$20 trillion in debt." The International Energy Agency [has said](#) that "by the mid-2020s, the United States [could] become the world's largest liquefied natural gas (LNG) exporter and a few years later a net exporter of oil" though still a major importer of some types.

**CALIFORNIA'S 'NEW NORMAL':** Devastating wildfires still ablaze in Southern California have been exacerbated by impacts from climate change, California Gov. Jerry Brown said at a press conference, according to the [Los Angeles Times](#). "This could be something that happens every year or every few years," Brown said. "We're about to have a firefighting Christmas." During a Sunday interview on "60 Minutes," Brown bemoaned that Trump doesn't have a "fear of the wrath of God" and offered him some advice with regards to the Paris agreement: "Take a deeper look now is not the time to undo what every country in the world is committed to," POLITICO's Brent D. Griffiths [reports](#).

**SEE YOUTH IN COURT!** The 9<sup>th</sup> Circuit Court of Appeals will hear arguments today over whether a lower court should be allowed to hear a novel lawsuit brought by children and young adults using a public trust doctrine argument to try to force the federal government to take drastic action to reduce greenhouse gas emissions. This litigation is simply over whether the lower court can even hear this case, not the ultimate outcome of any such litigation. A federal judge in Oregon previously ruled the case could at least go to the trial phase, although many legal observers believed the suit was still a long shot. But the Trump administration asked the 9<sup>th</sup> Circuit to step in early and block the proceedings on the grounds that the judicial branch is not supposed to answer such sweeping questions about environmental policy, a job it says should be left to Congress and the executive branch. Watch a video livestream of the hearing [here](#) starting at 1 p.m. EST (10 a.m. PST).

**The case could get even more attention** because of one of the three judges assigned to the panel: Alex Kozinski, a Reagan appointee. The Washington Post on Friday [reported](#) that six former clerks or staffers said Kozinski "subjected them to a range of inappropriate sexual conduct or comments," including allegedly viewing pornography in his chambers. Kozinski later [told the Los Angeles Times](#), "If this is all they are able to dredge up after 35 years, I am not too worried." Also on the panel are Chief Judge Sidney Thomas and Judge Marsha Berzon, both Clinton appointees.

**21 (SUPERFUND) SHOTS:** EPA on Friday released [a list](#) of 21 Superfund sites, ranging from Rhode Island to California to Oklahoma, that it's targeted for "immediate and intense action," Pro's Emily Holden [reports](#). Those top-tier polluted properties include: the San Jacinto Superfund site in the Houston area, which was damaged by flooding during Hurricane Harvey; the West Lake Landfill in Missouri that contains radioactive waste from the Manhattan Project and is next to another site with a long-burning underground fire and the

East Chicago, Ind. site Pruitt visited earlier this year. "The Administrator will receive regular updates on each of these sites," the agency said.

**BARRASSO LANDS A CHALLENGER:** Democratic businessman Gary Trauner, who narrowly lost a bid for Wyoming's lone House seat in 2006, announced he'd challenge incumbent Sen. [John Barrasso](#) on Friday, Wyoming Public Radio [reports](#). "The system is rigged, D.C. is broken, and that's why people aren't getting ahead anymore," he said in his [introductory video](#). He'll, of course, face long odds against the popular incumbent in the deep red state.

**FLOOR WATCH:** A trio of energy-related bills are due to hit the House floor Tuesday under suspension. One of them [H.R. 2872 \(115\)](#) would ask FERC to create procedures for expediting hydropower permitting at existing non-federal dams without hydroelectric facilities. Another [H.R. 2880 \(115\)](#) would aim to speed the approval FERC of closed loop pumped storage projects. And there's a bill [H.R. 1733 \(115\)](#) requiring the government to issue a report on the environmental and energy-related benefits of re-refining used lubricating oil.

**MOVING OUT (WEST)?** Two Colorado Democrats — [Ed Perlmutter](#) and [Jared Polis](#) — are backing calls from their fellow Republicans to move the headquarters of BLM out West, according to [a report](#) in Western Wire, a project of the Western Energy Alliance. "I know the perfect home for the agency: Colorado," Polis, who's running for governor, said. "We would welcome the BLM with open arms. With the agency closer to the vast public lands we all cherish and share, they would have better insight into what the lands mean to the western way of life. It makes perfect sense to have the agency nearby."

**HEADED TO PUERTO RICO:** The electric industry sent seven different teams to Puerto Rico over the weekend where each of them will head to a separate part of the devastated island to support power restoration efforts. Members of the American Public Power Association, the Edison Electric Institute and the National Rural Electric Cooperative Association will help the Puerto Rico Electric Power Authority and the U.S. Army Corps of Engineers get the lights back on. Months after a hurricane slammed into the island, the government [says](#) less than 60 percent of electric capacity has been restored.

**That comes as the New York Times [reports](#)** the death toll on the island may actually be well over 1,000 rather than official count of 64.

**TAKE A GLANCE!** The Center for American Progress is out with a [new analysis](#) this morning warning of significant damage to wildlife like polar bears, migratory birds and caribou if ANWR is opened up as part of the Republican tax package.

**What about Paris?** A collection of environmental groups, including BankTrack and Rainforest Action Network, find in a new report that some \$600 million has been processed by commercial banks since the Paris accord was signed that has gone to the top 120 companies planning to build new coal plants. Chinese and Japanese banks have been most involved in the deals. Link [here](#).

**SPOTTED:** Senior EPA and Interior officials speaking at the Congressional Western Caucus' Winter Roundtable. EPA officials attending included senior policy advisor Mandy Gunasekara and senior advisor Albert Kelly, while the Interior officials were special assistant to the secretary Marshall Critchfield and adviser Amanda Kaster-Averill. Picture [here](#).

**MOVER, SHAKER:** Christopher Smith, former assistant secretary for fossil energy at DOE during the Obama administration, has joined Cheniere as senior vice president for policy, government and public affairs.

## QUICK HITS

- Interior secretary pushing controversial road project. [CNN](#).
- Environmental groups file lawsuit to try to block pipeline. [AP](#).
- Koch-Backed Business Group Splinters in Climate-Change Dispute. [Bloomberg](#).
- Lawmakers, groups urge fast deployment of Asian carp defense. [AP](#).
- Power Failure: How utilities across the U.S. changed the rules to make big bets with your money. [Post and Courier](#).
- Kuwait oil minister: exit strategy of global cuts to be discussed before June. [Reuters](#).

## HAPPENING THIS WEEK

### MONDAY

8:00 a.m. — Axios hosts a discussion on energy policies and priorities under Trump, Newseum, Knight Studio, 3rd Floor, 555 Pennsylvania Ave NW

9:30 a.m. — "[Bridging the Entrepreneurial Gap: Addressing Barriers to Small Business Formation and Growth](#)," House Small Business Agriculture, Energy, and Trade Subcommittee, Deerfield, Ill.

### TUESDAY

10:00 a.m. — "[Update on the Corporate Average Fuel Economy Program and Greenhouse Gas Emissions Standards for Motor Vehicles](#)," House Energy and Commerce Environment and Digital Commerce and Consumer Protection Subcommittees, Rayburn 2123

10:00 a.m. — Senate Energy and Natural Resources Committee [hearing](#) on energy infrastructure projects, Dirksen 366

2:00 p.m. — "[Examining Consequences of America's Growing Dependence on Foreign Minerals](#)," House Natural Resources Energy and Mineral Resources Subcommittee, Longworth 1324

2:30 p.m. — "[National Ocean Policy: Stakeholder Perspectives](#)," Senate Commerce Oceans, Atmosphere, Fisheries, and Coast Guard Subcommittee, Russell 253

### WEDNESDAY

10:00 a.m. — "[Oversight of the Nuclear Regulatory Commission](#)," Senate Environment and Public Works Committee, Dirksen 406

10:00 a.m. — House Natural Resources Committee holds [markup](#) of 16 bills, Longworth 1324

10:15 a.m. — "[The Impacts and Future of North American Energy Trade](#)," House Energy and Commerce Energy Subcommittee, Rayburn 2322

2:00 p.m. — "[Advancing Solar Energy Technology: Research Trumps Deployment](#)," House Science, Space and Technology Energy Subcommittee, Rayburn 2318

## **THURSDAY**

9:30 a.m. — House Natural Resources subcommittee [hearing](#) on the Grand Staircase Escalante Enhancement Act, Longworth 1334

## **FRIDAY**

9:00 a.m. — "[The Trump Administration, Latin America and Energy: Mexico, Natural Gas and Liquid Natural Gas Exports](#)," Inter-American Dialogue, National Press Club, 529 14th Street NW, 13th Floor

10:00 a.m. — Bipartisan Policy Center hosts [discussion](#) with former FERC Chairman Neil Chatterjee, 1225 Eye Street NW, Suite 1000

## **THAT'S ALL FOR ME!**

*To view online:*

<https://www.politicopro.com/newsletters/morning-energy/2017/12/zinke-defiant-amid-helicopter-controversy-046343>

## **Stories from POLITICO Pro**

### **Zinke booked government helicopters to attend D.C. events [Back](#)**

By Ben Lefebvre | 12/07/2017 06:31 PM EDT

Interior Secretary Ryan Zinke spent more than \$14,000 on government helicopters this summer to take himself and staff to and from official events near Washington, D.C., in order to accommodate his attendance at a swearing-in ceremony for his replacement in Congress and a horseback ride with Vice President Mike Pence, according to previously undisclosed official travel documents.

The travel logs, released to POLITICO via a Freedom of Information Act request, show Zinke using taxpayer-funded vehicles from the U.S. Park Police to help accommodate his political events schedule.

In a case detailed in the new documents, Zinke ordered a U.S. Park Police helicopter to take him and his chief of staff, Scott Hommel, to an emergency management exercise in Shepherdstown, W.Va., on June 21.

Zinke's staff justified the \$8,000 flight by saying official business would prevent him leaving Washington before 2 p.m., too late to make the two-hour drive to the exercise, according to the documents.

The event that prevented Zinke from leaving before 2 p.m. was the swearing-in ceremony for Rep. Greg Gianforte (R-Mont.), according to Zinke's [official Interior calendar](#). Gianforte, who

won a special election for Zinke's old seat in May after assaulting a reporter, contributed along with his wife \$15,800 to Zinke's two congressional campaigns.

"Secretary Zinke's last engagement in Washington D.C. is at 2 p.m.," an Interior staffer wrote as justification for using the helicopter. "Driving to [the West Virginia event] would not enable him to be on time and fully participate as scheduled."

Interior defended the trips.

"The swearing in of the Congressman is absolutely an official event, as is emergency management training," Interior spokeswoman Heather Swift said in an email Thursday. "Shame on you for not respecting the office of a Member of Congress."

Zinke also ordered a Park Police helicopter to fly him and another Interior official to and from Yorktown, Va., on July 7 in order to be back in Washington in time for a 4 p.m. horseback ride with Pence. The trip cost about \$6,250, according to the documents.

The horseback ride through Rock Creek Park also included Sen. Roy Blunt (R-Mo.) and CMS Administrator Seema Verma, according to a [post](#) on Pence's Facebook page.

While in Yorktown, Zinke completed a walking tour of the local Revolutionary War battlefield and attended a boating industry roundtable discussion, according to the documents. The day before the trip, an Interior trip planner added to the schedule a 30-minute flyover of an area where Dominion Energy [is building](#) high-voltage electric transmission lines to run across the James River.

Interior officials originally estimated that driving to Yorktown would take about three hours, although one noted that "there is a major construction project on I-64, which will slow things down."

In an email to Interior travel scheduler Tim Nigborowicz, an Interior employee justified Zinke's using the helicopter instead of less expensive method by saying "the Secretary will be able to familiarize himself with the in-flight capabilities of an aircraft he is in charge of" and that the Park Police staff on board would "provide an added measure of security to the Secretary during his travel."

Interior officials certified ahead of the flight that Zinke's use of the helicopter would not compromise law enforcement obligations.

The Park Police helicopter, [Eagle One](#), is deployed for medevac and emergency response situations around Washington, a part of its mission Zinke praised later that month.

"U.S. Park Service helicopter pilot and crew provided a life-saving medevac flight during the attack on members of Congress during baseball practice," Zinke said in the July 25 [video](#) celebrating American Heroes Week.

The former Montana congressman and Navy SEAL is [already being investigated](#) by the Interior Department's Inspector General and the independent Office of Special Counsel for his [mixing of official travel and political events](#). Interior earlier this year released records documenting Zinke's use of charter and military aircraft, including a \$12,000 flight from Las Vegas to Montana that allowed him to give a speech for a hockey team owned by a major campaign donor.

To view online [click here](#).

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## **Zinke attacks reporting on helicopter rides** [Back](#)

By Ben Lefebvre | 12/09/2017 10:18 PM EDT

Interior Secretary Ryan Zinke on Saturday attacked POLITICO's coverage of his use of \$14,000 in taxpayer-funded helicopter rides in the D.C. area — but offered no facts that contradicted the [story](#) that ran Thursday.

"Here are the [#facts](#) the DC media refuses to print," Zinke said in a [statement](#) on his official Twitter account. "Recent articles about official Interior Department helicopter usage are total fabrications and a wild departure from reality."

His statement went on to note — as POLITICO's story had said — that the trips in question had included a visit to an emergency management exercise in West Virginia and a flyover of a power line project in Virginia.

Zinke also defended a separate helicopter flight last summer over two national monuments in Nevada. POLITICO had [reported](#) in September on that flight, which Interior Department documents said cost at least \$40,000.

POLITICO's reporting was based on records that the Interior Department had released under the Freedom of Information Act. Zinke's travels got more attention Friday in a [follow-up story](#) by The Associated Press that mentioned all the helicopter trips.

In his statement Saturday, Zinke wrote: "On these instances, I conducted an aerial survey of a million acres of federal monument lands, an aerial survey of power line project which was under scrutiny for possible compensatory migration corruption from the previous administration, and a national comment authority directed emergency response exercise." He added that all his trips "were thoroughly vetted and scrutinized."

Zinke's tweet came as prominent Democrats criticized his use of U.S. Park Police helicopters to fly between Washington, D.C., and the events in West Virginia and Virginia. The use of the speedy aircraft also allowed him to fit in two events in D.C. — a horseback ride through Rock Creek Park with Vice President Mike Pence, and the swearing-in ceremony of Rep. Greg Gianforte (R-Mont.), Zinke's successor in the congressional seal and a donor to Zinke's past campaigns.

Senate Environment and Resources Committee ranking member Maria Cantwell (D-Wash.) said [in a tweet](#) Friday that she had asked Interior's inspector general to add the helicopter flights to [its investigation](#) of the secretary. The IG's office is already looking into Zinke's past mixing of official business with political events, including his use of a charter flight after speaking to the Las Vegas professional hockey team owned by a major donor.

In one of the flights POLITICO wrote about this week, Interior's staff at first approved Zinke's use of a Park Police helicopter to travel to a July 7 meeting of boating industry representatives

in Yorktown, Virginia. Days later, it added an overview of a proposed high-voltage transmission line site to the same trip.

In justifying the use the helicopter, Interior's staff said on June 29 that it was needed to ensure he could make it back to D.C. in time for his "official event" with Pence. The Park Service approved the request on July 1, and Interior staff added the transmission line site review to the itinerary on July 6, according to official emails. The helicopter trip cost about \$6,250.

"Following his visit to Yorktown, Secretary Zinke must return to Washington D.C. to attend an official event with Vice President Mike Pence at Rock Creek Park," an Interior staffer said in a July 4 email.

Earlier, Zinke and his chief of staff, Scott Hommel, used a helicopter to fly from the capital to attend an emergency management exercise in Shepherdstown, West Virginia, on June 21. Interior staff justified the flight by saying Zinke needed to attend Gianforte's swearing-in in Washington earlier in the day. That flight cost \$8,000.

"Scott confirmed that we would like to use the helicopter to go round trip," Zinke's special assistant Caroline Boulton wrote in a June 16 email to department schedulers.

Interior spokeswoman Heather Swift had defended the flights in an email POLITICO published Thursday: "The swearing in of the Congressman is absolutely an official event, as is emergency management training," she wrote. "Shame on you for not respecting the office of a Member of Congress."

According to official Interior documents, Zinke also used a Bureau of Land Management helicopter on July 30 to survey the Gold Butte and Basin and Range national monuments outside Las Vegas as part of the national monument review President Donald Trump had tasked him with. Zinke proposed reducing the size of both monuments.

*To view online [click here](#).*

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**FEC fines Zinke campaign committee** [Back](#)

By Ben Lefebvre | 12/08/2017 05:50 PM EDT

The Federal Election Commission fined Interior Secretary Ryan Zinke's congressional campaign committee \$3,929 for failing to properly disclose contributions it received just before the 2016 election, according to [commission documents](#) released this week.

The 18 donations to Zinke for Congress came less than two weeks before Election Day and totaled \$37,900, according to the FEC case file. FEC regulations calls for all donations of more than \$1,000 made in the final weeks of an election cycle to be reported within 48 hours, a deadline the FEC said Zinke's campaign committee missed. The Montana Republican was reelected to the state's lone House seat last year before stepping down to join President Donald Trump's Cabinet.

Zinke for Congress Treasurer Lorna Kuney in a written response to the FEC in September

attributed the mistake to a data entry error that she said was "truly just an unfortunate mistake" and asked the fine be dropped. The FEC declined her request, and Kuney paid the fine in October, according to the case file, which was made public Thursday. The document was first [reported](#) by the Center for Public Integrity's Dave Levinthal on Twitter.

The FEC last month in a separate case [asked](#) a leadership PAC established by Zinke, SEAL PAC, to explain discrepancies in its disclosure filings, including reporting \$200,000 more cash on hand on Jan. 1, 2017, than it reported having a day earlier.

**What's Next:** SEAL PAC has until Dec. 26 to respond to the FEC's questions about discrepancies in its reports.

To view online [click here](#).

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**FERC's McIntyre presses for time** [Back](#)

By Eric Wolff | 12/08/2017 04:26 PM EDT

New FERC Chairman Kevin McIntyre is hoping to give himself and his new colleagues a month to weigh their options before making a decision that could rewire large parts of the nation's electric grid.

McIntyre [asked the Department of Energy](#) late Thursday for another 30 days for him and the four other FERC commissioners to address Energy Secretary Rick Perry's request to alter power market rules to support struggling coal and nuclear power plants in the name of bolstering grid resiliency.

FERC is unlikely to either fully reject or adopt outright the proposal from Perry that calls for power plants that keep 90 days of inventory on site to receive full cost recovery — a requirement that only coal and nuclear power plants could meet. Instead, FERC observers said the agency could buy time by calling for a technical conference, or considering a plan such as the one The Energy Daily reported was being crafted by Commissioners Cheryl LaFleur and Rob Powelson to seek input through a "Notice of Inquiry" to regional power grid operators to report back on the resilience of their power networks and what could be improved.

Former Chairman Neil Chatterjee has hoped to help generators by putting an interim measure in place to support power plants facing closure while the commission sought a permanent solution, but that plan appeared to lack the support among the other commissioners.

DOE had asked FERC to take action by Monday, but McIntyre's request for more time could indicate there's no consensus among the five commissioners on what to do.

"We said (earlier this week) that if there weren't three votes for something, the issue could sit until there were," said Christi Tezak, managing director at analytics firm ClearView Energy Partners. "It appears to us that McIntyre would like to explore something between Chatterjee's preference for an interim solution and the LaFleur-Powelson NOI angle. This is something we thought was a reasonable outcome."

DOE has not yet replied to McIntyre's letter.

Perry's proposal has drawn broad criticism as a carve out that would cost power customers billions of dollars and was designed to support the [coal industry](#) in the PJM Interconnection, and the mining company run by coal magnate [Bob Murray](#) in particular.

Powelson, a Republican appointed by President Trump, has been vocally opposed to the proposed DOE rule. The plan that he and LaFleur have crafted would reportedly close the current DOE docket and open a new one that seeks input from grid managers — an idea that could create a long delay before any action was taken.

McIntyre's request for more time could create problems for Murray Energy, which has emphasized the need for a speedy outcome: One of Murray's top customers, FirstEnergy Solutions, is considering bankruptcy, which could be the first step to closing some big coal plants. But Murray Energy said it was not concerned with a possible 30-day delay.

"We believe that the sooner this rule is implemented, the better it will be for the American people," a spokesman said. "With that said, this extension request is a matter between FERC and Secretary Perry, and we defer to their judgment."

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**FERC's McIntyre presses for time [Back](#)**

By Eric Wolff | 12/08/2017 04:26 PM EDT

New FERC Chairman Kevin McIntyre is hoping to give himself and his new colleagues a month to weigh their options before making a decision that could rewire large parts of the nation's electric grid.

McIntyre [asked the Department of Energy](#) late Thursday for another 30 days for him and the four other FERC commissioners to address Energy Secretary Rick Perry's request to alter power market rules to support struggling coal and nuclear power plants in the name of bolstering grid resiliency.

FERC is unlikely to either fully reject or adopt outright the proposal from Perry that calls for power plants that keep 90 days of inventory on site to receive full cost recovery — a requirement that only coal and nuclear power plants could meet. Instead, FERC observers said the agency could buy time by calling for a technical conference, or considering a plan such as the one The Energy Daily reported was being crafted by Commissioners Cheryl LaFleur and

Rob Powelson to seek input through a "Notice of Inquiry" to regional power grid operators to report back on the resilience of their power networks and what could be improved.

Former Chairman Neil Chatterjee has hoped to help generators by putting an interim measure in place to support power plants facing closure while the commission sought a permanent solution, but that plan appeared to lack the support among the other commissioners.

DOE had asked FERC to take action by Monday, but McIntyre's request for more time could indicate there's no consensus among the five commissioners on what to do.

"We said (earlier this week) that if there weren't three votes for something, the issue could sit until there were," said Christi Tezak, managing director at analytics firm ClearView Energy Partners. "It appears to us that McIntyre would like to explore something between Chatterjee's preference for an interim solution and the LaFleur-Powelson NOI angle. This is something we thought was a reasonable outcome."

DOE has not yet replied to McIntyre's letter.

Perry's proposal has drawn broad criticism as a carve out that would cost power customers billions of dollars and was designed to support the [coal industry](#) in the PJM Interconnection, and the mining company run by coal magnate [Bob Murray](#) in particular.

Powelson, a Republican appointed by President Trump, has been vocally opposed to the proposed DOE rule. The plan that he and LaFleur have crafted would reportedly close the current DOE docket and open a new one that seeks input from grid managers — an idea that could create a long delay before any action was taken.

McIntyre's request for more time could create problems for Murray Energy, which has emphasized the need for a speedy outcome: One of Murray's top customers, FirstEnergy Solutions, is considering bankruptcy, which could be the first step to closing some big coal plants. But Murray Energy said it was not concerned with a possible 30-day delay.

"We believe that the sooner this rule is implemented, the better it will be for the American people," a spokesman said. "With that said, this extension request is a matter between FERC and Secretary Perry, and we defer to their judgment."

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**Bob Murray had early access to Rick Perry to share coal plan [Back](#)**

By Eric Wolff | 12/07/2017 05:30 PM EDT

Coal magnate Bob Murray pitched Energy Secretary Rick Perry on his plan to throw an economic lifeline to coal companies less than a month before Perry set in motion plans to aid the industry, according to newly disclosed photographs that show the two meeting.

The liberal magazine [In These Times](#) obtained pictures of Murray and Perry from a March 29 meeting at Energy Department headquarters, less than a month after Perry was [sworn in](#).

Several other officials were in attendance, including Andrew Wheeler, who at the time was a lobbyist for Murray and has since been nominated as the Environmental Protection Agency's No. 2 official.

The meeting puts Murray and Perry together at a crucial moment in the timeline of the Trump administration's push to save the struggling coal industry, an effort that would benefit Murray Energy in particular while raising electricity prices for potentially millions of people. A month before the meeting, one of Murray's biggest customers, FirstEnergy, told investors it was seriously considering seeking bankruptcy protection for its merchant division, FirstEnergy Solutions, a move that would likely void its supply contracts with Murray's coal mines.

Three weeks after Murray's visit, Perry would order a grid study that later became part of the justification for a proposed rule to reward coal and nuclear power plants for providing "grid resiliency." FERC, which has jurisdiction over the proposal, must make a decision on it by Monday.

At the time of the meeting, Wheeler was [already the leading candidate](#) to become the deputy administrator for EPA. Wheeler, who represented Murray as a lobbyist for Faegre Baker Daniels, would not be officially nominated for months. Wheeler, who has acknowledged participating in meetings on Murray's coal plan at DOE and on Capitol Hill, cleared committee last week and is awaiting Senate confirmation.

Murray is an outspoken supporter of President Donald Trump and held a fundraiser for him during the 2016 campaign.

DOE did not dispute the validity of the photos.

"Industry stakeholders visit the Department of Energy on a daily basis," DOE spokeswoman Shaylyn Hynes said, when asked about the meeting. "The DOE proposal to FERC was about the future and resiliency of the nation's power supply, an issue much bigger than one industry or company."

The photographs show Perry sitting at the head of a table in the Department of Energy, with Bob Murray, CEO of Murray Energy, to his left, and Wheeler down the table from Murray.

"Enclosed is an Action Plan for achieving reliable and low cost electricity ... and to assist in the survival of our Country's coal industry, which ... power grid reliability and low cost electricity," Murray writes in a cover letter to Perry, parts of which are visible in one photo from the meeting.

Though the document has never been publicly released, DOE critics say Murray's plan appears to have inspired DOE's grid study and the proposed rule Perry sent FERC in September. Copies are visible at the seats of most of the participants, including Perry and Murray. Wheeler, who told members of the Senate Environment Committee he had only seen the memo briefly, is not holding a copy in the photos obtained by In These Times. Murray [told Greenwire](#) in November he "didn't have any involvement" in writing the rule.

Murray has acknowledged sharing the plan with Trump.

"I gave Mr. Trump what I called an action plan very early," Murray said in a recent [PBS Frontline](#) documentary on EPA. "It's about three-and-a-half pages and — of what he needed to

do in his administration. He's wiped out page one."

A spokesman for Bob Murray said that during the March 29 meeting, Murray did not discuss the DOE's proposed rule, and he added that he was not involved in drafting Perry's proposal.

The meeting appears to have been successful for all. One of the photos shows Perry and Murray in a big bear hug.

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**Brown: Trump doesn't fear 'wrath of God'** [Back](#)

By Brent D. Griffiths | 12/10/2017 07:00 PM EDT

California Gov. Jerry Brown slammed President Donald Trump as a man who is not afraid of "the wrath of God."

"I don't think — President Trump has a fear of the Lord, the fear of the wrath of God, which leads one to more humility," Brown said in an interview airing Sunday on "60 Minutes" on CBS. "And this is such a reckless disregard for the truth and for the existential consequences that can be unleashed."

In the past, Trump has called climate change a hoax pushed by the Chinese.

Brown, a four-term governor of the state, said California is "not waiting for the deniers" as it confronts its most destructive wildfire season on record and prepares for what may become the new normal.

An outspoken advocate on the subject, Brown was among a handful of blue-state politicians who promised to stay the course of combating climate change even after Trump withdrew the United States from the Paris climate accord, saying it was not good for the country. Brown called that notion "preposterous."

"I'd say to Mr. Trump: Take a deeper look now is not the time to undo what every country in the world is committed to," Brown said.

On this and other issues, Brown argued that his state's reputation as being a Democratic bastion that is far out of touch with the rest of America is simply incorrect. Instead, he said, California is America's future; it just arrived sooner than everyone else — with Brown specifically pointing to states like Ohio, Wisconsin, Michigan and Pennsylvania where Trump won just enough votes to win the White House.

"There's more confidence here; there's less fear. People are looking to the future," Brown said. They're not scared, they're not going inward, they're not scapegoating, they're not blaming — Mexican immigrants. They're not blaming the stranger. Just the opposite. It's a place that's alive."

As for his future, Brown told "60 Minutes" that he is looking forward to retiring in 2019 and

spending time on his ranch north of Sacramento.

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## EPA announces 21 Superfund sites to prioritize [Back](#)

By Emily Holden | 12/08/2017 04:13 PM EDT

EPA has named 21 Superfund sites on its [priority list](#) for cleanup.

The list follows [recommendations](#) from a task force convened this summer. Administrator Scott Pruitt had previously said he would make a top-10 list of sites that needed the most attention.

"The list is designed to spur action at sites where opportunities exist to act quickly and comprehensively," EPA said in a press release. "The Administrator will receive regular updates on each of these sites."

There are more than 1,300 of the toxic waste sites around the country, and environmental advocates have [warned](#) that prioritizing just a few may take resources away from others and allow Pruitt to provide resources in states run by his political allies.

The new list includes sites in red states but also in New England and on the West Coast. It includes the San Jacinto Superfund site in the Houston area, which was damaged by flooding during Hurricane Harvey. EPA has already ordered two companies to pay \$115 million for cleanup efforts there.

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**Subject:** Murkowski draws energy policy wins despite health care stance  
**Date:** Tuesday, October 24, 2017 5:04:23 PM

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## Murkowski draws energy policy wins despite health care stance

By Esther Whieldon

10/24/2017 05:00 PM EDT

It's been three months since the Trump administration first threatened reprisals against Alaska if Sen. [Lisa Murkowski](#) didn't get in line on repealing Obamacare.

Instead, it's giving her seemingly everything she could want.

The Interior Department is considering issuing new permits to drill off the Alaskan coast, taking the first steps toward opening the long off-limits Arctic National Wildlife Refuge to oil exploration, and edging toward building a road through the federally protected Izembek wilderness, a project long championed by Murkowski.

That's all despite the late July phone call from Interior Secretary Ryan Zinke to the chairwoman of the Senate Energy and Natural Resources Committee to warn her that her opposition to the measure killing Obamacare could endanger federal projects in the state — a threat that quickly leaked to the media. And though she never backed the repeal, the administration has remained solidly behind her priorities.

"The Trump team appears to be learning that the tasty carrot is a better way of moving a senator than a poorly wielded stick," said Paul Bledsoe, who worked as a Clinton White House energy aide and is now a lecturer at American University.

Zinke's Interior Department is moving ahead with efforts to help reverse the long decline in Alaska's energy production, a priority for Murkowski, since the oil industry still provides about one-third of the state's jobs.

And President Donald Trump and Zinke have continued to put Alaskans into prominent administration posts, including nominating Tara Sweeney as assistant secretary of Indian Affairs. Sweeney, who was an executive for a corporation of indigenous groups that own millions of acres of oil-rich land, is the wife of Murkowski's former state director, Kevin Sweeney.

Zinke's late July calls to Murkowski and Sen. [Dan Sullivan](#) (R-Alaska) allegedly threatening to pull support from their energy and land priorities prompted lawmakers to seek a GAO [probe](#), although a separate inquiry by Interior's inspector general [ended](#) in August after the two Alaska senators declined to discuss the incident with investigators.

For her part, Murkowski responded to Zinke by delaying her panel's consideration of several Interior and DOE nominees — though she [advanced](#) those nominations a few days later after sitting down with Zinke for a [beer](#).

Interior spokeswoman Heather Swift in an emailed statement did not deny that the

administration is trying to win Murkowski's support, and she noted Zinke "works with a number of Senators on both sides of the aisle to advance shared priorities" on such things as restoration of the Everglades in Florida and expanding access to the Sabinoso Wilderness in New Mexico.

The support for many of Murkowski's priorities after the dustup doesn't appear to be a coincidence, according to Kate Kelly, a former senior adviser to former Interior secretary Sally Jewell.

"These decisions don't happen in a vacuum," said Kelly, who is now at the Center for American Progress. In addition to heading the committee that oversees much of the Interior's activities, Murkowski also chairs the subcommittee that controls its appropriations.

"She holds the purse strings and occupies key positions on committees for the Interior department, so it's a smart move to keep her happy," Kelly said.

Murkowski maintained that the administration is not trying to sway her.

"Absolutely not," she told POLITICO in a brief interview. "I think in fairness the administration is working on issues that are important and they care about. And these are matters that we've been talking about with them since they came into office, so this is about priorities that they have laid down, and we agree."

Bledsoe agreed that Murkowski and the Trump administrations share many of the same priorities in boosting energy development on public lands and removing Obama administration restrictions. But he said he saw Interior's actions as an acknowledgment that "they need her every bit as much as she needs them. As the near-misses on their big legislative items have accumulated, the White House is recognizing that they're not immune from old-fashioned politics."

After years of stonewalling by the Obama administration, Murkowski appears to be close to winning Interior's permission for a 12-mile road through the Izembek National Wildlife Refuge to link the isolated city of King Cove to an all-weather airport. Documents obtained through a public records request by Defenders of Wildlife show the U.S. Fish and Wildlife Service is pursuing a land exchange for the road. The records, first [reported](#) by The Washington Post, include emails among staff that say the push for the exchange is coming from Zinke's office.

On the oil front, the Bureau of Ocean Energy Management is expecting to release a draft five-year offshore oil and gas leasing plan by the end of the year to allow drilling in parts of Alaska's Chukchi and Beaufort seas, which former President Barack Obama had closed off last year.

And Zinke is quietly working on an environmental review that would allow oil companies to perform seismic testing in the Arctic National Wildlife Refuge, according to an Aug. 11 [memorandum](#) from the FWS Alaska region acting Director James Kurth. The House is slated to vote Thursday to formally back the Senate's budget resolution passed last week that included [language](#) that would give Murkowski a path forward for opening ANWR up to drilling.

In August, BLM issued a [call for nominations](#) for new oil and gas leases in Alaska's National

Petroleum Reserve, an area near ANWR that has long been home to oil production. BLM also published an [order](#) in the Federal Register on Tuesday lifting a ban on mining on 700 acres near Fairbanks that the National Oceanic and Atmospheric Administration had set aside as a buffer around an array of weather satellite receivers. The land sits next to an open-pit gold mine owned by Kinross, which has conducted exploratory drilling in the area.

The Interior actions may not be designed to win Murkowski support for any specific Trump policies, said Pat Pourchot, who served as Interior's special assistant for Alaskan affairs under former secretary Jewell, but fostering a good relationship may pay dividends down the road.

"It doesn't matter if it's an exact quid pro quo or not, but it can't hurt to try to have good relationship with people in other branches of government or other branches of congress that might help you on your priorities," Pourchot said.

*To view online:*

<https://www.politicopro.com/energy/story/2017/10/murkowski-draws-energy-policy-wins-despite-health-care-stance-163777>

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**Subject:** Murkowski pressing to have FERC nominees approved this week  
**Date:** Wednesday, October 04, 2017 4:24:26 PM

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By Darius Dixon

10/04/2017 04:17 PM EDT

Sen. [Lisa Murkowski](#) is aiming to have President Donald Trump's two pending FERC nominees confirmed before the Senate flies off for its recess at the end of the week.

"I was talking with our leadership today about it. I want to try to get it shook loose before we take a break," the Alaska Republican, who chairs the Senate Energy and Natural Resources Committee, said of the nominees. The Senate is not scheduled to be in session next week.

Kevin McIntyre, Trump's pick to chair the agency, and Rich Glick, who serves as general counsel to energy committee Democrats, were [approved](#) by Murkowski's committee on a voice vote last month to become FERC members.

Sen. [Maria Cantwell](#), the top Democrat on the energy committee, has said she was "favorably impressed" by McIntyre who, when confirmed by the full Senate with Glick, will bring FERC's leadership board back to full strength for the first time since late 2015.

**WHAT'S NEXT:** The Senate is scheduled to be on recess for the week of Columbus Day and is rarely in session on Friday, suggesting that the FERC nominees could be confirmed in the next day or so.

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<https://www.politicopro.com/energy/whiteboard/2017/10/murkowski-pressing-to-have-ferc-nominees-approved-this-week-093938>

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**Subject:** Murkowski says committee may vote on Interior, FERC nominees late next week  
**Date:** Thursday, September 07, 2017 1:24:09 PM

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By Esther Whieldon

09/07/2017 01:19 PM EDT

Senate Energy and Natural Resources Chairwoman [Lisa Murkowski](#) aims to hold a vote on four FERC and Interior Department nominees late next week.

"My hope is that we might be able to get them out ... maybe a week from now, which would be great," Murkowski told reporters today after a confirmation hearing.

The nominees are Joseph Balash, to be Interior assistant secretary for land and minerals management; Ryan Nelson, to be Interior solicitor; and Richard Glick and Kevin McIntyre, to be FERC commissioners.

Murkowski at the hearing said she will urge her colleagues to submit their questions for the record quickly and asked the nominees to be "rapid with your responses ... so that you can get to work. We can't get you there fast enough," she said.

**WHAT'S NEXT:** The committee will vote on the nominees as soon as next week.

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<https://www.politicopro.com/energy/whiteboard/2017/09/murkowski-says-committee-may-vote-on-interior-ferc-nominees-late-next-week-092583>

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**Subject:** Murkowski, Cantwell press for distributed power in Puerto Rico, Virgin Islands  
**Date:** Thursday, October 26, 2017 5:46:46 PM

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By Emily Holden

10/26/2017 05:42 PM EDT

The top Republican and Democrat on the Senate Energy and Natural Resources Committee are calling on the Senate leadership to press for weather-resilient distributed energy to rebuild the power grids in hurricane-ravaged Puerto Rico and the U.S. Virgin Islands.

Committee chairman [Lisa Murkowski](#) and ranking member [Maria Cantwell](#), today signed on to a [letter](#) spearheaded by Sen. [Al Franken](#) (D-Minn.). Sen. [Orrin Hatch](#) (R-Utah) and [Rob Portman](#) (R-Ohio) joined them.

The senators said Hurricanes Irma and Maria exposed the vulnerability of the power grids on the islands, and some communities face months without electricity. Congress has already approved about \$52 billion in aid for recent hurricanes and is expected to sign off on more spending.

"Decentralized energy resources operating in microgrids are more likely to remain functioning during and after storms," the letter said, noting that the declining costs of solar, wind, energy efficiency and battery storage in many instances makes them more affordable than existing power sources. The islands rely mostly on power plants fueled by oil, natural gas and coal.

In a speech over the weekend at the Alaska Federation of Natives convention, Murkowski broke with the party line to emphasize that "climate change is real" and she backed adding more alternative energy across the state, where rural communities often rely on diesel generators.

"Our world is changing," she said, according to [Alaska Public Media](#). "And we all know that climate change is at the heart of this change."

*To view online:*

<https://www.politicopro.com/energy/whiteboard/2017/10/murkowski-cantwell-press-for-distributed-power-in-puerto-rico-virgin-islands-094817>

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**From:** Joe Balash  
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"I am deeply honored to be able to serve at the Department of the Interior. As a nation, we are blessed with tremendous public lands and resources that give our people unparalleled opportunities for recreation and job creation for generations to come. I look forward to working with Secretary Zinke and his incredible team to seize on those opportunities and deliver on President Trump's America First Energy Plan."

I had hoped to have Sen. Sullivan's quote approved by now, but he has been elusive this morning.

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**Subject:** National Parks to reopen in U.S. Virgin Islands following hurricanes  
**Date:** Monday, November 20, 2017 5:04:47 PM

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news release



Date: November 20, 2017  
Contact: Interior\_Press@ios.doi.gov

## **National Parks to reopen in U.S. Virgin Islands following hurricanes**

*USVI National Parks are top tourist destinations, Visitors spent in \$70M for USVI in 2016*

**WASHINGTON** – Today, U.S. Secretary of the Interior Ryan Zinke and U.S. Virgin Islands Governor Kenneth Mapp announced the reopening of Christiansted National Historic Site and Buck Island Reef National Monument on the island of St. Croix and Trunk Bay Beach at Virgin Islands National Park on the island of St. John. The National Park Service is an important economic engine in the USVI, attracting more than a half a million visitors in 2016 and supporting 900 jobs in the community. Visitors spent \$70 million and helped support \$34 million in labor and more than \$90 million in economic output.

“I couldn’t be more proud of the hard work of National Park Service staff, volunteers, and their partners in the Virgin Islands. Their commitment to the park and to the community is inspiring. I’ve heard many stories of staff tending to the needs of the park and their neighbors before even taking care of themselves,” **said Secretary Zinke**. “We have a long way to go, but every day we make progress toward getting these parks fully functional to visitors and back to providing important economic support to these communities as they return to normal.”

"The reopening of Buck Island Reef National Monument, Trunk Bay Beach, and Christiansted National Historic Site represents another significant milestone in the recovery of the U.S. Virgin Islands," **Governor Kenneth E. Mapp said**. "These are, of course, premiere destinations for visitors, but are also significant recreation areas for Virgin Islanders - many of whom traditionally celebrate Thanksgiving at our beaches. Thanks to the Department of Interior, the National Park and all the Virgin Islanders that continue to work on facilitating our efforts to rebuild."

“National parks such as Christiansted National Historic Site, Buck Island Reef National Monument on St. Croix and Trunk Bay Beach at Virgin Islands National Park on St. John

protect some of the best of our natural heritage. Together with other protected areas, they attract millions of visitors annually and help to protect the U.S. Virgin Islands' unique wildlife by acting as a refuge for threatened species," **said Delegate Stacey Plaskett.** "Although their primary purpose is the protection of biodiversity, National Parks also deliver other invaluable economic, social, cultural, and health benefits to our territory's residents. Future generations deserved the right to see these natural values intact and protected as we do today."

The National Park Service protects and preserves significant historic sites, important ecosystems, and popular beaches that are vital to the tourism economy in the Virgin Islands. For example, visitors to Virgin Islands National Park spent \$70 million in 2016.

Christiansted National Historic Site demonstrates the architectural, economic, and political influence of 18th century Europe like no other place in the Caribbean. The 19,015-acre Buck Island Reef National Monument includes the 176-acre island consisting of tropical dry forest and 18,839 acres of submerged lands and coral reefs.

With the opening of Trunk Bay Beach, Virgin Islands National Park now has three popular tourist destinations ready to receive visitors. Honeymoon and Hawksnest beaches reopened on November 13. Water sports equipment rental is currently available at Honeymoon Beach and equipment rental will resume at Trunk Bay Beach today. Taxi service, essential to getting visitors to park beaches, has also resumed.

To reopen Trunk Bay Beach, the National Park Service stabilized numerous structures and removed fallen trees and more than 480 cubic yards of debris. Dive teams removed underwater debris from swimming areas, however visitors are encouraged to use caution when swimming in all areas of Virgin Islands National Park.

While these sites are open to visitors, many services and features at NPS sites across the islands remain closed or inaccessible while cleanup continues.

For continued updates on the status of national park areas in the Caribbean and elsewhere that have been affected by hurricanes and severe weather please visit: <http://go.nps.gov/hurricanes>.

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**Subject:** New Interior Department Survey Shows HUGE Increase in Recoverable Energy Resources in Federal, State and Native Lands and Waters in Alaska  
**Date:** Friday, December 22, 2017 1:33:55 PM

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news release



Date: December 22, 2017  
Contact: [Interior\\_Press@ios.doi.gov](mailto:Interior_Press@ios.doi.gov)

## **New Interior Department Survey Shows HUGE Increase in Recoverable Energy Resources in Federal, State and Native Lands and Waters in Alaska**

*17.6 Billion Barrels of Oil, 50 Trillion Cubic Feet of Gas*

*Secretary Zinke praises scientists at BOEM and USGS who partnered to produce the updated survey of the Western Beaufort Sea Planning Area and NPR-A*

**WASHINGTON, D.C.** – Today, U.S. Secretary of the Interior Ryan Zinke released an [updated resource assessment](#) for the National Petroleum Reserve in Alaska (NPR-A), the Western Beaufort Sea, adjacent State and Native lands, and State waters, which estimates the mean undiscovered, technically recoverable resources both on and offshore to include 17.6 billion barrels of oil and more than 50 trillion cubic feet of gas.

"Earlier this year I visited the North Slope to talk with Alaska Natives and elected officials about what responsible energy development means for the communities and the state. The response was overwhelmingly positive and the message was clear: the path to American Energy Dominance starts in Alaska," **said Secretary Zinke**. "Today's updated assessment is a big step toward that goal. Thanks to the incredible work of scientists at the USGS and BOEM, we know what's available and what our potential is. That's important because with the scientific knowledge, industry partners are more willing to explore the area. New discoveries have changed our geologic knowledge of the area - and these assessments show that the North Slope will remain an important energy hub for decades to come in order to meet the energy needs of our nation."

The assessment was conducted by the Bureau of Ocean Energy Management (BOEM), the Bureau of Land Management (BLM), and the U.S. Geological Survey (USGS), which are all bureaus under the management of the Department. USGS led onshore efforts, and BOEM led offshore efforts with data contributed by BLM. Additional information was provided by state and industry partners.

Onshore, USGS estimates a mean of 8.7 billion barrels of oil and 25 trillion cubic feet of gas. This is a significant increase from the 2010 resource assessment, which estimated a mean of 1.5 billion barrels of oil.

Offshore, BOEM's revised estimates of mean undiscovered technically recoverable resources in the Beaufort Sea Outer Continental Shelf Planning Area are 8.9 billion barrels of oil and 27.7 trillion cubic feet of gas. BOEM's updated assessment resulted in a net increase of nearly 700 million barrels of oil equivalent over BOEM's 2016 Beaufort Sea Planning Area assessment.

"I am always mindful of the need to protect the environment and our subsistence way of life and I appreciate the Department of Interior's commitment to responsible development. This resource assessment tells us something our North Slope Inupiat people already know--Alaska has incredible potential," **said Alaska Native officials North Slope Borough Mayor and whaling captain, Harry K. Brower Jr.** "The Borough and the majority of our residents have long supported the careful and responsible development of oil and gas resources within our region that protects the balance between economic development and our subsistence way of life."

"Just as we have always known, this assessment shows that the NPR-A has significant potential and will remain a big part of our energy future," **Chairman Lisa Murkowski said.** "I thank Secretary Zinke for traveling to this area with me earlier this year, for directing USGS to update its resource assessment, and for working with Alaskans on a better plan for responsible development."

"The good news for Alaska and America's energy dominance continues," **said Senator Dan Sullivan.** "Alaska's vast resources offer a superior opportunity for us to provide jobs, energy, and security to our nation and our allies. This updated assessment by the USGS and BOEM shows that the resources are there and the time is now to invest in our vast Arctic energy potential."

"I am pleased with the Secretary's announcement," **said Alaska Congressman Don Young.** "I have consistently fought to defend and grow both the Alaskan and American economy. Finding more recoverable oil in the NPR-A will be a benefit to everyone in our nation. I stand with the majority of Alaskans in asking Secretary Zinke and the President to continue efforts to expand our energy independence through exploration and responsible development of the NPR-A and Coastal Plain."

"A frontier to many, Alaska's North Slope is our home; it is rich with potential," **said Richard Glenn, ASRC Executive Vice President of Lands and Natural Resources.** "Any good land use and resource exploration decisions require the best available subsurface data and interpretation. I commend our colleagues on the USGS team for taking up this effort." ASRC is an Alaska Native Claims Settlement Act (ANCSA) regional corporation. ASRC owns more than five million acres of lands on the North Slope. Shareholder owners of ASRC are the

predominant majority of the residents of the eight villages of the North Slope.

"BOEM is pleased to participate in this partnership with USGS to use shared science and new technology to produce these increased estimates of oil and gas potential in northern Alaska," **said Walter Cruickshank, acting director of BOEM.**

"This assessment is a testament to the expertise of our geologists and energy resource scientists," **said Bill Werkheiser, acting director of the USGS.** "These results also show the value of our partnerships, particularly with our sister agencies, the State of Alaska, and industry."

The USGS, BLM and BOEM conducted these assessments in compliance with Secretarial Order 3352 and as part of a program directed at estimating the undiscovered, technically recoverable oil and gas resources of priority petroleum basins in the United States. The next USGS assessments to be announced in Alaska are of the Alaska 1002 Area and the area west of the NPR-A.

This assessment is for undiscovered, technically recoverable oil and gas resources. Undiscovered resources are those that are estimated to exist based on geologic knowledge and theory, while technically recoverable resources are those that can be produced using currently available technology and industry practices.

The estimated undiscovered oil resources are significantly higher than previous estimates, mainly because two geologic formations in the NPR-A host recent oil discoveries that are larger than anticipated. The current USGS estimate is more than six times the previous USGS assessments of the Central North Slope (2005) and NPR-A (2010).

Moreover, the USGS assessment team made use of three-dimensional seismic reflection data in northeastern NPR-A and adjacent State lands and waters, provided by partners like the Bureau of Ocean Energy Management, to estimate the number and size of seismic amplitude anomalies, which are considered viable proxies for undrilled prospects.

To find out more about USGS energy assessments and other energy research, please visit the [USGS Energy Resources Program website](#), sign up for our Newsletter, and follow us on [Twitter](#).

More information about BOEM resource evaluation on the Outer Continental Shelf (OCS) is available on the [BOEM website](#).

## **Industry Background**

Industry discoveries announced during 2015–2017 indicate that the potential for larger oil accumulations in both formations is greater than previously thought. The Pikka and Horseshoe oil discoveries near the Colville River delta just outside NPR-A were announced in 2015 and 2017. Industry announcements suggest that the two discoveries 21 miles apart likely are in the same oil pool, which may hold more than 1 billion barrels of recoverable oil.

Industry announced the discovery of the Willow oil pool in the Nanushuk Formation in NPR-A in 2017 with estimated resources of more than 300 million barrels of oil. Multiple wells have been announced to be drilled during the 2017-2018 winter drilling season at both Pikka-Horseshoe and Willow to further delineate these discoveries.

Industry announced an oil discovery in the deeper Torok Formation at Smith Bay, less than one mile offshore from NPR-A, in 2016 to hold more than 1 billion barrels of oil. Another oil discovery in the Torok Formation was announced in 2015 at the Cassin prospect in NPR-A, not far from the Willow discovery. No plans for drilling have yet been announced at either Smith Bay or Cassin.

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**Bcc:** [lori\\_mashburn@ios.doi.gov](mailto:lori_mashburn@ios.doi.gov)  
**Subject:** News Alert: Senate advances Bernhardt for Deputy  
**Date:** Thursday, July 20, 2017 5:37:55 PM

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## **E&E News: Senate advances Bernhardt for deputy**

July 20, 2017

The Senate this afternoon advanced the nomination of David Bernhardt for Interior Department deputy secretary, teeing up the final confirmation vote expected Monday.

Senators voted 56-39 to invoke cloture on the nomination. All Republicans present, six Democrats and one independent voted in favor.

Democrats Martin Heinrich of New Mexico, Heidi Heitkamp of North Dakota, Joe Manchin of West Virginia, Joe Donnelly of Indiana, Brian Schatz of Hawaii and Michael Bennet of Colorado voted with Republicans, as did independent Angus King of Maine.

Senators not voting were: Patrick Leahy (D-Vt.), Jerry Moran (R-Kan.), Ben Sasse (R-Neb.) and Debbie Stabenow (D-Mich.). Sen. John McCain (R-Ariz.), recovering from surgery and recently diagnosed with brain cancer, was absent.

Bernhardt's nomination has attracted strong support because of his extensive public policy experience in the executive and legislative branches, but also robust opposition from Democrats and green groups alarmed by his ties to oil and gas lobbyists.

The Campaign for Accountability today filed a complaint with the U.S. attorney for the District of Columbia to investigate whether Bernhardt violated the Lobbying Disclosure Act by continuing to lobby despite formally withdrawing his registration in 2016.

Emails obtained through the California Public Records Act show Bernhardt continued to advise the Westlands Water District, a California agricultural organization, after terminating his lobbying registration (Greenwire, July 18).

Bernhardt was registered as a Westlands lobbyist between June 2011 and Nov. 18, 2016, when he was a member of the Trump administration's Interior Department transition team and potential nominee. The president formally picked him in April.

Bernhardt, who had served as chairman of the natural resources department at the law firm Brownstein Hyatt Farber Schreck LLP, previously promised lawmakers that if confirmed, he would "not participate personally or substantially in any particular matter involving" his former clients or "specific parties in which I know the firm is a party or represents a party" for two years, unless he receives authorization to do so.

Administration aides have said they thoroughly vetted Bernhardt on ethics. They and other defenders, including Sen. Cory Gardner (R-Colo.), call him an experienced nominee.

In addition to his lobbying career, the Coloradan has worked as a Capitol Hill aide and served as an Interior official during the George W. Bush administration.

Bernhardt has taken heat over allegations of mismanagement at Interior during his tenure there, including a drug and sex scandal at the former Minerals Management Service and political interference in endangered species decisions.

### **'Disqualifying'**

Energy and Natural Resources Committee ranking member Maria Cantwell (D-Wash.) has led the opposition to Bernhardt and spoke on the floor before today's vote.

Cantwell said that while it's true Bernhardt has "considerable" experience to do the job, the revolving-door nature of his career continues to concern her and raises a serious appearance of conflict-of-interest issues.

By putting forward Bernhardt as Interior's No. 2, President Trump is not helping to drain the swamp, "he's helping to fill it," Cantwell said.

The League of Conservation Voters also reiterated its opposition to Bernhardt today after sending a letter last month to the full Senate urging it to reject the nomination.

"Bernhardt's long list of conflicts of interest alone should be disqualifying — but given the Trump administration's incredible disregard for integrity, science and facts, it's no surprise that a top nominee would have a record of altering government science for political gain and overseeing an office plagued by scandal," said Tiernan Sittenfeld, LCV's senior vice president for government affairs.

Sittenfeld added: "We strongly urge senators to oppose Bernhardt's nomination and will continue to hold Congress and the administration accountable for putting polluter profits ahead of our clean air, clean water, public lands and families' health."

### **Zinke 'miserable' by lack of help**

Gardner on the floor today praised Bernhardt's experience and commitment to public service, noting that other nominees considered by the Energy and Natural Resources panel have toggled between government and the private sector.

"What we see is another nominee, dedicated public servant, who gained experience in the private sector and is willing to come back to public service to give back to our great country," said Gardner, who noted that Bernhardt worked with his wife, Jaime, at Interior during the Bush administration. "Mr. Bernhardt's integrity and ability are two of his strongest qualities for his nomination."

Several stakeholders have voiced their support for Bernhardt as well, including the Colorado River District, Colorado Water Congress, Southern Ute Indian Tribe, Outdoor Recreation Industry Roundtable and Theodore Roosevelt Conservation Partnership.

Yesterday, House Natural Resources Chairman Rob Bishop (R-Utah) talked with reporters about the lack of confirmed appointees in place at Interior — and how it's making Secretary Ryan Zinke's life "miserable."

"There are a whole lot of problems that could be solved if Bernhardt was there now," the

chairman said. "The Senate waiting as long as it has is wrong, it's simply wrong."

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Alex Hinson

Deputy Press Secretary  
Department of the Interior  
C: 202-641-5381

**From:** Hinson, Alex  
**Bcc:** [lori\\_mashburn@ios.doi.gov](mailto:lori_mashburn@ios.doi.gov)  
**Subject:** News Alert: Susan Combs promises senators a more "Collaborative" Interior Department  
**Date:** Thursday, July 20, 2017 3:25:17 PM

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**[CHRON: Susan Combs promises senators a more "collaborative" Interior Department](#)**  
July 20, 2017

Former Texas comptroller Susan Combs, who has been nominated for a top position at the Department of Interior, assured senators Thursday she would work closely with states on conservation policies that can impact oil and gas drilling and other development on federal lands.

During a hearing before the Senate Energy and Natural Resources Committee, Combs promised a "collaborative" approach during questioning from western states including Sen. Lisa Murkowski, R-Alaska, and Sen. Mike Lee, R-Utah.

"Secretary [Ryan] Zinke did discuss trust a number of times," she said. "He wants to be sure sure field offices are out there working in an open collaborative way."  
State officials in western states were frequently at odds with the Obama administration over tougher regulations on developing federal lands, which in some states constitute more than 60 percent of the total lands mass.

Combs, who served in Texas state government for two decades and was the state's first female agriculture commissioner, has been nominated by President Donald Trump to Assistant Secretary of the Interior overseeing policy, management and budget.

On Thursday she took tough questions from Sen. Diane Cantwell, ranking member on the committee, for a report in the Washington Post last month that Zinke had reassigned up to 50 senior officials with the Interior Department's Senior Executive Service, including the department's top climate policy official, Joel Clement.

"I'm asking the inspector general to look into what the department is doing," Cantwell said. Combs responded that while she didn't "have any particular information on the reassignments" she understood such moves were part of a career building protocol.

"[Senior Executive Service officials] are supposed to be mobile to add to their resumes," she said.

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Alex Hinson

**Deputy Press Secretary**  
**Department of the Interior**  
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**Subject:** Ohio River jam highlights absence of Trump's infrastructure plan  
**Date:** Thursday, October 12, 2017 7:03:02 PM

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## Ohio River jam highlights absence of Trump's infrastructure plan

By Eric Wolff and Tanya Snyder

10/12/2017 06:59 PM EDT

Shipments of coal and grain are paralyzed at a critical chokepoint on the Ohio River due to dilapidated infrastructure, highlighting the need for the kind of major capital investment that President Donald Trump promised, in a speech along the banks of the same river, three months ago.

Lock 52 on the Ohio River in southern Illinois closed Oct. 9 because its infrastructure is too decrepit to function effectively in high water, and it could be several more days before the U.S. Army Corps of Engineers reopens it. The closure has created a 57-mile backup of 51 towboats and 564 barges waiting to pass, according to the Waterways Council, an advocacy group for water infrastructure.

Trump visited this key inland waterway in June, emphasizing the importance of waterways and promising investment. But Trump's fiscal 2018 budget proposal called for cuts to civil works spending. And his campaign promise of \$1 trillion for infrastructure is so far unrealized, even as the New Deal-era locks and dams on the Ohio River degrade and unscheduled delays balloon.

That's left commodities producers, who depend on waterways for bulk transportation, in the lurch. In 2015, companies shipped 575 million tons of commodities worth \$302 billion via waterways. Of that total, coal makes up the largest single industry at 23 percent, with grains following at 15 percent.

Waterways infrastructure, much of which was built in the 1930s as part of President Franklin Roosevelt's public works programs, is long past its expected lifespan. The Waterways Council says unscheduled delays have grown by 700 percent over the last decade. The closure of a single lock on the Mississippi River during harvest season could cost \$933 million, according to a University of Tennessee [study](#).

Carol Labashosky, a spokeswoman for the Louisville district of the Army Corps of Engineers, said having to close Lock 52 isn't unique historically, but there have been frequent intermittent closures at this lock as well as another one downriver throughout September and October. "This fall we've had quite a few closures," Labashosky said. "Some of them have only been a couple of days or one day, but this is a lengthy delay."

Labashosky said they'll reopen the lock "as soon as the river cooperates," which she estimated would happen Friday or Saturday. Others are betting on Oct. 15 or 16.

Industries reliant on waterways are looking to Trump's promises of infrastructure investment to help modernize and update the locks and dams. The Waterways Council agrees. Deb Calhoun, a spokeswoman for the group, said they want to "hold the administration's feet to the

fire.

"The president said we need to fix it," she said.

In June, Trump [spoke](#) on the banks of the Ohio River, in front of a barge filled with West Virginia coal, to proclaim that "America must have the best, fastest and most reliable infrastructure anywhere in the world." Noting the "dilapidated system of locks and dams that are more than half a century old" and the "\$8.7 billion maintenance backlog that is only getting bigger and getting worse," Trump declared: "We cannot accept these conditions any longer."

But in May the administration released a fiscal 2018 budget that proposed to cut the Corps' civil works budget by about 17 percent. The amount proposed would fund only a small number of the 25 congressionally authorized priority projects, which have a combined portfolio value of \$8.8 billion.

Calhoun said they are "trying to move forward and not stop and go backwards," and observed that the budget came out when Trump was "pretty new on the job."

Trump's budget did address the urgent bottleneck at Locks and Dams 52 and 53. Though it proposed to shut down work on four ongoing Corps waterways projects, it requested \$26 million out of the Inland Waterways Trust Fund for the Olmsted Locks and Dam project, which was supposed to solve the problems at Locks and Dams 52 and 53 years ago, but has been mired in delays due to a misguided attempt at a new dam-building method.

The Olmsted project, authorized in 1988, was supposed to be finished in 10 years for \$775 million. The Corps claims it will be done next summer, nearly 30 years later — with a final cost close to \$3 billion.

For the remainder of the 25 projects Congress wants to see built, industries are waiting on the infrastructure package Trump promised during the campaign.

Trump himself hasn't spoken much about his infrastructure package since proposing that \$1 trillion in spending could be leveraged by \$200 billion from the federal government. In fact, he has since indicated he may be souring on public-private partnerships, which administration officials and Republican lawmakers had long said would fund 80 percent of the plan. The battle over health care has pushed back the promised tax overhaul, which is not expected to be quick business either. The fall timeline for Congress to craft a legislative infrastructure package has slipped away, and no one knows to when.

Ohio-based coal producer Murray Energy depends on inland waterways to move its product, and is calling for more spending.

"We certainly support President Trump's commitment to rebuild America's infrastructure, particularly the locks and dams along the Ohio, Monongahela and Mississippi Rivers," spokesman Gary Broadbent told POLITICO.

Even if the Olmsted Locks and Dam opens on time next summer, the project won't be finished until 2022, when the existing Lock 52 and 53 are finally pulled out of the river.

*To view online:*

<https://www.politicopro.com/transportation/story/2017/10/ohio-river-jam-highlights-absence->

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**Date:** Tuesday, November 28, 2017 2:29:23 PM

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## Events

- [OPM Facebook Live](#) - *Recorded from Nov 9*
- [Virtual Benefits Fair](#) - available online through Dec 11
- [Live Answers to your Questions](#) - Chat online with vendors Dec 5 (10 am – 5 pm)

## Things to Consider

- It's time to reassess your benefits to ensure they still meet your needs
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## Events

- [OPM Facebook Live](#) - *Recorded from Nov 9*
- [Virtual Benefits Fair](#) - available online through Dec 11

## Things to Consider

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- Does not require re-enrollment to continue into 2018
- Effective: *January 7, 2018*

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**Subject:** Out of Office Re: New Interior Department Survey Shows HUGE Increase in Recoverable Energy Resources in Federal, State and Native Lands and Waters in Alaska  
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**Subject:** Poor Alaska lease sale sows confusion on ANWR drilling plan  
**Date:** Thursday, December 07, 2017 5:49:29 PM

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By Ben Lefebvre and Anthony Adragna

12/07/2017 05:47 PM EDT

The weak results from the lease sale in the National Petroleum Reserve-Alaska are giving Democrats ammunition in their fight to stop Republicans from opening the Alaska National Wildlife Refuge under the tax bill.

Democrats are making hay out of the fact [only two companies bid](#) in what Interior Secretary Ryan Zinke had hailed as an "unprecedented" offering of acreage in the NPR-A, and they say the lease sale, which generated only \$1.2 million, undercuts Republican claims that [allowing drilling in a portion of ANWR](#) would generate \$1 billion over 10 years. The [latest report](#) from the CBO, shared internally with budget staffers, estimated ANWR revenues would fall short by about \$366 million.

House Natural Resources ranking member [Raul Grijalva](#) (D-Ariz.) and two other committee members sent a letter to CBO Director Keith Hall asking for a re-do on ANWR drilling revenue estimates in light of the poor NPR-A showing.

But [Sen. Lisa Murkowski](#) (R-Alaska), the driving force behind putting the refuge in the budget package, said the lease sale had little bearing on prospects for ANWR, however. The refuge is believed to hold as much as 10 times the billion barrels of oil estimated to lie buried in the petroleum reserve, Murkowski said.

"Different fields, different prospectivity," Murkowski told reporters.

Meanwhile, House Natural Resources Chairman [Rob Bishop](#) (R-Utah) said negotiations over ANWR and how much money it might bring to federal coffers is ongoing.

"I'm going to see all sorts of numbers being thrown out at the last few minutes," Bishop told POLITICO. "We'll look at them. We'll still negotiate this process."

**WHAT'S NEXT:** Republicans will meet in conference to reconcile the House and Senate versions of the tax bill.

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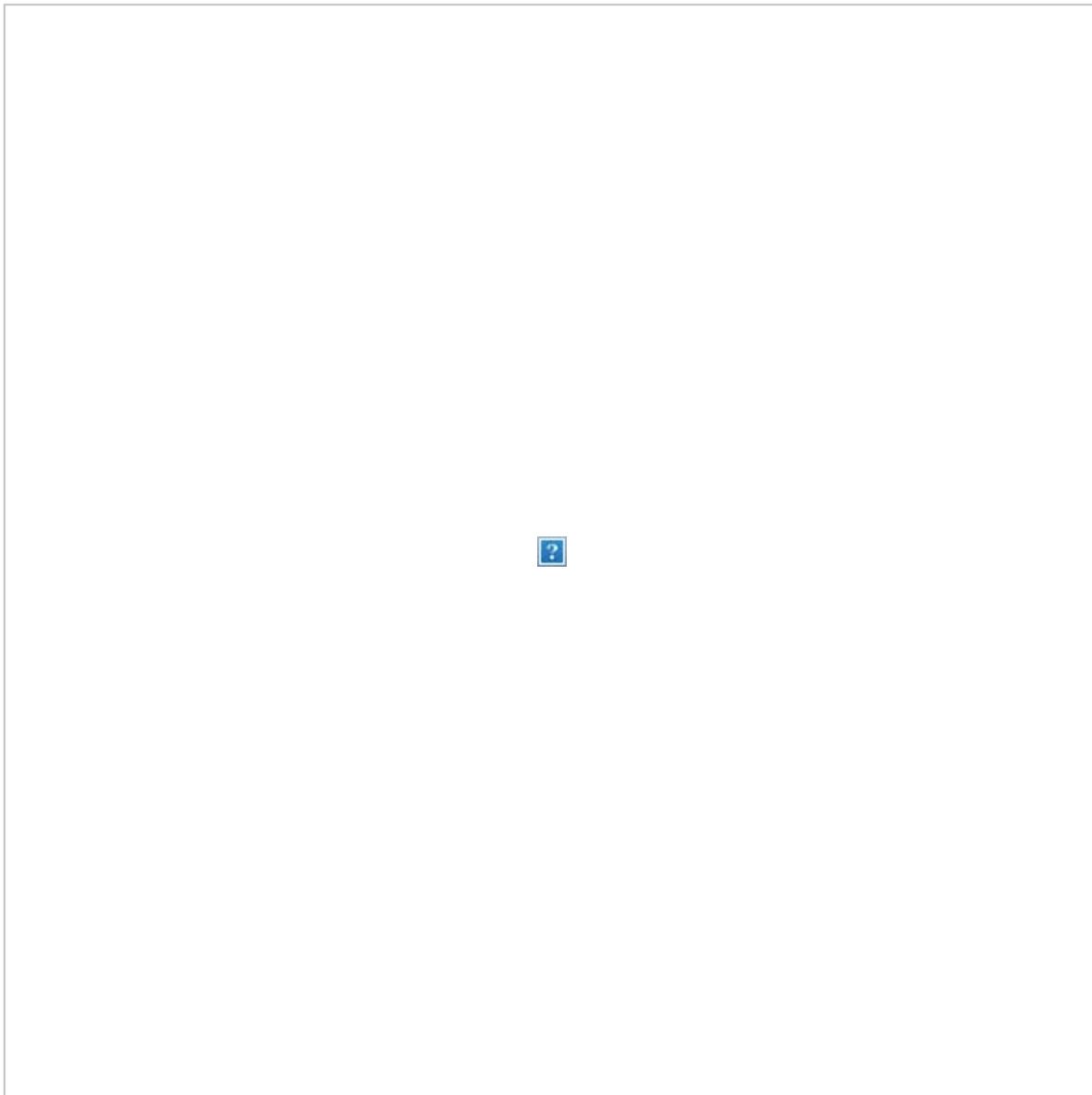
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**Subject:** President Trump and Secretary Zinke Announce Modification to Utah Monuments, Resulting in 5 Unique National Monument Units Totaling More Than 1.2 Million Acres  
**Date:** Monday, December 04, 2017 4:03:30 PM

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news release



Date: December 4, 2017  
Contact: [Interior\\_Press@ios.doi.gov](mailto:Interior_Press@ios.doi.gov)

## **President Trump and Secretary Zinke Announce Modification to Utah Monuments, Resulting in 5 Unique National Monument Units Totaling More Than 1.2 Million Acres**

*Modifications protect paleontological resources, Native American artifacts and other objects of historic or scientific interest while restoring traditional use and access to public land*

**SALT LAKE CITY** – Acting upon the recommendation of U.S. Secretary of the Interior Ryan Zinke, and with the support of Utah's governor, Congressional delegation, local officials, and residents, President Donald J. Trump today signed proclamations to adjust the boundaries and management of [Utah's Bears Ears National Monument \(BENM\)](#) and [Grand Staircase-Escalante National Monument \(GSENM\)](#). The proclamations modify the boundaries of those monuments and result in five unique monument units within the two monuments which protect important objects of historical and scientific interest.

"No one values the splendor of Utah more than the people of Utah – and no one knows better how to use it. Families will hike and hunt on land they have known for generations, and they will preserve it for generations to come." **said President Donald J. Trump.** "The Antiquities Act does not give the Federal Government unlimited power to lock up millions of acres of land and water, and it's time we ended this abusive practice. Public lands will once again be for public use."

"I thank President Trump for his leadership on the Monument Review and for keeping his promise to make sure the rural voice is heard once again," **said Secretary Zinke.** "As I visited the Monuments in Utah, I met with Americans on all sides of the issue -- from ranchers to conservationists to tribal leaders -- and found that we agree on wanting to protect our heritage while still allowing public access to public land. The people of Utah overwhelmingly voiced to us that public land should be protected not for the special interests, but for the citizens of

our great country who use them, and this is what President Trump is doing today. Bears Ears and Grand Staircase will remain under federal protection, will adhere to the spirit and letter of the Antiquities Act, and -- even after our modification -- combined will still be nearly twice the size of Rhode Island."

"By acting on Secretary Zinke's thoughtful recommendations, President Trump has restored balance to our public lands discussion," **said Governor Gary Herbert of Utah.** "We are pleased that Utahns once again have a voice in the process of determining appropriate uses of these public lands that we love. By reducing these super-sized monuments to a size consistent with the intent of the law, new doors of dialogue have opened up that will allow thoughtful, long-term protection of these federal lands. Federal, state, local and tribal officials can now convene to craft legislation for appropriate special protections and responsible recreational uses."

"Thank you Secretary Zinke, for coming to San Juan, Kane, and Garfield counties and listening to the local grassroots people. Your boots on the ground approach was unexpected, but well received and appreciated," **said San Juan County Commissioner Rebecca Benally.** "Thank you Senator Hatch. You and your staff have been champions for us. Thank you for never giving up. For believing we could rectify a wrong and for being a fighter for San Juan County and our people. Thank you President Trump. Thank you for not being a typical politician and passing us over. Thank you for caring about San Juan County. We may be only 15,000 strong, but we matter. We appreciate you willing to take the backlash from the special interest groups as you stand for the people and the economy of San Juan County."

"I'm thrilled and grateful to President Trump and Secretary Zinke for giving Utahns a voice in the protection of federal lands in Utah," **said Senator Orrin Hatch.** "The President's proclamation represents a balanced solution and a win for everyone on all sides of this issue. It also represents a new beginning in the way national monuments are designated, paving the way for more local input, and taking into account the actual letter and intent of the Antiquities Act, which calls for the 'smallest area compatible with proper care and management of the objects to be protected.'"

**Bears Ears National Monument:** The BENM will now encompass two monument units, Shash Jáa and Indian Creek, which will continue to be jointly managed by the Bureau of Land Management and U.S. Forest Service. Shash Jáa is approximately 129,980 acres and Indian Creek is approximately 71,896 acres. Collectively, at approximately 201,876 acres in size, Bears Ears remains larger than Utah's Bryce Canyon National Park and Zion National Park combined. The new proclamation allows for increased public access to the land and restores traditional use allowance for activities like cattle grazing and motorized recreation, and tribal collection of wood and herbs. Objects that remain within monument boundaries include: the "Bears Ears" buttes, Lime Ridge Clovis Site, Moon House Ruin, Doll House Ruin, Indian Creek Rock Art, and Newspaper Rock. The federal lands excluded from the monument will continue to be managed by the Bureau of Land Management (BLM) and the U.S. Forest Service.

In addition, the President's proclamation provides that the Bears Ears Commission will provide guidance and recommendations for the Shash Jáa unit of the monument and will be expanded to include a Native American San Juan County Commissioner elected by the majority-Native American voting district in that County. The President and Secretary will also request that Congress formally allocate Tribal co-management of the monument.

**Grand Staircase-Escalante National Monument:** The GSENM will now consist of three distinct monument units, the “Grand Staircase” (209,993 acres), “Kaiparowits” (551,034 acres), and “Escalante Canyons” (242,836 acres), and all three will be managed by the BLM. The three new monument areas collectively total 1,003,863 acres, which is larger than the entire state of Rhode Island. The federal lands not included in the new monuments will continue to be managed by the BLM.

In the 20 years since designation of the GSENM, the objects identified by the proclamation have been more thoroughly examined and mapped, which offered the opportunity to examine the significance of the objects previously identified and determine the proper size of the reservation necessary to protect those objects. The modified monument includes important objects identified in the original designation, including those areas with the highest concentration of fossil resources, important landscape features such as the Grand Staircase, Upper Paria Canyon System, Kaiparowits Plateau, Escalante Natural Bridge, Upper Escalante Canyons, East Kaibab Monocline, Grosvenor Arch, Old Paria Townsite, Dance Hall Rock, and relict plant communities such as No Mans Mesa.

### **FACT VS FICTION: Antiquities Act and Monument Review**

**Myth:** No president has shrunk a monument.

**False:** Monuments have been reduced at least eighteen times under presidents on both sides of the aisle. Some examples include President John F. Kennedy excluding Bandelier National Monument, Presidents Taft, Wilson, and Coolidge reducing Mount Olympus National Monument, and President Eisenhower reducing the Great Sand Dunes National Monument in Colorado.

**Myth:** The monument review will sell/transfer public lands to states.

**False:** This is not true. The Secretary adamantly opposes the wholesale sale or transfer of public lands. The Antiquities Act only allows Federal land to be reserved as a national monument. Therefore, if any monument is reduced, the land would remain federally owned and would be managed by the appropriate Federal land management agency, such as the BLM, U.S. Forest Service, U.S. Fish and Wildlife Service, or the National Park Service (NPS).

**Myth:** Removing the monument designation from land will leave Native American artifacts and paleontological objects subject to looting or desecration.

**False:** This is not true. Whether these resources are found on land designated as a monument, national forest, BLM- managed public land, or other federal land, it is generally illegal to remove or disrupt these resources without a permit issued by the federal government.

**Myth:** The monument review will close/sell/transfer national parks.

**False:** No national parks are under review.

**Myth:** The review was done without meeting advocates for national monuments.

**False:** The Secretary visited eight monuments in six states and personally hosted more than 60 meetings attended by hundreds of local stakeholders. Attendees included individuals and organizations representing all sides of the debate ranging from environmental organizations like the Wilderness Society and the Nature Conservancy to county commissioners and, residents, and ranchers who prefer multiple use of the land.

**Myth:** Tribal Nations were not consulted.

**False:** This is patently false. Before traveling to Utah, the Secretary met with Tribal representatives in his office. On his first day in Utah in May, the Secretary met with the Bears Ears Inter-Tribal Coalition in Salt Lake City, for just under two hours. Throughout the four-day survey of the Utah monuments, the Secretary also met with local Tribal representatives who represent different sides of the debate. The Secretary also met with Tribal representatives for their input on several other monuments from Maine to New Mexico to Oregon and everywhere in between. Additionally, the Department hosted several Tribal listening sessions at the Department and across the country, including a four hour session with the Acting Deputy Secretary on May 30th.

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## ON THE CALENDAR

10/20/17 12:00 PM EST

### [NCAC discussion on Big Data and Weather Markets](#)

The National Capital Area Chapter of the United States Association for Energy Economics is holding a lunch [presentation](#) on Big Data and Weather Markets. The event will discuss, "what weather risk management is, where market capabilities are today and how future solutions could target micro-level risks."

10/23/17 06:00 PM EST

### [Columbia Law School panel on climate change](#)

The Columbia Law School, Union of Concerned Scientists, Sabin Center for Climate Change Law and New York City Bar co-host a panel on "Can Fossil Fuel Companies Be Held Liable for Climate Change?" RSVP [here](#).

10/24/17 01:00 PM EST

### [Congressional "Half-Earth Day" celebration and conversation with E.O. Wilson](#)

Rep. [Don Beyer](#) (D-Va.) hosts a "celebration of the planet's first Half-Earth Day," featuring a conversation with biologist E.O. Wilson, and joined by Sen. [Tom Udall](#) (D-N.M.), Rep. [Raul Grijalva](#) (D-Ariz.), Rep. [Alan Lowenthal](#) (D-Calif.) and former director of the National Park Service Robert G. Stanton.

10/24/17 02:30 PM EST

### [Senate Commerce Committee hearing on fisheries](#)

The Senate Commerce Coast Guard Subcommittee holds a [hearing](#) on "Reauthorization of the Magnuson-Stevens Fishery Conservation and Management Act: Fisheries Science."

10/24/17 06:00 PM EST

### ['Flint' viewing and panel discussion with Michigan's Kildee](#)

Michigan Rep. [Dan Kildee](#) and Lifetime hold an excerpt viewing of the documentary "Flint" and panel discussion. RSVP [here](#) to attend.

10/25/17 10:00 AM EST

### [House Natural Resources Committee hearing on Sage Grouse recovery](#)

The full House Natural Resources Committee holds a [hearing](#) on "Empowering State Based Management Solutions for Greater Sage Grouse Recovery."

10/25/17 02:00 PM EST

### [House Natural Resources subcommittee hearing on American Indian lands bill](#)

The House Natural Resources Indian, Insular, and Alaska Native Affairs Subcommittee holds a [hearing](#) on [H.R. 215 \(115\)](#), the "American Indian Empowerment Act of 2017."

10/26/17 10:00 AM EST

### [Senate Energy and Natural Resources Committee hearing on cyber technology and energy infrastructure](#)

The full Senate Energy and Natural Resources Committee holds a [hearing](#) to "Examine Cyber

Technology and Energy Infrastructure."

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## ON THE CALENDAR

11/13/17 02:00 PM EST

[EESI briefing on fuel efficiency standards](#)

The Environmental and Energy Study Institute holds a briefing on "Can Fuel Efficiency Standards Be Met Cost-Effectively?" RSVP [here](#).

11/14/17 09:30 AM EST

[Senate Energy and Natural Resources Committee hearing on hurricane recovery](#)

The Senate Energy and Natural Resources Committee holds a hearing on "Hurricane Recovery Efforts in Puerto Rico and the U.S. Virgin Islands."

11/14/17 10:00 AM EST

[House Energy and Commerce Committee hearing on the hurricane response](#)

The House Energy and Commerce Environment Subcommittee holds a [hearing](#) on "Response and Recovery to Environmental Concerns from the 2017 Hurricane Season."

11/14/17 10:00 AM EST

[Senate EPW Committee hearing on multiple bills](#)

The Senate Environment Clean Air Subcommittee holds a [hearing](#) on S. 1857, to establish a compliance deadline of May 15, 2023, for Step 2 emissions standards for new residential wood heaters, new residential hydronic heaters, and forced-air furnaces; S. 203, the "Recognizing the Protection of Motorsports Act of 2017"; S. 839, the "Blocking Regulatory Interference from Closing Kilns Act of 2017"; and S. 1934, the "Alaska Remote Generator Reliability and Protection Act."

11/14/17 02:00 PM EST

[House Natural Resources hearing on financial accountability during disaster relief](#)

The House Natural Resources Committee holds an [oversight hearing](#) on "The Need for Transparent Financial Accountability in Territories' Disaster Recovery Efforts."

11/15/17 10:00 AM EST

[Senate Environment and Public Works Committee hearing on air emissions regulations](#)

The full Senate Environment and Public Works Committee holds a [hearing](#) on "Promoting American Leadership in Reducing Air Emissions Through Innovation."

11/15/17 10:00 AM EST

[ITIF panel discussion on ARPA-E](#)

The Informatoin Technology and Innovation Foundation holds a panel discussion on "ARPA-E: A Catalyst of Clean Energy Innovation." Register [here](#).

11/15/17 12:30 PM EST

[World Resources Institute briefing on pollution and development](#)

The World Resources Institute holds a [seminar](#) on "Coming Clean: Improving Transparency and Accountability to End Pollution's Chokehold on Development." Register [here](#) to attend.

11/16/17 08:30 AM EST

[EERE meeting on biomass and feedstock supply chain](#)

The Office of Energy Efficiency and Renewable Energy holds a meeting of the Biomass Research and Development Technical Advisory Committee, Nov. 15-16.

11/17/17 11:15 AM EST

[Pruitt speaks at National Lawyers Convention](#)

EPA Administrator Scott Pruitt addresses the The Federalist Society's [National Lawyer Convention](#). Register [here](#) to attend.

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