

To: Jackson, Ryan[jackson.ryan@epa.gov]
From: POLITICO Pro Energy
Sent: Mon 10/2/2017 9:43:23 AM
Subject: Morning Energy, presented by Chevron: Trump feuds as Puerto Rico struggles — Deregulatory push gets White House spotlight today — White House clamps down on non-commercial travel

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, or follow us on Twitter [@AnthonyAdragna](https://twitter.com/AnthonyAdragna), [@Morning_Energy](https://twitter.com/Morning_Energy) and [@POLITICOPro](https://twitter.com/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 catch 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

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."

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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."

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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.

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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.

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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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