

To: Dravis, Samantha[dravis.samantha@epa.gov]
From: POLITICO Pro Energy
Sent: Wed 11/29/2017 10:44:11 AM
Subject: Morning Energy: ANWR skating under the radar in broader tax fight? — White, Wheeler get EPW votes today — Pruitt heads to Iowa Friday

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, 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.

To view online [click here](#).

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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.

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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.

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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."

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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.

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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.

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