

To: Jackson, Ryan[jackson.ryan@epa.gov]
From: Morning Energy
Sent: Wed 5/24/2017 2:02:43 PM
Subject: POLITICO's Morning Energy, presented by POET: Will climate change pop up as Trump, Pope meet? — Fiat sued in latest emissions cheating scandal — Trump taps another for DOE role

By Anthony Adragna | 05/24/2017 10:00 AM EDT

With help from Anca Gurzu and Esther Whieldon

ON THE ROAD TO ... ST. PETER'S: Pope Francis presented President Donald Trump with a copy of his encyclical on climate change and the environment - *Laudato Si'* - as part of several books he gifted during their first meeting this morning. Trump said after receiving the gifts, "Well I'll be reading them" and later added of the pope "He is something. We had a fantastic meeting." Of course, the two hold starkly different views is climate change - Francis has urged action to confront the problem while Trump has dismissed it as a Chinese hoax. Archbishop Marcelo Sánchez Sorondo, chancellor of the Pontifical Academy of Sciences, told [an Italian news agency](#) last week he thought the pope might be able to influence Trump on the issue. "This president has already changed about several things, so perhaps on this as well," he said. The pope, for his part, said before the meeting he didn't have a strategy to sway Trump on any political issue: "We'll talk, each of us will say what he thinks. Each of us will listen to the other," Francis said on May 13, according to [Bloomberg](#).

ME FIRST - Democrats urge Trump to stick with Paris: Forty Senate Democrats, led by Senate Minority Leader [Chuck Schumer](#), are sending a [letter](#) to Trump this morning urging him not to abandon the 2015 Paris agreement on climate change. "Backing out of the Paris Agreement now, after the years of painstaking negotiations and strong U.S. leadership it took to get the world to this point, would be a self-inflicted injury to America's credibility and influence on the world stage," they wrote. Schumer, as well as Democratic Sens. [Tom Carper](#), [Maria Cantwell](#), [Ben Cardin](#), [Sheldon Whitehouse](#), [Brian Schatz](#), and [Ed Markey](#), will hold a press conference in the Capitol at 10 a.m.

Meanwhile, the European Union, China and Canada have agreed to co-host a global ministerial gathering in September to move the Paris agreement forward, Climate Action and Energy Commissioner Miguel Arias Cañete [tweeted](#) Tuesday evening. "The three parties agree on the need for urgent climate action and are ready to lead the way," he said in a statement. "No one should be left behind but our message today is very clear: we are moving ahead."

U.S. allies are frustrated by Trump's vague stances on climate change and trade in the days preceding the G-7 summit in Taormina, Italy on Friday and Saturday this week, POLITICO's Tara Palmeri [reports](#). The lack of clarity on those matters is holding up the crafting of the formal statement usually released at the end of the conferences. "Trade and climate are holding up the communique," a senior French official said.

BUDGET URGES EVEN CHEAPER ENERGY: Don't expect many oil, natural gas and power producers to jump aboard the Trump budget's calls for even lower energy costs as they continue to struggle with the soft prices for their products and as the U.S. energy burden for most

households is at its lowest level in decades, Pro's Ben Lefebvre and Darius Dixon [report](#). Tuesday's document explicitly makes the call "for strengthening our national security, lowering the price of electricity and transportation fuels, and driving down the cost of consumer goods so that every American individual and business has more money to save and invest."

But oil producers are just regaining their footing after prices rebounded from lows in the [mid-\\$20s per barrel](#) early last year. "Closing your eyes and keeping your fingers crossed that the market will always move in one direction with fossil fuels - which, in essence, is what the Trump administration proposes with this budget - is not what any smart business person or political leader would pin their future economic hopes to," Josh Freed, Third Way's vice president for clean energy, said. Not to mention that if oil price do sink, sustained low prices could stall the deployment of new technologies, such as electric cars, potentially putting the U.S. at risk of falling behind the rest of the world.

WELCOME TO WEDNESDAY! I'm your host Anthony Adragna, and the Nuclear Energy Institute's Robert Powers was first to identify Rep. Darrell Issa as the wealthiest current member of Congress. For today: Just two U.S. vice presidents have ever resigned. Who are they? Send your tips, energy gossip and comments to aadragna@politico.com, or follow us on Twitter [@AnthonyAdragna](#), [@Morning_Energy](#), and [@POLITICOPro](#).

NON VA BENE: Fiat Chrysler faces potentially billions of dollars in fines after DOJ accused the company of selling almost 104,000 diesel vehicles equipped with software designed to cheat on emissions testing, Pro's Alex Guillén [reports](#). Fiat Chrysler faces fines of \$37,500 to \$45,268 per vehicle sold, along with further penalties for each undisclosed software device and reporting violations.

The automaker flatly denied the accusations. "The company intends to defend itself with strength especially against the accusations that it has deliberately planned to install manipulative technology to apply to U.S. emission tests," Fiat said in a statement. As POLITICO Europe's Joshua Posaner [reports](#), Fiat said it has cooperated with an ongoing investigation by EPA and the California Air Resources Board.

TRUMP TAPS ANOTHER FOR DOE POST: David Jonas, a partner at the Virginia law firm Fluet, Huber and Hoang since 2016, has been tapped by the Trump administration to be general counsel at DOE, Pro's Alex Guillén [reports](#). He was previously general counsel for the National Nuclear Security Administration, DOE's nuclear security arm, from 2001 to 2010, and then general counsel for the Defense Nuclear Facilities Safety Board, an independent agency that advises DOE on nuclear defense facilities, from 2012 to 2014. Expect a confirmation hearing in the Senate Energy and Natural Resources Committee sometime after the Memorial Day recess.

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PRUITT SPEAKS: Look for EPA Administrator Scott Pruitt to deliver keynote remarks today

at noon during an energy symposium hosted by Faegre Baker Daniels Consulting. Also worth flagging: Pruitt's expected No. 2 EPA pick, Andrew Wheeler, is slated to deliver closing remarks at 3 p.m., after FERC Commissioner Tony Clark speaks on a panel entitled "The Future of the Electric Grid" at 2 p.m.

This is weird: Pruitt tweeted he met with Rep. Fred Upton, chairman of the Energy and Commerce Energy Subcommittee, about "the importance of protecting the Great Lakes" during a Wednesday meeting. That came after Trump's budget zeroed out the \$300 million program cleaning up the Great Lakes. In addition to Upton, Pruitt also mentioned meetings with California Democrat Rep. Jim Costa and the Congressional Western Caucus.

TOP DEMOCRAT PUSHES FOR ETHICS WAIVERS: Schumer said on Tuesday he pressed OMB Director Mick Mulvaney to release copies of waivers the Trump administration granted to former lobbyists to get around their ethics pledge. That came after the White House sent a letter to Walter Shaub Jr., the head of the Office of Government Ethics, asking him to withdraw a request for those waivers. "There is absolutely no excuse for the Administration to keep these waivers from the OGE or the American people," Schumer said in a statement. "[Mulvaney] assured me that he would take my concerns under consideration - I hope they make this change for the good of our country."

PESTICIDES BILL ON THE FLOOR: Expect House floor action today on legislation - the Reducing Regulatory Burdens Act (H.R. 953) - that would exempt pesticide applicators from needing a Clean Water Act permit for spraying over water. It's broadly opposed by most Democrats as well as the environmental and public health communities. Similar legislation cleared the House in May 2016.

ZINKE TEES UP INTERIOR REORG: Look for proposals in the next couple of months aimed at reorganizing the Interior Department, Secretary Ryan Zinke said Tuesday. As Pro's Esther Whieldon and Annie Snider report, he hopes to increase coordination on issues like wildlife corridors, watersheds and trail systems that span multiple federal agencies, as well as state and local ones. "I view this as a century reorganization to look at how best to manage, protect, use our public lands in the next 100 years given that we have a number of challenges," Zinke said during a conference call.

ANOTHER PUBLIC KEYSTONE MEETING SCHEDULED: The Nebraska Public Service Commission announced Tuesday it would hold an additional public meeting on June 7 on the Keystone pipeline's proposed route through the state. That meeting will be held in O'Neill, Neb., from 1 to 8 p.m. "We recognize the emotion and conviction surrounding this application," Jeff Pursley, executive director of the commission, said in a statement. The notice said even more meetings are possible and a public hearing on the application will be held sometime during the week of Aug. 7-11 at the Lincoln Marriott Cornhusker Hotel.

TAKING AIM AT SUE AND SETTLE: Two House Oversight subcommittees today receive testimony on "sue and settle" agreements, in which federal agencies agree to regulatory actions as part of settlement deals with outside groups. Republicans have long contended that Democrats and greens engaged in the practice, which they say imposes significant economic burdens on

regulated industries without giving them an opportunity to participate in the process. The hearing gavel in today at 2 p.m. in Rayburn 2154.

PANEL EXAMINES NATURAL RESOURCES LAWS: The House Natural Resources Subcommittee on Oversight and Investigations holds a hearing this morning on the implementation of the Indian Reorganization Act of 1934, the Wilderness Act of 1964, and the Federal Land Policy and Management Act, paying special attention to "instances where federal agencies' application of these three federal laws has strayed beyond their original purposes and intent." Chairman Raul Labrador kicks things off today at 9 a.m. in Longworth 1324.

SOLAR PANEL TRADE PROBE LAUNCHED: The U.S. International Trade Commission announced Tuesday it would take the first step in investigating U.S.-based solar cell manufacturer Suniva's request for trade tariffs to protect the manufacturing sector, Pro's Esther Whieldon reports . Suniva argues a flood of cheap solar panel modules and cells, mainly from Chinese companies, are severely harming its business. In a statement, the Solar Energy Industries Association pledged to "remain at the forefront of the opposition to Suniva's requested remedies."

INTERIOR REVIEWING PAST MOUs: The Interior Department late Monday ordered assistant secretaries to have their agencies report by June 2 on any memorandum of understanding or memorandum of agreement they signed last year and until Trump's January inauguration that "are high level and national or regional and represent a commitment of resources or memorialize policy direction," according to a copy of the email obtained by ME. Zinke has ordered a full review of the agency's actions under the last administration. Among those that could be targeted are Interior's MOU with Mexico on resource management, its MOU with California to coordinate on renewables and a multi-agency MOU creating a wildland fire leadership council.

FERC LOOKS FOR MORE INPUT ON MARKET DESIGN: FERC staff is asking for additional comments following up on an early May technical conference on how the agency should design long-term solutions to problems facing the three Eastern power markets. FERC will be accepting comments for 30 days.

LAWSUIT SEEKS CLIMATE CENSORSHIP RECORDS: The Center for Biological Diversity filed another lawsuit against the Trump administration Tuesday seeking public records showing federal employees at DOE, EPA, Interior and State have been barred from using climate change-related terms in official communications. "Just as censorship won't change climate science, foot-dragging and cover-ups won't be tolerated under the public records law," CBD's Taylor McKinnon said in a statement.

MAIL CALL! SENATORS URGE CAREFUL MONUMENT REVIEW: Twenty-three Republican senators urged Zinke to "keep all remedies on the table as you consider how to correct past abuses of the Antiquities Act" and ensure a "more measured approach" is taking moving forward with monument designations. Meanwhile, Sen. Cory Gardner and Rep. Scott Tipton urged Zinke in their own letter not to make any changes to the designation of the Canyons of the Ancients National Monument in Southwest Colorado.

RELEASE THE FUNDS: Fifty-eight Democratic congressmen, led by [Don Beyer](#), [Paul Tonko](#) and [Anna Eshoo](#), sent a [letter](#) to Energy Secretary Rick Perry Wednesday seeking the immediate release of funds for previously approved ARPA-E projects and more information on existing procedures for approving and funding grants. "Agencies may not thwart the intent of Congress by withholding or impounding funds directed for a specific purpose," they wrote.

REPORT: GOVERNMENT GIVING BILLIONS IN DRILLING SUBSIDIES: A collection of environmental groups led by Oil Change International today released a [report](#) finding the government provides at least \$7 billion per year in subsidies to support fossil fuel production on federally held lands and offshore waters. It argues the fossil fuel leasing program on public lands should be phased out, among other recommendations.

REPORT: CLIMATE LITIGATION ON THE RISE: The number of countries with active litigation over climate change has tripled since 2014 and there are three times as many cases involving the issue in the U.S. than the rest of the world combined, according to a [report](#) out Tuesday from the United Nations Environment Programme and Columbia Law School's Sabin Center for Climate Change Law. "Judicial decisions around the world show that many courts have the authority, and the willingness, to hold governments to account for climate change," Michael Burger, executive director of the Sabin Center, said in a statement.

MOVER, SHAKER: Andrew Malcolm has become a manager of public advocacy at Exelon; he was previously with Rep. [Greg Walden](#) for seven years.

SEEN AROUND TOWN: At the Hall of States for the Large Public Power Council's 30th Anniversary reception Monday: Sen. [Cory Gardner](#) (R-Colo.); acting FERC Chairman Cheryl LaFleur; former Sen. Mary Landrieu (D-La.); former Rep. Norm Dicks (D-Wash.); Tom Kuhn, president of Edison Electric Institute; Sue Kelly, president and CEO of the American Public Power Association; and John Di Stasio, president of the LPPC (h/t POLITICO Influence).

QUICK HITS

- Trump's Interior Secretary Took Time To Discuss The Border Wall With A Far-Right Troll. [Huffington Post](#).
- State appeals court rules Exxon must give records to NY prosecutor. [Reuters](#).
- The Rise of the Amateur Oil Sleuths. [Wall Street Journal](#).
- FERC Will Not Delay Pipeline At Senators' Urging. [New England Public Broadcasting](#).
- Hit Hard by Coal's Decline, Eastern Kentucky Turns to Drones, Tomatoes, Solar Energy. [Wall Street Journal](#).
- While wrangling over undoing Bears Ears continues, treasures go unprotected. [Salt Lake Tribune](#).

- Tackling climate change will boost economic growth, OECD says. [CNBC](#).

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