

To: Jackson, Ryan[jackson.ryan@epa.gov]
From: POLITICO Pro Energy
Sent: Mon 9/25/2017 9:55:24 AM
Subject: Morning Energy, presented by the U.S. Chamber's Global Energy Institute: Climate skeptics find new favorite talking point — Solar world fears gloomy 2018 amid potential tariffs — Cuomo's pipeline rejection raises eyebrows nationally

By Anthony Adragna | 09/25/2017 05:53 AM EDT

With help from Alex Guillén

NEW FUEL FOR THE CLIMATE SKEPTIC FIRES: The small group of climate change skeptics, led by the Heartland Institute, has seized upon a recent peer-reviewed study to vindicate their calls for a debate on the fundamentals of climate change, Pro's Emily Holden [reports](#). The paper concluded the planet can tolerate more greenhouse gas emissions in the near future than previously thought, a finding its authors said does not undercut the basic consensus that human activity is causing temperatures to rise faster than normal. But Heartland Institute President Tim Huelskamp, whose group has submitted nominees for EPA Administrator Scott Pruitt's red team, blue team exercise and EPA's Science Advisory Board, says the report raises more questions. "This is exactly the type of debate discussion scientists need to be having," said Huelskamp, a former Republican congressman from Kansas. "If they were wrong 10 years ago, what makes their new modeling correct?"

Scientists bash mischaracterizations: Authors of the study said their work has been willfully misinterpreted for political purposes. While they expected their conclusions to be mischaracterized, they said they hadn't expected such an intense reaction. "We are not trained in PR.... Our job is to do solid science and communicate that. It's not really our job to guard against every possible critique, especially when they're not real critiques," said Damon Matthews, a study author and Concordia University Research Chair in Climate Science and Sustainability. "[T]here is no scientific result in our story that questions the basics of climate change and the imperatives for mitigation action."

What did the report find? The study found Earth has 20 years at the current rate of carbon dioxide emissions — 10 years more than the Intergovernmental Panel on Climate Change had estimated in its 2013 report — before average global temperatures grow 1.5 degrees Celsius. While previous research suggested countries had a "carbon budget" between 200 billion to 400 billion metric ton of carbon emissions before temperature increases exceeded 1.5 C, their paper pegged the figure above 700 billion metric tons. Some respected scientists have disagreed with the methodology the authors used to come to their conclusions.

WELCOME TO MONDAY! I'm your host Anthony Adragna, and the Glover Park Group's Hayley Moller was first to identify Tip O'Neil as the famous politician appearing in a 1983 episode of *Cheers* ([clip here](#)). For today: Which senator made a brief cameo in *Wedding Crashers*? Send your tips, energy gossip and comments to aadragna@politico.com, or follow us on Twitter [@AnthonyAdragna](#), [@Morning_Energy](#), and [@POLITICOPro](#).

FEARS OF A SOLAR SUNSET IN 2018: Experts point to the last time the U.S. slapped steep

tariffs on imported goods as a cautionary tale for President Donald Trump as he ponders whether to erect harsh trade barriers sought by Suniva and SolarWorld USA on imported solar panels, Pro's Eric Wolff [reports](#). Back in 2002, President George W. Bush put a 30 percent tariff on several types of steel imports, but the move led directly to a supply shortfall in the U.S., causing wild fluctuations in prices, according to Tom Werner, CEO of SunPower Corp and a tariff opponent. "There's a very good chance it could end up the same way," said Tori Whiting, a research associate at the Center for International Trade and Economics at the conservative Heritage Foundation. A reminder that we're at this point due to Friday's International Trade Commission ruling that [opens the door](#) for Trump to penalize cheap Chinese solar imports through tariffs.

Suniva and SolarWorld USA have both promised to restart production at shuttered factories if they get trade protections, and they reject the notion that tariffs would cost jobs. But getting factories back into operation will take years and attracting capital may prove difficult since tariffs are limited to four years under the law.

RAISING EYEBROWS, NOT PIPELINES, IN THE EMPIRE STATE: Amid speculation he's positioning himself for a possible 2020 presidential bid, New York Gov. Andrew Cuomo has blocked three pipelines in the last 16 months, drawing national attention as his environmental policy has grown decidedly more progressive, POLITICO New York's Marie J. French [reports](#). Cuomo most [recently denied](#) a permit for Millennium Pipeline's 7.8 mile project — including a novel legal argument involving concerns about the greenhouse gas emissions from the power plant it would serve — after previously denying two other major pipelines permits over fears of how they'd affect water quality. "I think environmentalists have no choice but to pay some respect to Gov. Cuomo's moves — banning fracking was a big step, and he's followed it up with some other courageous decisions," 350.org co-founder Bill McKibben said. "We hope very much that he'll support the call for 100% renewable energy that's becoming the basic test for politicians going forward."

**** A message from the U.S. Chamber's Global Energy Institute:** American energy is changing our economy. And now, it is changing the world. The U.S. Chamber of Commerce's Global Energy Institute is at the forefront of the policy discussions in Washington and around the nation that will help fuel the global energy revolution. Learn more at www.globalenergyinstitute.org **

GUESSING GAMES: Trump's penchant for leaving himself wiggle room on contentious policy decisions like trade, taxes, immigration, health care and climate change is inducing whiplash in many of the political insiders, business leaders and even foreign governments with a stake in the outcomes, POLITICO's Emily Holden, Andrew Restuccia, Aaron Lorenzo and Ted Hesson [report](#). On the international climate front, diplomats have been left in the dark about what precisely the United States wants since June, when Trump announced his intention to exit the Paris agreement but "begin negotiations" to either reenter the nearly 200-nation accord or join an entirely new deal.

White House spokeswoman Kelly Love said: "President Trump was put into office precisely because he isn't beholden to lobbyists and special interests. If they're upset that they can't stroll

into the White House and drive administration policy anymore, that's a badge of honor for a president who was elected to drain the swamp."

BONN BONN BONNNNN: Trump's decision to leave the Paris climate accord have raised the stakes for international climate negotiations in Bonn, Germany for nations around the world to reiterate their commitment to the accord, Pro's Eric Wolff [reports](#), citing an interview with the top climate negotiator for Fiji who's leading the meeting. "Our aim was changed by President Trump's announcement," Ambassador Nazhat Khan said. "Now we must deliver a visionary [conference]. Every work item for COP 23 is measured for the enhancing and restating of the overall vision."

RELIEF FINALLY BEGINS TO FLOW IN PUERTO RICO: A ship carrying 1.6 million gallons of water, 23,000 cots, dozens of generators and food arrived Sunday in Puerto Rico — the first of many expected in the coming days — as millions of Americans brace themselves for potentially months without electricity and damaged drinking water infrastructure, the Associated Press [reports](#). Rep. [Nydia Velazquez](#) plans to request a one-year waiver from the Jones Act, a federal law requiring domestic cargo shipments to move only on U.S. vessels. "We will use all our resources," Velazquez said. "We need to make Puerto Rico whole again. These are American citizens."

Dam worries linger: There were [mixed reports](#) on the status of the Guajataca Dam in Northwest Puerto Rico. Some suggested the structure remained in danger of collapse Sunday after authorities previously evacuated 70,000 residents in that area, while others quoted local officials saying the risks were overblown.

Congress plots relief efforts: Lawmakers are beginning to plot potential relief options for the island, which may include tax breaks and more Medicaid funding, POLITICO Financial Services' Colin Wilhelm [reports](#). "This is a natural disaster in Puerto Rico like we haven't seen ever," said Carlos Mercader, executive director of the commonwealth's Federal Affairs Administration. "Think about Katrina but even worse because this is the whole island." In [an interview](#) with Colin on Sunday, Puerto Rico Gov. Ricardo Rossello called for Congress to treat Puerto Rico like a state in any comprehensive emergency aid package. Remember Puerto Rico was already dealing with a massive government debt crisis, crumbling infrastructure and a bankrupt electric utility before the storm.

Relief not fast enough for many: Cuomo, who visited Puerto Rico on Friday, jabbed Trump for his focus on the NFL instead of the emerging humanitarian crisis over the weekend: "Instead of arguing with football players, instead of obsessing about how to take health care from the poor, why don't we put the politics aside and focus on helping Americans in desperate need?" he said, according to [the Albany Times-Union](#). Hillary Clinton [tweeted](#): "President Trump, Sec. Mattis, and DOD should send the Navy, including the USNS Comfort, to Puerto Rico now. These are American citizens."

Toxic waste removed in Texas: Tucked away in a Friday press release was the disclosure EPA recovered 517 containers of "unidentified, potentially hazardous material" from Superfund sites in Texas affected by Hurricane Harvey but the agency isn't providing any additional information

about the waste, the Associated Press [reports](#). EPA won't say what sites the material came from, whether they've been identified or if there's a human health threat.

QUID PRO QUO? EPA staff directed staff to take the first toward reversing the proposed veto of Alaska's Pebble Mine in July shortly after Pruitt met with Tom Collier, CEO of Pebble Limited Partnership, CNN [reports](#), citing interviews and government emails. "This is a process issue," Collier told CNN in an interview. "[Pruitt] is not saying he's not going to veto this project. He's just saying that the rule of law says that you do an environmental impact statement first, right? That's Mr. Pruitt's position." Collier said Pebble plans to file mining permit applications in December. Pruitt's move allows the company to submit a permit application but does not guarantee it would be approved.

NATIONAL CLEAN ENERGY WEEK KICKS OFF: A veritable who's who and VIPs of the clean energy world are in town this week to tout the benefits of clean energy technologies and try to rally support in Congress and the administration for the sector's continued growth. Interior Secretary Ryan Zinke and Energy Secretary Rick Perry launch the festivities in earnest on Tuesday at 8 a.m. A full schedule is available [here](#).

LET'S MAKE A DEAL?: California may go along with some changes the Trump administration and automakers would like to see to vehicle emissions rules in the near future, as long as the White House and industry agree to tougher rules that would kick in later. Mary Nichols, chair of the California Air Resources Board, told [Bloomberg](#) that she has spoken with White House energy adviser Mike Catanzaro about the administration's review of EPA emissions standards through model year 2025.

If EPA weakens those rules, California would still be able to enforce its own, more stringent standards, which [13 other states](#) also have adopted. That would create a complex regulatory patchwork — or a protracted court fight over California's authority — that all parties would prefer to avoid, if possible. "The price of getting us to the table is talking about post-2025," Nichols told Bloomberg. California would be "willing to talk about specific areas if there were legitimate concerns the companies raised" as part of a larger discussion.

MAIL CALL! REMEMBER THAT TALK WE HAD? Six senators, led by [Sheldon Whitehouse](#), sent a [letter](#) to FERC Chairman Neil Chatterjee on Friday requesting the commission move "as quickly as possible" to complete a rule on better integrating energy storage and small renewable energy installation, which Whitehouse and Sen. [Ed Markey](#) discussed with Chatterjee prior to his confirmation. At the time of meeting, Whitehouse said he received a commitment the rule would not be "unduly delayed."

CHINA MOVES TO CUT OFF OIL FOR NORTH KOREA: Moving to implement the latest round of U.N. sanctions, China announced Saturday it would ban exports of condensates and liquefied natural gas immediately, Reuters [reports](#). The country also said it would limit exports of refined petroleum products from Oct. 1.

GREENS APPEAL HFC DECISION: ME readers previously [learned it was coming](#), but the Natural Resources Defense Council on Friday formally [asked](#) a federal appeals court for an en

banc rehearing of last month's decision striking down an EPA rule limiting use of hydrofluorocarbons, potent greenhouse gases, Pro's Alex Guillén [reports](#) in Energy Regulation Watch. The group feels the D.C. Circuit erred in its 2-1 decision and are likely to be joined in their appeal by Honeywell, a U.S. manufacturer.

GREENS OPPOSE FOUR EPA NOMINEES: Ten environmental organizations, including the Sierra Club, League of Conservation Voters and Waterkeeper Alliance, sent [a letter](#) to senators Friday urging them to oppose the four nominees expected to shortly come before the Environment and Public Works Committee for confirmation hearings. "Each of these individuals have demonstrated a willingness to advance the agenda of polluters and industry before health protections and safeguards for clean air and clean water," they wrote of the nominations of Matthew Leopold to be general counsel, William Wehrum to run the air office, Michael Dourson to run the Office of Chemical Safety and Pollution Prevention and David Ross to run the water office

MORE CONCERN OVER CADIZ PROJECT: California Sen. [Dianne Feinstein](#) released [a letter](#) Friday from the Metropolitan Water District questioning of safety and viability of the controversial California water project. David Bernhardt, Interior's number two, previously did legal work on behalf of the Cadiz project while in the private sector and the issue [came up repeatedly](#) during his confirmation process. Feinstein, a vocal opponent of the project, [accused the Trump administration](#) of trying to "muscle the Cadiz water project through" back in April.

BILL NYE THE BACHELORETTE GUY: A bunch of women dancing in an elevator ahead of a night out and in walks... Bill Nye. Watch [here](#).

QUICK HITS

- Environmental advocates sue the EPA to implement stormwater plan. [Boston Globe](#).
- Tioga oil pipeline spill cleanup nearing milestone after 4 years, but work continues. [Bismarck Tribune](#).
- Interior Secretary Ryan Zinke says Hurricane Harvey recovery at 20%. [Austin American-Statesman](#).
- Failed pressure test may have caused the Valdez oil spill. [KTUU](#).
- Duke Changes Mind; Will Post Coal Ash Disaster Maps. [AP](#).
- Democratic Megadonor Tom Steyer Still Isn't Ruling Out a 2020 Run. [The Atlantic](#).

HAPPENING THIS WEEK

MONDAY

12:00 p.m. — ["The National Flood Insurance Program, Zoning Regulations, and Hurricanes:](#)

Lessons for Lawmakers," The Cato Institute, 122 Cannon

TUESDAY

7:30 a.m. — National Clean Energy Week symposium kicks off with remarks from Secretaries Zinke and Perry, Reserve Officers Association, 1 Constitution Avenue NE

9:30 a.m. — Institute for Policy Integrity green states conference, New York University School of Law, 40 Washington Square South, Vanderbilt Hall, New York, N.Y.

10:00 a.m. — "Powering America: Technology's Role in Empowering Consumers," House Energy and Commerce Energy Subcommittee, Rayburn 2123

10:00 a.m. — "Legislative Hearing on 4 Fishery Bills," House Natural Resources Water, Power and Oceans Subcommittee, Longworth 1334

10:00 a.m. — Senate Energy and Natural Resources holds hearing on DOE nominations, Dirksen 366

10:00 a.m. — "Building a 21st Century Infrastructure for America: Water Stakeholders' Perspectives," House Transportation and Infrastructure Water Resources and Environment Subcommittee, Rayburn 2167

12:00 p.m. — "Maryland's Offshore Wind and Energy Efficiency Policies," Women's Council on Energy and the Environment, Dentons, 1900 K Street NW

12:00 p.m. — "The Future of Nuclear Power: Technology, Security and Geopolitics," Global American Business Institute, 1001 Connecticut Avenue NW, Suite 230

12:00 p.m. — "Energy Transition and the Future of Hydrokinetic Energy in the United States," Environmental Law Institute, 1730 M Street, NW, Suite 700

12:30 p.m. — Natural Gas Roundtable hosts David Carroll, president of the International Gas Union, for monthly luncheon, University Club, 1135 16th Street NW

2:00 p.m. — House Natural Resources Indian, Insular, and Alaska Native Affairs Subcommittee hearing on various bills, Longworth 1334

2:00 p.m. — "Examining America's nuclear waste management and storage," House Oversight and Government Reform Interior-Environment Subcommittee, Rayburn 2154

WEDNESDAY

9:00 a.m. — "North America Energy Forum 2017," Wilson Center, 1300 Pennsylvania Ave. NW

10:00 a.m. — Senate Commerce Committee hearing on nominations, Russell 253

10:00 a.m. — "Forest Management to Mitigate Wildfires: Legislative Solutions," Senate Environment and Public Works Committee, Dirksen 406

2:00 p.m. — "Encouraging the Next Generation to Visit National Parks," Senate Energy and Natural Resources National Parks Subcommittee, Dirksen 366

3:00 p.m. — "Global Lessons from the Thawing Arctic," The Study of Environmental Arctic Change, 1200 New York Ave NW

THURSDAY

9:30 a.m. — "The Great American Eclipse: To Totality and Beyond," House Science Space and Research and Technology subcommittees, Rayburn 2318

4:00 p.m. — International Trade Administration holds a meeting by teleconference of the Renewable Energy and Energy Efficiency Advisory Committee, RSVP: Victoria.Gunderson@trade.gov

FRIDAY

9:00 a.m. — "Global Hotspots and Security Challenges: A Conversation with Senator Joni Ernst," Center for Strategic and International Studies, 1616 Rhode Island Avenue NW

THAT'S ALL FOR ME!

**** A message from the U.S. Chamber's Global Energy Institute:** Ten years ago, gasoline prices were at an all-time high, American dependence on foreign oil and natural gas was growing, and our energy future and security was at risk. The U.S. Chamber of Commerce and leaders in American business came together to form an institute to tackle these challenges head on. Now, 10 years later, we're excited to begin our second decade by transitioning to the U.S. Chamber's Global Energy Institute, reflecting America's new role as a global energy superpower. We'll still provide insight and analysis on the big energy issues of our day, along with our unique ability to bring together the entire energy industry and reach thousands in our local and state Chamber network. Learn more about our Institute and the last decade of progress in this video: <http://bit.ly/2yeil2S> **

To view online:

<https://www.politicopro.com/tipsheets/morning-energy/2017/09/climate-skeptics-find-new-favorite-talking-point-024740>

Stories from POLITICO Pro

Energized by Trump, climate critics seize on new study [Back](#)

By Emily Holden | 09/25/2017 05:04 AM EDT

A small, vocal community of climate change skeptics is using the Trump administration's climate policy rollback and its doubts about humans' role in boosting temperature to dig into unsettled issues — including a new report that indicated countries may have more latitude in curbing emissions.

While the vast majority of the world's scientists agree that human activity like burning fossil fuels is raising temperatures at a pace far faster than would naturally occur, studies are still staking out the specifics about the levels of greenhouse gas the atmosphere can absorb before the Earth reaches dangerous temperature benchmarks and how climate change influences extreme weather events.

A new study published in the peer-reviewed journal Nature Geoscience last week suggests the planet can tolerate more greenhouse gas emissions than previously forecast before reaching a critical point of 1.5 degrees Celsius of warming. Earth's temperatures are already up about 1 degree C above pre-industrial levels. Some respected scientists have disagreed with the methodology the authors used to come to their conclusions, but the study drew wide attention.

The conservative Heartland Institute, one of the biggest voices for U.S. climate skeptics, has seized on the research as proof that scientific models used to forecast temperature changes are wrong and overestimate the rate of global warming.

But the authors behind the study say their work has been willfully misinterpreted for political purposes. Damon Matthews, a study author and Concordia University research chair in climate science and sustainability, said the group had been prepared for its research to be mischaracterized, but hadn't expected the reaction to be so intense.

"We are not trained in PR. We don't have the resources to hire PR firms," Matthews said. "We're trying to balance teaching, research, media outreach. Our job is to do solid science and communicate that. It's not really our job to guard against every possible critique, especially when they're not real critiques."

Climate science of any kind is under increasing scrutiny, and EPA Administrator Scott Pruitt has called for public debates about whether humans are causing temperatures to rise. Trump administration officials gathered at the White House last week to hone their messaging on the issue.

Heartland Institute President Tim Huelskamp, a former Republican congressman from Kansas, told POLITICO the new study supports the need for Pruitt's debates.

"This is exactly the type of debate discussion scientists need to be having," he said. "This article proved that there can be a lot of debate about the fundamental issues."

Huelskamp said the study raises the question that "[i]f they were wrong 10 years ago, what makes their new modeling correct?"

Several scientists associated with the Heartland Institute have been nominated to EPA's Science Advisory Board that reviews environmental regulations, according to [E&E News](#). Heartland has also suggested researchers to take part in Pruitt's red-team, blue-team exercise, but Huelskamp declined to release any of their names.

Huelskamp said he saw no scientific consensus supporting man-made climate change, and argued his side has "dozens, hundreds, perhaps thousands that say that is not the case." The mainstream research community has said the climate skeptics overstate their numbers and are amplifying their message through the White House.

Climate scientists fear critics at advocacy groups like Heartland cherry-pick details from research to try to fuel doubt that climate change is real and poses dire threats to the environment and human health.

"[T]here is no scientific result in our story that questions the basics of climate change and the imperatives for mitigation action," Matthews said.

Pierre Friedlingstein, another co-author of the study and chair of mathematical modeling of climate systems at University of Exeter, said the new research showed the Earth has 20 years at the current rate of carbon dioxide emissions before lifting global average temperatures 1.5 C. That's more than the 10 years the Intergovernmental Panel on Climate Change had estimated in its 2013 report, but "certainly not a reason to encourage inaction. The emission mitigation challenge in front of us is still herculean and unprecedented," he said.

Previous research had estimated that countries had a total "carbon budget" between 200 billion to 400 billion metric tons of carbon emissions before temperatures climbed 1.5 C. But the new paper put the figure above 700 billion metric tons. That carbon budget is often used by policymakers to determine what actions they should take to curb climate change, and that's why the authors decided to take a second look.

Stefan Rahmstorf, the head of Earth System Analysis at the Potsdam Institute for Climate Impact Research, who outlined some doubts about the paper's findings in a [blog post](#) on RealClimate.org, said the paper didn't alter the science showing action to reduce emissions needed to be taken.

"At this point, debating whether we have 0.2 [degrees] C more or less to go until we reach 1.5 [degrees] C is an academic discussion at best, a distraction at worst. The big issue is that we need to see falling emissions globally very, very soon if we even want to stay well below 2 [degrees] C," he said.

The 2015 Paris climate agreement states the goal of keeping greenhouse gas emissions below the level that would cause 2 degrees C of warming, and the nearly 200 countries that signed on backed a more ambitious goal of keeping a temperature increase at no more than 1.5 degrees C.

Many island nations say that any warming over that level would be catastrophic for them. Fiji will chair the next United Nations meeting on climate change in November in Bonn, Germany,

giving those countries a bigger spotlight.

Asked about the study last week, Fiji's COP23 Chief Negotiator Ambassador Nazhat Khan said she wanted to wait for the IPCC report to "see exactly how we're doing."

"It would be great news," she said. "We are committed to 1.5 degree target, and it is the 1.5 degree target that is going to give hope. ... On the question of whether things are better, we don't know. We hear on a daily basis of more intense cyclones, and in the Pacific Rim itself we have disappearing shoreline."

Richard Millar, the lead author of the new study and a research fellow at the University of Oxford, said the team tried to be clear that the paper does not argue for fundamentally revising ranges of uncertainty about how strongly the environment responds to carbon dioxide. Instead, the paper reinterpreted data that IPCC used to re-evaluate the world's carbon budget.

"It's because we're so close that we're thinking about how best to use the modeling tools we have available ... to really answer the direct question that's required by policymakers," Millar said.

Rahmstorf's blog suggested the researchers found a bigger carbon budget because they had used a different baseline year when counting rising emissions, and incorporated recent temperature data that may not account fully for Arctic warming.

Millar explained that the research took into account a slowing growth in emissions by developing countries that have begun to back away from coal, and said he was disappointed that the paper's conclusions have been "willfully manipulated."

"We tried our hardest to conduct a press briefing and put out there a clearly written, nontechnical blog trying to explain our finding," he said. "There certainly seemed to be a sort of snowball effect."

A first set of news articles covered the study well, he said, but then opinion writers followed and "facts got lost along the journey."

Matthews said he expects that to continue.

"It's fairly obvious that having people in the Trump administration who are openly questioning the science of climate change is going to give fuel to the people who were already doing that more quietly," he said.

Eric Wolff contributed to this report.

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Tariff threat could foreshadow grim 2018 for solar industry [Back](#)

By Eric Wolff | 09/25/2017 05:04 AM EDT

The U.S. solar industry could face a grim 2018 if President Donald Trump slaps stiff tariffs on imported solar panels, according to solar industry and trade experts.

The U.S. International Trade Commission [ruling Friday](#) that domestic manufacturing had suffered injury because of solar equipment imports will give Trump the opportunity to hit the Chinese companies that own the lion's share of the global production of photovoltaic cells and modules. Proponents of steep trade barriers sought by Suniva and SolarWorld USA argue the U.S. capacity to build panels will disappear under the wave of imports from Asian countries.

But others, including the solar industry lobby group, warn that instituting tariffs or a floor price as Suniva has recommended would cost 88,000 jobs, double the price of solar installations and set the industry's growth back by years. And the last time the U.S. used the same trade tactic — under former President George W. Bush — could serve as a warning to the Trump administration.

The U.S. [installed 14.8 gigawatts](#) of solar capacity last year, fed by [imports of 12.8 gigawatts](#) of solar panels in 2016, according to the Energy Information Administration. U.S. production capacity of solar modules is less than [3.0 GW](#), leaving a gap that will require solar installers to rely on imports to meet the demand, even if companies that may be considering building U.S. manufacturing plants decide to shift operations to the U.S.

"U.S. manufacturing is extremely unlikely to fill in the gap between supply and demand in 2018. A near-zero chance," said Tom Werner, CEO of solar manufacturer and project developer SunPower Corp., who opposes the tariffs.

If Trump institutes tariffs — as administration officials say he is likely to do — he would be the first president since 2002 to use the safeguard provisions of the Trade Act. That year, Bush put a 30 percent tariff on several types of steel imports, a move Werner said led directly to a supply shortfall in the U.S., causing wild fluctuations in prices. One [paper](#) showed prices for some steel products jumped 80 percent, and steel-consuming industries shed 200,000 jobs, causing a loss of \$4 billion in wages.

"There's a very good chance it could end up the same way," said Tori Whiting, a research associate at the Center for International Trade and Economics at the conservative Heritage Foundation. "That's part of how the market works, and it's the same the case for solar when domestic production doesn't meet domestic demand."

The two petitioners in the case, Suniva and SolarWorld USA, are both in bankruptcy proceedings, but both have promised to restart production at shuttered factories if import measures are put in place. But revving up machinery, buying new equipment, or starting a factory from scratch takes months or even years, and getting investment may be difficult when tariffs are limited to four years under the law.

Recent reports indicate that some companies may consider shifting production to the U.S. if Trump puts trade barriers in place, though there are few firm plans. The most ambitious project underway now is the Tesla and Panasonic panel plant in Buffalo, N.Y., a project that has been delayed because of financial struggles of Tesla's SolarCity arm. It's slated to eventually employ 500 people and reach 1 GW of module and cell production capacity by 2019.

"The idea that Suniva's tariff is going cost jobs is simply not true," a Suniva spokesman said in a statement. "The only thing at question here is how much we're going to grow as an industry, something even our critics acknowledge."

Building new factories takes time. SunPower's Werner said it could take at least a year to get a factory up and running at full capacity, leaving even a diminished U.S. solar market searching for supply, and potentially willing to pay tariff-inflated prices from importers.

That has happened in the lumber industry after Trump imposed tariffs of up to 31 percent on Canadian softwood imports. Strong U.S. demand for construction materials, spurred on by devastation from hurricanes Harvey and Irma, has drawn a steady flow of Canadian lumber — and pushed up material costs for house builders in the U.S. by 20 percent, according to Jerry Howard, chief executive officer of the National Association of Home Builders. That has benefited the Canadian companies, which supply more than a quarter of the lumber to the U.S. market, more than their U.S. counterparts.

But the solar sector is much more price sensitive. Residential rooftop systems already have high upfront costs, and utility-scale projects, which make up the bulk of the U.S. market, can be killed by small changes in panel costs. Solar Energy Industries Association CEO Abigail Ross Hopper said a crash in demand caused by higher prices will diminish the appetite for new factories.

"We have 36,000 workers in the solar manufacturing," she told reporters on a conference call last week. "If prohibitive tariffs are put in place, that number will decrease, not increase."

In 2003, the Bush administration withdrew its steel tariff after the World Trade Organization found that the U.S. had violated the international rules. But since then, the division of the WTO that adjudicates trade disputes has become understaffed, and petitioners now face a six-month backlog. If the Trump administration were to implement tariffs around the end of the year, it would likely be at least another year before WTO would weigh in.

"I would be surprised if the WTO made its decision before December 2018, more likely middle of 2019," said Gary Hufbauer, a senior fellow with the Peterson Institute for International Economics. "The other important point about these cases [is] no retroactive relief, so during the next year, at least, and maybe longer, whatever remedy Trump decides, there will be no restitution for the importer."

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Trade panel puts solar tariff decision in Trump's hands [Back](#)

By Eric Wolff | 09/22/2017 11:18 AM EDT

A federal trade panel declared Friday that surging imports of solar panels have hurt U.S. manufacturers — a decision that will allow President Donald Trump to penalize Chinese companies but could also choke off the fast-growing green energy industry in the U.S.

The U.S. International Trade Commission voted to uphold a complaint brought by two domestic solar manufacturers that complained that the low-cost imports had damaged their businesses. The decision was opposed by the much larger U.S. solar installation industry, which has seen the influx of the cheap panels spark a boom in construction of giant solar farms and rooftop systems around the country.

The issue will give Trump the opportunity to erect trade barriers he has hailed as key to his strategy to revive domestic manufacturing, and at the same time hit the Chinese companies that have largely evaded previous U.S. import penalties to become the leading suppliers of solar cells and panels. Administration officials say the trade case hasn't been a central one for the president, but they are increasingly confident Trump will favor tariffs when the commission sends the White House its recommendations in the next couple of months.

In a statement, the White House said Trump would make a decision that "reflects the best interests of the United States," and it praised the solar-makers, saying the domestic "solar manufacturing sector contributes to our energy security and economic prosperity."

The case could also give Trump a platform to advance his "America First" agenda and tout his effort to revive the ailing coal sector. Coal companies have complained that the Obama administration waged a regulation-heavy "war on coal" while tilting federal tax incentives and loans to renewable energy sources in order to advance climate change policies.

"[Trump] could easily reward his buddies in the coal industry who would really like to see high-priced solar panels competing with coal for space on the grid," said Clark Packard, a policy analyst and trade lawyer with the conservative think tank R Street Institute, which opposes tariffs. He added: "He may just want to stick it to people — your coastal elites who never would have voted for him who are more likely to use solar panels. He's looking for any circumstance to impose tariffs, it doesn't seem he cares what they are."

Trump has not weighed in on the case so far, though his administration has re-opened the landmark NAFTA agreement with Mexico and China, and he has regularly blasted China and other countries for what he calls unfair trade with the U.S.

"He's a protectionist, there's no doubt about it, and he's not very sympathetic to the renewable energy," Gary Hufbauer, senior fellow for the Peterson Institute of International Economics. "As much as you can predict any president, I think his conclusion is foregone."

The complaint brought by Georgia-based Suniva and Oregon-based SolarWorld USA has brought sharp opposition from most of the U.S. solar industry, which has seen its growth skyrocket as costs for the technology fell to a fraction of what they were a decade ago. Aided by federal tax incentives and state-level programs, large solar power installations have sprung up across the country, driving down costs for those plants to levels that are now competitive with coal and natural gas power power stations. That's lifted employment in the sector to 260,000 even as the number of U.S. companies that make solar cells and panels sinks.

The solar industry has warned that high tariffs would eliminate 88,000 U.S. jobs by boosting costs and making many projects uneconomic just as the industry, which generates \$29 billion in revenues, was starting to stand on its own.

"If companies are going to be injured, we're going to be bringing in employees who will lose their jobs, mayors and governors and senators and representatives," said Abigail Ross Hopper, head of the Solar Energy Industries Association. "We're going to be making sure folks understand the impact, and putting a human face to it."

The four members of the ITC will now begin to formulate a remedy to address the injury suffered by the U.S. manufacturers, and they will take recommendations from solar companies. Any remedies taken by the U.S. will not apply to imports from Canada.

Suniva brought the case under Section 201 of the Trade Act, a rarely used but powerful tool that gives the president the ultimate authority to take or discard the recommendations of the commission. Most trade complaints — including two solar cases acted upon by the Obama administration — are limited to imports from specific countries, but Section 201 allows the president to impose tariffs on all imports of a product. The authority was last used by President George W. Bush in 2002 to implemented a tariff on imported steel, but it was withdrawn 15 months later.

The commission will hold hearings on potential remedies on Oct. 3 and send its recommendations to the White House by Nov. 13.

Unlike trade complaints that allege foreign companies had unfair advantages because of subsidies in their home countries or that companies were "dumping" products at below-market prices to squeeze out competitors, a case brought under Section 201 needs only to show that imports were harming the domestic industry. That lower standard appears to have been met by data showing imports from Asian countries surging as some 30 companies in the U.S. shuttered their manufacturing plants.

While solar manufacturers in China ship about 20 percent of the equipment that is imported in the U.S., many Chinese companies have moved production to countries like Malaysia or Vietnam to avoid trade penalties imposed during the Obama administration.

Suniva, which lodged the original complaint and filed for bankruptcy protection earlier this year, has said that putting tariffs or setting a floor price for imported solar equipment would generate

new manufacturing jobs in the U.S.

"President Trump can remedy the industry's injury with relief that ensures U.S. energy dominance that includes a healthy U.S. solar ecosystem and prevents China and its proxies from owning the sun," Suniva, which is itself majority owned by a Chinese company, Shunfeng International, said ahead of Friday's decision.

The company has recommended a remedy that would set a price floor of 78 cents per watt, as well as a tariff that starts at 40 cents per watt and declines over four years — proposals that would more than double the current panel costs. Analysts have said that could erase five years of cost declines made by the industry.

"We are confident there is a way to strengthen and save U.S. solar manufacturing without harming the strong growth that has made America such a powerful market for solar products," said Timothy Brightbill, an attorney at Wiley Rein who is representing SolarWorld. That company is a unit of Germany's SolarWorld Industries GMBH, which has also filed for bankruptcy in its home country.

Several lawmakers and governors had urged the commission to reject the trade complaint, including in a letter sent Thursday by Govs. Brian Sandoval, of Nevada; John Hickenlooper, of Colorado; Charles Baker, of Massachusetts; and Roy Cooper, of North Carolina.

"At a time when our citizens are demanding more clean energy, the tariff could cause America to lose out on 47 gigawatts of solar installations, representing billions of dollars of infrastructure investment in our states," they wrote to ITC Chairman Rhonda Schmidlein.

A bipartisan group of 16 senators sent a letter last month to the ITC asking it to "carefully consider the negative impact" of an injury finding. Those lawmakers included Georgia Sen. Johnny Isakson and Kansas Sen. Jerry Moran, both Republicans, along with coastal Democrats like Massachusetts Sen. Ed Markey.

Conservative groups that support free trade have also opposed erecting the trade barriers. Earlier this month, a group of six conservative organizations, including the R Street Institute, the American Legislative Exchange Council and the National Taxpayers Union, published an open letter arguing against tariffs. The conservative Heritage Foundation, which was not on the letter, also opposes a policy of tariffs and has been tracking the Suniva case closely.

"We believe that policies that pick winners and losers by imposing tariffs are bad, pretty much no matter what they are," said Tori Whiting, a research associate at the Center for International Trade and Economics at Heritage.

Suniva and SolarWorld are not without their own defenders: Sen. Ron Wyden (D-Ore.) and two members of the Washington House delegation sent a letter of their own in favor of the tariffs, and House members from Georgia and Michigan have both backed the petition. The groups have also been backed by steel manufacturers.

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Businesses struggle with Trump's indecision [Back](#)

By Emily Holden, Andrew Restuccia, Aaron Lorenzo and Ted Hesson | 09/24/2017 05:04 PM EDT

President Donald Trump has threatened to pull out of NAFTA, the Paris climate agreement and the Iranian nuclear deal — unless he opts to stay. He decided to revoke legal protections for the DREAMers, then urged Congress hours later to enact new ones. And he has repeatedly demanded that lawmakers enact major legislation on health care, tax reform and a \$1 trillion infrastructure plan — without making it clear what he wants the final product to look like.

Of all the factors that have made the president's first year so turbulent, one of the most important has been Trump himself: Combining quick mood shifts, a rancorous White House staff and his own fuzziness on the details, the self-proclaimed dealmaker has left his options way open on a range of contentious decisions — while inducing whiplash in many of the political insiders, business leaders and even foreign governments with a stake in the outcomes.

Some business groups are making long-range decisions based on their best guesses of where the administration will land, while others try to outflank the White House by talking to key lawmakers before Trump does.

"It's exhausting because there are so many places that you have to touch, so many different bases, because you never know who he's listening to," said Brian Wild, a Republican adviser to businesses on energy, tax, labor, transportation and health care at the law firm Brownstein Hyatt Farber Schreck. "You never know who's going to get the final 'yes.'"

One longtime GOP lobbyist added: "You would've never seen a situation with Bush or Obama when a position in the administration got flipped overnight. Sometimes you win, sometimes you lose, sometimes you get half a loaf, but rarely do you ever just change sides."

"I think he thinks of everything as a trial balloon," the lobbyist said of Trump.

The flux is especially vexing for conservatives who were invigorated after Trump won but now worry that their years of pushing to lower tax rates and repeal former President Barack Obama's health care law might have been in vain.

"Nobody is happy," said another Republican lobbyist. "It's very likely that at the end of the year, we'll be left with Obamacare and the same tax code."

White House spokespeople rejected the idea that the president has waffled on policy issues, saying he's been "abundantly clear" that he'll leave the Paris agreement if he doesn't get a better

deal and has been "very clear" he wants Congress to act on immigration.

"President Trump was put into office precisely because he isn't beholden to lobbyists and special interests," White House spokeswoman Kelly Love said. "If they're upset that they can't stroll into the White House and drive administration policy anymore, that's a badge of honor for a president who was elected to drain the swamp. This president makes his decisions based on what's best for Main Street, not K Street."

But the frustration has repercussions far beyond the Beltway. As tax talks between the White House and lawmakers stall, more than half of CEOs surveyed by Business Roundtable said they would have to shelve plans to hire and invest more if an already long-delayed overhaul doesn't move through Congress.

The outcome of the tax debate will determine whether Guy Chemical Co. in Somerset, Pa., can buy extra equipment, hire 10 new employees and give raises to existing staff, company President Guy Berkebile said. But Berkebile, who was recently in Washington to urge lawmakers to lower business tax rates, said he's not getting his hopes up.

"I am already thinking what I will do with the extra money at Guy Chemical if business taxes are lowered," he said. "If tax reform does not get done, I will continue to grind away with the same typical investment I have put back into my company over the past 10 years."

The details of what Trump wants in a tax overhaul are still in flux, complicating his sales pitch to conservative Republicans. The uncertainty includes whether the White House will insist on his oft-stated desire to cut the corporate tax rate to 15 percent, down from 35 percent.

On health care, Trump has spent the entire year pushing Congress to repeal Obamacare but has offered vague, often contradictory clues about what he wants to see take its place. At times he's promised "insurance for everybody," supported a House Republican bill that guaranteed nothing of the sort, or mused about letting Obama's system "explode" on its own or moving on to other issues like taxes.

Trump's tough talk on trade has also left industries he's vowed to support hanging.

The United Steelworkers Union complains that foreign steel imports have "skyrocketed" since April, when the White House suggested the U.S. might limit them for national security reasons. Data from the American Iron and Steel Institute show that steel imports jumped more than 21 percent in the three months following the announcement versus the first three months of the year.

The Commerce Department was supposed to issue recommendations at the beginning of June but has delayed them indefinitely.

Vagueness and wishy-washiness might seem unlikely problems for Trump, who's shown no reluctance to speak his mind and often expresses his thoughts in the most caustic terms — including using the epithet "Rocket Man" last week for North Korean leader Kim Jong Un. He's spent years espousing certain consistently held policy beliefs, such as his charge that "stupid"

trade deals are letting other countries rip off the U.S.

But that doesn't make it any easier to predict the details of what Trump will decide as president, especially on the myriad issues where he's offered no well-formed opinion. And he's changed his mind on a host of issues — such as endorsing an influx of new U.S. troops to Afghanistan after previously calling for a pullout. Or holding a Rose Garden celebration in May after the House passed a bill to repeal Obamacare, only to describe the same bill as "mean" a month later in a meeting with Republican senators. Or deciding in early September to end the Obama-era program that prevented deportations for thousands of young undocumented immigrants who were brought to the United States as children — only to say hours later that he has "love for these people" and wants Congress to "help them."

"Does anybody really want to throw out good, educated and accomplished young people who have jobs, some serving in the military?" he tweeted about the so-called DREAMers a week later. "Really!"

Despite those kind words, 29-year-old Dallas systems engineer Erik Burgos said Trump's decision threatens to turn his world upside-down.

"A lot of uncertainty and fear starts to creep in," said Burgos, who was brought to the U.S. from Mexico at age 2 and later enrolled for protection under the Obama program. After Trump's announcement, Burgos postponed his plans to purchase a house and wonders if Congress will find a fix before his permit expires.

Still, he said, Trump's unpredictability gives him "a glimmer of hope" that his ability to work legally will continue.

Trump is different from most politicians, said Wild, who previously served as an adviser to top Republicans such as then-House Majority Whip Kevin McCarthy and former Speaker John Boehner.

"Typically, all these candidates build out a pretty profound policy notebook throughout the campaign, and then when they get elected they're implementing that," Wild said. But with Trump and his aides, "they're kind of building this policy notebook in real time."

The second Republican lobbyist also blamed congressional leaders for the uncertainty on many policy fronts, noting that House Speaker Paul Ryan and Senate Majority Leader Mitch McConnell have had trouble controlling their divided Republican caucuses on issues like health care.

White House aides insist that the lack of policy detail is sometimes strategic — though they acknowledge that Trump sees himself as a dealmaker, not an ideologue, and is apt to change his mind. A detailed set of legislative principles on issues like tax reform and infrastructure could draw attacks not just from Democrats but from conservatives who are essential to the passage of any bill. And having learned from the earlier collapse of Obamacare repeal efforts, the White House is eager to let Congress take the lead so Trump won't have the sole blame if a bill fails.

Wiggle room exists even in some of Trump's most starkly ideological decisions, on issues he alone controls.

In June, for example, he announced that the U.S. would withdraw from the 2015 Paris climate agreement, a decision championed by his most staunchly nationalist advisers. But he also said his administration would "begin negotiations" to either re-enter the nearly 200-nation accord or join an entirely new deal.

"So we're getting out," Trump said at the time. "But we will start to negotiate, and we will see if we can make a deal that's fair. And if we can, that's great. And if we can't, that's fine."

Since then, international diplomats have been left in the dark about what precisely the United States wants. (Some have even grouched privately that Trump should just pull the trigger and leave.) Many people missed the nuance in June about possibly remaining in the deal, until that detail provoked a welter of confusing news headlines last weekend following an international meeting of energy ministers in Montreal.

Despite all the back-and-forth, high-ranking officials only this week had a meeting on aligning their messaging on climate change.

Similar ambiguity reigns about Obama's 2015 nuclear deal with Iran, which Trump denounced at the United Nations this week as "one of the worst and most one-sided transactions the United States has ever entered into." He later said he had decided whether to exit the agreement — but refused to tell anybody, including British Prime Minister Theresa May, what his verdict was.

Trump has also threatened to withdraw from NAFTA unless Mexico and Canada agree to new terms and has raised the idea of a "sunset" provision, in which the agreement would terminate after five years unless the countries agreed to renew the terms.

Such a withdrawal "could endanger literally hundreds of thousands of jobs" and damage security cooperation among the countries, argued John Murphy, senior vice president for international policy at the U.S. Chamber of Commerce. Republican leaders in Congress have expressed alarm about the idea too. But a month after formal talks among the three nations began, it's unclear where the discussions are headed.

"In our trading relationships, we need certainty and security about what the terms of trade are going to be going forward, over multiple years," Murphy said. "Investments are made on the basis of that kind of certainty, and economic growth and job creation flow from it."

U.S. Trade Representative Robert Lighthizer said the countries were "moving at warp speed" to try to strike a deal by the end of the year, but he couldn't guarantee it would happen.

"We don't know whether we're going to get to a conclusion," Lighthizer said. "That's the problem. We're running very quickly somewhere."

In one key domestic policy, Trump has repeatedly pledged a big-ticket plan to rebuild the nation's roads and bridges — and demanded last month that Republican leaders "get back to work" and put "a great Infrastructure Bill on my desk for signing." But his administration hasn't offered much detail on what such a package would entail, aside from a six-page outline it issued last spring. Nor has it been clear how Trump would dole out his proposed \$200 billion in new federal infrastructure spending, although Transportation Secretary Elaine Chao said in May that some of the money would go projects meant to "lift the American spirit."

Marcia Hale, the president of the advocacy group Building America's Future, said the administration has done more behind the scenes on infrastructure than may be apparent — though she acknowledged that it has "been a little more, shall we say, hectic than even some of the most recent administrations, and a little less predictable."

"You always know with this administration that things could change quickly, or policies could change quickly, or allegiances could change quickly," Hale said. "So you just go with the flow."

Despite the confusion, some people trying to persuade the administration have found at least one common theme they can use for making their arguments.

"We're telling our clients that ... any argument that has a jobs impact has to be framed as a jobs argument," said Stewart Verdery, CEO of the Republican lobbying firm Monument Policy Group, who has represented tech companies including Amazon and Microsoft. "An intellectual argument, a fairness argument, even a federal spending argument is not nearly as powerful as a jobs argument."

Megan Cassella, Tanya Snyder and Doug Palmer contributed to this report.

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Fiji ambassador: Trump's Paris move raises stakes for Bonn conference [Back](#)

By Eric Wolff | 09/22/2017 02:06 PM EDT

The U.S. plan to withdraw from the Paris climate pact has raised the stakes for the upcoming international climate negotiations in Bonn, Germany, to reaffirm the international commitment to the agreement, according to the top climate negotiator for Fiji, which is leading the upcoming meeting.

"Our aim was changed by President Trump's announcement," said Ambassador Nazhat Khan told POLITICO. "Now we must deliver a visionary [conference]. Every work item for COP 23 is measured for the enhancing and restating of the overall vision."

The meeting, like the one in Marrakech, Morocco, last year, was intended to focus on

implementing the 2015 Paris agreement. Most observers had expected next year's meeting in Katowice, Poland, to hold more drama as final decisions are made on funding and transparency around the international agreement.

But, according to Khan, the U.S. intention to withdraw from the agreement changed that.

"After the announcement of President Trump, what states were looking for ... is a very clear direction," she said. "We must act to maintain the direction of Paris together, and we aren't going to have other countries that express reservations. It's very important that we maintain this overall vision. ... The U.S. role has really shaped the way Fiji is approaching COP."

Khan said the U.S. had made clear its at previous international meetings it would remain engaged in the Paris process, despite its intention to leave. She said U.S. willingness to engage is "very encouraging."

WHAT'S NEXT: Fiji will host COP23 in Bonn, Germany, from Nov. 6 through Nov. 17.

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Aid begins to flow to hurricane-hit Puerto Rico [Back](#)

By Associated Press | 09/23/2017 11:01 PM EDT

Large amounts of federal aid began moving into Puerto Rico on Saturday, welcomed by local officials who praised the Trump administration's response but called for the emergency loosening of rules long blamed for condemning the U.S. territory to second-class status.

In northwest Puerto Rico, people began returning to their homes after a spillway eased pressure on a dam that cracked after more than a foot of rain fell in the wake of the hurricane.

The opening of the island's main port in the capital allowed 11 ships to bring in 1.6 million gallons of water, 23,000 cots, dozens of generators and food. Dozens more shipments are expected in upcoming days.

The federal aid effort is racing to stem a growing humanitarian crisis in towns left without fresh water, fuel, electricity or phone service. Officials with the Federal Emergency Management Agency, which is in charge of the relief effort, said they would take satellite phones to all of Puerto Rico's towns and cities, more than half of which were cut off following Maria's devastating crossing of Puerto Rico on Wednesday.

The island's infrastructure was in sorry shape long before Maria struck. A \$73 billion debt crisis has left agencies like the state power company broke. As a result the power company abandoned most basic maintenance in recent years, leaving the island subject to regular blackouts.

A federal control board overseeing Puerto Rico's finances authorized up to \$1 billion in local funds to be used for hurricane response, but Gov. Ricardo Rossello said he would ask for more.

"We're going to request waivers and other mechanisms so Puerto Rico can respond to this crisis," he said. "Puerto Rico will practically collect no taxes in the next month."

U.S. Rep. Nydia Velazquez of New York said she will request a one-year waiver from the Jones Act, a federal law blamed for driving up prices on Puerto Rico by requiring cargo shipments there to move only on U.S. vessels as a means of supporting the U.S. maritime industry.

"We will use all our resources," Velazquez said. "We need to make Puerto Rico whole again. These are American citizens."

A group of anxious mayors arrived in the capital to meet with Rossello to present a long list of items they urgently need. The north coastal town of Manati had run out of fuel and fresh water, Mayor Jose Sanchez Gonzalez said.

"Hysteria is starting to spread. The hospital is about to collapse. It's at capacity," he said, crying. "We need someone to help us immediately."

The death toll from Maria in Puerto Rico was at least 10, including two police officers who drowned in floodwaters in the western town of Aguada. That number was expected to climb as officials from remote towns continued to check in with officials in San Juan.

Authorities in the town of Vega Alta on the north coast said they had been unable to reach an entire neighborhood called Fatima, and were particularly worried about residents of a nursing home.

"I need to get there today," Mayor Oscar Santiago told The Associated Press. "Not tomorrow, today."

Rossello said Maria would clearly cost more than the last major storm to wallop the island, Hurricane George in September 1998. "This is without a doubt the biggest catastrophe in modern history for Puerto Rico," he said.

Rossello and other officials praised the federal government for planning its response in detail before the storm hit, a contrast with what Puerto Rico has long seen as the neglect of 3.4 million Americans living in a territory without a vote in Congress or the electoral college.

"This is the first time we get this type of federal coordination," said Resident Commission Jenniffer Gonzalez, Puerto Rico's non-voting representative in Washington.

A dam upstream of the towns of Quebradillas and Isabela in northwest Puerto Rico was cracked but had not burst by Saturday night as water continued to pour out of rain-swollen Lake Guajataca. Federal officials said Friday that 70,000 people, the number who live in the

surrounding area, would have to be evacuated. But Javier Jimenez, mayor of the nearby town of San Sebastian, said he believed the number was far smaller.

Secretary of Public Affairs Ramon Rosario said about 300 families were in harm's way.

The governor said there is "significant damage" to the dam and authorities believe it could give way at any moment. "We don't know how long it's going to hold. The integrity of the structure has been compromised in a significant way," Rossello said.

Some residents nonetheless returned to their homes Saturday as the water levels in the reservoir began to sink.

"There were a lot of people worried and crying, but that's natural, because the reservoir was about to break through," said Maria Nieves, 43. "They couldn't open the spillway until later in the night."

The 345-yard dam, which was built around 1928, holds back a man-made lake covering about 2 square miles. More than 15 inches of rain from Maria fell on the surrounding mountains.

Officials said 1,360 of the island's 1,600 cellphone towers were downed, and 85 percent of above-ground and underground phone and internet cables were knocked out. With roads blocked and phones dead, officials said, the situation may worsen.

At least 31 lives in all have been lost around the Caribbean due to Maria, including at least 15 on hard-hit Dominica. Haiti reported three deaths; Guadeloupe, two; and the Dominican Republic, one.

Across Puerto Rico, more than 15,000 people are in shelters, including some 2,000 rescued from the north coastal town of Toa Baja. Many Puerto Ricans planned to head to the mainland to temporarily escape the devastation.

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Storm-battered Puerto Rico looks to Washington for help [Back](#)

By Colin Wilhelm | 09/22/2017 01:52 PM EDT

As Puerto Rico reels from the devastation of Hurricane Maria, the Trump administration and Congress are pledging to provide more aid to the commonwealth, which is already suffering from a historic debt crisis.

Tax breaks and more Medicaid funding could be a part of a recovery package, and activists would like to see debt relief for the U.S. Virgin Islands attached as well. Though damage

assessments have only begun, the post-Katrina and Sandy relief bills likely will serve as guideposts for Congress.

"This is a natural disaster in Puerto Rico like we haven't seen ever," said Carlos Mercader, executive director of the commonwealth's Federal Affairs Administration. "Think about Katrina but even worse because this is the whole island."

President Donald Trump vowed Thursday to visit Puerto Rico, which lost 100 percent of its electrical power in the Category 4 storm, and House Speaker Paul Ryan promised a second recovery bill in Congress after the House and Senate passed a disaster relief package after Hurricane Harvey.

Maria's crippling impact will also force Puerto Rico and the federal board that Congress created last year to oversee its finances to reassess how to bring the territory out of its debt crunch and decade-long recession.

Hurricanes Maria and Irma greatly complicate the tangled debt web that has ensnared Puerto Rico and the Virgin Islands. The storms come just months after Puerto Rico entered a court-supervised restructuring process for its \$70 billion debt — in what amounted to the largest municipal bankruptcy in U.S. history. And with a population of 100,000, the U.S. Virgin Islands owes even more money per resident on the \$6.5 billion held by creditors than does Puerto Rico.

Before Maria hit, Puerto Rico Gov. Ricardo Rosselló and the federal oversight board were locked in a battle over furloughs and pension cuts that the board said were necessary to balance the budget. The seven-member, bipartisan board had also approved a fiscal plan submitted by Rosselló that could face significant revisions after the storms.

"There's no way they'll make budget. There's just no way," said Luis Fortuño, who was governor of Puerto Rico from 2009 to 2013, and now a partner at the law firm Steptoe & Johnson. "Both the government and the oversight board had certain assumptions that are out the window now."

That fiscal plan affects every decision made by Puerto Rico's government and charts a course for the commonwealth for the next 10 years. The oversight board has final say over revenue and spending decisions, so it must approve any changes.

Late Thursday, the board essentially gave Rosselló a pass on that budget, allowing him to re-allocate up to \$1 billion at his discretion for emergency response efforts. The board also said it would help lobby federal agencies for further assistance.

"Furthermore, if the Government determines increases to the Territory Budget are needed to respond to Hurricane Maria, we stand ready to expeditiously approve such requests, in anticipation of much needed federal funding," the board wrote to Rosselló. "To that end, we will join the Government of Puerto Rico in actively seeking FEMA and any other potential sources of federal funds for the recovery and reconstruction of Puerto Rico."

This month's storms may also temporarily align groups of creditors that have fought the board,

the commonwealth government and each other for years over the billions owed to them by Puerto Rico. Though lobbyists for creditors contacted by POLITICO had not yet made specific plans, they may be willing to cooperate because Puerto Rico will be able to pay its debts quicker if there's a robust recovery.

Ryan also offered words of sympathy and support.

"To our fellow citizens in Puerto Rico, they are front and center in our thoughts and we want them to know the federal response will be there," the House speaker said during a visit to sections of Florida damaged by Hurricane Irma.

Rep. José E. Serrano (D-N.Y.), a member of the House Appropriations Committee, which is likely to write the aid package, said he would reach out to its chair and ranking member over the weekend to urge funding to the territories affected by the storms. He also wants to see a panel set up for Puerto Rico similar to the one established for New York after Superstorm Sandy to guide reconstruction.

"I'm asking President Trump to do the same thing for Puerto Rico [as after Sandy], that looks at the needs they have now and the needs they have in the future," Serrano said.

Trump said yesterday that the U.S. is starting the process of helping Puerto Rico and will work with Rosselló. Mercader, the point person for Puerto Rico with the federal government, said the level of commitment and response from the Trump administration pleasantly surprised him.

"It's been more than what I expected," he said. The commonwealth and federal responders also hoped to bring online a joint operations center in San Juan's convention center by the end of the day Friday.

So far the government has confirmed six storm-related deaths, though the tally could climb much higher. Mercader's office in Washington was deputized to field emergency calls from Puerto Rico as most of the commonwealth's communications went offline.

Entire sections of the island have yet to be heard from, and even local government agencies were having a hard time reaching one another to coordinate, creating a "cloud of uncertainty," Mercader said. Mudslides and flooding continued in areas, and FEMA will send helicopters to try to reach towns that have become inaccessible by road.

In the longer term, the fallout from the recent hurricanes could also bring more attention to the debt crisis in the Virgin Islands.

Eric LeCompte, executive director of Jubilee USA, a religious-affiliated organization that lobbied on behalf of debt restructuring for Puerto Rico last year, said his group would push for the Virgin Islands to be treated as Puerto Rico was in disaster relief legislation.

"Congress is going to have to step in in some new ways," said LeCompte. "At this point, no one's going to get paid anyways."

Jubilee, which has ties to about 650 faith-based groups and organizations, would also push for the U.S. to lead the charge on a temporary debt moratorium on money owed to the International Monetary Fund by non-U.S. Caribbean islands affected by the storms. The U.S. holds more votes than any other country in the IMF.

"We're just looking at delaying payments for six months to a year," during the disaster recovery, LeCompte said.

Puerto Rico's government praised Trump and the Department of Homeland Security for their response efforts. But the territories, used to receiving less attention than states despite their own U.S. citizenship, remain concerned that Congress and the White House will forget them after floodwaters recede and the winds die down.

"There ought not to be a difference" between the response to Harvey's flooding of Texas and Irma and Maria's buffeting of the U.S. Caribbean, Fortuno said.

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Puerto Rico's governor calls for greater federal response to Maria [Back](#)

By Colin Wilhelm | 09/24/2017 10:44 PM EDT

Puerto Rico Gov. Ricardo Rossello called on the Pentagon to provide more search-and-rescue help and humanitarian resources to help the beleaguered island recover from "complete devastation" from Hurricane Maria.

"We need more resources from the Department of Defense so we can get helicopters and resources," Rossello told POLITICO in a phone interview Sunday night.

"We know that there are capabilities in the surrounding areas, helicopters, planes and so forth," he said. "And our petition is for us to be able to use them."

A Defense Department spokesperson said in an e-mail that six Navy helicopters and three Marine Osprey planes capable of vertical takeoff and landing had begun search-and-rescue operations and damage assessments.

Days after the category 4 hurricane battered the island, only a handful of municipalities have been able to make contact with San Juan or the outside world. That has prompted the commonwealth government to dispatch runners to make contact, since roads throughout much of Puerto Rico have been made impassable.

Rossello said that in addition to more military resources, he would petition the Trump

administration to lower the threshold for disaster expenditures that the island would need to refund.

He did not criticize President Donald Trump personally and praised promises of help the president made before the hurricane, as well as the response of the Federal Emergency Management Agency. Still, the island awaits a federal disaster declaration for 24 out of its 78 municipalities.

Rossello also called on Congress to treat Puerto Rico like a state in any comprehensive emergency aid package.

"Whatever relief package we have, whatever impact we have, we are U.S. citizens," Rossello said. "We shouldn't be the lesser for it."

He called on the federal government to recognize Puerto Rico's dire fiscal situation and consider the possibility that residents could leave in droves if the commonwealth doesn't recover quickly, compounding the island's troubles.

If Congress doesn't step up, he said, "my fear is we're going to have some side effects that are devastating both for Puerto Rico and the United States. Mainly massive migration that would deteriorate our [economic] base here in Puerto Rico and would provoke significant demographic shifting in other areas of the United States."

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Cantwell slams DOI nominee for water lobbying ties, nondisclosure agreement [Back](#)

By Annie Snider | 05/18/2017 01:09 PM EDT

President Donald Trump's nominee for the No. 2 spot at the Interior Department on Thursday argued that the administration may be able to withhold information related to the transition from Congress, including about a Trump administration policy reversal that removed a major roadblock for a controversial water project he had a vested interest in.

During a hearing on David Bernhardt's nomination for deputy Interior secretary, [Maria Cantwell](#), the top Democrat on the Senate Energy and Natural Resources Committee, asked whether nondisclosure agreements signed by members of Trump's transition team could allow administration officials to withhold information from Congress, or whether the federal Whistleblower Protection Act would apply. Bernhardt, a lobbyist for Brownstein Hyatt Farber Schreck, led the Trump transition team for the Interior Department for a period of time.

"I hate to give you a lawyer's answer to a legal question in a hearing, but I think the first question would be whether or not the Whistleblower Act would even apply to the transition because it's

my understanding that Trump for America is a nonprofit entity, so I'm not sure that the legal rubric that falls for government would even apply for that," Bernhardt said.

Cantwell particularly focused on Bernhardt's activities related to Cadiz Inc., a company seeking to build a 43-mile pipeline to pump water from the Mojave Desert to southern California communities. Cadiz has paid \$2.75 million in fees to Brownstein Hyatt since 2010, and one of the lobby firm's shareholders is chief executive of the company.

Bernhardt did legal work for the project, and his firm receives part of its compensation in stock shares. So far it has received 200,000 shares in Cadiz and is in line for another 200,000 if the project is built, according to filings with the Securities and Exchange Commission.

The Cadiz project is fiercely opposed by environmentalists and California Democratic Sen. [Dianne Feinstein](#), who say it would deplete a fragile aquifer feeding protected federal land.

The Trump administration last month [reversed](#) two Obama administration legal guidances that prevented the Cadiz project from skirting federal environmental review by building the pipeline in a railroad right-of-way. Bernhardt said he had "no involvement" with the issue during the Trump transition, and that neither he nor his firm had benefited financially from the policy shift as far as he knew.

Bernhardt, who has also lobbied for Westlands Water District, a group of powerful Central Valley agricultural growers, has said he will recuse himself from issues related to former clients for one year.

But Cantwell argued that isn't long enough, and that he should recuse himself for the entirety of his tenure.

"I personally think that Westlands and Cadiz represent such large public policy issues with financial interests that it would be better if you recused yourself for the entire time that you were at the department, not just one or two years," she said.

Berhardt said he would clear any issues related to his former lobbying interests with Interior's ethics office.

"If I get a whiff of something coming my way that involves a client or former client or my firm, I'm going to make that item run straight to the ethics office," he testified Thursday.

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Feinstein says Trump trying to push through controversial water project [Back](#)

By Annie Snider | 04/04/2017 05:31 PM EDT

Opponents of a controversial California water project are accusing the Trump administration of reopening a loophole to allow infrastructure projects crossing federal land to avoid environmental review.

Last Wednesday, the Bureau of Land Management rescinded a pair of Obama administration memos laying out how any infrastructure project that uses a railroad right-of-way must be related to the railroad itself. These guidelines largely blocked proponents of oil, gas and water pipelines like the contentious Cadiz groundwater pipeline proposed in California's Mojave Desert from avoiding federal environmental review by building their projects along the many existing railroad rights-of-way.

In a statement today, Sen. Dianne Feinstein (D-Calif.) called the Trump administration's move "a blatant attempt to muscle the Cadiz water project through."

"This is clearly just an effort to circumvent an environmental review that any project of this magnitude on federal land would normally undergo," she said.

The proposed Cadiz pipeline would pump groundwater from a fragile desert aquifer across 43 miles of land, much of it federally owned. Project opponents have argued it would draw more water from the aquifer than can be recharged naturally, potentially drying up springs that are critical to wildlife at nearby nature preserve and a newly created national monument.

The project stalled after the BLM told Cadiz in October 2015 it could not use an existing railroad right-of-way and would need to apply for its own. The project has appeared on several recent lists of infrastructure projects being touted to the Trump administration.

WHAT'S NEXT: Cadiz could try again to use the existing railroad right-of-way for its project. However, an Interior Department legal interpretation saying that railroad rights-of-way must be used for purposes related to the railroad remains on the books. The Trump administration could decide to write its own implementing guidelines.

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