

To: Jackson, Ryan[jackson.ryan@epa.gov]
From: Morning Energy
Sent: Thur 6/1/2017 2:05:58 PM
Subject: POLITICO's Morning Energy: Trump's final Paris decision comes today at 3 p.m. — States, cities look at filling climate void — Dakota Access begins shipping today

By Anthony Adragna | 06/01/2017 10:00 AM EDT

With help from Esther Whieldon

DECISION DAY: In a scene that could come straight from reality TV, President Donald Trump today will announce his decision on whether to abandon the 2015 landmark Paris climate agreement today at 3 p.m. in the Rose Garden, he tweeted Wednesday night. Withdrawing from the pact would honor his campaign pledge to "cancel" the deal, but go against the wishes of vast swathes of the U.S. business community, many of his own aides and the international community. Three officials tell POLITICO's Andrew Restuccia and Josh Dawsey that Trump plans to pull out of the deal, though they noted he could still change his mind at the last minute.

Trump's decision comes after months of internal clashes between Trump's warring factions of advisers spilled into the open with a rush of leaks Wednesday, Andrew and Josh report. And if Trump follows through and withdraws, as expected, opponents of the agreement will have to thank the months-long effort by White House strategist Steve Bannon and EPA Administrator Scott Pruitt to play to his populist instincts and publicly push the narrative the accord was effectively dead. One White House official said the president's team was furiously working on an announcement of the withdrawal on Wednesday.

Some aides were still clinging to hope late Wednesday that Trump may change course and stay in the deal, while drastically scaling back the Obama administration's non-binding carbon cleanup promises, in line with a plan they had previously pushed. Trump had not officially told his entire team of senior aides he was considering leaving the agreement Wednesday when news leaked out, and administration officials cautioned against definitive reporting, warning that the president is notoriously fickle.

Takeaway from one former U.S. official: "Will global leaders trust the U.S. to negotiate a climate treaty ever again? After Kyoto and Paris, who will trust us to keep our word as a nation? Our credibility is gone."

Meanwhile, cities and states aren't waiting: Talks are just getting off the ground but several states, municipalities, and business leaders are in early discussions to create a carbon reduction agreement to replace the cuts that Trump is expected to eliminate, Pro's Eric Wolff reports. Potentially modeled after the "Nationally Determined Contributions" nations submitted to join the Paris agreement, the possible reduction pledge would help show the international community that climate action continues in the U.S. "It is really important to the international community to understand to avoid a knock-on effect of U.S. withdrawal on the actions of other countries," a source working to facilitate the conversations told Eric. Meanwhile, a group of West Coast Democratic lawmakers urged the governors of California, Washington and Oregon to keep pursuing climate policies to "send a signal" to the international community absent federal action.

California not pleased: Gov. Jerry Brown didn't mince words in calling Trump's intent to withdraw from the Paris accord "outrageous" while predicting its effects would be short-lived, POLITICO California's David Siders [reports](#). "I think Trump, paradoxically, is giving climate denial such a bad name that he's actually building the very movement that he is [purporting] to undermine," Brown said in an interview. "You can't fight reality with a tweet."

More European reverberations: European Commission President Jean-Claude Juncker warned Trump about the consequences of following through on withdrawing from the Paris deal, POLITICO Europe's Kalina Oroschakoff [reports](#). "I am a trans-Atlanticist, but if the American president said in the next hours or days that he wants to get out of the Paris climate deal, then it is the duty of Europe to say, 'No, that's not how it works,'" Juncker said at an event in Berlin. "Eighty-three countries run into danger of disappearing from the surface of the Earth if we don't resolutely start the fight against climate change."

Clinton weighs in too: Trump's election rival, Hillary Clinton, said it would be "really stupid" and "totally incomprehensible" to squander the economic opportunities that arise from addressing climate change if the administration withdraws from the pact. "The President is a very impulsive, reactive personality," she said at the [Code Conference](#) in California. "So if we all like the Paris Agreement, he may decide to get out of it. Not even understanding one bit about what that means."

But it's worth taking a step back to remember that regardless of the fate of Paris, Trump has been busy chipping away at Obama's climate policies. Your Pro Energy team looks at all the ways he's already taken shots at Obama's green legacy [here](#).

Carper invokes Exxon vote: Top Senate EPW Democrat [Tom Carper](#) urged Trump to look at the fact that more than 62 percent of Exxon Mobil shareholders on Wednesday [called](#) for the company to assess how climate change and global efforts to limit temperature increases will affect its business as he mulls the fate of the Paris deal. "President Trump should take note of what happened today as he decides the fate of our country's participation in the Paris Climate Agreement," he said in a statement. "We should seize the economic opportunities that come from combating climate change, not cede our role as a global leader."

Greens gather today: Environmental groups, including 350.org, Sierra Club, Natural Resources Defense Council, Peoples Climate Movement, NextGen Climate and the Center for American Progress Action Fund, are holding a rally outside the White House today at 5 p.m. in support of the Paris accord. The Sierra Club said more than 20,000 people have already called the White House to voice their opposition to withdrawal.

WELCOME TO THURSDAY! I'm your host Anthony Adragna, and congrats to Van Ness Feldman's Jonathan Simon for being first out of the box to correctly guess there are six non-voting members of the House (D.C., Guam, Puerto Rico, U.S. Virgin Islands, Northern Mariana Islands and American Samoa). For today: Who was D.C.'s first modern delegate in Congress? Send your tips, energy gossip and comments to aadragna@politico.com, or follow us on Twitter [@AnthonyAdragna](#), [@Morning_Energy](#), and [@POLITICOPro](#).

CATANZARO GIVEN ETHICS WAIVER: The White House has granted an ethics waiver for energy aide Mike Catanzaro, a former partner at CGCN Group LLC, to participate in matters related to EPA's Clean Power Plan, waters of the U.S. rule and methane regulations. His past clients include Devon Energy, an Oklahoma oil and gas company close to Pruitt, and he has lobbied on behalf of the American Fuel and Petrochemical Manufacturers and the American Chemistry Council, among others. Catanzaro's is one of more than a dozen waivers quietly released Wednesday night after a dust up between the Office of Government Ethics and White House, which initially refused to disclose them.

DAKOTA ACCESS BEGINS SHIPPING TODAY: The hotly-contested Dakota Access pipeline is expected to begin shipping North Dakota oil today to a distribution point in Illinois, the Associated Press reports. That comes even as the North Dakota Public Service Commission plans to look later this summer at whether the pipeline's developer, Energy Transfer Partners, violated state rules during its construction.

GROUP SEEKS REVIEW OF HARLEY SETTLEMENT: The free-market Cause of Action Institute is taking aim at a settlement the Obama administration reached with Harley-Davidson over after-market "super tuner" devices the company sold to boost motorcycles' performance that allegedly led to Clean Air Act Violations. The August 2016 settlement with EPA required the motorcycle manufacturer to fund a program to replace or retrofit wood-burning stoves with cleaner appliances. But Cause of Action says that approach violates the agency's own guidance, and the group says Pruitt ought to take another look at the settlement. "EPA is overstepping its authority by requiring Harley-Davidson to implement an emissions mitigation project that lacks such a sufficient nexus to the underlying violation," the group wrote today in a letter to Pruitt, along with a FOIA request for documents related to the settlement negotiations.

ORDER AIMS AT BOOSTING ALASKAN ENERGY PRODUCTION: Interior Secretary Ryan Zinke signed an order Wednesday calling for a review of opportunities to increase oil drilling in Alaska. He directed Interior to examine whether oil production can increase in the National Petroleum Reserve in Alaska and assess how much oil and gas could be extracted from a piece of the Arctic National Wildlife Refuge, Pro's Ben Lefebvre reports. Officials have 31 days to develop a plan to implement his order. Zinke signed the order following a speech at an Alaska Oil and Gas Association conference in Anchorage. "Rules should be based on science and best practice not on arbitrariness," he said.

Alaska's congressional delegation hailed the move. "This Secretarial Order is exactly the type of announcement that so many Alaskans have been asking for: a smart, timely step to restore access to our lands, throughput to our Trans-Alaska Pipeline, and growth to our economy under reasonable regulations that do not sacrifice environmental protections," Senate Energy Chairman Lisa Murkowski said in a statement.

As for Paris, Zinke sidestepped a question on the climate change agreement that's on everyone's mind this week. Zinke told reporters in Alaska that he has "yet to read what the actual Paris agreement is," and declined to weigh in without having a chance to "sit down and read" it, the Associated Press reports.

RUSSIA LATEST COMPLICATION IN FILLING VACANCIES: Some potential federal appointees are having second thoughts about executive branch appointments given the ongoing investigations into the Trump campaign's ties with Russia, POLITICO's Andrew Restuccia and Josh Dawsey [report](#). "You're going to have a situation where they're going to have trouble getting A-list or even B-list people to sign up," one lawyer advising potential appointees said. The administration has announced nominees for just 117 of the 559 most-important Senate-confirmed positions.

CASSIDY DOWNPLAYS PROPOSED EPA CUTS: Louisiana Sen. [Bill Cassidy](#) told attendees of a Covington, La. town hall meeting Tuesday that "EPA is not being dismantled" despite Trump's proposed cut of one-third of the agency's budget and efforts to roll back landmark Obama-era regulations addressing climate change and water quality, among other issues. "Certainly there are regulations being rolled back," Cassidy said. "But the Clean Water Act is still in place. There will not be mercury spewing out. All those regulations are still in place." (h/t Pro Health Care's Jennifer Haberkorn)

PERRY'S MOVE TOWARD JAPAN: Energy Secretary Rick Perry kicks off a week-long trip to Asia today. He'll stop in Japan and China. Stops include a trip to the Fukushima Daiichi nuclear site where Perry will look at efforts to recover from the 2011 earthquake and participation in the 8th Annual Clean Energy and Mission Innovation Ministerials in Beijing where energy ministers from around the world discuss clean energy efforts.

EPA BOOSTS EAST CHICAGO EFFORTS: Fresh off a visit to the East Chicago, Ind., Superfund site, Pruitt ordered a dedicated community coordinator deployed to the area of the contaminated site and vowed the agency would monthly community meetings to provide updates on cleanup progress. "We will take a more hands-on approach to ensure proper oversight and attention to the Superfund program at the highest levels of the agency," he said in a statement. More information is available [here](#).

ZINKE TO FOCUS ON FOREST FIRES FRIDAY: Zinke and Agriculture Secretary Sonny Perdue will spend Friday in Boise, Idaho - the home of the National Interagency Fire Center - where the two will likely talk about forest fires and prevention techniques. The secretaries will also [speak](#) at Boise State University in the morning.

WATCHDOG QUESTIONS IF TILLERSON VIOLATED ETHICS PLEDGE: A nonprofit watchdog group launched to track the Trump administration's activities is questioning whether Secretary of State Rex Tillerson violated his ethics pledge. The group, American Oversight, is raising questions over reports Tillerson appeared at a signing ceremony between his former employer, Exxon Mobil, and the Saudi Basic Industries Corporation concerning a proposed petrochemical complex slated for Texas. American Oversight filed FOIA requests seeking [any guidance or waivers](#) issued to Tillerson regarding the signing ceremony, as well as [photos of the event](#) and [his calendar](#). Tillerson pledged during his confirmation process not to participate in any matters related to Exxon for one year.

MAIL CALL! STRENGTHEN ENVIRONMENTAL JUSTICE PROGRAM: Democratic

Reps. [Donald McEachin](#), [Nanette Diaz Barragán](#) and [Pramila Jayapal](#) released a letter to Pruitt urging him to build upon and strengthen EPA's environmental justice program. "We must act on climate change, recognizing that frontline communities have continually been most impacted by the effects of climate change," the [letter](#), signed by 43 other congressmen, said. Their calls are likely to fall on deaf ears, though, given Trump's budget zeroed out the program.

MOVE THOSE FERC NOMS ALONG: The U.S. Chamber of Commerce sent [a letter](#) to the top Republican and Democrat on the Senate Energy Committee Wednesday, urging them to swiftly advance the nominations Robert Powelson and Neil Chatterjee for open slots on the quorumless FERC. "Mr. Powelson and Mr. Chatterjee have demonstrated a solid grasp on the subject matter within FERC's overview and have a demonstrated record of advocating policy over partisanship," Neil Bradley, chief policy officer for the Chamber, wrote.

PERRIELLO NABS MCKIBBEN ENDORSEMENT: Two weeks ahead of the Virginia gubernatorial primary election, Tom Perriello picked up the endorsement of prominent environmentalist Bill McKibben on Wednesday. "Tom Perriello, for the first time in Virginia's political history, has stood up to Dominion Energy," McKibben said. "That's a smart move - what the politically connected utility wants to do is lock the Commonwealth into a future of pipelines and power plants, even as the energy landscape is changing fast in the direction of renewables."

NEEDS IMPROVEMENT: EPA needs to do better at tracking spending on contracts and grants to small businesses to develop and commercialize innovative technologies, GAO said in [a report](#) released Wednesday.

EDF PLANS CHALLENGE TO PRUITT METHANE ACTION: Joining the Natural Resources Defense Council, the Environmental Defense Fund announced Wednesday it would challenge Pruitt's [decision to stay](#) additional components of the agency's 2016 rule setting methane emissions limits for new oil and gas industry sources. "Colorado, Wyoming and Ohio, already have similar protections in place, which demonstrate the reasonableness of these clean air measures," Peter Zalzal, lead attorney for the group, said in a statement.

The American Petroleum Institute praised Pruitt's decision in its own statement. "As demonstrated through previous regulatory efforts, EPA's focus should be on cost-effective regulations that target emissions of volatile organic compounds, providing the co-benefit of methane emission reductions," the group said in statement.

QUICK HITS

- God 'can take care of' climate change if it's a real problem, congressman says. [MLive](#).
- Lawsuit alleges EPA failed to protect Shenandoah River. [AP](#).
- Trump is deciding on the Paris climate agreement with virtually no science advisers on staff. [Vox](#).

- California, Canada are teaming up to fight climate change - again. [USA Today](#).
- Controversial EPA chief skips Lexington speech, but groups still protest. [Lexington Herald Leader](#).
- EPA sues over tailings near Park City. [Salt Lake Tribune](#).
- Gas May Be Killing the Nuclear Option. [Bloomberg](#).

THAT'S ALL FOR ME!

To view online:

<http://www.politico.com/tipsheets/morning-energy/2017/06/01/how-pruitt-bannon-outsmarted-ivanka-on-paris-220605>

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