

To: Jackson, Ryan[jackson.ryan@epa.gov]
From: Morning Energy
Sent: Fri 12/1/2017 3:03:46 PM
Subject: POLITICO's Morning Energy: Another ANWR wrinkle in tax revamp battle — Murray bashes oil giants as fossil fuel 'enemies' — Pruitt promises new WOTUS rule by mid-2018

By Anthony Adragna | 12/01/2017 10:00 AM EDT

With help from Alex Guillén and Eric Wolff

ANOTHER TAX BILL WARNING OVER ANWR? Even as Senate Republicans scrambled Thursday evening to rewrite their tax package H.R. 1 (115), a small bloc of House Republicans objected to including ANWR drilling in the package - adding a new potential complication for the bill's passage once the chambers head to conference. A dozen House Republicans, six of whom voted for their chamber's bill previously, sent a letter to their party's leaders raising "concerns with any proposal that would implement an oil and gas leasing program" in ANWR though they stopped short of threatening to pull their support for the bill if it was not removed, Pro's Nick Juliano reports.

GOP Reps. Dave Reichert, Brian Fitzpatrick, Carlos Curbelo, Ryan Costello, Pat Meehan and Mark Sanford all backed the tax package on the floor, but are now expressing unease with the ANWR provision, along with six colleagues who opposed the initial bill over issues such as the state and local tax deduction. Remember Speaker Paul Ryan can only afford 10 additional defections from the original November vote tally for the final package to pass, meaning the small bloc holds some juice in the negotiations.

Other former Republican leaders oppose: A group of seven former Republican officials, including the first EPA Administrator William Ruckelshaus and former Interior Deputy Secretary Lynn Scarlett, sent their own letter to congressional leaders warning there's "simply no need to reverse protections" for ANWR and that fiscal projections for revenue are "highly speculative." They added that tacking the provision into the package would "complicate passage of important and vitally needed tax reform."

ICYMI, Senate Republicans tweaked drilling language in their bill to propose selling more oil from the Strategic Petroleum Reserve. What's interesting is the lack of criticism from Republicans who previously been outspoken against such efforts. (EPW Chairman John Barrasso said in 2012 tapping the SPR is "for emergencies - not political disasters.") Sen. Bill Cassidy summed up the party's thinking to ME: "I'm okay with that, because obviously the Strategic Petroleum Reserve is about energy security, and if ANWR is developed that is far more important to energy security than two days of SPR."

WELCOME TO DECEMBER! I'm your host Anthony Adragna, and the State Energy & Environmental Impact Center's Chris Moyer correctly identified Michelle Lujan Grisham as the niece of former Interior Secretary Manuel Lujan now running for office. For today: Which senator once ran the public schools of his state's largest city? Send your tips, energy gossip and comments to aadragna@politico.com, or follow us on Twitter [@AnthonyAdragna](https://twitter.com/AnthonyAdragna), [@Morning_Energy](https://twitter.com/Morning_Energy) and [@POLITICOPro](https://twitter.com/POLITICOPro).

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MURRAY LABELS OIL GIANTS 'ENEMIES' OF FOSSIL FUELS: Three of the major oil and gas corporations are "enemies" of fossil fuels because of their past advocacy for climate action, including a carbon tax, coal executive Robert Murray said Thursday at a conference hosted by the Heritage Foundation and the Texas Public Policy Foundation. Prompted by comments from TPPF's Brooke Rollins calling their carbon tax advocacy "so disingenuous," Murray declared BP, Shell and Exxon Mobil "our enemies," citing politics and shareholders. "They're not doing our grandchildren justice, those three companies. The other oil and gas companies, they realize that once our enemies get rid of coal, they're next," Murray said. "But those three companies are all about politics and shareholders and I don't buy those products." Oil and gas executive Bud Brigham agreed: "It's cronyism that they chose to have a seat at the table with the government and collusion with special interests a la Elon Musk, etc. It's very disappointing."

Murray math: The coal magnate dropped some eyebrow-raising stats during his appearance, including that he has met with EPA Administrator Scott Pruitt a whopping seven times so far this year. Murray also said he has received 71 death threats, "some serious," although he did not specify over what period those were received.

MORE THAN A LITTLE SHAVE: During his swing to Utah next Monday, President Donald Trump is expected to cut the 1.353-million-acre Bears Ears National Monument down to about 201,400 acres and break it into two new monuments called Indian Creek National Monument and Shash Jaa National Monument, Pro's Esther Whieldon [reports](#), citing [proclamations](#). He'll also divide the existing Grand Staircase-Escalante monument into three parts - Grand Staircase National Monument, Kaiparowits National Monument and the Escalante Canyons National Monument. The action is certain to set off a fierce legal battle almost immediately.

House Natural Resources Chairman [Rob Bishop](#) welcomed the move and pledged to attend the ceremony. "The president has stood against prior abuses of executive power and his administration has demonstrated a commitment to work in concert with local communities to protect unique public antiquities and objects the right way," he said in a statement. But Sen. [Tom Udall](#), joined by Native American and environmental groups, will discuss what they're calling an "illegal abuse of power" during an 11 a.m. telephone press conference today.

ZINKE HEADS TO LOUISIANA: This Saturday Interior Secretary Ryan Zinke heads to Louisiana for events on coastal restoration and the state's plan for addressing it along with Sen. [John Neely Kennedy](#), Cassidy and Rep. [Garret Graves](#). They'll participate in events in Baton Rouge, Thibodaux, and Ama, La.

But faces ads in Washington: The Western Values Project is out with a [six-figure ad](#) this morning on Fox News and up digitally in Utah urging Trump to reject Zinke's recommendations on national monuments. "One Cabinet member in Washington has become one embarrassment after another for President Trump," it starts. The final line: "Don't let this wannabe cowboy

embarrass you once again."

LAST CALL! Today's your last chance to weigh in Interior's vows to redo sage grouse conservation plans. Advocates, including the Audubon Society and the National Wildlife Federation, say they've submitted at least 163,000 already in support of the existing plans. And a group of fish, wildlife and natural resources professionals urged Interior to ensure any changes made to sage grouse management plans are backed up by appropriate science.

PRUITT PROMISES FINAL WOTUS BY MID-2018: Pruitt is due to make remarks to farmers and biofuels groups today in Nevada, Iowa, today fresh off his agency's biofuels decision on Thursday and a swing through Kentucky. During a speech to the Kentucky Farm Bureau Thursday, Pruitt promised a final replacement to the Waters of the U.S. regulation by mid-2018 that he said would focus on "navigability," according to video posted by WHAS. He also met with Kentucky Gov. Matt Bevin.

On his relationship with Trump: "It is a blessing to serve him and my desire each and every day is to bless him as he makes decisions."

GREENS DEMAND DOURSON DOCS: American Oversight and the Environmental Working Group are beginning a joint investigation this morning into EPA chemicals office nominee Michael Dourson's early work at the agency prior to his Senate confirmation. They're sending out six FOIA requests seeking copies of his communication with senior political staff; ethics and recusal documentation; calendar and telephone logs; records of political appointees; discussions about Dourson; contacts with outside groups like Koch Industries and DuPont; and interactions with anyone helping Dourson on his confirmation. "Michael Dourson has been at the EPA for more than a month, and if he's been using his position to help his old clients in the chemical industry, the public needs to know before the Senate votes on his confirmation," Austin Evers, executive director of American Oversight, said. Reminder: Dourson appears to be short the votes needed for Senate confirmation.

FROM FARM TO CAR: EPA issued its rule Thursday making official the Renewable Fuel Standard requirements for 2018 and 2019. Cellulosic ethanol volumes were revised up by 50 million gallons from the agency's July proposal because, EPA said in the rule, the agency received updated data that suggested greater production capacity. Still, 2018's cellulosic volume requirement of 288 million gallons is lower than this year's 311 million gallons.

Biodiesel doesn't lose: Biodiesel producers wished for a larger target, but EPA also abandoned its October threat to make deep cuts. EPA had said that it was concerned about import tariffs, feedstock problems, and the expiration of a biodiesel tax credit crimping supply, and so it wanted to make big reductions. The agency is still concerned about those forces, but, it said, "We find it unnecessary to resolve whether to adopt such interpretations at this point in time because under any approach we would find exercise of these waiver authorities not appropriate based on the record before us."

QUICK SENATE ACTION ON BROWNFIELDS EYED: The House passed legislation H.R. 3017 (115) reauthorizing EPA's Brownfields program Thursday afternoon and Sen. Jim Inhofe

said he thought it could pass by unanimous consent in the Senate in the near future. "There's no one opposed to it that I know of," he told reporters. The bill cleared the House by an overwhelming 409-8 [tally](#) with eight Republicans voting no.

CRITICISM OF PUERTO RICO CONTRACTS: Two former Obama administration officials are out with an [op-ed](#) this morning in POLITICO urging the Trump administration to stop its practice of awarding massive reconstruction contracts in Puerto Rico to single companies, such as Whitefish Energy. And that comes as the top Homeland Security Democrat [Claire McCaskill](#) sent a [letter](#) to FEMA asking questions about why it awarded \$30 million in contracts to a newly-formed Florida company that was unable in the end to complete the work on the hurricane-ravaged island.

WEST VIRGINIA'S SENATORS ON BLANKENSHIP BID: Even as convicted coal baron Don Blankenship released [his first ad](#) in his Senate bid, his possible opponent Sen. [Joe Manchin](#) didn't seem perturbed by his entry "I'd just say, 'jump in, the water's fine,'" he told ME. Republican Sen. [Shelley Moore Capito](#) told ME she expected a lively primary campaign and added: "I was surprised and I said, 'It's a free country.'"

MAIL CALL! DO YOU REMEMBER? Top House Energy and Commerce Democrat [Frank Pallone](#) sent a [letter](#) to Chairman [Greg Walden](#) demanding oversight hearings and investigations into the use of private planes by Trump Cabinet officials. "It is critical that we ensure there are effective Agency controls that exist to prevent the risk of fraud, waste, and abuse related to leadership and staff travel," he wrote. Both Perry and Pruitt used non-commercial aircraft, and their agencies fall under the committee's jurisdiction.

INHOFE ON ENDANGERMENT FINDING: NOW OR NEVER: Though it hasn't come up in his conversations with Pruitt, Inhofe wants his fellow Oklahoman to make a push to overturn the endangerment finding now. "If there's a chance of getting it done, I don't see a downside," he told reporters. "I would recommend he do that."

Inhofe spoke with Pruitt on Tuesday and said he was upbeat. "He's warding off the harassment, the opposition, the death threats and these things," Inhofe said. "He's just real happy in his job."

LOOKING FOR WEEKEND PLANS? Hundreds of faith leaders, environmental activists, native tribes, business owners and others gather on Saturday to encircle the Virginia State Capitol on Saturday in protest of the Atlantic Coast and Mountain Valley pipelines. More information [here](#).

TAKE A GLANCE! Resources for the Future released a study Thursday examining multiple potential alternative versions of Perry's proposed grid resiliency rule and their corresponding impacts to human health, the environment, consumers' cost of electricity and power plant owners' profits. Read it [here](#).

COOL NEW TOOL: ProPublica released an application documenting the military's 40,000 hazardous waste sites across the country. Check it out [here](#).

QUICK HITS

- From Yarn Bunnies to Amazon, Tech Fights Trump Coal Plan. [Bloomberg](#).
- Climate activists delay U.S. gas pipeline approvals: regulator. [Reuters](#).
- Traces of petroleum, lead found in water at Rover Pipeline work site. [MLive](#).
- Workers Finish Cleaning up Nuclear Burial Ground. [AP](#).
- A New Study Offers Further Proof That North Texas Earthquakes Are Drilling- and Fracking-Related. [Texas Monthly](#).
- Citgo formally announces Chavez as new CEO. [Houston Chronicle](#).

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