

To: Jackson, Ryan[jackson.ryan@epa.gov]
From: POLITICO Pro Energy
Sent: Wed 7/12/2017 9:43:40 AM
Subject: Morning Energy: Energy, environmental funding hits House spotlight — NRC, EPA nominees finally get their day — Two more picked for DOE roles

By Anthony Adragna | 07/12/2017 05:41 AM EDT

With help from Esther Whieldon, Eric Wolff, Darius Dixon and Annie Snider

SPENDING PACKAGES GET SUNLIGHT: Two key spending packages get public trials through hearings before the House Appropriations Committee today. First up is full committee consideration of the fiscal 2018 \$37.5 billion Energy and Water Appropriations [package](#), which cleared a subcommittee last month by voice vote. Look for an effort to restore funding to the high-risk ARPA-E research program, which the bill proposes zeroing out. Veteran energy watchers may remember the program [won a surprise one-vote floor victory](#) in 2011 to increase its funding by about 80 percent, and the program has secured smaller increases in most subsequent floor debates. ARPA-E received \$306 million in the omnibus Congress passed in May. Other contentious parts of the FY18 bill include a rider barring DOE from using an updated social cost of carbon figure, another provision making it easier for the administration to withdraw the Waters of the U.S. regulation and significant cuts to DOE's renewable energy office. The markup starts at 10:30 a.m. in Rayburn 2359 and available to stream [here](#).

Later this afternoon, an Appropriations subcommittee [examines](#) the fiscal 2018 Interior-EPA spending bill, released Tuesday. The package drops EPA funding to its lowest levels since 2008 — \$7.5 billion — but steers away from the draconian cuts to the agency sought by the Trump administration. As Pro's Alex Guillén and Annie Snider [report](#), the agency's State and Tribal Assistance Grants, which provide states with funds for implementing and enforcing environmental laws, would be cut to \$3.3 billion from the \$3.5 billion spent in 2017, but the measure strongly rebuffs the administration's efforts to end popular regional watershed cleanup efforts, providing \$397 million for such programs. The Interior subcommittee markup begins at 3 p.m., but amendments typically are not introduced until the full committee takes up the bill.

Riders, yeah we got riders: The package would bar EPA from completing work on a court-ordered regulation requiring hardrock mining companies to have enough cash on hand to clean up their sites once work is complete. As Pro's Alex Guillén, Annie Snider and Esther Whieldon [report](#), it also includes language shielding EPA's effort to withdraw the Waters of the U.S. regulation from legal challenges, delaying implementation of the 2015 ozone standard until 2025 and barring Interior from listing the sage grouse as an endangered or threatened species, among other provisions.

Speaking of Interior, the bill would slash the agency's budget by around 7 percent to \$11.9 billion next year, while boosting the Bureau of Ocean Energy Management budget by \$171 million. As Pro's Ben Lefebvre [reports](#), BLM would see its funding reduced by 4 percent to \$1.2 billion, mainly through cuts in its land acquisition budget, while spending on the Bureau of Safety and Environmental Enforcement would remain essentially flat at \$136 million. The proposed measure also refuses a Trump administration attempt to ax the Chemical Safety Board,

funding the board that investigates accidents at refineries and other industrial sites at \$11 million.

WELCOME TO WEDNESDAY! I'm your host Anthony Adragna, and the Pebble Partnership's Peter D. Robertson was first to identify President Calvin Coolidge as the one sworn in by his father. For today: What is the only state to have coastline on three different seas? 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).

WE'LL BE BACK: Thank you to everyone who provided feedback on ME's makeover. We're ironing a few technical issues, but will be back to the new format in the near future!

POLL: PUBLIC SHARPLY DIVIDED ON PARIS PULLOUT: Only 30 percent of the public backs Trump's intent to pull out of the Paris climate accord while 53 percent disapprove, your ME host [reports](#), citing [new polling](#) by POLITICO and the Harvard T.H. Chan School of Public Health. What's more, 59 percent of the public broadly supports more interaction between the U.S. and other countries on climate issues compared to just 12 percent who want less effort. But the results continue to show starkly different views on climate matters between Democrats and Republicans.

NRC, EPA NOMINEES ON THE MOVE: The Senate Environment and Public Works Committee meets this morning to advance nominees for EPA and the Nuclear Regulatory Commission on potentially contentious votes. Ranking Member [Tom Carper](#) still isn't satisfied with how EPA's treating his oversight requests and would only reply "we'll see" when asked if he'd support Susan Bodine, Trump's nominee to head the agency's enforcement office. Carper also acknowledged NRC nominees Annie Caputo and David Wright are "well qualified" to join the commission, but he told ME that many Democrats likely would vote against the pair of GOP nominees to express frustration with EPW Chairman [John Barrasso](#). Carper said Barrasso declined his request to wait for an expected renomination of Democratic NRC Commissioner Jeff Baran so all three NRC nominees could move together as part of a bipartisan package. The objections are unlikely to keep the nominees from clearing committee, but they may add to the growing animosity in the Senate over the slow pace filling the massive number of vacancies in the federal government.

In addition to the nominations, the committee will consider legislation reauthorizing popular Brownfields and diesel engine retrofitting programs. Details on the session, which kicks off at 9:45 a.m. in Dirksen 406, are [here](#).

FROM BERKSHIRE & J.P. MORGAN TO DOE: President Donald Trump is looking to K Street and Wall Street to fill two senior posts at DOE. The White House announced Tuesday he would nominate Paul Dabbar as undersecretary and Mark Menezes as undersecretary of science at DOE, [Pro's Darius Dixon reports](#). Menezes, currently vice president for federal relations at Berkshire Hathaway Energy, previously represented energy companies as a lobbyist for Hunton & Williams, and he served before that as chief counsel for the House Energy and Commerce Committee. Dabbar is managing director for mergers and acquisitions at JPMorgan Chase and serves on the advisory board for DOE's environmental management program.

ENERGY COMPANIES PUSH RUSSIA SANCTIONS CHANGES: U.S. oil companies like Exxon Mobil are pushing House Republicans to amend a Russia sanctions bill making its way through Congress, Pro's Ben Lefebvre [reports](#). One tweak attracting interest is setting an ownership level bar that Russian companies must meet before triggering the sanctions, lobbyists and a senior GOP aide said. "Maybe make it 50 percent threshold, something to say, 'Yeah, the Russians are here,'" the aide said, noting discussions remained in the earliest stages. Senate Minority Leader [Chuck Schumer](#) accused "Republicans and oil companies" of trying to "water the bill down." The measure cleared the Senate, 98-2, in mid-June.

More wrinkles: House and Senate Democrats are sniping about language in the bill that allows only Republicans to force a vote on blocking Trump from easing sanctions, POLITICO's Elana Schor and Heather Caygle [report](#).

CALIF. GOVERNOR SLAMS HOUSE DROUGHT BILL: California Gov. Jerry Brown (D) is fiercely opposing a House measure aimed at rebalancing the state's complex and fragile water systems. "This bill overrides California water law, ignoring our state's prerogative to oversee our waters. Commandeering our laws for purposes defined in Washington is not right," Brown wrote in a [letter](#) to House Speaker [Paul Ryan](#) Tuesday. [H.R. 23 \(115\)](#) from Central Valley Republican [David Valadao](#) — Republicans' second go at drought relief after passing a bipartisan measure into law last year — is slated for consideration on the House floor as soon as today with only a handful of amendments allowed. California's two Democratic senators have opposed the measure, leaving it with long odds of overcoming a filibuster in the upper chamber.

NDAA UP NEXT: Once they finish the drought bill, House lawmakers will begin several days of debate over the National Defense Authorization Act [H.R. 2810 \(115\)](#), which will feature votes on a handful of energy-related amendments. [One](#), from Texas Republican Rep. [Mike Conaway](#), would bar the military from entering into any new contracts or spending new funds on drop-in biofuels or biorefineries while sequestration continues and [another](#), from Rep. [Tony Cardenas](#), a California Democrat, calls for a report on Arctic readiness "including the reasons why the arctic region is changing at such a rapid rate." The measure also contains language requiring a report on how climate change threatens military installations, including the ten most vulnerable to its impacts, and that describes climate change as a "direct threat to the national security of the United States."

NAVY NOMINEE CALLS CLIMATE THREAT REAL: Richard Spencer, Trump's Navy secretary nominee, [told a Senate committee](#) Tuesday climate change represented a real threat worthy of close attention. "The Navy, from my briefings to date, is totally aware of rising water issues, storm issues, etc.," he said in response to a question from [Elizabeth Warren](#). "We must protect our infrastructure, and I will work hard to make sure we are keeping an eye on that because without the infrastructure, we lose readiness."

PRUITT'S READY FOR PRIME TIME: EPA Administrator Scott Pruitt told [Reuters](#) Tuesday his plans for a "red team" review of climate change science may be televised, Pro's Alex Guillén [reports](#), and accused scientists of not sufficiently exploring the issue. "It is a question about how much we contribute to it. How do we measure that with precision? And by the way,

are we on an unsustainable path? And is it causing an existential threat?" Pruitt said. The review is "not necessarily" the first step toward undoing the 2009 endangerment finding that declared climate change a threat, according to Pruitt. Full transcript [here](#).

Speaking of Pruitt, he held meetings with Sens. [Steve Daines](#) and [Deb Fischer](#) on Capitol Hill Tuesday that touched on, among other things, Superfund issues. [Pics](#).

STEP ONE TOWARD REVERSING PEBBLE VETO: EPA took the first step Tuesday toward reversing the Obama administration's effort to preemptively veto Clean Water Act permits for the Alaska's planned Pebble Mine in the Bristol Bay region, Pro's Alex Guillén [reports](#). The agency will take public comment for 90 days on its proposal to withdraw the previously proposed veto and accompanying analysis, according to [a notice](#) published Tuesday.

RECESS LOSS COULD BE ENERGY BILL'S GAIN: Senate Majority Leader [Mitch McConnell](#)'s Tuesday announcement that the Senate would scrap the first two weeks of its traditional August recess could be a boon for a bipartisan energy package [S. 1460 \(115\)](#). Senate Energy and Natural Resources Chairwoman [Lisa Murkowski](#) tells ME she's "hoping" she can secure floor time this work period. As your ME author [reports](#), the Alaska Republican summed up her sales pitch to colleagues: "We have a bipartisan product that's ready to go, and why wouldn't you want to take it up?"

CLIMATE TALK POSSIBLE DURING FRENCH SWING: Trump heads to France for the latter part of this week, and a senior administration official told reporters Tuesday it was "entirely possible" French President Emmanuel Macron would raise climate change during the trip. "If he does, the president has spoken on the issue a number of times, and he'll be ready to engage in that as well," the official said.

STATES, INTERIOR TO TALK SAGE GROUSE IN DENVER: Members of the Interior's sage grouse review team and staffers from a number of Western state governors' offices are holding informal meetings Wednesday and Thursday in Denver as part of the Interior's broad review of the BLM's land-use conservation plans for the bird in those states, sources tell ME. Western governors have pushed to have a voice in the Interior's review of the conservation plans and Secretary Ryan Zinke has given his team until Aug. 6 to send him recommendations.

BIPARTISAN BOOST FOR CCS: Democratic Sens. [Heidi Heitkamp](#) and [Sheldon Whitehouse](#) and Republican Sens. [Shelley Moore Capito](#) and [John Barrasso](#) today will unveil legislation to extend and expand the so-called "45Q" tax credit for carbon capture and sequestration tax credit. The CCS cause suffered a blow last month when Southern Company pulled the plug on the carbon capture aspects of the Kemper plant in Mississippi, but Petra Nova in Texas has been humming along with a different version of the technology for months. The bill is backed by the NRDC and Center for Climate Solutions, and an aide to Heitkamp said the bill is supported by coal companies Arch, Peabody, and Cloud Peak.

MAIL CALL! DEMOCRATS: REVERSE COURSE ON METHANE: A group of 27 Senate Democrats is urging Trump to reverse "unwarranted" efforts to delay EPA and BLM regulations aimed at curbing methane emissions. "The BLM and EPA rules each rely on proven, widely

available, and cost effective technologies to reduce leaking, venting and flaring, and keep natural gas in production and in commerce rather than in the air," they wrote in a [letter](#) released Tuesday. "Delaying or revising these rules will only cause additional and unnecessary waste and result in substantial harm to communities across the country that will be exposed to dangerous air pollution."

DEMOCRATS CONVENE CLIMATE BRIEFING: House Science ranking member [Eddie Bernice Johnson](#) and Rep. [Don Beyer](#) are convening a roundtable with military leaders, scientists and foreign policy experts on climate change's national security implications this afternoon. It kicks off at 3 p.m. in Cannon 340 and can be streamed [here](#).

QUICK HITS

- Official who nixed Everglades from UN endangered-site list gets Trump job. [Miami Herald](#).
- Brown's cap-and-trade bill exposes fault lines of state politics. [San Francisco Chronicle](#).
- Investors shine spotlight on coal groups over climate change risk. [Financial Times](#).
- Poland Plans to Increase Tax on Fuels Amid Social-Spending Drive. [Bloomberg](#).
- State Science Adviser Resigns Early, Amid Departmental Reorganization. [Government Executive](#).
- U.S. Cities, States and Businesses Pledge to Measure Emissions. [New York Times](#).

HAPPENING TODAY

9:45 a.m. — [Meeting](#) to consider various nominees and legislation, Senate Environment and Public Works Committee, 406 Dirksen

10:00 a.m. — "[U.S. Fire Administration and Fire Grant Programs Reauthorization: Examining Effectiveness and Priorities](#)," House Science Research and Technology Subcommittee, 2318 Rayburn

10:00 a.m. — "[Evaluating federal offshore oil and gas development on the outer continental shelf](#)," House Natural Resources Subcommittee on Energy and Mineral Resources, Longworth 1324

10:00 a.m. — Alliance for Innovation and Infrastructure electric grid discussion, Participant Dial-In: 877-888-4312

10:30 a.m. — House Appropriations Committee [markup](#) of Energy and Water Development legislation, 2359 Rayburn

2:00 p.m. — "[The Uncertain Transition Away From Coal—Stories from China and the United](#)

States," Wilson Center, 1300 Pennsylvania Ave. NW

3:00 p.m. — Markup of the FY18 Interior Appropriations Bill, House Appropriations Subcommittee on Interior, Environment, and Related Agencies, 2007 Rayburn

3:00 p.m. — Lawmakers Host Roundtable on Consequences of Climate Change on National Security, 340 Cannon

THAT'S ALL FOR ME!

To view online:

<https://www.politicopro.com/tipsheets/morning-energy/2017/07/energy-environmental-funding-hits-house-spotlight-023697>

Stories from POLITICO Pro

ARPA-E gets an extra \$80 million [Back](#)

By Darius Dixon | 07/14/2011 06:14 PM EDT

The Energy Department's high-risk research program won a surprise victory on the House floor Thursday afternoon when lawmakers agreed — by one vote — to add \$80 million to its account.

The House approved an amendment from Rep. Adam Schiff (D-Calif.) to shift \$80 million from DOE's administrative accounts to the Advanced Research Projects Agency- Energy.

The vote was 214-213.

Lawmakers also passed, 297-130, a mostly symbolic amendment from Rep. John Shimkus (R-Ill.) to boost funds for the license review of the Yucca Mountain nuclear waste site by \$10 million.

Amendments to increase funds for non-defense nuclear cleanup efforts were split.

The House accepted a measure by Rep. Tom Reed (R-N.Y.) to increase cleanup funds by removing money from agency administrative accounts but shut down one by Jim Matheson (D-Utah) that sought to move funds from DOE's weapons division, the National Nuclear Security Administration.

Republican efforts to cut funding to DOE's Science Office and its Advanced Technology Vehicles Manufacturing Loan Program also failed.

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House bill would cut EPA budget, reduce state grants [Back](#)

By Alex Guillén and Annie Snider | 07/11/2017 05:59 PM EDT

The House's EPA spending bill would shrink the embattled agency's fiscal 2018 funding by \$528 million to the lowest level in a decade, but a far more modest cut than the one sought by the Trump administration.

[The bill](#) would provide EPA with \$7.5 billion, according to the House Appropriations Committee, its lowest funding level since 2008.

The proposal would cut the State and Tribal Assistance Grants, which make up a major portion of EPA's budget and doles out money to states for implementing and enforcing environmental laws, as well as for specific projects.

STAG would get just under \$3.3 billion, down from the \$3.5 billion spent in 2017 but significantly more than the \$2.9 billion requested by the White House. Many states, facing their own budget crunches, oppose serious cuts to those grants.

One category of STAG grants, however, would see funding held steady with current levels: the popular state revolving funds that support sewer and drinking water infrastructure projects level, which would receive a combined budget of \$2 billion.

The bill would also raise funding for the new Water Infrastructure Finance and Innovation Act — a new funding mechanism that has yet to make its first awards — by \$5 million to a total of \$25 million.

The measure also offers a rebuke of the Trump administration's move to end funding for popular regional watershed programs across the country, providing \$397 million for such cleanup efforts. Details on how the dollars are allocated, from the Great Lakes to the Chesapeake Bay, are included in the yet-to-be-released bill report.

To view online [click here](#).

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House spending bill takes aim at EPA, Interior rules [Back](#)

By Alex Guillén, Annie Snider and Esther Whieldon | 07/11/2017 04:59 PM EDT

The House's fiscal 2018 Interior-EPA spending bill would prevent the Trump administration from completing a court-ordered rule on hardrock mining and block delay several other key regulations.

As part of a settlement the Obama administration reached with environmentalists, EPA must produce a rule by December requiring hardrock miners to have enough cash on hand to clean up their sites once work is complete. The settlement came a few months after the 2015 Gold King mine spill, although the lawsuit at issue was filed before that disaster. Republicans and industry oppose the rule, and the Forest Service has raised concerns that it will duplicate similar regulations issued by that agency.

The bill also includes a rider that would shield EPA's effort to withdraw the Waters of the U.S. regulation from legal challenges, mirroring a provision from the House's proposed fiscal 2018 spending bill for the Army Corps of Engineers.

House Republicans also included several other appropriations riders that mirrored earlier proposals but did not make it into the existing omnibus spending law, including delaying implementation of the 2015 ozone standard until 2025. EPA Administrator Scott Pruitt has already said he will miss a key implementation deadline for that rule.

A handful of riders in existing law are carried over as well, including language preventing the Interior Department from listing the sage grouse as an endangered or threatened species, a provision classifying electricity generated using biomass as carbon neutral and limits on climate change rules for agriculture.

WHAT'S NEXT: The Appropriations subcommittee with jurisdiction over Interior and EPA plans to mark up the bill on Wednesday.

To view online [click here](#).

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BOEM budget gets modest boost under House proposal [Back](#)

By Ben Lefebvre | 07/11/2017 05:11 PM EDT

The Interior Department's Bureau of Ocean Energy Management would get a modest increase under the House Appropriations Committee fiscal 2018 budget proposal released today.

The proposal that would fund the Interior Department at \$11.9 billion next year — a cut of about 7 percent from current funding levels — would spend \$171 million on the the agency charged with leasing out federal waters for oil and gas development. That's up slightly from the \$169 million Congress allocated for 2017 and matches the figure the White House proposed as part of President Donald Trump's push to increase offshore energy production.

The budget for BLM, the agency that manages Interior's onshore land and energy production leases, is reduced by 4 percent to \$1.2 billion under the appropriations proposal. Most of that cut would be through reductions in BLM's land acquisition budget.

Appropriations for BSEE, the agency charged with overseeing safety on offshore oil and gas rigs, would remain essentially flat at \$136 million.

The U.S. Geological Survey budget would fall by 4 percent, to \$1.04 billion.

The House would fund Chemical Safety Board funded at \$11 million, rejecting a White House proposal to scrap the board that investigates accidents at refineries and other industrial sites.

WHAT'S NEXT: Senate spending committee leaders will hold their first subcommittee markups later this week.

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POLITICO-Harvard poll: Just 30 percent approve of Trump's Paris pullout [Back](#)

By Anthony Adragna | 07/12/2017 05:01 AM EDT

A majority of people disapprove of President Donald Trump's decision to withdraw the U.S. from the Paris climate accord, but opinions are sharply divided by party, according to a [new poll](#) by POLITICO and the Harvard T.H. Chan School of Public Health.

Just 30 percent of the public backs Trump's intent to leave the landmark climate accord while 53 percent disapprove, according to the poll. But 65 percent of Republicans support the president's move compared to just 9 percent of Democrats.

The poll found 59 percent of the public broadly supports more interaction between the U.S. and other countries on climate issues, including 39 percent of Republicans and 75 percent of Democrats. Only 12 percent of adults said they favor less effort by the U.S. on climate issues.

Views were split on U.S. spending to help developing countries address to the effects of climate change. Thirty-six percent of respondents told pollsters they wanted the government to spend more, while 26 percent said the U.S. should spend less and 34 percent called for funding to remain about the same.

But climate change appears unlikely to alter many votes on its own. Just 30 percent of voters said the decision to pull out of Paris was "extremely important" to their voting decision, placing it behind other issues like terrorism and health care.

The survey was conducted by SSRS, an independent research company, for POLITICO and Harvard from June 14-18. It used cellphones and landlines among a nationally representative sample of 1,011 U.S. adults.

WHAT'S NEXT: Public views of these issues are likely to play a role in upcoming

congressional action and the 2018 midterms.

To view online [click here](#).

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Trump taps JP Morgan, Berkshire officials for DOE posts [Back](#)

By Darius Dixon | 07/11/2017 07:13 PM EDT

President Donald Trump plans to nominate Paul Dabbar and Mark Menezes for two open Energy Department undersecretary positions, the White House announced tonight.

Menezes, vice president for federal relations at Berkshire Hathaway Energy, has been nominated as undersecretary at DOE. He used to head Hunton & Williams' energy practice group, where disclosure records show his clients included Berkshire and Southern Co., and before that he served as chief counsel for the House Energy and Commerce Committee. Berkshire lobbying disclosures show he de-registered as a lobbyist in January of this year.

Dabbar, a former submarine officer who is managing director for mergers and acquisitions at JPMorgan Chase, is Trump's pick for undersecretary for science at DOE. He serves on the advisory board for DOE's environmental management program, which runs the agency's defense nuclear cleanup programs.

WHAT'S NEXT: The White House also formally sent the nominations to the Senate tonight. It's up to the Senate Energy and Natural Resources Committee to schedule a hearing on the nominees.

To view online [click here](#).

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Oil companies seek to rein in Russia sanctions [Back](#)

By Ben Lefebvre | 07/11/2017 04:07 PM EDT

U.S. oil companies nervous about the damage tougher Russian sanctions could do to their bottom lines are rallying around a proposal that could allow them to stay in business with Russian partners.

Major players like Exxon Mobil worry they could get locked out of a new wave of massive international oil fields if House Republicans do not amend a sanctions bill making its way through Congress. Industry representatives and lobbyists say they are asking lawmakers to establish a threshold level on the size of the stake in a project a Russian company would have to

own before penalties kick in.

The Senate passed the bill by a 98-2 vote in mid-June as a way to punish Russian meddling in the 2016 U.S. presidential election. As written, it would require U.S. oil companies to leave certain projects where Rosneft, Lukoil or other Russian companies own even the slightest share.

Exxon and other U.S. companies worry their global competitors could weaponize the sanctions, investing just enough in a new project to force U.S. oil companies out and then buying their vacated stakes at a discount.

While the effect on energy projects is a relatively minor issue in the bill, the industry's concerns could still exacerbate an already politically fraught process of getting President Donald Trump to sign it into law. The bill faces additional hurdles in the House and growing resistance from the White House over provisions restricting Trump's power over sanctions policy. House Foreign Affairs Chairman Ed Royce (R-Calif.) is considering writing his own Russia sanctions legislation if the impasse persists.

Senate Minority Leader Chuck Schumer on Tuesday called on the House to pass the sanctions bill, and he accused "Republicans and oil companies" of trying to "water the bill down."

One fix that companies are pushing — and that has attracted interest from House Rules Chairman Pete Sessions (R-Texas) — is setting an ownership level bar that Russian companies have to meet before triggering the sanctions, lobbyists and a senior GOP aide said.

"Maybe make it 50 percent threshold, something to say, 'Yeah, the Russians are here,'" the aide said, emphasizing that no percentage has been agreed on as the idea is still in the early stage of discussion. House leadership was expected to discuss possible fixes to the sanctions bill late Tuesday, the aide added.

Even the hint of instability from tougher sanctions targeting energy companies could convince banks and foreign companies to avoid U.S. partners in developing an oil field, said Daragh McDowell, the principal Russia analyst at Verisk Maplecroft, a global risk consulting firm.

"The big risk to U.S. companies is something like this passes, with either similar or stronger language, and banks and other market players see what direction this is taking and [say], 'This is too risky for us,'" McDowell said. "If you have the U.S. Congress passing sanctions that apply to U.S. companies ... then basically, you just placed a prohibition for U.S. companies while providing plenty of work for any other country that has an oil major that wants to get involved."

Supporters of the Senate bill have said the Trump administration could interpret its language in a way that does not harm energy companies, but the House aide said that would not be enough, stressing that clear language would be needed to prevent future administrations from using their own, rival interpretations later.

Oil companies fear that, as currently written, the sanctions bill would block U.S. firms from participating in future offshore drilling projects in South America, Europe and the Middle East —

regions where Russian companies could be expected to play a role.

Brazil is one example of a country where the sanctions could block U.S. companies from future business opportunities. The country's government invited global oil companies to help develop its reserves as part of its goal to reach of 3.4 million barrels a day of oil and natural gas production by 2021.

Houston-based oil fields service company Halliburton has already worked the region, helping to drill wells for oil companies working off Brazil's east coast. Exxon is reportedly in talks with the Brazilian government and New York-based oil driller Hess to obtain stakes in Brazil's offshore oil fields.

But now that Rosneft has shown interest in developing the area, the sanctions bill as written could throw a wrench in the American companies' plans. The Brazilian government has occasionally asked companies working in adjacent fields to pool resources, sources said, something that could cause Exxon, Halliburton or Hess to run afoul of sanctions laws if Rosneft became a mandated partner.

"We've been providing information to legislators on the potential impact on investments," Exxon spokesman Alan Jeffers said. "There's a potential there to actually benefit Russian companies if they were squeezing U.S. companies out of bidding on projects." Jeffers declined to say if Exxon is pursuing Brazilian oil projects.

The bill would also further inhibit Exxon's efforts to eventually regain access to an Arctic oil field it was in the process of developing with Rosneft before the 2014 sanctions forced them to suspend drilling, analysts said. That's because in addition to its limits on energy partnerships, the Senate bill would also allow Congress to prevent presidents from lifting existing sanctions.

Rex Tillerson, the former Exxon chief executive now heading the State Department, criticized the sanctions last month. Tillerson described the bill as possibly harming communication between the White House and Russia, saying, "I think what I wouldn't want to do is close the channels off with something new."

The American Petroleum Institute, the industry's top lobbying group, has also raised concerns about unintended consequences from the bill. "It has the potential to penalize U.S. interests across the globe and advantage Russia and other countries or entities," API spokeswoman Sabrina Fang said in a statement.

Multiple energy lobbyists and consultants said an ownership bar was being pushed as a way to soften the bill's blow on the industry, portraying it as a narrow fix that would not undermine the bill's overall goal of strengthening sanctions on Russia.

"No one has realistic expectations that the bill may go away," said David Goldwyn, president of Goldwyn Global Strategies energy consultancy and a former U.S. State Department special envoy and coordinator for international energy affairs from 2009 to 2011. But, as written, the current version "just essentially cedes the Russian market to Europeans," he said.

The question Goldwyn says companies are now asking as they lobby both sides of Congress: "Who will take the hit for 'watering down' the bill? It's not clear who's in charge."

How high a percentage Russian companies would own before triggering an American exit is an open question, however.

"Establishing a non-arbitrary ownership threshold any lower than control will be a difficult task for legislators," said Josh Zive, a senior partner at Bracewell who represents energy companies on trade issues. "Modern business structures make simple rules much more difficult in practice, and a poorly drafted standard could cause unnecessary instability and uncertainty among U.S. companies involved in global markets, particularly energy markets."

To view online [click here](#).

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House and Senate Dems play Russia sanctions blame game [Back](#)

By Elana Schor and Heather Caygle | 07/11/2017 07:16 PM EDT

Democrats veered into internal sniping Tuesday over a stalled Russia sanctions bill that would limit President Donald Trump's power to go easy on Moscow.

Even as House leaders continued bipartisan talks over how to resolve concerns that are holding up the popular Senate-passed sanctions bill, Democrats on both sides of the Capitol pointed fingers at each other over how they managed to miss an alteration that limited the power of the House minority to tie Trump's hands on relations with Russia.

The ongoing procedural drama over the sanctions bill, which cleared the Senate 98-2 last month, threatened to distract Democrats as House Republicans continue to struggle with their own intra-party tension over the proposal to punish Russia. Senate Democrats also seized on the president's deepening Russia scandal Tuesday to push the House to quickly pass the sanctions bill, citing Donald Trump Jr.'s meeting with a Russian government lawyer to discuss damaging information about Hillary Clinton.

House GOP leaders are feeling pressure to act quickly on sanctions to avoid looking weak on Russia, despite the White House's lobbying to secure changes to the bill that are more favorable to Trump. But until Majority Leader Kevin McCarthy (R-Calif.) and House Minority Whip Steny Hoyer (D-Md.) can resolve the latest partisan dispute, the sanctions legislation remains stuck in the House — and senators in both parties are growing impatient.

"We've worked out our process — they have to work out their process," the Senate Foreign Relations Committee's top Democrat, Ben Cardin of Maryland, told reporters. "But don't use that as a justification to hold this bill up. This bill needs to pass."

Two House Democratic aides laid blame at Senate Democrats' feet for failing to catch the change to the bill that allows only Republicans to force a vote on blocking Trump from easing sanctions.

House Democrats raised concerns with the Senate before the upper chamber unanimously approved the changes to the sanctions bill, according to a third aide.

"The Senate knew they were changing House procedure and did not consult with us and that's on them," the third House Democratic aide said. "We were never okay with the procedural change that House Republicans made that would prevent the minority from forcing consideration."

One House Democratic lawmaker familiar with the negotiations also said the Senate was at fault: "We trust that the other body knows what it's doing when it sends its own bill to us. Everyone should've caught it, but it's your bill. You should've caught it; you voted for it."

But Senate Democrats say the burden rested with the House to recognize that the change, which Republicans have billed as creating parity between the two chambers, would end up robbing House Democrats of power.

"That any House staff would point the finger at the Senate is laughable at this juncture," one Senate Democratic aide said. "Even if the Senate had written a bill that in part contained a problem for the House, it would be up to the House as the resident expert on their own rules and procedures to be aware of it, flag it, and ask for it be corrected before the Senate passes the bill."

And senators on both sides of the aisle continue to urge the House to pass the Senate-passed bill as written.

"I think they'll pass a Russia sanctions bill, and I think it'll look almost identical to what we have," Senate Foreign Relations Chairman Bob Corker (R-Tenn.) told reporters, describing his work with House Foreign Affairs Chairman Ed Royce (R-Calif.) as "hand in glove."

Senate Majority Leader Chuck Schumer sought Tuesday to put the onus back on House Republicans who are also getting pressed by the oil industry to change elements of the sanctions bill, charging that they "have come up with excuses to avoid moving forward" on the legislation.

"The House, right now, needs to pass the tough, strong sanctions bill that the Senate sent them on a bipartisan 98-2 vote," Schumer told reporters. "Between these revelations and the president's horrendous handling of the meeting with Mr. Putin, it's clear that Congress needs to step in and sanction Russia."

House Republicans, for their part, say House Democrats are now the only ones holding up the sanctions package from moving forward.

"House Democrats are now standing in the way of progress on this sanctions package," said AshLee Strong, spokeswoman for Speaker Paul Ryan (R-Wis.), noting that the Senate crafted the original House procedural provision "without consulting with the House on the front end."

But House Democrats say that's false, accusing Republicans of hiding behind the Democratic finger-pointing while trying to slow walk the sanctions package at the behest of the White House.

Hoyer even offered a potential fix palatable to Democrats during negotiations over the recess — allowing either the majority leader or the minority leader to offer a resolution of disapproval that would stop Trump from easing sanctions — but Republicans have yet to agree to that, according to a source.

The Maryland Democrat said in a statement Tuesday that negotiations are ongoing despite the hang-up, adding that he hopes for action on the bill later this week.

"I continue to oppose the process House Republicans included in the bill that would only allow the Speaker of the House to force consideration of whether to allow the administration to waive sanctions," Hoyer said.

"I believe this is an issue that we can quickly resolve, and I hope that Republican leadership will work with us to address this issue and bring the bill to the floor for a strong, bipartisan vote this week."

A spokeswoman for House Minority Leader Nancy Pelosi (D-Calif.) declined to comment for this story, directing inquiries to Hoyer's office.

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Pruitt: 'Red team' climate review may be televised [Back](#)

By Alex Guillén | 07/11/2017 03:53 PM EDT

EPA Administrator Scott Pruitt said his plans for a "red team" review of climate change science may be televised, according to an interview with [Reuters](#), in which he also accused climate scientists of not answering key questions.

"It is a question about how much we contribute to it. How do we measure that with precision? And by the way, are we on an unsustainable path? And is it causing an existential threat?" he told the wire service.

Pruitt did not elaborate on how scientists would be chosen, but said there should be "a robust discussion for all the world to see." That could include via television, he said, arguing that "the American people would be very interested in consuming that."

The red team review is "not necessarily" the first step toward undoing the 2009 endangerment

finding that declared climate change a threat and led to a number of Obama-era climate regulations, Pruitt told Reuters. The service reported that Pruitt believes "there may be a legal basis to challenge the finding but would prefer Congress weigh in on the matter." There are currently at least three pending petitions with EPA seeking to overturn the finding.

Several noted climate scientists have scoffed at the idea of participating in a red team review, saying it would lend unearned legitimacy to the review. The peer-review scientific process and decades of research have provided the necessary review, scientists say.

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Trump EPA moves closer to reversing Pebble Mine proposed veto [Back](#)

By Alex Guillén | 07/11/2017 03:46 PM EDT

The Trump administration is moving forward with a plan that could let the developers of the planned Pebble Mine in Alaska reapply for permits in the Bristol Bay region.

EPA is taking the first formal step toward reversing the Obama administration's effort to preemptively veto Clean Water Act permits for the mine. The agency will take public comment for 90 days on its proposal to withdraw the previously proposed veto and accompanying analysis, according to a [pre-publication notice](#) posted today on the agency's website.

The announcement is part of a court-approved deal EPA reached in May with the company behind the proposed gold, copper and molybdenum mine. Pebble's developers had alleged EPA's prior work on the matter, which halted in 2014, violated an open government law.

Senate Energy and Natural Resources Chairwoman [Lisa Murkowski](#) (R-Alaska) last month asked EPA Administrator Scott Pruitt to accept comments for at least 90 days because of the current commercial fishing season in Bristol Bay, which she said would limit the ability of local fishers to comment.

EPA's withdrawal is the first step of carrying out the [settlement agreement](#) struck with Pebble's developers. The agency has agreed not to study related water quality issues for at least four years or until the Army Corps of Engineers finishes its own environmental study. Pebble has until late 2019 to apply for a permit.

WHAT'S NEXT: The 90-day comment period will commence once the notice is published in the Federal Register.

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Murkowski pushing for energy bill action this work period [Back](#)

By Anthony Adragna | 07/11/2017 03:08 PM EDT

Senate Energy and Natural Resources Chairwoman [Lisa Murkowski](#) told reporters today she's hoping a broad energy package [S. 1460 \(115\)](#) can secure some floor time during the current work period — which Senate Majority Leader [Mitch McConnell](#) says will extend into the middle of next month.

McConnell [announced](#) this afternoon that the Senate would cancel the first two weeks of its August recess to give Republican lawmakers more time to work through their daunting to-do list, which includes repealing Obamacare and raising the debt limit.

"We have a bipartisan product that's ready to go, and why wouldn't you want to take it up?" Murkowski said, urging lawmakers to consider the package "in these spaces that we have."

She acknowledged she'd need Democratic cooperation to prevent the legislation — which is largely unchanged from a version that passed the Senate 85-12 in April 2016 — from being bogged down by procedural hurdles.

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