

To: Jackson, Ryan[jackson.ryan@epa.gov]
From: Morning Energy
Sent: Tue 7/25/2017 2:37:37 PM
Subject: POLITICO's Morning Energy, presented by Chevron: White House coy ahead of House Russia sanctions vote — House GOP mulls another try at full omnibus — Bernhardt confirmed by Senate

By Anthony Adragna | 07/25/2017 10:00 AM EDT

With help from Esther Whieldon and Darius Dixon

RUSSIAN SANCTIONS GETS HOUSE VOTE TODAY: House lawmakers vote today on a package of sanctions against Russia, Iran and North Korea, but it remains an open question what President Donald Trump would do once the measure reaches his desk. White House Press Secretary Sarah Huckabee Sanders on Monday appeared to walk back earlier indications of support. "He's looking over where it stands exactly at this point and we'll keep you posted on the decision," she told reporters on traveling with the president on Air Force One. The bill, H.R. 3364, includes language sought by the U.S. energy sector that would allow companies to participate in projects as long as sanctioned Russian firms do not have a controlling interest or more than a 33 percent stake in them. It is expected to easily clear the House.

Speaking of sanctions, any new penalties currently being considered against Venezuela won't start with the country's oil exports, Pro's Ben Lefebvre reports, citing a senior administration official. "Everything is definitely on the table" as far as sanctions targets, the official told Ben. But "round one will definitely not" target the country's oil sector, the official added. Analysts have said that targeting Venezuela's oil sector would crash its economy and make the human rights situation there worse. U.S. refiners have also scoffed at the idea.

SUMMER BREAK DELAYED? Frustrated with their leadership's decision to pursue a slimmed-down, mini-spending package this week, House GOP Appropriators are urging the cancellation of the first week of August recess so they can pursue a full, 12-bill omnibus, POLITICO's Rachael Bade and John Bresnahan report. "The whole purpose of whipping is to be able to make your case so the fact that we did all this work and it's not going anywhere is really frustrating," steamed appropriator Tom Rooney said last Thursday. Sources close to GOP leaders said Monday they were considering reversing course and pursuing the broader spending package. But by Monday night it appeared they still sorely lacked the votes.

In the meantime, the House Rules Committee is expected to finalize the structure of the debate for the mini-bus later today. Lawmakers filed 79 amendments to the Energy and Water title of the package H.R. 3219 (115) on everything from funding for Yucca mountain to increasing funds for DOE's Energy Efficiency and Renewable Energy to barring a rider related to the Waters of the U.S. regulation. Many of those are unlikely to actually see floor time, but we'll have to wait until the committee finishes up its work to see the full list of what made the cut.

In a statement of administration policy Monday, the White House backed the underlying spending bill but strongly condemned "continued construction" for the MOX project in South Carolina, which the administration called "unaffordable and risky." In addition, the White House voiced concern with a prohibition on using other funds from the Nuclear Waste Fund on interim

nuclear waste storage activities and called for lawmakers to "further reduce funding for costly later-stage development, commercialization, and deployment activities" on energy research.

WELCOME TO TUESDAY! I'm your host Anthony Adragna, and Sen. Orrin Hatch is the proud boaster of the sole Reagan Republican primary endorsement. For today: Who was the first senator in history to be reelected after switching parties? 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).

Playbook Exchange Denver - Join POLITICO Playbook co-authors Anna Palmer and Jake Sherman for a special Playbook Exchange event in Denver with Colorado Gov. John Hickenlooper. Aug. 1 - 5:30 p.m. MDT / 7:30 p.m. EDT - S&P Global, 1800 Larimer St., 2nd Floor, Denver. RSVP: [Here](#). Watch it live: [Here](#).

BERNHARDT WINS SENATE CONFIRMATION: Senators [voted](#) 53-43 Monday evening to confirm David Bernhardt's nomination as deputy secretary at Interior, Pro's Ben Lefebvre [reports](#). Five members of the Democratic caucus - [Michael Bennet](#), [Joe Donnelly](#), [Heidi Heitkamp](#), [Angus King](#) and [Joe Manchin](#) - joined all Republicans in supporting his bid to serve as Secretary Ryan Zinke's No. 2. "David's extensive experience serving under previous Interior secretaries, his esteemed legal career, and down-right love of our land and resources is exactly what is needed to help streamline government," Zinke said in a statement after the vote.

Green and good governance groups, which criticized Bernhardt as having too many conflicts of interest to fill the position, vowed after the vote they would closely watch his actions at the agency. "Bernhardt is ethically compromised on issues ranging from national monuments to offshore drilling; we expect timely recusals from these decision-making processes," Kelly Mitchell, Greenpeace's climate and energy director, said in a statement.

SPOTTED: Energy Secretary Rick Perry and fellow Eagle Scout Zinke (in a Scout uniform) traveled with Trump to the 2017 National Scout Jamboree in Beaver, W.Va., and stood behind the president on stage as he delivered remarks. Picture of the two Cabinet secretaries [here](#). Trump tweeted [video](#) of them boarding Air Force One as well.

DEEP DIVE INTO USDA SCIENCE PICK: All major farm groups are lining up behind Sam Clovis, Trump's pick to be USDA's chief scientist who lacks scientific experience and has criticized mainstream climate change science, Pro Agriculture's Helena Bottemiller Evich [reports](#). "Some have suggested that Dr. Clovis is not qualified for this position due to his lack of hands-on science and research experience," a coalition of nearly two dozen industry groups [wrote](#). "We do not share this point of view." But environmental and scientific groups say he's not qualified for a position that, by law, must be drawn from "among distinguished scientists with specialized training or significant experience in agricultural research, education and economics." Despite criticism of his credentials, Clovis has been quietly winning over rank-and-file at USDA, which was not seized by the chaos that engulfed other agencies, like EPA, during the first few months of the Trump administration.

DEMS READY TO ROLL ON ENERGY BILL? Whatever shot the Senate's energy package

S. 1460 (115) has for movement in the near term likely hinges on today's healthcare vote, but Energy and Natural Resources ranking member Maria Cantwell says her side is good to go. "We hotlined it on our side and everybody's ready to go," she told reporters. Should the healthcare vote fail, the measure's backers hope it could be slotted in for floor time as the chamber plans to stick around into August. But a Democratic committee aide was less equivocal about where things stand later Monday: "We're still working through the amendment process right now," the aide said.

CARPER BASHES PRUITT: Amid disclosures showing EPA Administrator Scott Pruitt spent nearly half his first three months atop the agency on trips to Oklahoma, Senate EPW ranking member Tom Carper called for "increased transparency" from the administrator but delivered quite the burn. "Mr. Pruitt has spent more days in Oklahoma at this point than President Trump has spent at his golf courses, which is no minor feat," he said in a statement.

PROBE SOUGHT OVER INTERIOR REASSIGNMENTS: Eight Senate ENR Democrats, led by ranking member Maria Cantwell, asked Interior's inspector general to look into recent moves to reassign senior career staff, Pro's Esther Whieldon reports. The move follows the highly publicized transfer of Joel Clement, who was moved from a managerial position involving climate change issues to a job collecting royalties from oil and gas companies. In a letter to Deputy Inspector General Mary Kendall, the senators said moving career staff to jobs "where their talents are wasted would constitute a serious act of mismanagement, a gross waste of public funds, and an abuse of authority."

**** A message from Chevron:** We're piloting a program that uses drones to keep an eye on Chevron wells, tanks, and pipelines-all to keep DOERS and what they're doin' safer. Watch the video: <http://bit.ly/2vnI0Ve> **

FIRST STEP TOWARD CLIMATE 'RED TEAM'? The Competitive Enterprise Institute's Myron Ebell says EPA might tap Steven Koonin, DOE undersecretary for science from 2009 to 2011, to run its "red team" review of climate science, Pro's Alex Guillén reports. Koonin, who wrote in 2014 the science behind climate change "is not settled," floated the formation of a red team in an April Wall Street Journal piece, where he said such a review "would shine much-needed light on the scientific debates" surrounding the issue. Critics say such an exercise would give the minority disputing the scientific consensus on climate change an outsized public voice.

WOTUS TOURS ROLLS ON: Pruitt headed to South Carolina Monday for further discussion with local officials about the Waters of the U.S. regulation. Attendees included Sen. Lindsey Graham, Rep. Joe Wilson and state Attorney General Alan Wilson. "#WOTUS fails common sense test and proven to be government overreach at its worst," Graham tweeted.

ANOTHER PANEL WADES INTO BIOFUELS DEBATE: Two House Science subpanels dip their toes into the ongoing debate over biofuels policy with a hearing at 10 a.m. that the committee says will "examine federal funding of biofuels projects and how it affects the private market." Witnesses include representatives from Oak Ridge National Laboratory and University of Michigan's Energy Institute, as well Growth Energy's CEO Emily Skor and the Heritage Foundation's Nicolas Loris. More info here.

NUCLEAR, CCS TECHNOLOGIES EXAMINED: The Senate EPW Subcommittee on Clean Air and Nuclear Safety today hears from experts on the research, development, and deployment of advanced nuclear and carbon capture, utilization, and sequestration technologies. A committee aide said the session would "inform potential future legislative proposals and review of regulatory activities." Lamar Alexander, the top Energy appropriator, testifies first. The hearing kicks off at 10 a.m. in Dirksen 406.

HOTTEST TAKE: House Science Chairman Lamar Smith published a piece on the Heritage Foundation's Daily Signal Monday arguing "the benefits of a changing climate are often ignored and under-researched." Read it here.

HEITKAMP DISHES ON CCS BILL: If you, like ME, hadn't known previously that Sen. Heidi Heitkamp has a podcast, her latest episode features Sens. Sheldon Whitehouse and Shelley Moore Capito discussing their efforts to enact legislation boosting carbon capture and sequestration technologies. "I'm a very strong believer in an all-in strategy," Whitehouse said, describing why he's pushing the bill. "We know it's not going to be what it was in the past - we know that and accept that - but we do see it as a baseload energy provider, but if we don't get it cleaner, we're going to have much rockier roads in front of us," Capito said of coal.

LBNL REPORT SAYS STATE RPS PLAYING DIMINISHED ROLE: A new report by DOE's Lawrence Berkeley National Laboratory finds that overall state renewable portfolio standards are playing less of a role in renewables growth, particularly where wind generation is concerned. Across the U.S. last year, RPS drove 44 percent of all renewable capacity additions whereas from 2008 through 2014 it accounted for up to 70 percent of new projects. In 2016, only 21 percent of all wind additions were because of state requirements, although 59 percent of new solar was thanks to state RPS. The report attributes the changes partly to corporate contracts for renewable power and growth of utility-scale projects in states that do not have renewable standards.

REPORT: NEW REACTORS COULD MAKE INDUSTRY COMPETITIVE: Advanced reactor tech could make nuclear-generated electricity competitive in the power markets where the industry has states bending over backward to rescue the existing fleet, according to a report coming out today. The study, being released by the Energy Innovation Reform Project, estimates that the technology under development at eight companies could generate electricity at an average of \$60 per megawatt-hour, nearly 40 percent below what the Vogtle and Summer nuclear expansions will be producing at. "At these costs, nuclear would be effectively competitive with any other option for power generation," the report says. EIRP's executive director will discuss the report at the Nuclear Energy Institute headquarters at 10 a.m.

FORUM LOOKS AT GRID INNOVATION: The Edison Electric Institute, GridWise Alliance and National Electrical Manufacturers Association today at 9:30 a.m. kick-off an expo looking at the latest technologies and projects transforming the electric grid. Held in conjunction with the House Grid Innovation Caucus, the event takes place in the Rayburn Foyer.

DELAWARE RIVER WATERSHED FRACKING BAN SOUGHT: Environmental groups

from New Jersey, New York and other states will submit a petition with more than 60,000 signatures this week to governors and the Army Corps of Engineers asking for a permanent ban on fracking in the Delaware River watershed area, POLITICO New York's David Giambusso [reports](#). The Delaware River Basin Commission has imposed a moratorium on hydraulic fracturing in the river's watershed area since 2010.

MOVER, SHAKER: Robert Scher has been appointed head of international affairs for BP America, effective immediately; he's been serving since 2014 as the assistant secretary of Defense for strategy, plans, and capabilities in the Pentagon.

QUICK HITS

- U.K. Seeking to Fill Climate Leadership Void Left by Trump. [Bloomberg](#).
- Dakota Access protesters claim responsibility for pipeline sabotage. [Des Moines Register](#).
- Study: our Paris carbon budget may be 40% smaller than thought. [Guardian](#).
- Coal Baron Attempts to Halt Critical 'Last Week Tonight' Rebroadcast. [Rolling Stone](#).
- Fighting climate change can boost jobs, cut inequality - New York mayor [Reuters](#).
- Luxury hotels, fine dining for LePage on taxpayers' dime. [Portland Press-Herald](#).

THAT'S ALL FOR ME!

**** A message from Chevron:** This is a story about energy, safety, and some truly high-flyin' doin'. We're piloting a program that uses drones, HD imaging, and thermal mapping to help keep a close eye on Chevron wells, tanks, and pipelines-all to keep DOERS and what they're doin' safer. Watch the video: <http://bit.ly/2vnI0Ve> **

To view online:

<http://www.politico.com/tipsheets/morning-energy/2017/07/25/white-house-coy-ahead-of-house-russia-sanctions-vote-221509>

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To: Jackson, Ryan[jackson.ryan@epa.gov]
From: Anna Palmer Jake Sherman Daniel Lippman
Sent: Tue 11/28/2017 11:31:44 AM
Subject: POLITICO Playbook, presented by PhRMA: BREAKING... Last-minute Senate tax bill changes -- TRUMP to meet with BIG 4 -- NEW Conyers allegations -- WAR at the CFPB -- SEAN HANNITY profile -- WH MAY BAN staffers' personal cell phones -- B'DAY: Jake Sullivan

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Today's POLITICO Playbook presented by PhRMA

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Driving the Day

Good Tuesday morning. YOU'RE INVITED -- NEXT WEEK! -- We're super excited to announce the guests for our first live podcast taping next Thursday night (Dec. 7) at 7 p.m. at Sixth and I. Our idea: to bring the written Playbook to life in a live setting. We want you to hear from the people behind the story, the reporters reinventing how we consume news and the strategists putting together their party's game plan for 2018.

Our inaugural guests: **MICHAEL BARBARO**, host of the New York Times' hit podcast "The Daily," **DCCC EXECUTIVE DIRECTOR DAN SENA** and **NRCC EXECUTIVE DIRECTOR JOHN ROGERS**. And a panel of POLITICO stars: **RACHAEL BADE**, **SEUNG MIN KIM** and **ANNIE KARNI**. **Get your tickets now!** <http://bit.ly/2hWK7tF>

-- AND DON'T FORGET -- SEN. MARCO RUBIO (R-FLA.) will sit down with us for the Playbook Interview Wednesday at 8 a.m. at the Liaison Hotel on Capitol Hill (415 New Jersey Ave., NW). <http://bit.ly/playbookrubio>

NEW NYT MAG COVER STORY - SEAN HANNITY PROFILE -- "How Far Will Sean Hannity Go? The Fox News host is willing to defend Trump at all costs - and is reaching more than 13 million people a day," by Matthew Shaer: "Along with Neil Cavuto and Jon Scott, Hannity is one of the last remaining members of the original 1996 Fox News lineup, and following the sexual-harassment scandals that led to the ouster of its chief executive, Roger Ailes, and the host Bill O'Reilly, the network's prime-time offerings have largely been remade in Hannity's image. But because of his radio obligations, Hannity rarely spends much time at Fox, preferring to remain at the radio offices until the last possible moment so he can prepare for his TV show in silence. 'I come in to do TV, I do TV and I walk out,' is how he put it to me. Office politics, he said, didn't interest him. ...

"Hannity rarely grants interviews to mainstream reporters, whom he calls 'disgustingly biased, ideological and corrupt.' But he also suffers from a suspicion that his critics willfully misunderstand his motivations. ... [I]n October, when I asked him to show me around his hometown, Franklin Square, on Long Island, he enthusiastically agreed, suggesting a pizzeria off Hempstead Turnpike." <http://nyti.ms/2ibtYo6> ... **The cover** <http://bit.ly/2Bv2lpm>

FIRST IN PLAYBOOK -- 45COMMITTEE THANKS SEN. RAND PAUL FOR SUPPORTING TAX REFORM -- 45Committee, the Adelson- and Ricketts-family backed group, is rotating in a new spot on television thanking Rand Paul for committing to vote for tax reform in an ad titled "Leading the Way." "President Trump and Sen. Rand Paul are leading the way on tax reform. ... Sen. Paul knows it's your money, and tax reform means an extra \$2,000 for hard-working Kentucky families ... Thank Sen. Paul, he's fighting for real tax reform," the narrator says in the ad. **BEFORE HE COMMITTED TO VOTING YES**, 45Committee had an ad on air saying "keep your word, Sen. Paul, vote yes on tax cuts." **The 'keep your word' ad** <http://bit.ly/2BtL7xV> ... **The 'thank you' ad** <http://bit.ly/2k6NSAY>

BREAKING ... LAST-MINUTE TAX CHANGES -- SEUNG MIN KIM, COLIN WILHELM and BERNIE BECKER: "Senate Republicans are rushing to change their tax overhaul just days before a planned floor vote, with GOP leaders trying to appease at least a half-dozen holdouts. Senate Majority Leader Mitch McConnell can lose only two votes and still pass the bill by week's end. The last-minute modifications underscore the speed with which leadership is moving and the narrow margin for error on the party's top legislative priority. Two critical Republican swing votes, Ron Johnson of Wisconsin and Bob Corker of Tennessee, on Monday left open the possibility that they could vote against the tax plan in a key committee vote scheduled for Tuesday if changes weren't made to their liking. That would tank the bill before it could reach the floor, putting more pressure on leadership to quickly make revisions.

"Johnson and a fellow former businessman, GOP Sen. Steve Daines of Montana, are demanding more generous tax treatment for so-called pass-through businesses. Yet the changes they want are expensive, and tax-writers would have to find savings elsewhere to ensure the bill ultimately costs no more than \$1.5 trillion over a decade as required under a budget framework.

"We're gonna make them happy,' Senate Finance Committee Chairman Orrin Hatch of Utah said of Johnson and Daines. 'But we're not sure we can do exactly what they want to have done.' And a handful of deficit hawks -- including Corker and Sens. Jeff Flake of Arizona and James Lankford of Oklahoma -- are discussing a trigger mechanism that would kick in and potentially change tax rates if the economic growth needed to defray the cost of the tax overhaul doesn't materialize." <http://politi.co/2jtudHJ>

-- THE TIMES' TAKE: "Senators Scramble to Advance Tax Bill That Increasingly Rewards Wealthy," by Jim Tankersley, Alan Rappeport and Tom Kaplan: "The

Republican tax bill hurtling through Congress is increasingly tilting the United States tax code to benefit wealthy Americans, as party leaders race to shore up wavering lawmakers who are requesting more help for high-earning business owners. ... With pressure increasing on Republicans to produce a legislative victory, lawmakers are contemplating changes that would exacerbate the tax bill's divide between the rich and the middle class.

"Those include efforts to further reward certain high-income business owners who are already receiving a tax break in the Senate bill but who are at the center of a concerted push by conservative lawmakers and trade groups to sweeten those benefits. As Republican leaders pressed for a Senate floor vote this week, there appeared to be little momentum for amendments that would help low-income Americans, which some Republican and many Democratic senators had sought." <http://nyti.ms/2jrNfxW>

-- **AMERICAN ACTION NETWORK** is launching a \$2.5 million TV and digital ad campaign thanking House members in 28 districts for their support for the House tax bill. **List of targeted districts** <http://bit.ly/2nbg6vl> ... **The ad** <http://bit.ly/2AcswrT>

WHAT'S ON PRESIDENT TRUMP'S MIND -- @realDonaldTrump at 9:48 p.m.: "New home sales reach a 10 year high. Stock Market has more record gains. Hopefully Republican Senators will give us the much needed Tax Cuts to keep it all going! Democrats want big Tax Increases."

***** **A message from PhRMA: How much are hospitals marking up medicine prices?** According to new Moran Company analysis, hospitals mark up medicine prices nearly 500 percent. The analysis of 20 medicines also found a hospital is paid 2.5 times what the biopharmaceutical company, who brought the medicine to market, receives. Read more: <http://onphr.ma/2hSaqox> *****

BIG DAY IN D.C. -- TRUMP will be on the Hill meeting with Senate Republicans, before he has the big four -- Nancy Pelosi, Chuck Schumer, Paul Ryan and Mitch McConnell -- at the White House. VP Mike Pence will be in New York, where he'll speak at Israel's mission to the U.N. In the evening, he'll receive an award from the Hudson Institute.

-- **WAPO'S SEAN SULLIVAN** and **ED O'KEEFE**: "Ahead of the meeting with House Speaker Paul D. Ryan (R-Wis.), Senate Majority Leader Mitch McConnell (R-Ky.), House Minority Leader Nancy Pelosi (D-Calif.) and Senate Minority Leader Charles E. Schumer (D-N.Y.), there were unresolved questions about how much more money the federal government may spend in the coming years - plus pressing concerns regarding immigration and health care.

"With government funding scheduled to dry up on Dec. 8, both sides have floated the possibility of passing a short-term plan that would push negotiations until just before Christmas. Currently, Congress may spend no more than \$549 billion for defense programs and \$516 billion for non-defense programs next year, a cut from current levels.

"But the Trump administration and defense hawks want to boost defense spending to more than \$600 billion, and Democrats are demanding a dollar-for-dollar increase in non-defense spending. In a sign of how serious Republicans are about boosting Pentagon spending, Defense Secretary Jim Mattis is expected to attend the meeting, according to aides." <http://wapo.st/2AEQ9dW>

AMAZING WASHINGTON POST REPORTING MOMENT ON TAPE -- SHAWN BOBURG, AARON DAVIS and ALICE CRITES: "A woman who falsely claimed to The Washington Post that Roy Moore, the Republican U.S. Senate candidate in Alabama, impregnated her as a teenager appears to work with an organization that uses deceptive tactics to secretly record conversations in an effort to embarrass its targets.

"In a series of interviews over two weeks, the woman shared a dramatic story about an alleged sexual relationship with Moore in 1992 that led to an abortion when she was 15. During the interviews, she repeatedly pressed Post reporters to give their opinions on the effects that her claims could have on Moore's candidacy if she went public.

"The Post did not publish an article based on her unsubstantiated account . When Post reporters confronted her with inconsistencies in her story and an Internet posting that raised doubts about her motivations, she insisted that she was not working with any organization that targets journalists. But on Monday morning, Post reporters saw her walking into the New York offices of Project Veritas, an organization that targets the mainstream news media and left-leaning groups. The organization sets up undercover 'stings' that involve using false cover stories and covert video recordings meant to expose what the group says is media bias.

"James O'Keefe, the Project Veritas founder who was convicted of a misdemeanor in 2010 for using a fake identity to enter a federal building during a previous sting, declined to answer questions about the woman outside the organization's offices on Monday morning shortly after the woman walked inside. 'I am not doing an interview right now, so I'm not going to say a word,' O'Keefe said. In a follow-up interview, O'Keefe declined to answer repeated questions about whether the woman was employed at Project Veritas. He also did not respond when asked if he was working with Moore, former White House adviser and Moore supporter Stephen K. Bannon, or Republican strategists." <http://wapo.st/2ADohXB>

-- **MUST-WATCH VIDEO** ... Stephanie McCrummen confronts the woman that approached the Post. <http://wapo.st/2ADEqvX>

-- **@jaketapper:** "Political activist prankster caught faking a sexual assault in an attempt to undermine real victims. Other than being an actual sexual predator, I'm not sure how much more ethically lost someone could be than that -- but the night is still young."

SNEAK PEEK - PETER HAMBY speaks to **STEVE BANNON** in today's episode of Snapchat's "Good Luck America," about Bannon's influence, his fight against the GOP

establishment and the Alabama Senate race. Bannon on his power outside the WH: "When you're in the White House, you're just another staffer. And I had a lot of influence. But there's a difference between influence and power. When I'm out with Breitbart and have all my weapons, I can really effectually change much more and help the president." **40-second video** <http://bit.ly/2AEbTpY>

WHAT EVERYONE IS TALKING ABOUT -- "Congress on edge over sexual harassment allegations," by Kyle Cheney and Heather Caygle: "The specter of new sexual harassment allegations becoming public has Capitol Hill on edge, creating an atmosphere of uncertainty even as lawmakers attempt to overhaul the system of harassment reporting in Congress. The House will take its first step to confront sexual harassment on the Hill this week. But that's unlikely to ease pressure on Speaker Paul Ryan and House Minority Leader Nancy Pelosi, who face a furious public and are struggling with how to grapple with the metastasizing scandal.

"Further spooking lawmakers and aides across the Capitol: fear of the unknown. In recent days, two Democratic lawmakers have faced public accusations of sexual harassment - Rep. John Conyers Jr. (D-Mich), the longest-serving member of the House, and Sen. Al Franken (D-Minn.) - that have called into question their future in Congress. Rep. Joe Barton, a veteran Texas Republican, was forced to admit that a nude picture of him circulating online was authentic though he emphasized that it was made while in a consenting relationship with an adult.

"A vote, scheduled for Wednesday, will change House rules to require training for all lawmakers and staff to prevent sexual harassment. But that will do little to squelch outrage about an unknown number of harassment accusations concealed in opaque settlement agreements and paid out over the last two decades. That's putting pressure on Ryan and Pelosi to do more." <http://politi.co/2AbDdLk>

ANOTHER ACCUSATION AGAINST CONYERS -- DETROIT NEWS, posted at 12:01 this morning -- "A former staffer of U.S. Rep. John Conyers said the veteran lawmaker made unwanted sexual advances toward her, including inappropriate touching, adding to allegations by other unnamed former employees that have prompted a congressional investigation.

"Deanna Maher, Conyers' former deputy chief of staff who ran his downriver office from 1997 to 2005, told The Detroit News that the Detroit Democrat made unwanted advances toward her three times. ... The first instance of harassment happened, Maher said, shortly after the congressman hired her in September 1997 during an event with the Congressional Black Caucus. 'I didn't have a room, and he had me put in his hotel suite,' said Maher, 77, adding that she rejected his offer to share his room at the Grand Hyatt in Washington and have sex.

"The other incidents with the now 88-year-old Conyers involved unwanted touching in a car in 1998 and another unwanted touching of her legs under her dress in 1999, she said. Conyers' attorney Arnold Reed questioned why Maher would continue

to work for Conyers for so many years after the alleged incidents. He also said Maher's allegations are uncorroborated and that his client denies wrongdoing. 'At the end of the day, he's confident that he will be exonerated because he maintains that he has not done anything wrong,' Reed said. Maher said her need for employment explains why she stayed on the job. 'I needed to earn a living, and I was 57. How many people are going to hire you at that age?' she said." <http://detne.ws/2zxvKDm>

-- PELOSI STATEMENT ON MONDAY EVENING: "This afternoon, I spoke with Melanie Sloan who worked for Congressman Conyers on the Judiciary Committee in the mid-1990s. Ms. Sloan told me that she had publicly discussed distressing experiences while on his staff. I find the behavior Ms. Sloan described unacceptable and disappointing. I believe what Ms. Sloan has told me.

"Ms. Sloan, as a respected ethics expert and attorney, also gave me valuable feedback into the substantive reforms many of us in Congress are advocating to foster a climate of respect and dignity, and to protect legislative branch employees. I have not had the opportunity to speak with the other women, one of whom cannot speak publicly because of the secretive settlement process in place. That ridiculous system must be ended and victims who want to come forward to the Ethics Committee must be able to do so."

STAR TRIBUNE EDITORIAL -- "Franken's apology fails the full candor test: He seems to be saying, 'I'm sorry for what you think I did'": "U.S. Sen. Al Franken broke his self-imposed silence over the weekend, submitting to a series of media interviews on the sexual misconduct allegations against him, professing his shame and embarrassment. That was a necessary move - Minnesotans and the country at large deserved to hear from him. But his apology falls lamentably short in several respects.

"The Minnesota Democrat said in one interview it was important 'that we listen to women,' but then refuted the story of Leeann Tweeden, the USO entertainer who accused him of shoving his tongue down her throat during a rehearsed 'kiss.' He recalls 'a normal rehearsal,' but didn't elaborate. On the subsequent allegations of women who say he groped them during photos - specifically, that he grabbed their buttocks - Franken apologized, but for what, exactly? ...

"Franken is right - he has much to do to regain Minnesotans' trust. It may not be possible. As he continues his reflection, we urge the senator to consider what is best for Minnesota and to weigh that more heavily than what might be best for his political career." <http://strib.mn/2k7yrsj>

WAR AT THE CFPB -- "Mulvaney imposes temporary hiring, regulations freeze on CFPB," by Andrew Restuccia: "Mick Mulvaney, President Donald Trump's pick for acting director of the Consumer Financial Protection Bureau, said Monday he has no immediate plans to dismantle the agency, but he nonetheless implemented a temporary freeze on hiring and new regulations. 'Rumors that I'm going to set the place on fire or blow it up or lock the doors are completely false,' Mulvaney, a longtime critic of the

bureau, told reporters during a briefing at CFPB headquarters. He insisted that his first day at the CFPB was 'extraordinarily smooth and professional' despite an unfolding fight for control of the bureau between himself and Leandra English, who on Friday was appointed acting director by outgoing chief Richard Cordray." <http://politi.co/2nbPwIR>

-- @ZekeJMiller: "Mulvaney standing by criticism of bureau he now leads: 'My opinion of the structure of the CFPB has not changed. I still think it's an awful example of bureaucracy gone wrong.'"

-- **LORRAINE WOELLERT -- "Why Democrats are to blame for consumer agency debacle":** "President Donald Trump is likely to control the Consumer Financial Protection Bureau for years to come. And Democrats have only themselves to blame. Trump Budget Director Mick Mulvaney and Leandra English, a legacy employee of the Obama presidency, faced off on Monday over which of them has the authority to lead the bureau amid dueling statutes after CFPB Director Richard Cordray abruptly stepped down on Friday. Mulvaney and English showed up for work and started directing employees, both attempting to use the wide-ranging power that Democrats granted the director when the agency was created in 2010." <http://politi.co/2n7Pvzs>

WHAT WHITE HOUSE AIDES ARE NOT HAPPY ABOUT -- "White House Weighs Personal Mobile Phone Ban for Staff," by Bloomberg's Jen Jacobs and Justin Sink: "The White House may ban its employees from using personal mobile phones while at work, raising concerns among some staffers including that they'll be cut off from family and friends, according to seven administration officials. ... While some lower-level officials support a ban, others worry it could result in a series of disruptive unintended consequences. Mobile devices issued by the White House aren't able to send text messages, creating a hardship for staff who say texting is often the easiest way for their families to reach them in the middle of a busy day of meetings.

"Other staff are concerned that they could be accused of wasting government resources if they use White House-issued phones to place personal calls. ... Former White House Chief of Staff Reince Priebus proposed a ban on personal mobile phones before he left his post in July ... His aim was to crack down on use of personal phones to conduct official business." <https://bloom.bg/2zK4cyt>

LATEST FROM ALABAMA -- "Moore buried under TV ad barrage: The Alabama airwaves are flooded with ads - and the embattled Republican can't keep pace," by Daniel Strauss and Scott Bland: "Doug Jones and Roy Moore both released new television ads on Monday. But many Alabama voters will see only one of them. That's because of the massive disparity in TV ad spending between the two candidates in the Alabama special election to a Senate seat, where Jones, the Democratic candidate, is outspending Moore roughly 7-to-1. The imbalance is stunning, with just two weeks to go in the campaign: Jones has aired more than 10,000 spots on broadcast TV in Alabama since the primaries, while Moore, the embattled GOP candidate, has run just over 1,000, according to figures compiled by Advertising Analytics." <http://politi.co/2iZ2C1r>

-- **"This is a Spiritual Battle We're Fighting":** At a rally in the small town of Henagar, embattled Senate candidate Roy Moore faced his supporters with defiance," by Eric Velasco in Henagar, Alabama: "Roy Moore's campaign appearance Monday night in northeast Alabama -- his first rally since his Senate campaign was blown open by allegations of sexual impropriety and an assault involving teenagers-had the atmosphere of an old-fashioned religious tent revival. A Baptist preacher thanked God for Moore during an invocation, and prayed, 'May we win this battle against a lost and dying world.' The head of the county Republican Party called the election 'a spiritual battle we're fighting.' The candidate called for a return to morality and said America can become great again only by acknowledging God. The standing-room audience frequently punctuated Moore's comments with 'amen.'" <http://politi.co/2zukEPf>

--**"Retired Marine colonel to launch Senate write-in campaign in Alabama,"** by WaPo's Michael Scherer: "A retired Marine colonel [Lee Busby, 60, of Tuscaloosa, Ala.] who once served as a top aide to White House Chief of Staff John F. Kelly [launched] a long-shot write-in campaign Monday afternoon to become Alabama's next senator, with just 15 days left in the campaign." <http://wapo.st/2AE4dUL>

COMING ATTRACTIONS -- PLAYBOOK POWER LIST -- We will unveil our latest Playbook Power List: "18 to Watch in 2018" on Monday, where we profile the people who we expect to have pronounced impact and influence in the coming year.

Playbook Reads

PHOTO DU JOUR: President Donald Trump speaks during a meeting with Navajo Code Talkers in the Oval Office of the White House on Nov. 27. | Susan Walsh/AP Photo

VIDEO DU JOUR -- @DanLinden: "Pres. Trump during event honoring Native American code talkers: 'You were here long before any of us were here -- although we have a representative in Congress who they say was here a long time ago. They call her Pocahontas.'" **42-second video** <http://bit.ly/2ADAmfb>

-- **DO YOU EVER WONDER** how history books will document a moment like this? The president called a United States senator "Pocahontas" in front of a group of aging Native Americans with a painting of Andrew Jackson behind him.

SHOT -- FOGGY BOTTOM DEPARTURE LOUNGE - "Top Official In Charge Of State Department Redesign Quits Job," by BuzzFeed's John Hudson: "The departure of Maliz Beams, who entered the Trump administration in August boasting a resumé of private sector experience, removes a key leader of a 'redesign' effort that Secretary of State Rex Tillerson has identified as a chief priority of his tenure. 'Maliz Beams is stepping away from her role here at the Department of State and is returning to her home in Boston,' a State Department spokesman told BuzzFeed News. 'Effective

immediately, Christine Ciccone will step in to lead the redesign effort and manage its daily activities." <http://bzfd.it/2hXrbuR>

CHASER -- HMM... - "Ivanka for U.N. Ambassador? Why Not?: Some in the White House have reportedly floated the idea. It's not as crazy as it sounds," by Richard Gowan in POLITICO Magazine: <http://politi.co/2i9tT49>

2018 SCOOP -- "Gutierrez won't seek reelection," by Illinois Playbooker Natasha Korecki: "Rep. Luis Gutiérrez (D-Ill.), a leading national voice on immigration reform, will not seek reelection, three Democratic sources with knowledge of the decision told POLITICO. Gutierrez, who has held his seat since 1993, is expected to announce Tuesday afternoon he's withdrawing the nominating petitions he just filed on Monday and will formally endorse Jesus 'Chuy' Garcia. Garcia, a Cook County commissioner, had forced Mayor Rahm Emanuel into a runoff election in 2015. His bid for Gutierrez's seat means Garcia will not challenge Emanuel again in 2019 as he had previously planned, sources tell POLITICO. With petition filing open on Monday, candidates for Gutierrez's open seat will have to turn in nearly 7,000 signatures in less than a week." <http://politi.co/2jviXdw>

VALLEY TALK -- "How tech is winning in the Trump era," by Steven Overly and Nancy Scola in San Francisco: "The conventional wisdom about the tech industry's relationship with Donald Trump is that it's a street brawl, with Silicon Valley's liberal CEOs clashing with the president on everything from immigration to climate change to transgender rights. But the reality is that Silicon Valley is getting much of what it wants. Trump and congressional Republicans are speeding ahead with a tax overhaul that would bring huge benefits for wealthy tech giants and their executives.

"A White House office headed by Trump son-in-law Jared Kushner is opening the door to companies like Amazon and IBM gaining a greater share of the federal government's multibillion-dollar information technology budget. And the administration's proposed NAFTA rewrite, criticisms of China's tech policies and efforts to champion computer science education could also bolster the industry's bottom line - as has the surging stock market that the president touts at every opportunity." <http://politi.co/2AhFwdl>

***** **A message from PhRMA:** According to new analysis from the Moran Company, hospitals mark up medicine prices, on average, nearly 500 percent. The analysis of 20 medicines also found a hospital is paid 2.5 times what the biopharmaceutical company, who brought the medicine to market, receives. While hospital markups lead to higher costs for patients, employers and payers, these markups are often overlooked in conversations about medicine costs. As the provider market continues to become more concentrated and the number of medicines being administered in hospital-owned facilities is growing, the amount hospitals mark up medicine prices needs greater scrutiny. <http://onphr.ma/2Ba0TOa> *****

NYT'S ANDREW ROSS SORKIN -- "A Prince's Uncertain Fate Deepens Mystery in

Saudi Arabia": "It has been more than three weeks since Prince Alwaleed bin Talal, the most prominent investor in Saudi Arabia, was arrested on a Saturday night as part of the sweeping detention of several dozen elites. Since then, he has been holed up inside the Saudi version of prison for the ultrawealthy: the Ritz Carlton hotel in Riyadh, about a 10-minute drive from the prince's home. ...

"His arrest has also created a sense of uncertainty among investors about whether to do business with Saudi Arabia and, by extension, could affect some of its partners, like Masayoshi Son's \$100 billion SoftBank fund, in which the kingdom holds a 45 percent stake. It could also affect the highly anticipated public offering of the state-owned oil company, Aramco, planned for next year...

"The Murdoch family, which has long had a relationship with the prince ... has tried to find out more about his situation but has been stymied. Known as the Warren Buffett of the Middle East, the prince has worked with Bill Gates on various projects, including their ownership of the Four Seasons resorts and several philanthropic endeavors.

"I'm only aware of what I've read in the press, and I can't speculate," Mr. Gates, Microsoft's co-founder, said by email. 'Prince Alwaleed has been an important partner in my foundation's work to ensure that kids around the world receive lifesaving vaccinations. We've worked together to help stop the spread of polio, measles and other preventable diseases. His commitment to philanthropy is inspiring.'"

<http://nyti.ms/2naSYNX>

MEDIAWATCH -- PAGE SIX's Emily Smith and Ian Mohr: "CBS News correspondent Vladimir Duthiers has emerged as the front-runner to take over for Charlie Rose at 'CBS This Morning,' sources tell Page Six. ... Duthiers is a Peabody and Emmy winner, and got high marks for covering the Black Lives Matter protests in Ferguson, Mo. He was also CNN's West Africa correspondent." <http://pge.sx/2AeasOw>

DESSERT -- "Prince Harry designs Meghan Markle's engagement ring using Diana's diamonds," by the Telegraph's Sarah Royce-Greensill: "Set in yellow gold, the engagement ring features three diamonds, which carry special significance for the couple. The central stone is a diamond from Botswana: a country that Prince Harry has visited many times over his life, and where the couple have spent time together. Flanking this are two further diamonds which come from the personal collection of the Prince's late mother, Diana, Princess of Wales. The ring was made by court jewellers Cleave and Company and designed by Prince Harry himself -- a daunting task for any groom-to-be." <http://bit.ly/2zNa7D1>

Playbookers

SPOTTED -- Sen. John McCain (R-Ariz.) at DCA with an aide on Monday afternoon,

and Sen. Marco Rubio (R-Fla.) around the same time, exiting the airport with a security detail.

SPOTTED last night at the Jefferson Hotel at Greta Van Susteren's book party hosted by Connie Milstein, Anita McBride and Tammy Haddad to celebrate Greta's new book "Everything You Need to Know about Social Media (Without Having to Call a Kid)" -- **\$13.38 on Amazon** <http://amzn.to/2hXWKEI>: Annie Linskey, John Coale, Ceci Connolly, Polson Kanneth, Carol Melton, Sam Feist, Wolf Blitzer, Sen. Amy Klobuchar (D-Minn.) chatting with Kellyanne Conway, Jennifer Griffin, Roberta McCain, Ben Ginsberg, Anthony Fauci, Karen Tumulty, Bob Barnett, Sean and Rebecca Spicer, Heather Podesta, Betsy Fischer Martin, Matt Viser, Navajo Nation president Russell Begaye, Jon Decker, Rick Klein, Ryan Williams, Jeremy Bash, Kellie Meyer, Hilary Rosen, Michael Moroney, Dave Catanese.

TRANSITIONS -- Andrea Riccio, most recently of Porter Novelli, is joining S-3 Public Affairs as a vice president.

BIRTHDAY OF THE DAY: Jake Sullivan, a former Hillary Clinton and Joe Biden aide now the Martin R. Flug Lecturer in Law at Yale Law School and a senior fellow at Carnegie Endowment for International Peace. **His assessment of the Trump presidency:** "Well, on the one hand, it's a disaster beyond anything I envisioned -- and I envisioned a giant disaster. On every front, it's terrible -- civil rights, economic fairness, affordable health care, America's standing in the world, nuclear security, basic human decency ... the list goes on. But, oddly enough, I feel hopeful. We are seeing how, as Trump is testing this country, more and more people are stepping up. That is keeping me optimistic about the future." **Read his Playbook Plus Q&A:** <http://politi.co/2zv29w>

BIRTHDAYS: Judd Deere, recently hired to be the White House's director of state and local comms and an alum of Leslie Rutledge, Tim Griffin and John Boozman, is 3-0 ... Glen Johnson, former senior adviser to John Kerry at State ... Tim Skoczek ... Sen. Michael Bennet (D-Colo.) is 53 ... WaPo's Matea Gold ... Paul Shaffer is 68 ... Jon Stewart is 55 ... Gary Hart is 81 ... former DHS secretary Michael Chertoff, now co-founder and executive chairman of the Chertoff Group, is 64 ... former VA secretary Eric Shinseki is 75 ... Stephen Jordan ... CBS News' Susan Spencer ... Politico's Cally Baute ... Trent Edwards, an alum of AAN and CLF, is 41 ... AP White House reporter Jonathan Lemire ... Michael Sargeant ... Jason Reed, a Reuters photographer in Sydney ... Suzi Emmerling, director of communications for the City of LA and an Obama alum ... Andrew Mangino is 31 ... Joy Nadel ... Thomas Crosson ... Stacie Spector ... David Halperin ... Sean Rankin, ED of the Democratic Attorneys General Association (hat tips: Jon Haber) ... Lexie Hosier, Sen. Thom Tillis' digital director and a Coats alum (h/t birthday boy Judd Deere) ...

... **Nick Owens**, CEO of Magnolia Strategy Partners ... Lesley Lopez, a candidate for Maryland's General Assembly ... NYT's Elaine Sciolino, who's writing a book on the Seine, per her Twitter ... Mark McDonald ... Patrick Mark Callahan ... Carmen Covelli-Ingwell ... Richard Norman is 62 ... Kimberly Spell Brimigion ... Nick Ferderer ... Edward

Chapman ... Anna Weinstein, principal at Chamber Hill Strategies ... Stephanie Berger ... NNSA's Harris Walker is 3-0 (h/t Leacy Burke) ... Courtney Loper, a Boehnerland and Pence alum, sister-in-law to Brett Loper and manager of communications at PDC Energy in Denver (h/t birthday boy Chris Tucker) ... Ashley Phelps ... Jackie Walker ... Dan Hurley of Apex Capital ... Steve Adamske ... Chris Tucker of FTI Consulting ... Jackie Walker ... ASU's Bret Hovell ... Tom Barker, partner at Foley Hoag ... Mickeala Carter ... Sarah Adams ... Bridget Winstead ... Lindsay Esson ... Mandy Gunasekara ... Paul Ambrosino ... Brady Williamson ... Joe Dennison (h/ts Teresa Vilmain)

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