

**To:** Jackson, Ryan[jackson.ryan@epa.gov]  
**From:** Morning Energy  
**Sent:** Mon 8/21/2017 2:05:44 PM  
**Subject:** POLITICO's Morning Energy: Energy industry wants brakes pumped on regulatory rollbacks — Icahn out as Trump adviser — Deadline this week for Zinke's monument review

By Anthony Adragna | 08/21/2017 10:00 AM EDT

*With help from Alex Guillén and Esther Whieldon*

**WHERE ARE THE BRAKES ON THIS ROLL BACK?** Even as they're publicly touting the efforts of President Donald Trump to roll back regulations, some oil and gas companies are increasingly worried the administration may go too far, Pro's Ben Lefebvre [reports](#). A dozen executives, lobbyists, lawyers and analysts are worried about the fallout if the rules' loosening is followed by a major disaster, and they are concerned that unscrupulous competitors could benefit from the axing of rules that their companies have already spent money to comply with. They're also uneasy with efforts to renegotiate trade deals like NAFTA or reorganize the agencies responsible for overseeing offshore drilling. "Every industry wants regulations that make sense, but you don't need to roll things back so far that it opens an opportunity for outsiders to criticize, or something bad happens and then [rulemaking] goes the other way but even further," Brian Youngberg, energy analyst at investment firm Edward Jones, tells Ben.

**One example of a rule drawing too much attention from the Trump team** is the Obama-era Interior Department rule tightening methane emission standards for oil and gas wells and pipelines on public lands. Trade associations American Petroleum Institute and Western Energy Alliance publicly [cheered](#) Interior Secretary Ryan Zinke's push to rewrite the rule, but behind the scenes, Exxon Mobil, BP and other large oil and gas companies considered the rule relatively minor, lobbying and industry sources said. Those companies already had the technology to comply and they planned to pay off the implementation costs through the sale of methane they captured. And others operating in Colorado already had to comply with a state rule that closely resembled the federal one.

**Industry officials are scratching their heads at** Interior's review of whether to combine the Bureau of Ocean Energy Management, which leases the federal Outer Continental Shelf to energy companies, with the Bureau of Safety and Environmental Enforcement, which regulates the companies' activities. "When there's - God forbid - the inevitable accident in the Gulf of Mexico, why would you want to be known as the administration that made that move?" said one lawyer representing oil and gas companies. Officials said they didn't ask for the reorganization and first heard about it when Zinke floated the idea.

**WELCOME TO MONDAY!** I'm your host Anthony Adragna, and Bracewell's Frank Maisano was first out of the gate to identify Luxembourg as the world's last remaining grand duchy. For today: What's the only country with two independent nations landlocked within its borders? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto: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).

**ICAHN'T BELIEVE THIS IS HAPPENING:** Carl Icahn's failure to rewrite biofuel rules

looks to have foreshadowed the billionaire investor's departure as an adviser to Trump, and questions about whether his effort violated ethics rules are still swirling, our Eric Wolff [writes](#). Icahn stepped down as an unpaid Trump adviser on regulations [on Friday](#), just ahead of EPA's rejection of the change in the Renewable Fuel Standard's "point of obligation," which could come any day.

Though the White House has insisted that Icahn only served in an informal role, Trump's move to tap him to alter regulations had raised eyebrows among ethics watchdogs since Icahn's vast holdings, from insurance to liquefied natural gas and rail cars, often put his businesses in the cross-hairs of Washington regulators.

"There was a perception of government that was not in line with ethics rules. Donald Trump came in and said the ethics rules don't apply to him. Icahn had convinced himself the same would apply to him," said Jeff Navin, a partner at Boundary Stone Partners and a former acting chief of staff at the Department of Energy under Obama.

**ZINKE MONUMENT RECOMMENDATIONS DUE THIS WEEK:** Zinke has until Aug. 24 to send Trump recommendations on whether to rescind or tweak more than a dozen national monuments created by former presidents, most of which are in Western states. Zinke has whittled down the list of monuments on the chopping block from 22 to 16, but he has only visited seven of those, plus one the Commerce Department is reviewing. It remains to be seen whether Zinke will recommend Trump test his authority under the Antiquities Act and rescind any of the monuments - a move that would certainly face legal challenges. Zinke in June made [preliminary recommendations](#) that Trump trim back the size of the Bears Ears National Monument in Utah.

**Californians for monument visits:** Ahead of Zinke's Thursday deadline for reviewing a host of national monuments designated under the Antiquities Act, a bunch of California politicians asked him to come visit the sites still under examination in their state. "We invite you once more to visit our state, meet face to face with the communities who love and protect our treasured landscapes before making a recommendation that might reduce or revoke monument status," the [letter](#), led by Rep. [Judy Chu](#), says.

**Congressional leaders pushed, too:** The chairs of the Congressional Asian Pacific American Caucus, the Congressional Black Caucus and the Congressional Hispanic Caucus sent [a letter](#) Friday to House and Senate leadership urging them to resist any legislative efforts to limit the president's ability to designate monuments under the Antiquities Act. "Any attempt to curtail the President's authority to protect these places or to remove protections already put in place by other Presidents is an attack on our shared history," Reps. [Cedric Richmond](#), [Michelle Lujan Grisham](#) and Chu wrote.

**EPA SEEKS 16-MONTH DELAY OF TEXAS HAZE DEADLINE:** EPA on Friday [asked](#) a federal court in D.C. to rewrite a consent decree reached with environmental groups under the Obama administration requiring the agency to take action on Texas pollution contributing to regional haze. The court had previously given EPA until Sept. 9 to either accept a state plan or write a federal plan, but on Friday EPA asked the court to give it until Dec. 31, 2018. The

agency's filing says that since the Trump administration took office, "EPA and Texas have engaged in a productive level of dialogue that has not occurred in many years." EPA and Texas regulators have agreed on a plan to write a rule "that would be more consistent with the [Clean Air Act's] preference for cooperative federalism, and would produce a plan that more effectively addresses concerns raised by the State," the filing added.

Environmentalists have until Aug. 29 to object in court, but they made their feelings clear in a Friday evening statement blasting EPA's proposal as bad news for residents of Oklahoma who breathe in some of that Texas air. "Scott Pruitt just made it clear that he plans to abandon the residents of his home state to placate Texas polluters who don't give a second thought about Oklahoma families or its natural places," said Johnson Bridgwater, director of the Sierra Club's Oklahoma Chapter. The green groups noted that EPA was supposed to have done all this back in 2007, making the proposed delay that much more untenable.

**RECORDS SOUGHT IN SAGE GROUSE REVIEW:** The Western Values Project filed a [FOIA request](#) Sunday seeking copies of communications between various Interior officials participating in its sage grouse review and various energy groups, including the Western Energy Alliance, American Petroleum Institute and Petroleum Association of Wyoming. That comes as Western Values Project released a [document](#) that it said showed Zinke's early August [order](#) for his department to alter how it and states implement conservation plans for the bird was based heavily on recommendations from the Western Energy Alliance. "This is a dangerous trend that is becoming a pattern for Secretary Zinke - offer lip-service to the West while granting private industry unfettered control of our public lands," Jayson O'Neill, deputy director of the Western Values Project, said in a statement.

**THERE'S A GROUP FOR EVERYTHING:** Four governors on the Outer Continental Shelf Governors Coalition - Maine's Paul LePage, Mississippi's Phil Bryant, Alabama's Kay Ivey and Alaska's Bill Walker - released a [letter](#) Friday urging Zinke to include all possible areas as the agency develops its five-year offshore drilling plan. "Access to offshore energy resources will allow coastal states and communities to realize great economic opportunities," they wrote.

**TRICKLE OF CHANGE ON CLIMATE?** Some Republicans may be taking their first steps to distance themselves from their party's hard line on climate change, but there are doubts from some that participation in the House Climate Solutions Caucus represents anything more than political cover for endangered lawmakers, POLITICO California's David Siders [reports](#). But Rep. [Carlos Curbelo](#), one of the group's co-founders, said it was working on "blocking and tackling ... opposing anti-climate legislation" and already showed progress from a couple of years ago when hardly any GOP members spoke out on climate change. "I think the next phase, and hopefully we can get to that this Congress, is to turn the caucus into an ideas factory, get behind proactive legislation," the South Florida Republican said.

**NEW AD AGAINST REGULATORY BILLS:** Clean Air Moms Action is out with a [new ad](#) today urging Congress to oppose the Regulatory Accountability Act [H.R. 5 \(115\)](#) and the Regulations from the Executive in Need of Scrutiny Act [H.R. 26 \(115\)](#), two measures they say would threaten environmental and public health protections. The \$250,000 digital campaign will run across Missouri, Indiana, Montana, Florida and Virginia - the states of Democratic senators

that bill backers would need to get them to 60 votes in the Senate. Both bills have passed the House on largely party-line votes.

**MAKE OR BREAK IN THE PEACH STATE?** Three backers of the Vogtle nuclear project in Georgia - Southern Co.'s Georgia Power, Oglethorpe Power Co. and the Municipal Electric Authority of Georgia - last week asked the Energy Department for a bigger lifeline, but one state regulator was skeptical that would determine whether the project proceeds, Pro's Darius Dixon [reports](#). "I'm not sure that the loan guarantee piece of the project equation is a make or break issue for us," Tim Echols, the vice chairman of the Georgia Public Service Commission, said by email. "The Toshiba payments are far more important." The long-delayed and over-budget project suffered the bankruptcy of its lead contractor and reactor designer Westinghouse this spring.

**DOE CELEBRATES COAL EXPORT:** Officials from the Energy and Commerce Departments will gather with Ukrainian Ambassador to the U.S. Valeriy Chaly today at 2 p.m. in Baltimore in recognition of the first shipment of Pennsylvania thermal coal bound for Ukraine. U.S. participants include Wells Griffith, acting assistant secretary for international affairs at DOE, and Israel Hernandez, acting under secretary of the International Trade Administration.

**TRUCK LOBBY WORRIED ABOUT TRUMP EPA REOPENING PHASE 2 RULE:** The American Trucking Associations is "concerned" about EPA Administrator Scott Pruitt's [announcement](#) last week that he will revisit parts of the Obama administration's Phase 2 emissions standards for heavy duty trucks. The split highlights a regulation that had largely gotten the buy-in of the trucking industry in order to avoid state-level patchwork rules. The only major legal challenge to the rule was over EPA's first-time aerodynamic rules for trailers, which is the part of the rule Pruitt plans to re-open. In a statement on Friday, ATA President and CEO Chris Spear said the industry is concerned that cracking open the federal rule for this one issue "has opened the door to California taking the lead, and a more aggressive track, in setting trailer standards." A California Air Resources Board spokesman [told Trucks.com](#) that it is "premature" to discuss whether state rules in development will break from the federal regulation.

**MORE ASIAN CARP TROUBLE FOUND:** It's unclear how it made its way past several electric barriers meant to keep the invasive species out, but an adult Asian carp got quite close to Lake Michigan, according to [a report](#) from a coalition of federal agencies released Friday. "Time is of the essence to both implement a permanent solution and take immediate steps to stop Asian carp from reaching our Great Lakes," Michigan Sen. [Debbie Stabenow](#) said in response.

## QUICK HITS

- The Trump administration just disbanded a federal advisory committee on climate change. [Washington Post](#).

- Sempra Energy Reaches Deal to Acquire Oncor. [Wall Street Journal](#).

- Shell Loads Oil in Libya for the First Time in Five Years. [Bloomberg](#).

- Polis Backs Oil And Gas In Surprise Comments At Industry Lunch. [Western Wire](#).
- As India's Climate Changes, Farmers In The North Experiment With New Crops. [NPR](#).
- Pennsylvania coal company to open second mine since Trump took office. [Fox News](#).

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<http://www.politico.com/tipsheets/morning-energy/2017/08/21/energy-industry-wants-brakes-pumped-on-regulatory-rollbacks-221971>

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