Message

From: POLITICO Pro Energy [politicoemail@politicopro.com]
Sent: 5/8/2018 9:42:12 AM
To: Bolen, Brittany [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=31e872a691114372b5a6a88482a66e48-Bolen, Brit]
Subject: Morning Energy, presented by Anheuser-Busch: Conservative talker has pull with Pruitt — It's primary day in coal country — Trump meets with ethanol

By Kelsey Tamborrino | 05/08/2018 05:40 AM EDT

With help from Eric Wolff and Anthony Adragna

PRUITT GETS TO IT FOR HEWITT: New emails emerged Monday that provide previously unknown details in the ongoing raft of controversies that have plagued EPA Administrator Scott Pruitt — and provide more ammo for onlookers who worry Pruitt spends too much time currying favor with his political allies.

Conservative commentator Hugh Hewitt brokered a meeting that ultimately ended with a polluted California area on Pruitt's personal priority list of Superfund sites, POLITICO's Emily Holden and Anthony Adragna report. Hewitt lives in Orange County, where the Superfund site sits, and has a son who works in EPA's press office. The TV and radio host emailed Pruitt back in September to set up a meeting between Pruitt and the law firm Larson O'Brien, which employs Hewitt and represents the Orange County Water District. "I'll join if the Administrator would like me too or can catch up later at a dinner," Hewitt wrote in the email, which was obtained under a FOIA lawsuit by the Sierra Club. He added that the issues surrounding the Superfund site were "Greek to me but a big deal in my home county."

Weeks later, the Orange County North Basin site in question appeared on Pruitt's list of 21 contaminated areas to address. Pruitt then proposed listing the site on the agency's National Priorities List, making it potentially eligible for long-term federal cleanup funding. Since the meet-up, Hewitt has been a staunch defender of Pruitt, dismissing his recent controversies as "nonsense scandals" on MSNBC in early April. EPA spokesman Jahan Wilcox confirmed that Hewitt helped arrange the meeting at the request of the water district but didn't attend.

The meeting adds to environmentalists' concerns about Pruitt. "The biggest fear we have is that No. 1 the administrator's political priorities and personal ambitions, political ambitions become the primary criteria for action under this program instead of science and health," said Elgie Holstein, senior director for strategic planning at the Environmental Defense Fund who has been tracking EPA's Superfund actions. Read the story here.

FIRST CLASS MEMO: EPA on Monday also released a copy of a memo written by the former head of Pruitt's security detail justifying his first class flights. "We have observed and increased awareness and at times lashing out from passengers which occurs while the Administrator is seated in coach with [his security detail] not easily accessible to him due to uncontrolled full flights," Pasquale "Nino" Perrotta wrote in the May 1, 2017, memo. "Therefore, we believe that the continued use of coach seats for the Administrator would endanger his life and therefore respectfully ask that he be placed in either business and or first class accommodations." The Washington Post and E&E obtained copies of the memo via a FOIA request. Perrotta retired from the agency last week.

WELCOME TO TUESDAY! I'm your host Kelsey Tamborrino. Congrats to Cummins Inc.'s Patrick Wilson, who was first to identify former House Speaker Nathaniel Banks of Massachusetts as the representative who served 11 terms and ran for election on five different party tickets. He was successful in all but the Liberal

Republican ticket. For today: What president was first to watch a major league baseball game from the dugout? Bonus points if you can name the team. Send your tips, energy gossip and comments to ktamborrino@politico.com, or follow us on Twitter @kelseytam, @Morning_Energy and @POLITICOPro.

BLANKENSHIP'S BIG DAY: We should know by tonight who will face Sen. Joe Manchin in a West Virginia Senate race that Republicans see as one of their biggest pickup opportunities of the year — that is, unless coal baron Don Blankenship scores a surprise upset in the surprisingly tight GOP primary. President Donald Trump tweeted Monday that Blankenship "can't win the General Election in your State," though he didn't endorse one of his opponents. That likely didn't ease fears that the two other major candidates — Rep. Evan Jenkins and state Attorney General Patrick Morrisey — will split the anti-Blankenship vote evenly and allow the former Massey Energy CEO to come out ahead. Blankenship recently was released from a year in jail following an explosion at the Upper Big Branch Mine that killed 29 workers. Blankenship has called the Upper Big Branch disaster the "worst tragedy" of his life, and is working to have his conviction thrown out. (He has previously lost on appeal and failed to convince the Supreme Court to take the case.) For his part, Blankenship said Monday he was confident he would win, POLITICO's Alex Isenstadt reports from Mount Hope, W. Va.

That's not all: The Mountain State is not alone in kicking the 2018 midterms into gear. Statewide primary elections also are happening today in Ohio and Indiana and North Carolina, including solar energy entrepreneur and Democrat Dan McCready, who is running in North Carolina's 9th District. Vox nicely breaks down today's big races nationwide here and POLITICO has 7 things to watch here.

SCHNEIDERMAN RESIGNS: New York Attorney General Eric Schneiderman, who has sued Exxon Mobil and fought the Trump administration's deregulatory agenda, announced his resignation Monday night in the wake of a report from the New Yorker that four women had accused him of abuse in previous romantic relationships. Two of the women who went on the record "say that they eventually sought medical attention after having been slapped hard across the ear and face, and also choked," according to the magazine. In a statement, Schneiderman disputed the allegations but said they "will effectively prevent me from leading the office's work at this critical time." The resignation takes effect at the close of business today.

Before the New Yorker story broke, Schneiderman and the attorneys general from seven other states called on Pruitt to withdraw his "secret science" proposal to ban the use of studies that don't publicly disclose all their data. Read the letter here.

CHOPPING BLOCK: The White House on Monday outlined its package of proposed spending cuts, rescinding $4.3 billion from the Energy Department's Advanced Technology Vehicles Manufacturing loan program, which supports the production of fuel-efficient, advanced technology vehicles. It was part of an overall request for $15 billion worth of rescissions from previously appropriated funds from prior years. Another package going after the FY18 omnibus is expected later this year. More here.

ON THE GRID: Puerto Rico's electric grid — which failed to provide power for much of the island for several months after last year's hurricanes — will be the focus of a Senate Energy and Natural Resources hearing this morning. The CEO of the Puerto Rico Electric Power Authority Walter Higgins and Bruce Walker, assistant Energy secretary for electricity delivery and energy reliability, are among the names set to testify. "The end goal is a modern and intelligent energy system that can serve as the resilient engine for Puerto Rico's economic revitalization," Walker is expected to say. Officials say close to 95 percent of power has now been restored on the island. **If you go:** The hearing kicks off at 10 a.m. in 366 Dirksen.

— **Forty-seven U.S. and international scientific groups** sent a letter to Puerto Rico Gov. Ricardo Rosselló on Monday, urging him to keep the island's statistical agency, the Puerto Rico Institute of Statistics, and its board of directors fully independent. "To address the challenges posed by its decade-long economic recession and the devastation of back-to-back hurricanes, Puerto Rico must chart its path toward sustainable recovery using reputable and reliable data and statistical methods," the letter says.

** **A message from Anheuser-Busch:** Anheuser-Busch announced that America's leading brewer has placed an order for up to 800 hydrogen-electric powered semi-trucks. The zero-emission trucks will be able to travel between 500 and 1,200 miles. Anheuser-Busch aims to convert its entire long-haul dedicated fleet to renewable powered trucks by 2025. Learn more. **

ENERGY-WATER BILL ADVANCES: The House Appropriations Energy-Water subpanel swiftly approved its $44.7 billion energy and water spending bill on a voice vote Monday, sending the measure to the full committee for consideration. The appropriations bill largely ignores the president's budget request, earning the approval of Democrats, who applauded the boost in funding for the Army Corps of Engineers and DOE thanks to the bipartisan agreement to lift spending caps. Read more.

TRUMP MEETS WITH SENATORS ON RFS: In what could perhaps be the final time, Trump plans to meet today with at least Sens. Chuck Grassley, Joni Ernst, Ted Cruz and Pat Toomey to discuss their dueling priorities around federal ethanol policy. Who else will be in the room remains unclear, as sources told ME conflicting stories: An ethanol source said neither Pruitt, nor the Ag secretary, would be present, while a Republican Senate aide said both would be there.

A source said Team Ethanol's main goal is to get Trump to affirm his commitment to year-round sales of 15 percent ethanol, but the rest of the agenda seems to be unclear. A biofuels source said they expect Trump to kick the biofuels battle to Congress, where Sen. John Cornyn and Rep. John Shimkus have been trying to write a bill to overhaul the RFS. Cruz said at a Capitol Hill rally last week that he would view that decision as doing nothing. Cruz and Toomey are still seeking Renewable Fuel Standard changes to dramatically lower the program's compliance costs for refineries. Trump is scheduled to meet with Republican senators at 11:15 this morning, according to his public schedule.

— **Continuing their push for year-round sales of E15,** fuel retailers from 11 states sent a letter to Trump on Monday, calling on him to instruct EPA to immediately follow up on a pledge to allow the year-round sale of E15 before summer restrictions kick in on June 1. Read the letter here. Eighteen other groups, including the Sierra Club and Earthjustice, signed onto their own letter expressing concern with the administration's openness to the year-round sale of E15. And the American Energy Alliance launched a digital ad campaign Monday urging for the repeal of the RFS. Watch that ad here.

EXPECTING BIG THINGS: Shimkus is expecting broad support from the House when his comprehensive nuclear waste package H.R. 3053 (115) gets a vote Thursday. "I think people are ready to do something rather than nothing," he told reporters Monday. Shimkus said it's been a months-long process to educate members about the importance of the legislation and added he sent texts to Speaker Paul Ryan and Majority Leader Kevin McCarthy thanking them for finally bringing the package to the floor.

But he's not crazy: Shimkus said he hadn't had any recent talks with Senate counterparts about potentially moving the bill across the Capitol and he didn't expect they would this year with one of their most vulnerable incumbents (and ardent Yucca opponent), Sen. Dean Heller, locked in a competitive reelection.

WHERE'S PERRY? Perry is slated to speak today during the Washington Conference on the Americas, where Commerce Secretary Wilbur Ross and Deputy Secretary of State John Sullivan, among others, are set to also appear. Perry will deliver remarks on "energy integration in the Americas" at 3:15 p.m. See the full agenda here.

E&C TACKLES EVs: The House Energy and Commerce Environment Subcommittee will listen to discussion today on how fuel vehicles and electric vehicles will coexist as electric vehicles become more popular. The hearing begins at 10:15 a.m. in 2322 Rayburn, or stream it here.

MAIL CALL: A diverse coalition of energy groups — including Advanced Energy Economy, the American Petroleum Institute and the American Wind Energy Association — on Monday urged Perry not to bail out coal and nuclear plants. Read their letter.

INHOFE BACKS JACKSON: An Axios report that Pruitt chief of staff Ryan Jackson has been frozen out of the EPA chief's inner circle didn't sound right to his former boss, Sen. Jim Inhofe. "I've known him well since he was 18 years old and I don't think they'd be capable of sidelining him," he told ME. Inhofe admitted that if the report is true — "that's an if I'm not willing to accept," he cautioned — it would be deeply concerning.

PRUITT MEETS MOTHERS ON CHEMICAL BAN: Two mothers will meet today with Pruitt, where they will press the administrator to ban paint strippers containing methylene chloride after their sons died using products with the chemical, according to the Environmental Defense Fund. On former President Barack Obama's last day in office, his administration proposed using the updated Toxic Substances Control Act to ban the use of the chemical in most commercial paint removers. Pruitt told lawmakers recently that he thinks EPA can make a decision on its proposed ban by the end of the year.

QUICK HITS

— Pruitt's Rome trip: More time on tourism than official business, The Daily Beast.

— Steel town that voted for Trump banks on renewables, E&E News.

— Interior sending officers to assist patrolling the U.S., Mexico border, The Hill.

— EPA proposal pushed by ex-coal lobbyist could transform agency's use of science, S&P Global.

— Booming tourism emits 8 percent of greenhouse gases, study shows, Reuters.

— Old-boys' club that ran power world cracking with its model, Bloomberg.

HAPPENING TODAY

8:30 a.m. — CHP Association holds CHP policy forum begins, 555 13th St NW

9:00 a.m. — The Atlantic Council's Global Energy Center discussion on "Transformations in Energy Technology: Innovations for a Secure Energy Future," 1030 15th Street NW

9:00 a.m. — The Bipartisan Policy Center discussion on "Investing for the Nation's Future: A Renewed Commitment to Federal Science Funding," 1225 I Street NW

10:00 a.m. — The International Energy Agency Bioenergy Technology Collaboration Program international webinar on "Biofuels for the Marine Sector: New Opportunities and New Challenges."

10:00 a.m. — The United States Energy Association briefing on "Economic Benefits of U.S. Liquid Natural Gas Exports," 1300 Pennsylvania Avenue NW

10:00 a.m. — Senate Energy and Natural Resources Committee hearing on the current status of Puerto Rico's electric grid and proposals for the future, 366 Dirksen

10:00 a.m. — The Woodrow Wilson Center's China Environment Forum discussion on "How Low (on Energy and Carbon) Can Buildings in China and the U.S. Go?" 1300 Pennsylvania Avenue NW

10:00 a.m. — House Transportation and Infrastructure Coast Guard and Maritime Transportation Subcommittee hearing on "blue technologies," 2167 Rayburn

10:15 a.m. — House Energy and Commerce Environment Subcommittee hearing on "Sharing the Road: Policy Implications of Electric and Conventional Vehicles in the Years Ahead," 2322 Rayburn

10:15 a.m. — House Natural Resources Committee markup on various bills, 1324 Longworth

12:00 p.m. — The Americas Society/Council of the Americas annual Washington Conference on the Americas with the theme "Investing in the Americas: The New Agenda for Growth," 2201 C Street NW

3:00 p.m. — House Rules Committee meets to formulate a rule on H.R. 3053 (115), the "Nuclear Waste Policy Amendments Act of 2018," H-313

THAT'S ALL FOR ME!

** **A message from Anheuser-Busch:** Anheuser-Busch announced that America's leading brewer has placed an order for up to 800 hydrogen-electric powered semi-trucks from the pioneer in hydrogen-electric renewable technology, Nikola Motor Company. The zero-emission trucks — which will be able to travel between 500 and 1,200 miles and be refilled within 20 minutes, reducing idle time — are expected to be integrated into Anheuser-Busch's dedicated fleet beginning in 2020.

Through this agreement Anheuser-Busch aims to convert its entire long-haul dedicated fleet to renewable powered trucks by 2025.

"At Anheuser-Busch we're continuously searching for ways to improve sustainability across our entire value chain and drive our industry forward," said Michel Doukeris, CEO of Anheuser-Busch. "The transport industry is one that is ripe for innovative solutions and Nikola is leading the way with hydrogen-electric, zero-emission capabilities. We are very excited by the possibilities our partnership with them can offer."

Learn more. **

To view online:
https://subscriber.politicopro.com/newsletters/morning-energy/2018/05/conservative-talker-has-pull-with-pruitt-206682

Stories from POLITICO Pro

Pruitt fast-tracked California cleanup after Hugh Hewitt brokered meeting Back

By Emily Holden and Anthony Adragna | 05/07/2018 10:12 PM EDT

EPA Administrator Scott Pruitt placed a polluted California area on his personal priority list of Superfund sites targeted for "immediate and intense" action after conservative radio and television host Hugh Hewitt brokered a meeting between him and lawyers for the water district that was seeking federal help to clean up the polluted Orange County site.

The previously unreported meeting, which was documented in emails released by EPA under a Freedom of Information Act lawsuit by the Sierra Club, showed Pruitt's staff reacting quickly to the request last September by Hewitt, who has been one of Pruitt's staunchest defenders amid a raft of ethics controversies around his expensive travel, security team spending and a cheap Washington condo rental from a lobbyist.

Pruitt has drawn criticism from environmentalists and other critics for letting prominent GOP backers and industry groups influence the agency's agenda — even as he has kicked scientists off of EPA's advisory panels and moved to limit the kinds of peer-reviewed research it will consider when making decisions.

In many cases, the people whose advice Pruitt is heeding could be useful supporters for him in a future race for U.S. senator or president. They include GOP megadonor Sheldon Adelson, who — as POLITICO reported in March — persuaded Pruitt last year to take a meeting with an Israeli water purification company called Water-Gen that later won a research deal with the EPA.

Hewitt, a resident of Orange County whose son James works in EPA's press office, emailed Pruitt in September to set up a meeting between the administrator and the law firm Larson O'Brien, which employs Hewitt and represents the Orange County Water District. Pruitt had been planning to meet with the lawyers in California a month earlier, but cancelled the trip to undergo knee surgery.

"I'll join if the Administrator would like me too or can catch up later at a dinner," Hewitt wrote in his Sept. 18 message. Hewitt added that the issues surrounding the Superfund site were "Greek to me but a big deal in my home county."

Pruitt's aides responded within minutes and quickly confirmed an Oct. 18 meeting for the lawyers and a project director.

Six weeks after that meeting, on Dec. 8, the Orange County North Basin site appeared on Pruitt's list of 21 contaminated areas to address. A month later, Pruitt proposed listing the site on EPA's National Priorities List, a move that could make it eligible for long-term federal cleanup funding from the federal government if the responsible polluters cannot be identified and forced to pay for its remediation.

Since then, Hewitt has been a robust defender of Pruitt, dismissing his recent controversies as "nonsense scandals" on MSNBC in early April and saying his detractors were "just trying to stop the deregulation effort."

Pruitt has touted the agency's Superfund work as one of his key priorities, setting up a task force to seek to speed up the clean-up of the nation's worst contaminated sites. That task force had been headed by Albert "Kell" Kelly, a former banker and longtime friend, who departed the agency last week after news about loans he provided to Pruitt in Oklahoma, including the mortgage provided to Pruitt for a house he bought from a lobbyist when he was a state senator.

Environmental advocates have worried Pruitt's efforts to identify Superfund priority sites would bypass the process set up by Congress to ensure cleanup resources are divided fairly, and that he could focus on sites seen as important to his political supporters. And environmentalists have said Pruitt's rush to claim that contaminated properties have been remediated could risk turning them over to local governments and businesses that might pursue cheaper, inadequate solutions.

Elgie Holstein, senior director for strategic planning at the Environmental Defense Fund who has been tracking EPA's Superfund actions, said the connection to Hewitt is "not a surprise."

"The biggest fear we have is that No. 1, the administrator's political priorities and personal ambitions, political ambitions become the primary criteria for action under this program instead of science and health," Holstein said.

EPA never disclosed the meeting with Hewitt's contacts. It was listed on Pruitt's public calendar as a staff briefing. But on his private Outlook schedule, which the agency has released in response to lawsuits, it appeared as an "Orange County Superfund Site" meeting with Kelly and two other staffers. The records did not list the Californians in attendance at the meeting at EPA headquarters in Washington.

But EPA spokesman Jahan Wilcox confirmed that two lawyers representing the water district, Robert O'Brien and Scott Sommer, and the water district director of special projects, Bill Hunt, were there. A third lawyer, former federal Judge Stephen G. Larson, was forced to cancel his trip due to wildfires in California, according to emails.

"Hugh Hewitt helped arrange the meeting at the request of the water district but did not attend," Wilcox said.

Wilcox said the meeting was for the water district to "brief EPA on the Superfund site's cleanup efforts and request expedited cleanup," following a 2016 agreement with the agency to conduct a remedial investigation and feasibility study, at a cost of $4 million over two years. Hunt did not immediately respond to a request for comment.

Hewitt in an email to POLITICO called Pruitt a friend and said he does not have a working relationship with him. He said that his firm has represented the water district and worked on the site with EPA's regional office for years but that he had not participated in that work.

Hewitt said he requested a meeting because the water district wanted to brief the new EPA team, he said, adding that he was an Orange County resident until 2016 as well as an Orange County Children and Families Commission member. He said that he "very much" wanted the Superfund site remediated as soon as possible.

According to an EPA fact sheet, the Orange County site has more than five square miles of polluted groundwater containing chlorinated solvents and other contaminants across the cities of Anaheim, Fullerton, and Placentia. It includes the Orange County Groundwater Basin, which provides drinking water to more than 2.4 million residents across 22 cities, according to the agency. Those pollutants can damage humans' nervous systems, kidneys and livers, and some are considered carcinogenic.

EPA has just begun its process of studying the contamination and it has not determined which companies caused the pollution in the area. But an administrative settlement with the EPA in 2016 says the area was home to "electronics manufacturing, metals processing, aerospace manufacturing, musical instrument manufacturing, rubber and plastics manufacturing, and dry cleaning."

Hewitt also thanked EPA schedulers for working to arrange a meeting between Pruitt and the California Lincoln Clubs, which describe themselves as in favor of "limited government, fiscal discipline and personal responsibility." After some rescheduling Pruitt eventually met with representatives of the group on a trip to California in March of this year, according to his public calendar. Prominent Orange County businessman John Warner also helped to connect that group with staffers.

Pruitt and his scheduling staff have frequently sought to set up meetings with or for influential Republican figures, according to the internal EPA emails.

His team accepted an invitation for him to address The Philanthropy Roundtable at an invitation-only event at the White House for "conservative and free-market foundation CEOs and individual wealth creators to discuss the greatest opportunities for foundations to protect and strengthen free society" and "what [Pruitt] views as unique opportunities for philanthropic action.

As POLITICO reported in March, Pruitt also met with an Indiana coal executive and Trump fundraiser who was seeking to soften a pollution rule.

Pruitt also crafted his travel schedule — including a tour of states in August — to meet with big business much like a member of Congress would during the annual recess.

In July, EPA's associate administrator of public engagement Tate Bennett was working with Pruitt to "essentially create an August recess for the EPA to be out in the states talking with individual companies & doing listening sessions within sectors," said Leah Curtsinger, the federal policy director for the Colorado Association of Commerce & Industry, in an email introducing Bennett to her husband, public affairs director at coal company Cloud Peak Energy and a fellow alum of Senate Majority Leader Mitch McConnell's office.

Annie Snider contributed to this report.

To view online click here.

Back

Blankenship, predicting victory, thumbs his nose at GOP Back

By Alex Isenstadt | 05/07/2018 08:27 PM EDT

MOUNT HOPE, W. Va. — A defiant Don Blankenship on Monday shrugged off President Donald Trump's last-minute plea for Republican primary voters to reject his insurgent Senate candidacy — and flatly predicted it would fail to halt his momentum.

On the final day of the dramatic West Virginia campaign, the coal baron and ex-prisoner seemed unbothered by the president's foray into the contest, arguing that voters would see through it as the latest ploy in an establishment-led effort aimed at keeping him from winning the nomination.

"I think it's still over," he declared to reporters here during a frenzied final day of the race. "It probably tightens it a point or two, but I don't think it matters much."

At another point in the day, after a reporter asked if he was feeling confident, Blankenship had a deadpan response: "Yeah, we're gonna win."

Senior Republicans are fretting that Blankenship, who spent a year behind bars after the 2010 explosion at his Upper Big Branch Mine that killed 29 workers, has vaulted into the lead heading into Tuesday's primary. GOP officials reviewed a range of surveys over the weekend, with some showing Blankenship holding a narrow single-digit advantage over his mainstream opponents, Rep. Evan Jenkins and state Attorney General Patrick Morrisey. Others had Blankenship ahead by more.

The national GOP has waged an all-out campaign to stop him from winning the nomination. They're convinced would destroy the party's prospects of ousting Democratic Sen. Joe Manchin in November. And many Republicans say a Blankenship win would be yet another black eye for the party, which is still reeling from last year's loss in the Alabama special election.

Over the past month, a super PAC aligned with Senate Majority Leader Mitch McConnell has spent over $1.3 million on a barrage of anti-Blankenship TV ads.

With the former prisoner gaining momentum, the effort to stop him has gone into overdrive. As the race entered its final day, Blankenship's rivals — who had spent almost the entire campaign attacking one another — turned their fire on him.

In a not-so-veiled jab at Blankenship, Jenkins held a morning campaign event at a memorial for coal workers. At one point, he noted that one of his great grandfathers died in a mine explosion.

"The president could not have made it any clearer this morning that Don Blankenship is not the guy to beat Joe Manchin," Jenkins said.

Morrisey, who spent the day hopscotching across central West Virginia, announced that he'd sent a letter to Blankenship's parole officer highlighting what he argued was a violation. At one point, he took to Twitter to suggest questions for reporters to ask Blankenship. And he released a digital advertisement unloading on the coal baron, and highlighting his role in the 2010 explosion.

"Families devastated, children left fatherless, wives widowed," a narrator intoned. Many in the party are skeptical that the 11th-hour offensive will succeed — and, behind the scenes, finger-pointing is underway. Some are pinning the blame on the White House, saying it should have rebuked Blankenship earlier. Others say the fault lies with Jenkins and Morrisey, whose near constant attacks left one another badly damaged and created an opening for Blankenship.

Still others are pinning the blame on McConnell, saying that he should have long ago used his political muscle to clear the primary field and thereby avoid the three-way dynamic that has played to Blankenship's benefit.

McConnell has privately expressed concern to associates about Blankenship, whom he has long viewed as a serious threat in the contest. A loss for the Senate GOP leader, who hails from a neighboring Appalachian state and has faced withering attacks from Blankenship, would be embarrassing.

Over the weekend, McConnell spoke by phone with the president about the contest. According to a Republican official briefed on the call, Trump informed McConnell that he planned to criticize Blankenship publicly, a step he hadn't taken previously. Among the issues that arose on the call were Blankenship's TV ads, some of which have gone after McConnell's family in deeply personal, racial terms.

White House aides spent part of Friday drafting a tweet targeting Blankenship. Then, on Monday, the president hit send.

"To the great people of West Virginia we have, together, a really great chance to keep making a big difference," he wrote. "Problem is, Don Blankenship, currently running for Senate, can't win the General Election in your State...No way! Remember Alabama. Vote Rep. Jenkins or A.G. Morrisey!"

For Blankenship, who has tied himself closely to the president and on Monday declared himself "Trumpier than Trump," the attack could have stung. Yet as the race came to a close, Blankenship seemed unbothered.

Speaking to reporters after touring a freight shipping office here, Blankenship said he placed no stock in the president's tweet. It was McConnell, Blankenship said, who convinced Trump to weigh in. After Tuesday, Blankenship added, the president would be embarrassed he followed McConnell's lead.

"It's obvious that the president is suffering from the same thing that many in the public do, which is misinformation and untruths," Blankenship said. "The lesson that will be learned here when I win is that you shouldn't blindly endorse or cast doubts or favoritism unless you actually look at their record and not depend on the people in that swamp that you're trying to drain."

At times, Blankenship seemed to take pleasure in his recalcitrance. He refused to commit to endorsing his primary rivals should they win, which he said wouldn't happen, anyway. He wouldn't apologize for running TV ads lambasting McConnell's "China family." And he reiterated that he wouldn't vote for McConnell to serve as Senate GOP leader.

At one point, Blankenship noted that he'd been disrespected at other times in his career. The Marshall University-educated businessman noted that he'd grown up poor before becoming a multimillionaire, and recalled one episode in which he easily passed a CPA exam that Ivy Leaguers he knew had struggled with.

Now, he said, he was confronting another kind of establishment.

"I've been underestimated," he said, "all my life."

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Back

What's in Trump's $15B spending cuts package Back

By Kaitlyn Burton | 05/07/2018 08:29 PM EDT

The White House is set to release a $15 billion spending cuts package Tuesday. Here are some of the plan's targets, a senior administration official told reporters today:

— $7 billion from the Children's Health Insurance Program, which covers about 9 million low-income children.

— $4.3 billion from the Energy Department's Advanced Technology Vehicles Manufacturing loan program, which supports the production of fuel-efficient, advanced technology vehicles.

— $800 million from the Center for Medicare and Medicaid Innovation, which was created under Obamacare.

— $252 million from the 2015 Ebola outbreak response.

— $148 million from the Animal and Plant Health Inspection Service for responding to disease outbreaks "that have already been resolved," the official said.

— $107 million for technical assistance after Hurricane Sandy for emergency watershed programs.

— $15 million from USDA's Rural Cooperative Development Grant program, which seeks to boost the economies of rural areas.

To view online click here.

Back

Trump tries to woo conservatives with bid to cut spending Back

By Sarah Ferris and Kaitlyn Burton | 05/07/2018 09:05 AM EDT

The White House on Tuesday will send $15 billion in proposed spending cuts to Congress in an attempt to demonstrate fiscal austerity to skeptical conservatives, senior administration officials confirmed Monday night.

The administration had last week planned to send Congress a package of $11 billion in spending reductions. But since then, some conservatives have quietly pushed for an even bolder proposal, particularly after the GOP's spending binge in recent months, said Republicans familiar with the discussions.

The White House initially floated as much as $60 billion in cuts, including an unprecedented attempt to cancel money from this year's omnibus spending bill. The proposal was later downsized to $11 billion, and then back up to $15 billion, targeting only unused funding from past years, which POLITICO first reported.

One senior administration official told reporters that the proposal coming Tuesday is "the largest single rescissions package at one time."

The White House also plans to make a second attempt at clawing back funding from the omnibus, but the senior administration official said that could come weeks later.

The official said said President Donald Trump will be personally involved in the details of the next package, which will include "substantial" cuts in current spending based on the president's own budget request.

Unlike regular spending bills, a presidential rescissions package is given fast-track authority in both chambers. That means the proposal is one of the rare spending-related bills that is able to bypass the 60-vote threshold in the Senate.

Nearly half of the package, a whopping $7 billion, pulls from the Children's Health Insurance Program, which covers about 9 million low-income children.

Of this, $5 billion is fiscal 2017 funding that has already expired, and $2 billion is money from a so-called contingency fund that states can tap into if they're short on cash.

These CHIP rollbacks "will not impact the program," the senior administration official said.

It would also cut $800 million from the Center for Medicare & Medicaid Innovation, which was created under Obamacare.

In addition, the proposal will target 38 programs with large amounts of leftover cash, including $148 million from the Animal and Plant Health Inspection Service, $107 million for Hurricane Sandy in 2013 and $252 million for the Ebola outbreak in 2015.

The senior administration official said the White House is starting with "uncontroversial" cutbacks as a sweetener to bring Democrats on board.

"I don't think we believe there's a reason we wouldn't get bipartisan support for a package like this," the official said.

The process also includes a special bonus for fiscal hawks: Whenever the president submits a rescissions request, that spending is frozen automatically for 45 legislative days, or until Congress formally rejects it.

OMB Director Mick Mulvaney said in April that he hopes for a vote in the House before the July Fourth recess, and officials told reporters Monday that the House is "very interested in this package."

The GOP-dominated House is expected to easily clear the rescissions package, but even White House officials are less confident about its fate in the Senate, White House legislative affairs director Marc Short told POLITICO on Monday. Trump is pleased with the $15 billion proposal, Short said.

In a call with Capitol Hill staff on Monday, White House officials skirted a question about whether Majority Leader Mitch McConnell had signed off on the proposal.

"We are in discussions with the majority leader," the administration official said on the call, which POLITICO was permitted to listen to by a staffer. "We're hopeful the Senate's going to come our way but I would say it's an ongoing conversation right now."

Trump's unusually large request would come after a nearly two-decade drought of any formal rescissions proposal.

Former President Bill Clinton was the last president to propose rescissions. His three requests totaled just $128 million, a fraction of Trump's request.

Even with Trump's record-setting sum, conservative groups are demanding the Trump administration go further by proposing to cancel funds from the omnibus, which Trump threatened to veto.

Americans for Prosperity, the right-leaning group founded by the Koch brothers, is asking the White House to reel back $45 billion from the $1.3 trillion omnibus.

The group on Monday released an exhaustive list of programs it believes should go on the chopping block, including homeless assistance grants, a Coast Guard security center, FBI salaries and the National Cancer Institute.

Behind the scenes, top budget officials have wrestled for weeks with Republican lawmakers on the size and scope of the rescissions package.

The debate was largely centered on whether to cut money across the board from the omnibus spending package, or whether to target individual programs.

Few Republicans wanted the across-the-board cuts as those would have hit the hard-won increases to military spending. But officials also worried that going after specific programs would spur infighting among Republicans, according to one former top GOP congressional aide briefed on the deliberations — an outcome everyone hoped to avoid ahead of the 2018 midterm elections.

Meanwhile, belt-tightening conservatives in the House are still hoping for more than $15 billion in cuts.

An internal survey of dozens of House Republican Study Committee members found that lawmakers overwhelmingly support the largest possible rescissions request. The survey, which was obtained by POLITICO, found that 71 percent of RSC members said they would back a proposal that cut at least $60 billion. Another 9 percent said they'd support any amount.

And 94 percent of RSC members surveyed said the rescissions package should cut at least some domestic funding from this year's $1.3 trillion omnibus. Only 6 percent said "maybe."

Republican budget wonks also wondered if the final package would accomplish the task of reducing government spending in a meaningful way, if it indeed took previously unspent money from old programs.

"This is not a deficit reduction exercise, but more of a public relations exercise to soothe the base and convince them that the White House is fiscally responsible," said G. William Hoagland, a senior vice president at the Bipartisan Policy Center and former director of budget and appropriations for former Senate Majority Leader Bill Frist as well as the former director of the Senate Budget Committee.

"If they are finding unused budget authority and putting that in a special package to Congress as appropriators are trying to put together the [fiscal] 2019 bill, it may have the effect of creating more spending for 2019 rather than less," Hoagland said.

Nancy Cook, John Bresnahan and Matthew Nussbaum contributed to this report

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House Appropriations panel advances $44.7B energy and water bill Back

By Annie Snider | 05/07/2018 06:15 PM EDT

A House Appropriations Committee subpanel swiftly approved its $44.7 billion energy and water spending bill on a voice vote today, sending it to the full committee for consideration.

Democrats applauded the boost in funding that the measure provides for the Army Corps of Engineers and DOE thanks to the bipartisan agreement to lift spending caps.

"Our bill is certainly a message to the executive branch that the legislative branch rejects the ill-considered, draconian cuts we have come to expect to every important agency we fund in this bill," said Rep. Marcy Kaptur, the top Democrat on the subcommittee.

Overall, the bill would provide $7.28 billion to the Army Corps of Engineers, $451 million over 2018 levels. That includes $1.6 billion for harbor maintenance activities, or $160 million more than the level appropriators committed in a major 2014 bill.

DOE's energy programs would get $13.4 billion under the measure, with increases for fossil and nuclear energy research and cuts for renewable energy and energy efficiency.

Democrats objected to that disparity, as well as to a spate of policy riders in the bill such as a provision to repeal the Obama administration's Waters of the U.S. rule and another to override a court decision and operate the Columbia and Snake rivers' dams for hydropower production rather than protecting endangered salmon.

WHAT'S NEXT: The full House Appropriations Committee is expected to consider the measure soon.

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