Message

From: POLITICO Pro Energy [politicoemail@politicopro.com]
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Subject: Morning Energy: Where do biofuels stand? — This week: Pruitt faces the Hill — Macron heads to Washington

By Kelsey Tamborrino | 04/23/2018 05:42 AM EDT

With help from Eric Wolff and Annie Snider

YOU CAN'T ALWAYS GET WHAT YOU WANT: Despite efforts by President Donald Trump to settle a long-running dispute between ethanol backers and the refining industry, progress on a biofuels deal has stalled. Instead, the administration has taken a piecemeal approach to the policy, pushing for an expanded market for higher blends of ethanol, while handing out exemptions to the Renewable Fuels Standard to small refiners.

Trump, for his part, has huddled multiple times with members of his Cabinet, industry and lawmakers from both corn belt and oil states, Pro's Eric Wolff reports. But so far, there's been little progress in striking a grand deal. At odds are the independent refiners, who say they feel financial stress from the RFS, and the agriculture sector, which is anxious to expand the market for corn ethanol.

Trump has promised to allow year-round sales of 15 percent ethanol blends of gasoline, while EPA Administrator Scott Pruitt has so far granted more than two dozen temporary waivers to small refineries that exempt them from the mandate requiring them to blend ethanol with gasoline. "After 18 months of pursuing various regulatory forms of relief and a handful of Oval Office confabs, the merchant refiners ended up with [an increase in E15] taking even more market share away from them in return for some small refiner hardship waivers — and some of them did not even get that," one oil refining source told Eric.

And Pruitt's controversies stemming from his first-class flights, security spending and condo rental from a lobbyist, have left the EPA chief unable to make an aggressive case for instituting price caps many refiners want on the biofuel credits, according to an administration source. Read more here.

Democrats weigh in: House Energy and Commerce ranking member Frank Pallone and Agriculture ranking member Collin Peterson sent this letter to the president on Friday, expressing concern with the waivers issued by Pruitt to small refineries, writing it "undermines the goal of the RFS program, creates uncertainty and economic hardship in the agricultural community, and gives unfair advantage to specific facilities within the refining sector."

GOOD MONDAY MORNING! I'm your host Kelsey Tamborrino, and Entergy's Rob Hall was first to correctly answer that former Senate Majority Leader Robert Taft's father served as a Supreme Court chief justice. For today: Who was the first woman to be awarded the Medal of Honor? Send your tips, energy gossip and comments to ktamborrino@politico.com, or follow us on Twitter @kelseytam, @Morning_Energy and @POLITICOPro.

POLITICO Space is our new weekly briefing on the policies and personalities shaping the second space age. Sign up **today.**

ICYMI: Check out the event videos and highlights from last Tuesday's event on how private businesses can address clean energy and build a more sustainable future.

PRUITT HEADS TO THE HILL: Thursday's the day: Pruitt is scheduled to face questions from two House committees for the first time since his swirling scandals emerged in March. He'll appear before both the House Appropriations Committee and the Energy and Commerce Committee to discuss his agency's budget request for fiscal 2019, but of course lawmakers are planning to take Pruitt to task over his ethics and spending issues. "Members are going to have questions about how things are going at the EPA and how the money is being spent," E&C Chairman Greg Walden told POLITICO last week. "And we will. We should. He'll have to answer those."

Not least on the list of questions: POLITICO's Theo Meyer and Eliana Johnson were first to report this weekend that the lobbyist, J. Steven Hart, whose wife rented a $50-per-night condo to Pruitt, also lobbied the agency while Pruitt was leading it, according to a Friday filing by his firm. That news comes despite the denials from both Hart and Pruitt that the lobbyist did not have any business before the agency. Hart announced his resignation from his lobbying firm Williams & Jensen hours before the disclosure was published. He was already planning to retire in November, but moved up his departure in the wake of the revelation that his wife had been Pruitt's landlord.

An EPA official acknowledged on Saturday that Pruitt had met with Hart, who attended a meeting with a former meat-processing executive concerned about Trump's proposal to cut spending on a Chesapeake Bay cleanup program. But the official argued that the meeting didn't meet the definition of lobbying. The disclosure, meanwhile, says Hart lobbied the EPA on issues "relating to support for EPA Chesapeake Bay Programs." A spokeswoman for House Oversight Chairman Trey Gowdy, who is already probing the administrator, told POLITICO that "the Committee has already been looking into this matter." Read more.

The hits keep coming: The Associated Press reported on Friday that state records show how, as Oklahoma's attorney general, Pruitt ordered investigations agents from his office to work as his driver and bodyguard. And a separate report from The New York Times probed how Pruitt bought a historic house in Oklahoma from a top lobbyist with the help of a shell company.

— **Another Republican called on Pruitt to resign** this weekend, marking at least four current Republican lawmakers to do so. "Yes EPA Administrator Scott Pruitt should resign. Wrong fit from start for agency dedicated to protecting our environment," New Jersey Rep. Frank LoBiondo tweeted . "#EarthDay2018 reinforces our need to promote pristine planet via clean air & water, leaving it better for future generations. Requires leadership & balance."

NOW THAT'S A MISTAKE: Three days after releasing a raft of communications between top EPA personnel to the Union of Concerned Scientists under the Freedom of Information Act, the agency removed them from its electronic library Friday. Among the documents were emails POLITICO cited on Thursday that show political officials developing a new scientific transparency policy were more concerned with the impact it could have on the agency's ability to consider industry data when reviewing pesticides and toxic chemicals for safety than they were about potentially excluding studies on the effect of pollution on public health, as many scientists have warned. EPA sent the policy, based on legislation from House Science Chairman Lamar Smith (R-Texas), to the White House for interagency review Thursday.

EPA did not respond to requests for comment over the weekend, but Yogin Kothari with UCS said the agency told him it accidentally released documents with private information and privileged attorney-client communications. His group removed emails it considered to fit that description and posted the rest on its website.

XCEL NOT SO INTO MARKETS AFTER ALL: Colorado utility Xcel Energy blew a hole in Southwest Power Pool's plans for a western power market when the company announced late Friday it had dropped out of the Mountain West Transmission Group. SPP had been working with the informal group of power providers for months to try and join the power market — and SPP had advanced the effort as recently as last month. Xcel

didn't respond to a request for comment, but the press release said there were "limited benefits" in the effort and "increasingly uncertain costs."

Perhaps most intriguing to ME is the company's point that "Xcel now sees few opportunities for westward expansion of the RTO which might have added to the value proposition." SPP faces competition from both California's already established energy-imbalance market that includes utilities in the Pacific Northwest and Nevada, and a nascent joint project between eastern market operator PJM Interconnection and western reliability manager PEAK. Xcel's press release did not say if it had engaged with either of these other projects.

MR. MACRON HEADS TO WASHINGTON: French President Emmanuel Macron makes his first official visit to Washington this week, where he'll meet with the president and deliver an address to a joint meeting of Congress. Macron and his wife will be hosted by the president and first lady at a private dinner tonight and the two leaders will participate in a bilateral meeting on Tuesday.

Officially, the two heads of state are set to discuss ongoing issues in Syria, the Iran deal and trade tensions. But keep an ear out for climate mentions, too. Macron has been critical of Trump's announcement that he would remove the U.S. from the Paris climate agreement.

Ahead of his meeting with Trump, Macron appeared on "Fox News Sunday," where he was asked whether he believes Trump will serve his full term. "I never wonder that," Macron said. "I mean, I work with him because both of us are very much at the service of our country in both side. And for me, that's why — even when we have some disagreements on climate and on some issues, I think the most important thing is to — I mean, just to remind that we are at the service of our people, that's our legitimacy."

FROM BLOOMBERG WITH LOVE: Special envoy to the U.N. for climate action Michael Bloomberg pledged to help cover the U.S. financial commitment to the Paris climate accord on Sunday. Appearing on CBS, the former New York City mayor announced he would foot the $4.5 million bill to the U.N. Climate Change Secretariat under the 2015 agreement that was struck by former President Barack Obama.

"America made a commitment. And as an American, if the government's not going to do it, we all have a responsibility, and I'm able to do it," he said on CBS. "So yes, I'm going to send them a check for the monies that America had promised to the organization." Bloomberg will also make more funding available should the U.S. government fail to produce funds for its share of the U.N. climate budget in 2019, according to a press release announcing the action.

READY FOR TAKEOFF: Rep. Jim Bridenstine will be sworn-in at 2:30 p.m. today as the new NASA administrator. After the swearing-in ceremony, Vice President Mike Pence and Bridenstine will speak live with three NASA astronauts currently living on the International Space Station.

MAIL CALL! Senate Democrats sent a series of letters Friday, calling on the administration and agency heads to share documents related to the Koch brothers' role in influencing policy in the Trump era. The letters cite specific actions for which the Koch network has taken credit, including shrinking national monuments, exiting the Paris climate change agreement and streamlining of infrastructure permitting. "Americans have a right to know if special interests are unduly influencing public policy decisions that have profound implications for public health, the environment, and the economy," the senators write. The letters, led by Sen. Sheldon Whitehouse, come before Senate floor speeches this week from Democrats that are expected to detail the influence of the Koch brothers network. Read the letter to the White House here, EPA here and Interior here.

IN CELEBRATION OF EARTH DAY: The president touted his administration's rollback of "unnecessary and harmful regulations," and pointed toward a "market-driven economy" as an essential tool in environmental protection. "A healthy environment and a strong economy go hand in hand," a White House presidential message said. "We know that it is impossible for humans to flourish without clean air, land, and water. We also

know that a strong, market-driven economy is essential to protecting these resources." Trump said for that reason, his administration is "dedicated to removing unnecessary and harmful regulations that restrain economic growth and make it more difficult for local communities to prosper and to choose the best solutions for their environment."

REPORT OUT ON DOE BUDGET: The Information Technology and Innovation Foundation is out with a new report today analyzing the Energy Department's budget for research, development and demonstration. The report details how the administration's current budget proposal for fiscal 2019 would "impose the largest single-year decrease" in DOE history. "R&D spending as a share of sales in the U.S. energy industry is only 0.4 percent, compared with 8.5 percent in aerospace and defense, 9.8 percent in computers and electronics, and 2.4 percent in the automotive industry," the report finds. Read it here.

MOVER, SHAKER: Holly Burke last week joined the League of Conservation Voters as communications coordinator. She previously worked for American Bridge.

— **Jennifer Talhelm,** formerly communications director for Sen. Tom Udall, is moving to the Western Resource Advocates and will be based in Santa Fe.

QUICK HITS

— She tried to report on climate change. Sinclair told her to be more "balanced," BuzzFeed.

— Oil is fast approaching $70. Is the economy ready for it? The Wall Street Journal.

— EPA sources: Pruitt aide tried to back-date departure after congressional interview request, CNN.

— Environmental review for mine project expected this week, Associated Press.

— America's nuclear headache: old plutonium with nowhere to go, Reuters.

— Perched on a platform high in a tree, a 61-year-old woman fights a gas pipeline, The Washington Post.

HAPPENING THIS WEEK

MONDAY

11:30 a.m. — Verizon discussion on "Celebrating Earth Day: The Power of Next-Gen Networks to Advance Environmental Sustainability," 1300 I Street NW

TUESDAY

8:00 a.m. — American Fuel & Petrochemical Manufacturers holds security conference, New Orleans

10:00 a.m. — Senate Energy and Natural Resources Committee hearing on the president's proposed budget request for FY 2019 for the Forest Service, 366 Dirksen

10:00 a.m. — Senate Foreign Relations Committee hearing on nominations, including Jackie Wolcott to be representative to the International Atomic Energy Agency, 419 Dirksen

10:00 a.m. — The Bipartisan Policy Center webcast "Can America's Infrastructure Withstand the Next Natural Disasters? Lessons Learned from Previous Disasters."

3:00 p.m. — Woodrow Wilson Center book launch discussion with author Barry Rabe on pricing carbon, 1300 Pennsylvania Ave NW

5:00 p.m. — Johns Hopkins University's Energy, Resources and Environment presentation on "Cities as Innovation Centers: Investing in Resilient Infrastructure," 1619 Massachusetts Avenue NW

WEDNESDAY

10:00 a.m. — Senate Commerce Committee hearing on "Enhancing the Marine Mammal Protection Act," 253 Russell

11:30 a.m. — The World Resources Institute forum on "activism for energy," 10 G Street NE

12:30 p.m. — Olympians brief Congress about impact of climate change on winter sports, hosted by Sens. Michael Bennet and Susan Collins, 538 Dirksen

2:00 p.m. — Resources for the Future webinar on "What Research Says on Key Fracking Debate Issues."

2:00 p.m. — House Natural Resources Committee hearing on "The Weaponization of the National Environmental Policy Act and the Implications of Environmental Lawfare," 1324 Longworth

3:30 p.m. — Bloomberg Government and the Norwegian-American Chamber of Commerce conversation on "Investing In A Sustainable Energy Future," New York City

6:30 p.m. — The Carnegie Institution for Science lecture on the sustainable use of the ocean, 1530 P Street NW

THURSDAY

8:00 a.m. — Water Leaders summit on "Building an Innovative Future for Water Policy and Technology in America," 215 Capitol Visitors Center

8:30 a.m. — George Mason University's Center for Energy Science and Policy symposium on "Energy-Water Nexus," Fairfax, Va.

9:00 a.m. — Colorado State University hosts symposium on "Water in the West," Denver

10:00 a.m. — The U.S. Energy Association forum on "fostering the deployment of CCUS technologies," 1300 Pennsylvania Ave NW

10:00 a.m. — The House Energy and Commerce Committee hearing on EPA's budget request, 2323 Rayburn

10:00 a.m. — House Natural Resources Oversight Subcommittee hearing on "Examining the Critical Importance of Offshore Energy Revenue Sharing for Gulf Producing States," 1324 Longworth

10:00 a.m. — The Center for Strategic and International Studies' Energy and National Security Program discussion on "Challenges to Ukrainian Energy Reform and European Energy Security," 1616 Rhode Island Avenue NW

11:30 a.m. — The Atlantic Council discussion on "From an Oil Company to an Energy Company," 1030 15th Street NW

1:30 p.m. — Information Technology and Innovation Foundation release on "Closing the Innovation Gap in Grid-Scale Energy Storage," 1101 K Street NW

2:00 p.m. — House Appropriations Interior, Environment, and Related Agencies Subcommittee hearing on EPA's fiscal 2019 budget, 2007 Rayburn

2:00 p.m. — House Natural Resources Committee hearing on H.R. 5317 (115) and H.R. 211 (115), 1324 Longworth

2:00 p.m. — Senate Appropriations Energy and Water Development Subcommittee hearing on the Nuclear Regulatory Commission's proposed budget for FY 2019, 430 Dirksen

2:30 p.m. — The Center for a New American Security event on how lower oil prices have reshaped geopolitical calculations for U.S. policymakers, 1152 15th St NW

FRIDAY

12:00 p.m. — Women's Council on Energy and the Environment discussion on wholesale electricity pricing, 888 First Street NE

12:00 p.m. — The Nuclear Information and Resource Service, and U.S. Climate Action Network discussion on "Climate Justice and Nuclear Power in South Africa," 1200 G Street NW

THAT'S ALL FOR ME!

To view online:
https://www.politicopro.com/newsletters/morning-energy/2018/04/where-do-biofuels-stand-179483

Stories from POLITICO Pro

Failure to strike biofuels deal opens door for smaller ethanol moves Back

By Eric Wolff | 04/23/2018 05:01 AM EDT

President Donald Trump's long-sought biofuels deal between the agricultural and refining industries appears to be turning into a piecemeal policy cobbled together through EPA that expands the market for corn ethanol while granting exemptions from the program to many small oil processors.

Trump has huddled several times with members of his Cabinet, refining and ethanol industry players, and lawmakers from both corn-belt and oil states. But so far, there's been little progress in striking a grand deal that would relieve the financial pain that some independent refiners say the Renewable Fuel Standard is causing them while acceding to agriculture-sector pressure to expand the market for corn ethanol.

Instead, Trump has promised to allow year-round sales of 15 percent ethanol blends of gasoline while EPA Administrator Scott Pruitt has handed out more than two dozen temporary waivers to small refineries that exempt them from the mandate requiring them to blend ethanol with gasoline.

"After 18 months of pursuing various regulatory forms of relief and a handful of Oval Office confabs, the merchant refiners ended up with [an increase in E15] taking even more market share away from them in return for some small refiner hardship waivers — and some of them did not even get that," said a source with an oil refining company.

For over a year, refiners have urged the administration to put a cap on the price of the biofuel credits that refiners must buy to meet their RFS compliance levels. But the move has been sharply opposed by ethanol and corn interests, as well as Sen. Chuck Grassley (R-Iowa), who as recently as last month called a potential cap "CATASTROPHIC to ethanol."

But the prices for biofuel credits, called Renewable Identification Numbers, have fallen since Pruitt's EPA began issuing at least 25 compliance waivers. Although that's angered biofuels supporters who complain it has sapped demand for ethanol, they see the administration's plan to drop the Clean Air Act rules that have barred E15 sales in the summer in some states as a boon.

"Right now we're going to have anywhere from a billion- to a billion and a half-[gallon] reduction in [ethanol] demand because of [RFS] waivers given so far," Sen. Mike Rounds (R-S.D.) told POLITICO. "I think we're moving in the right direction, but we want to make sure we get the [E15] waiver in place."

At a meeting with Midwestern senators and governors April 12, Trump announced his plan to expand E15 sales. But Trump also said there were efforts to set a transition period for the two years "where we will have a little bit of complexity," an apparent reference to refiners' worries that an increase in the number of RINs from higher E15 sales won't help push down prices for the credits in the near term.

The expansion of E15 sales came after an early April meeting at the White House, where Agriculture Secretary Sonny Perdue urged Trump to give corn farmers something to offset the ethanol demand drop they were seeing from the refinery compliance waivers, as well as the decline expected because of China's retaliatory import tariffs put in place after Trump announced his trade penalties, according to an administration source. The Washington Post reported Trump spent much of the meeting discussing the controversies around Pruitt's condo rental from a lobbyist and heavy spending on first-class travel and round-the-clock security.

Trump's discussion of Pruitt's controversies left the EPA chief unable to make an aggressive case for instituting price caps on RINs, according to an administration source, and have put him in a generally weakened position inside the White House.

And that may have killed the effort to establish RIN price caps, and given traction to the piecemeal EPA actions on E15 and the temporary compliance waivers, according to both administration and industry sources.

"[The oil industry] got what they wanted with the small refinery waivers, so we should get what we want," said Rob Walther, vice president of federal affairs for the ethanol producer POET.

Refiners, who over the last several months have sought and received RFS waivers for the 2016 and 2017 compliance years, are now expected to be pushing for the same exemptions for 2018 before they even know what their final liability for the year is.

Separately, a debate has grown over how EPA has been able to issue so many waivers to refiners this year. Though an EPA spokeswoman says the agency continued to use the same process it had under the Obama EPA to grant those exceptions, oil and ethanol industry sources acknowledge it has made crucial changes that make it far easier to get out from under the biofuel mandates.

In particular, EPA is relying on report language congressional appropriators added to 2016 and 2017 government funding bills that called on EPA to loosen its requirements for determining if a refinery should be awarded a waiver. EPA has also softened its definition of what constitutes economic hardship for a refinery as a result of a ruling from the U.S. Court of Appeals for the 10th Circuit last year.

That decision, in the case of *Sinclair Wyoming Refining v. EPA*, said the agency's test for defining economic hardship as whether a refiner was about to be pushed into bankruptcy had been too severe.

EPA has also taken a more aggressive interpretation of the law, saying it would no longer grant only partial waivers. Instead, the agency is now granting full-volume waivers to qualifying small refineries, according to an industry attorney.

The American Petroleum Institute, which represents the biggest oil companies, has opposed the waivers, and ethanol producers are furious at the use of the congressional report language to loosen the standards for receiving them. Monte Shaw, executive director of the Iowa Renewable Fuels Association, said his group has asked allies on the Appropriations Committee to consider writing their own language into future appropriations reports reversing the previous guidance.

Other groups think EPA is relying too much on that congressional guidance that is not included in the law.

"The report language does not override the plain reading of the statute," said Bob Dinneen, CEO of the Renewable Fuels Association. "While the court's decision in *Sinclair* might suggest EPA views these waivers differently, EPA has turned 180 degrees in its interpretation of the statute, and essentially now requires no demonstration of economic hardship. That's not what either the statute or the court required."

EPA staff has begun work trying to figure out how to best implement the expansion of E15 sales, which corn growers see as pivotal for the program's near future. But ethanol producers and their allies are looking ahead to the long term, in which E25 and E30 provide the octane for smaller, high-efficiency engines that get far higher fuel efficiency than current models.

"We have to move to the point to emphasize the need for octane, for these small engines that become more important in meeting CAFE standards in coming years," Rounds said. "That's where ethanol really shines."

To view online click here.

Back

Lobbyist whose wife rented to Pruitt lobbied EPA despite denials Back

By Theodoric Meyer and Eliana Johnson | 04/20/2018 06:43 PM EDT

The prominent lobbyist whose wife rented a condominium to Environmental Protection Agency Administrator Scott Pruitt lobbied the agency while Pruitt was leading it, contrary to his and Pruitt's public denials that he had any business before the agency, according to a Friday filing by his firm.

The disclosure from the lobbying firm Williams & Jensen contradicts Pruitt's public statement last month that the lobbyist, J. Steven Hart, had no clients with business before the EPA, and came hours after Hart's resignation from the firm.

An EPA official acknowledged on Saturday that Pruitt had met with Hart, who attended a meeting with a former meat processing executive concerned about President Donald Trump's proposal to cut spending on a Chesapeake Bay cleanup program. But the official argued that the meeting didn't meet the definition of lobbying.

A second EPA official, agency spokesman Jahan Wilcox, told POLITICO: "We have no knowledge of any facts that precipitated Williams & Jensen electing to make this filing."

The disclosure is the latest sign of one-time allies distancing themselves from Pruitt, whose job is in jeopardy because of multiple investigations into his stewardship of the agency, ranging from spending on a 20-person security team and first-class travel to the installation of costly office furniture and a soundproof phone booth. The Government Accountability Office said earlier this week that the purchase of the booth, which cost $43,000, violated federal law . And the staff of House Oversight Chairman Trey Gowdy (R-S.C.) has interviewed a former EPA political appointee who alleges that Pruitt lied about not knowing about steep raises given to two of his top aides.

When asked late Friday about Hart's lobbying activities, a Gowdy spokeswoman told POLITICO that 'the Committee has already been looking into this matter.'"

Sen. Sheldon Whitehouse (D-R.I.) said in a statement Saturday that any evidence of deception about Pruitt's relationship with the lobbyist-turned-landlord would bode ill for the EPA administrator.

"It doesn't get much swampier than an agency head getting a sweetheart deal on rent from a lobbyist with business before his agency, but someone lying about it afterwards does make it worse," Whitehouse said. "The laundry list of Pruitt scandals grows."

Hart announced he would resign from Williams & Jensen hours before the firm filed a disclosure showing that he lobbied the EPA for Smithfield Foods in the first quarter of 2017. While Hart, the chairman and former chief executive of the firm, has disputed that the contact he had with Pruitt and Pruitt's chief of staff, Ryan Jackson, constituted lobbying activity, the disclosure indicates otherwise.

Hart lobbied the EPA on issues "relating to support for EPA Chesapeake Bay Programs," according to the disclosure.

Pruitt told Fox News earlier this month that "Hart has no clients that have business before this agency."

Smithfield paid Williams & Jensen, which has lobbied for the company for years, $70,000 to lobby on a variety of matters in the first quarter, according to the disclosure filing. Hart also lobbied Congress on trade, agriculture and food safety issues on Smithfield's behalf during the first quarter, alongside other Williams & Jensen lobbyists.

But Smithfield said Hart's lobbying of the EPA "was not undertaken at the direction of or on behalf of Smithfield Foods."

"These activities were conducted at the request of a then former executive and current Smithfield Foundation board member, Dennis Treacy, in his personal capacity," the company said in a statement. "Mr. Treacy is associated with several environmental organizations and is a member of the Chesapeake Bay Commission."

Treacy had been Smithfield's chief sustainability officer, as well as president of the nonprofit Smithfield Foundation, and before that had led Virginia's Department of Environmental Quality.

The first EPA official, who spoke on condition of anonymity, said Pruitt and Jackson, his chief of staff, met with Treacy and Hart on July 11 for 20 minutes in Pruitt's office. That's backed up by a chain of agency emails obtained by POLITICO, which show Treacy requesting a meeting in May to discuss his "focused and unique view of environmental protection" with Pruitt, and one finally being scheduled for July 11.

On July 10, Hart wrote to Jackson that he wanted to attend the meeting at Treacy's request. Hart added that Treacy "is a good guy and can be trusted. He is coming in as the business rep on the Chesapeake Bay Foundation — another of your controversies."

But the disclosure filed by Williams & Jensen indicates that Hart's lobbying work took place in the first three months of this year, not in 2017.

The official said Hart set up the meeting as a "personal introduction" but that Treacy used a Smithfield email address, which may have prompted Williams & Jensen to consider the meeting lobbying activity on behalf of Smithfield. Treacy wanted to talk about the president's proposed budget cuts to EPA's spending on Chesapeake Bay, the subject of one of the nation's premier ecosystem restoration projects, the official said.

The official said Pruitt discussed his meeting with Hart with EPA staff before going on Fox News for an interview this month, where Pruitt maintained that Hart had no clients with business before the agency. But "it has been clear in [Pruitt's] mind for months now this was a personal introduction of an individual who was supportive of the administration, who wanted to meet the administrator."

Smithfield Foods has had a tangled history with Chesapeake Bay: In 1997, a federal judge slapped the company with a record $12.6 million fine for violating the Clean Water Act by dumping hog waste into a bay tributary. But Smithfield is now listed as a corporate partner of the nonprofit Alliance for the Chesapeake Bay.

Pruitt's rental of the Capitol Hill condo — a relative bargain at $50 a night — had attracted criticism even before the filing because Hart has lobbied on energy issues in the past. Hart is also a past political donor to Pruitt, contributing a total of $4,366 in cash and in-kind services to the former Oklahoma attorney general's campaigns and leadership PAC.

Pruitt's lease originally had J. Steven Hart's name printed on it as the landlord, but someone crossed it out and wrote in the name of his wife, Vicki. Public records show Vicki Hart's name on both the mortgage and deed. (Vicki Hart is also a lobbyist but works primarily on health care issues.)

Hart was already planning to retire in November but moved up his departure in the wake of the revelation that his wife has been Pruitt's landlord.

"Considering the last couple of weeks, I think it is easier on my family and the firm to expedite my departure," Hart wrote on Friday afternoon in an email to family and friends that was obtained by POLITICO.

Williams & Jensen confirmed Hart's departure.

"Mr. Hart informed the firm of his decision to resign today," the firm said in a statement on Friday. "We are grateful to Steve for his 35 years of service and we wish him and his family well in all of their future endeavors."

Hart did not respond to a request for comment. But he was sharply critical of the news coverage of the Pruitt scandal in the email he sent on Friday.

"As you know, these days I am no more an energy lobbyist than I am an astronaut," Hart wrote. "But, why let the facts get in the way of a good story?"

After leaving the firm, Hart wrote that he was "looking forward to devoting myself to an independent legal practice, some strategic business counseling for a few clients, golf, and shooting (not in that order)."

Alex Guillén and Emily Holden contributed to this report.

To view online click here.

Back

Third Republican calls on Pruitt to resign Back

By Alex Guillén | 04/05/2018 03:34 PM EDT

Rep. Elise Stefanik (R-N.Y.) today called on EPA Administrator Scott Pruitt to resign, becoming at least the third Republican to do so even as more conservative lawmakers come to Pruitt's defense.

"I'm going to make news today," Stefanik said at a town hall meeting in South Glens Falls, about 45 miles north of Albany, according to The Saratogian. "I think Scott Pruitt should resign. I fundamentally disagree with how Pruitt has handled the EPA."

Reps. Carlos Curbelo and Ileana Ros-Lehtinen, both Florida Republicans, earlier this week called for Pruitt's ouster, as have a number of Democrats. Pruitt is facing increased scrutiny for ethics issues including the $50-per-night rent he paid to rent space in a condo from a lobbyist last year.

Meanwhile, conservative Republicans like Sens. Rand Paul (R-Ky.) and Ted Cruz (R-Texas) have come to Pruitt's defense today.

"Why do Obama and his media cronies want so badly to drive @EPAScottPruitt out of office?" tweeted Cruz.

Pruitt "is likely the bravest and most conservative member of Trump's cabinet," tweeted Paul. "We need him to help @realDonaldTrump drain the regulatory swamp."

To view online click here.

Back

EPA emails show industry worries slowed new science policy Back

By Annie Snider | 04/19/2018 05:01 PM EDT

EPA's rollout of a controversial new transparency policy that would severely restrict the scientific research the agency can rely on when drafting new regulations has been slowed down by political officials' fears that it could have major unintended consequences for chemical makers, according to newly released EPA documents.

The issue of scientific transparency has been high on the agenda of House Science Chairman Lamar Smith (R-Texas), who has found strong support from EPA Administrator Scott Pruitt — much to the consternation of public health advocates and green groups, who view the effort as backdoor attack on the agency's ability to enact environmental regulations.

Since Pruitt announced plans for the new policy last month, researchers and public health proponents have raised alarms that it could restrict the agency's ability to consider a broad swath of data about the effects of pollution on human health. But documents released under the Freedom of Information Act show that top EPA officials are more worried the new restrictions would prevent the agency from considering industry studies that frequently support their efforts to justify less stringent regulations.

Emails between EPA officials obtained by the Union of Concerned Scientists show that Nancy Beck, the top political official in the agency's chemicals office who came to the agency after serving as a key expert for the chemical industry's lead lobbying group, voiced major concerns after she received a draft of the not-yet-released policy on Jan. 31.

The new scientific transparency directive is expected to require that the raw data for all studies EPA relies on be publicly available, and that the studies be peer-reviewed. But Beck said these requirements would exclude a great deal of industry data about pesticides and toxic chemicals that her office considers when determining whether a substance is safe or must be restricted.

It costs companies "millions of dollars to do these studies," Beck wrote in an email to Richard Yamada, the political official in EPA's office of research and development who is spearheading work on the new scientific policy and is also a former staffer for the House Science Committee chairman.

"These data will be extremely valuable, extremely high quality, and NOT published," Beck wrote. "The directive needs to be revised."

Moreover, much of this data, Beck noted, is considered proprietary by companies. It is dubbed confidential business information, and even though EPA can consider it as part of its regulatory review, the data cannot legally be made public.

Yamada replied to thank Beck for the heads up. "Yes, thanks this is helpful - didn't know about the intricacies of CBI," he wrote. "We will need to thread this one real tight!"

The term "confidential business information" primarily applies to industry information. That data is separate from the personal medical information that public health researchers worry could block consideration of their work.

Yogin Kothari, a lobbyist for the Union of Concerned Scientists, said the emails show the Trump administration's EPA has been "trying to stack the deck in favor of the industries they're supposed to be regulating."

"They want to potentially create exemptions for industry, but if you look at this entire set of documents ... you will see that there's not a single consideration for the impacts on public health data, on long-term health studies, on studies that EPA does after public health disasters like the BP oil spill," he said.

EPA spokeswoman Liz Bowman emphasized the policy is not yet finalized.

"These discussions are part of the deliberative process; the policy is still being developed. It's important to understand; however, that any standards for protecting [confidential business information] would be the same for all stakeholders," she said in a statement.

The emails indicate Pruitt wanted the new science policy rolled out at the end of February, and teased his plans in an interview with conservative outlet The Daily Caller in mid-March. But the agency has yet to finalize the policy.

The transparency directive has its origins in legislation introduced by Smith during the Obama administration, that had the backing of a number of industry groups, including the American Chemistry Council. The House Science Committee chairman frequently charged that the Obama EPA used "secret science" to justify "costly new regulations."

Although versions of the measure were approved by the House multiple times, the Senate never took it up. CBO estimated that one version of Smith's legislation would cost EPA $250 million a year, at least in the initial years, and a leaked staff response to questions from the budget office said a later version would be even more costly, would endanger confidential medical and business information, and "would prevent EPA from using the best available science."

But Smith found an ally in Pruitt. The emails indicate that Smith met with Pruitt in early January and show that Pruitt's staff quickly began working on a directive to "internally implement" the legislation.

Industry's backing for the new scientific approach began to waiver under the Trump administration, though. When a top American Chemistry Council scientist testified before Smith's committee in February 2017, she emphasized the need to protect industry information if the transparency initiative moved forward.

"One of the things that we do need to take into consideration as making that data publicly available is that there are adequate protections for confidential business information to ensure that we keep innovation and competitiveness available for the marketplace," Kimberly White told the committee.

Industry has historically claimed that a wide range of information about chemicals, ranging from the processes by which they are produced, to the locations of manufacturing plants, to their very identities, must be kept confidential in order to keep competitors from learning trade secrets. Environmental and public health advocates argue that industry claims this exemption in many cases where it's not necessary and that it often keeps important health and safety information from public view.

The issue was a key point of debate when Congress considered a major overhaul of the nation's primary chemical safety law passed 2016 and has reemerged as Pruitt's EPA sets about implementing the law.

Asked for comment on EPA's new effort to implement the scientific transparency approach internally, American Chemistry Council spokesman Scott Openshaw said the group looks forward to reviewing the directive once it's finalized.

"It is critical that any final directive properly protect confidential business information and competitive intelligence," he said in a statement.

The internal emails show that EPA political staff were particularly attuned to this concern. In a Feb. 23 email to colleagues, Beck forwarded language from a 2005 White House document that laid out narrow exemptions from its requirement that all "important scientific information" disseminated by the federal government go through peer review.

"[Y]ou may need to tweak but hopefully there is something helpful here that can be borrowed/adopted," she wrote.

Richard Denison, lead senior scientist for the Environmental Defense Fund, said that EPA's access to industry data is indeed important to its ability to review the safety of new chemicals and pesticides, but said the internal EPA communications show that Pruitt's EPA wants to "have their cake and eat it too" with the new directive.

"They're trying to force peer review studies done by academic scientists to disclose every last detail, while at the same time allowing industry studies to be kept private or aspects of those to still be kept private," he said.

He pointed out that the concerns Beck raised about the burden the new policy would place on industry are the very same ones that the CBO report said the policy would place on EPA.

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Back

France's Macron arrives for 'celebration' of unlikely friendship with Trump Back

By Nicholas Vinocur and Michael Crowley | 04/22/2018 09:45 PM EDT

PARIS — French President Emmanuel Macron will receive full state honors in Washington this week, nine months after he rolled out a literal red carpet for Donald Trump on Paris' Avenue des Champs Elysées.

The three-day visit is likely to feature more displays of public affection between two leaders who talk on the phone constantly and closely coordinated recent airstrikes against Syria. Despite the U.S president's enormous unpopularity in his country, Macron virtually never criticizes Trump in in public and calls him a "friend." Trump in turn reportedly even scribbled a love note to the 40-year-old French president last July.

This week's visit will be "something of a celebration of the relationship," a senior Trump administration official said.

Few would have predicted such talk just after Macron's May 2017 election defeat of the nationalist insurgent Marine LePen, whom Trump implied he supported. Macron's dark-horse win was seen as a rebuke to the western nationalist movement of which Trump has become a symbol. And while the French adored President Barack Obama as a suave intellectual, Trump is seen as the embodiment of a gauche American.

But rather than denounce Trump as many French politicians have, Macron has sought to win Trump over with flattering words. In an interview with "Fox News Sunday," Macron stressed his similarities with Trump, saying both he and the president could be called a "maverick" whose election had been unexpected.

The two men hardly see eye to eye on policy, and are expected to debate the Iran nuclear deal, Syria and trade policy, among other sensitive topics.

But Macron and Trump have worked closely together as Paris takes a larger leadership role on international issues — at a time when Britain is sidelined by political chaos and a weakened German Chancellor Angela Merkel's relationship with Trump is cool at best.

"Macron has become Trump's main European interlocutor when it comes to addressing international crises," Alexandra de Hoop Scheffer, senior transatlantic fellow at the German Marshall Fund, wrote in a recent policy paper.

Macron and Trump will share a private dinner Monday evening, followed by a bilateral meeting early Tuesday. They'll then meet with Cabinet members before a state dinner at the White House. On Wednesday, Macron will address a joint session of Congress.

In their private talks, the two men are likely to focus on security issues, including a fast-approaching decision point for the Iran nuclear deal. French officials say they share some of Trump's concerns about the July 2015 pact brokered by President Barack Obama, but are urging Trump not to abandon the agreement in mid-May, when Trump has threatened to reimpose sanctions on Tehran.

Macron has sought common ground with Trump by saying the current deal is flawed and that he might be willing to crack down on Iran's ballistic missile program. But Trump wants much stronger measures that French officials worry could abrogate the deal entirely. A Trump official said the deal would be "a major topic of discussion" during Macron's visit.

The official also said the two leaders "will discuss, probably in some detail, the way ahead in Syria."

In a televised debate last week, Macron said he had changed Trump's mind on the U.S. presence in war-torn Syria: "President Trump said the USA's will is to disengage from Syria. We convinced him that it was necessary to stay," the French leader said.

The White House quickly denied that characterization, and Macron later said he never meant the countries should maintain an indefinite military presence in the country.

But on Sunday, Macron told Fox News that he would urge international cooperation during his address to Congress, warning that Iran would benefit from a U.S. and European abandonment of Syria. "We are very much attached to the same values, and especially liberty and peace," Macron said of America and France.

Trade will also be on the agenda, after Macron and Merkel — who's due to fly into Washington on April 27, a few days after Macron leaves — both vowed to tell the U.S. president that Europe would not stand for his recent steel tariffs. U.S. officials may in turn complain to Macron's entourage about a French-led proposal to slap a 3-percent tax on U.S. internet giants.

Despite the menu of issue differences, officials on both sides sought to lower expectations for specific results from the meeting.

"It's largely symbolic," an aide to Macron said.

"I think what the President would like to hear from President Macron is his counsel and his point of view and his perspective," said the Trump official. "Whether we will actually solve, or come to closure, or a full detailed agreement on some of the issues that we've touched on is difficult to say at this remove."

As they work together internationally, Trump and Macron are both fending off political threats at home. A year into his presidency, the French president's sheen as a political prodigy and savior of European liberalism has been dulled by grinding rail strikes and sagging poll numbers.

Macron wants Trump to stand at his side as the European Union's soon-to-be sole military power with a permanent seat on the United Nations Security Council, nuclear capability and the will to intervene where others will not.

The April 14 strike on Syria's chemical facilities bolstered the burgeoning Franco-American relationship, French officials say. Macron and Trump spoke repeatedly during the crisis — and no fewer than seven times over the past month, according to accounts from the Elysée presidential palace.

While Britain also joined the strikes, Merkel barely featured in the Syrian discussions. Characteristically for intervention-averse Germany, she did not order participation in the strikes, commenting on them after the fact as "necessary and appropriate."

Once the missiles had hit their targets, Macron seized on a chance to drive home his point: While others may waver, France remains a red-blooded beacon of Western power. Paris had intervened in Syria for the "honor of the international community," he told the European Parliament in Strasbourg

One outstanding question about the Macron-Trump relationship that fascinates commentators in Europe: Does the French president really like Trump, or is he just "playing him"?

European commentators suggested as much last summer when, during Trump's visit to Paris, Macron mimicked his guest's signature thumbs-up move to TV cameras.

There may be no definitive answer. Macron is a one-time stage actor who loves to quote classical French playwrights from memory and, as he told a pair of French interviewers last weekend, has "no friends."

Quizzed about Macron's apparent affection for Trump, the French president's aides say he has concluded that befriending Trump and avoiding any direct criticism of the U.S. president that could inflame his temper are the best ways of keeping Trump — and the United States — on his nation's side.

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Back

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