Message

From: POLITICO Pro Energy [politicoemail@politicopro.com]
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To: Wehrum, Bill [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=33d96ae800cf43a3911d94a7130b6c41-Wehrum, Wil]
Subject: Morning Energy, presented by Chevron: Pruitt makes his Senate return — Emails: Pruitt pushed 'red team-blue team' climate debate — The WIFIA balancing act

By Kelsey Tamborrino | 05/16/2018 05:40 AM EDT

With help from Anthony Adragna

TIME TO FACE THE MUSIC: Scott Pruitt hits the Hill again today, and on top of the questions he can expect on his lavish spending and ethical quandaries, the EPA administrator will be asked to explain why EPA helped to bury a federal study that would have increased warnings about toxic chemicals found in hundreds of water supplies across the country. As POLITICO reported this week, emails released under the Freedom of Information Act indicate the study was being prepared for release in January, before EPA intervened. It has not been made public more than three months later and the agency producing it says it has no timeline for doing so.

Now lawmakers are looking for answers, including Republicans whose districts suffered contamination from the chemicals PFOA and PFOS, which are linked with certain cancers, thyroid problems and life-threatening pregnancy complications. Annie Snider, who broke the story, has more on the fallout here.

Plus, today's hearing in front of a Senate Appropriations panel comes less than 24 hours after yet another probe was launched by the agency's inspector general into the handling of Pruitt's emails. That brings the number of probes and investigations into his behavior to an even dozen.

Sparks flying: When Pruitt last appeared on the Hill in April before two House committees, he played the blame game, in part pushing the burden of some of his ethical decisions onto his staff. And since today's appearance will be his first before the Senate since the steady drip of news stories began earlier this year, he'll face a range of inquiries from Democrats, some of whom have been leading the charge against him. The subpanel's ranking Democrat, Tom Udall , has been critical of Pruitt in the past and plans to question him on his spending and ethical issues. "Administrator Pruitt, it's hard to know where to begin this morning. Every day there seems to be a new scandal ... with you at the dead center," Udall will say.

Expect the New Mexico Democrat to discuss the range of investigations that currently eye Pruitt. "I can only wonder if more investigations will start based on your fast-tracking a new Superfund site at the behest of a conservative media personality and other reports that EPA has taken quick actions to help political donors and lobbyists," he'll say, referencing another POLITICO story.

Both Democrats and Republicans on the subcommittee tell ME they want to discuss the policy at hand. Republican Shelley Moore Capito said she wants to ask Pruitt about a number of different things, but added she wanted to "just concentrate on the policy." Still, Democrat Chris Van Hollen said he has a long list of questions for the administrator that involve policy as well as a "betrayal of the public trust." And, fellow subpanel Democrat Jeff Merkley told ME: "[I] certainly want to get a better understanding of why he feels that he's so comfortable using government funds in all kinds of inappropriate ways, but also the policy."

Separately, EPW Chairman John Barrasso, who is not on the Appropriations committee, suggested in a letter Tuesday he'll also be watching to see what comes out of today's hearing. That letter comes in response to a request from six Democratic EPW members, who demanded Barrasso bring Pruitt before the panel. Barrasso

said EPA provided Pruitt's responses to previous questions from the panel earlier this week and added that he intends to call Pruitt for another hearing but will wait to see what comes out of the ongoing probes already looking into Pruitt's activities.

In the crowd: Environmental groups in the audience today will look for senators to ask the tough questions. Moms Clean Air Force will be bringing in local moms and their children, and the group will hand out their Pruitt "report card." Similarly, the Environmental Defense Fund will be watching to see if Pruitt dodges on questions that aim to hold him accountable. EDF will again hand out its "Non-Trivial Pruitt Questions" cards and dropped off hard copies of its " 101 Questions" document to committee members' offices. **If you go:** The hearing kicks off at 9:30 a.m. in 124 Dirksen.

GONE QUIET: Sen. Jim Inhofe told reporters he hasn't talked with his buddy Pruitt in "about a month" but said the former Oklahoma attorney general is "weathering the storm" fine. But, he predicted, the tempest was not done yet. "Storms are never over," he said. "They always come back — you know that — in Washington."

WELCOME TO WEDNESDAY! I'm your host Kelsey Tamborrino. Clean Energy Business Network's Andy Barnes was the first to guess that two bathtubs remain in the Senate after they were uncovered in 1936 — although six were first installed in the chamber. Today's question: Who was the first sitting member of Congress sentenced to prison? Bonus points if you can guess the charge. Send your tips, energy gossip and comments to ktamborrino@politico.com, or follow us on Twitter @kelseytam, @Morning_Energy and @POLITICOPro.

THIS MIGHT COME UP: New communications reveal additional details about how the controversial red team-blue team debate over climate science would have played out at EPA and who was influencing Pruitt. Pro's Alex Guillén and Anthony Adragna report on a draft press release that circulated on Nov. 4 among top EPA officials, which laid out the line of attack. "EPA is standing up a Red Team peer review of the report," they wrote, rebuffing the Fourth National Climate Assessment, which countered many Trump administration political appointees who have questioned the connection between greenhouse gas pollution and global warming. The "blue team" would essentially be the federal assessment and its authors. Read more on that here.

THE WIFIA BALANCING ACT: A battle is brewing between small and rural communities and the larger ones whose infrastructure projects can be costly — and it could upend a bipartisan effort to pass the first major infrastructure bill during the Trump era. Annie reports on the measure at hand, called the Securing Required Funding for Water Infrastructure Now, or SRF WIN Act. The provision would expand the WIFIA program that loans federal money for water infrastructure projects at Treasury's attractive long-term interest rates, but also includes changes to make the WIFIA program more accessible to small and mid-sized communities. Now the measure has sparked opposition from the groups that originally conceived of the WIFIA program, who say the new proposal tilts too far toward the small communities. Read more here.

** **A message from Chevron:** Chevron and local partners are helping to provide DOERS with the hands-on technical training needed for today's jobs in the manufacturing and energy industries. Watch the video: https://politi.co/2rBPIuI **

CANCEL THOSE VACATIONS: Senate Appropriations Chairman Richard Shelby told reporters he's been in talks with Majority Leader Mitch McConnell about shelving the chamber's planned August recess unless they make more progress in the appropriations process. "We might not have an August recess," he said. Asked if it would be realistic to do so in an election year, Shelby quipped: "Might not be realistic for the Democrats — they have a lot more seats." Put ME down as skeptical on this one. Never underestimate the power of late July jet fumes.

INTERIOR-EPA PACKAGE MOVES AHEAD: The House Appropriations Committee's Interior-Environment panel cleared a $35.25 billion spending package on Tuesday, setting the measure up for committee consideration as early as next week. The bill cleared on a voice vote, Alex reports, and is likely to face contentious amendments before the full committee. Alex breaks down the bill further here.

FOR YOUR RADAR: The full House Appropriations Committee will mark up the fiscal 2019 Energy-Water bill this morning. Read the bill text here.

ENERGY NOM ON TAP: The Senate Foreign Relations Committee will hold a markup on the nomination of Frank Fannon to be an assistant secretary of State for energy resources. Fannon was a former staffer to Inhofe, who released a statement ahead of the vote that called the nominee a "good friend." Inhofe pointed out expanding U.S. energy exports to Eastern Europe, and said Fannon "can use his leadership and expertise effectively to advance American energy dominance and enforce energy sanctions, like those against Russia and Iran."

LISTEN IN: EPA announced Tuesday its Office of Enforcement and Compliance Assurance will host a series of "web-based listening sessions" beginning May 21, on specific recommendations from the agency's Superfund Task Force Recommendations Report.

NEW FOSSIL FUEL ALLIANCE COMING? The Trump administration is weighing the creation of "a new, central institution" that would advocate for natural gas and coal technology and exports, according to draft document obtained and reported on by E&E News. The draft "Clean and Advanced Fossil Fuel Alliance" talking points, though "pre-decisional," lay out a previously described loose affiliation of countries the United States is courting. Read the story here.

MONIZ UNVEILS ENERGY EMPLOYMENT REPORT: Former Energy Secretary Ernest Moniz will unveil the third installment of the 2018 U.S. Energy & Employment Report this morning. The report arrives via Energy Futures Initiative — where Moniz is CEO and president — and the National Association of State Energy Officials. It was originally established during Moniz' time at the DOE, and offers insight into the employment trends of four energy sectors. Moniz will be joined by NASEO head David Terry and author David Foster, as well as Senate Energy ranking member Maria Cantwell . The event will be livestreamed on both the NASEO and EFI websites.

JUDGES HALT ATLANTIC COAST: A federal appeals court ordered the construction of the Atlantic Coast pipeline be halted, following a legal challenge by environmental opponents who argued a review by the U.S. Fish and Wildlife Service was inadequate, the Richmond Times-Dispatch reports . The order vacates FWS' Incidental Take Statement. In a research notice sent by ClearView Energy Partners, the group said there was "a high probability that FERC will direct suspension of construction operations in these areas while the FWS revises the ITS."

NSR PERMITTING FOCUS OF HEARING: The House Energy and Commerce Environment Subcommittee holds a hearing on new source review permitting reform this morning. EPA air chief Bill Wehrum will testify, as well as Bracewell's Jeff Holmstead, NRECA's Kirk Johnson and NAM's Ross Eisenberg, among others. Although the administration doesn't have an official position on the discussion draft that is the focus of the hearing, Wehrum will say the current "program is unnecessarily complicated and confusing," and should be improved.

Eisenberg will say that NAM supports the bill and the need to reform NSR, more so now than ever. "One of our members estimates that there are over a hundred million tons of CO2 that could be reduced by deploying the full suite of available turbine upgrades at power plants," he'll say, adding that many such upgrades "have been impeded because they may potentially trigger NSR." **If you go:** It begins at 10:15 a.m. in 2322 Rayburn.

NWF MEETS WITH ZINKE: The National Wildlife Federation will meet today with Interior Secretary Ryan Zinke, where the group will discuss conservation issues. Ahead of the meeting, the group submitted five of its priorities, including concerns about some of the locations of upcoming lease sales and mining proposals and Zinke's broader conservation agenda.

Heads up! Zinke will deliver the keynote speech at next week's annual Williston Basin Petroleum Conference, in Bismarck, N.D., local KFYR-TV reports.

IT'S A BIRD, IT'S A DRONE: Interior is for the first time investing in small-unmanned aircraft systems services, or drones, to help tackle wildfires. DOI awarded a "Call When Needed" contract to four U.S. companies, which will allow the agency to employ the drones when needed to support wildland fire operations, search and rescue and emergency management.

MAIL CALL! A group of 20 Democratic senators called on Pruitt Tuesday to extend the comment deadline until July 30 for the agency's "secret science" proposal to ban the use of studies that don't publicly disclose all their data, and to hold more public hearings on the topic. Read the letter.

— **Ahead of the House's vote on the farm bill,** 114 state legislators signed a letter in opposition to a provision they say would exempt EPA from key requirements under the Endangered Species Act that protect pollinators. Read it here.

STUDY: BUSINESSES TAKING THE LEAD: Deloitte is out with two new reports today — one on global battery storage markets and another on energy management and consumption views from businesses and consumers. The latter report found that businesses are taking the lead to address climate change. They are reviewing or changing their energy management policies in response to the U.S. pulling out of the Paris climate agreement, the report found. According to the report, the number of companies with carbon footprint goals increased to 61 percent in 2018, from slightly more than half the year before. Read that report here and the energy storage report here.

REPORT OUT ON MANUFACTURING AT DOE: The Information Technology and Innovation Foundation will release its new report today reviewing DOE's "Manufacturing USA" institutes, looking at areas of progress and stability. Given the potential ITIF says the institutes have to bridge gaps in private sector investment, the report lays out national goals at stake at the nexus of manufacturing and energy, and outlines why federal action is necessary. Read the report here.

QUICK HITS

— Failure at the EPA, Pacific Standard.

— Why Alaska is crafting a plan to fight climate change: It's impossible to ignore, The New York Times.

— Trump considers ways to boost biofuel market transparency, Bloomberg.

— Whistleblower runs to change a system that burned him, E&E News.

— Judge strikes down Oakland's ban on shipping coal through port, Bloomberg.

— Why clean energy groups are singling out PJM for criticism on grid resilience, GreenTech Media.

— What Pruitt's been doing while you weren't looking, The Center for Public Integrity.

HAPPENING TODAY

9:30 a.m. — The Senate Appropriations Interior-Environment Subcommittee hearing on the EPA's fiscal 2019 budget, 124 Dirksen

10:00 a.m. — The Energy Futures Initiative and the National Association of State Energy Officials briefing to release the 2018 "U.S. Energy and Employment Report," SVC-210

10:00 a.m. — The Information Technology and Innovation Foundation discussion on "Manufacturing USA at DOE: Charting Progress, Seeking Stability," 1101 K Street NW

10:00 a.m. — House Science Committee hearing on "Using Technology to Address Climate Change," 2318 Rayburn

10:00 a.m. — Senate Foreign Relations Committee markup to vote on the nomination of Frank Fannon, 419 Dirksen

10:00 a.m. — House Appropriations Committee markup of energy and water bill, 2118 Rayburn

10:00 a.m. — The Bipartisan Policy Center discussion on "Putting P3s to Work in the United States," 1225 Eye St NW

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

10:15 a.m. — House Energy and Commerce Environment Subcommittee hearing on "Legislation Addressing New Source Review Permitting Reform," 2322 Rayburn

12:00 p.m. — The Environmental Law Institute discussion on "The Burden of Unburdening: Administrative Law of Deregulation," 1730 M Street NW

4:30 p.m. — The Pew Charitable Trusts briefing on "Disaster Mitigation as Smart Infrastructure," 902 Hart

6:00 p.m. — The National Press Club holds Communicators Legends Dinner with former Interior Secretary Ken Salazar, 14th and F Streets NW

THAT'S ALL FOR ME!

** **A message from Chevron:** See how Chevron with local partners are helping DOERS get the hands-on technical training needed for jobs in the energy and manufacturing industries. Watch the video: https://politi.co/2rBPIuI **

To view online:
https://subscriber.politicopro.com/newsletters/morning-energy/2018/05/pruitt-makes-his-senate-return-219511

Stories from POLITICO Pro

EPA move on chemical study may trip up Pruitt Back

By Annie Snider | 05/16/2018 05:02 AM EDT

EPA Administrator Scott Pruitt is facing a new controversy over chemical contamination that could prove even more damaging than his spate of recent ethics scandals.

When Pruitt returns to Capitol Hill Wednesday, he will likely be asked to explain why EPA helped to bury a federal study that would have increased warnings about toxic chemicals found in hundreds of water supplies across the country. A handful of Republicans were quick to demand answers after POLITICO reported Monday that senior aides to Pruitt intervened after the White House warned of a "public relations nightmare" from the impending Health and Human Services Department assessment.

While Pruitt has said partisan witch hunts are to blame for the controversies around his first-class travel, extensive security spending and friendliness with lobbyists, he will struggle to make the same case this time. Emails released under the Freedom of Information Act indicate the HHS study was being prepared for release in January, before EPA intervened. It has not been made public more than three months later, and the agency producing it says it has no timeline for doing so.

Long used in Teflon and firefighting foam, the chemicals PFOA and PFOS are linked with certain cancers, thyroid problems and life-threatening pregnancy complications. Studies have found them in 98 percent of Americans' blood, and communities from West Virginia to Michigan to New York have been in an uproar after discovering that their drinking water has been contaminated with the chemicals.

Tristan Brown, who served as the Obama administration's liaison between EPA and members of Congress when the agency issued a health advisory for PFOA and PFOS in 2016, said that lawmakers on both sides of the aisle are deeply concerned about the issue. He said anger over the Trump administration's interference could snowball if powerful Republicans who have experienced contamination in their states speak out strongly.

"That could be the beginning of a breach of the dam," Brown said.

Already, key Senate Republicans have shown their willingness to break with the Trump administration when it comes to chemical contamination. In December, North Carolina's two Republican senators came out in opposition to the administration's nominee to head EPA's chemical safety office, industry consultant Michael Dourson, in part because of a crisis in their home state with a chemical similar to PFOA and PFOS, called GenX.

At least three Republican lawmakers have joined a host of Democrats in demanding answers from the Trump administration about the HHS study.

Sen. Shelley Moore Capito of West Virginia, which experienced a major chemical spill a few years ago and has a major PFOA and PFOS problem, said she wants to see the study made public.

"It's important that the findings of the study are released so we can determine the health impacts and any potential threats our communities may face as a result of exposure to perfluorinated chemicals. I would encourage the administration to look into this matter," Capito, a member of the Appropriations subcommittee with EPA jurisdiction, where Pruitt will testify Wednesday, said in a statement to POLITICO.

Rep. Mike Turner (R-Ohio), who chairs a House Armed Services subcommittee, chimed in as well.

"This is not an issue of public relations — this is an issue of public health and safety," he said in a statement Tuesday after writing to Pruitt on the matter.

"It would be unacceptable if the political considerations of those at the highest levels of the EPA led to the suppression of information concerning the public health of Americans," Rep. Brian Fitzpatrick (R-Pa.) said in a statement. "The EPA must provide my constituents with answers to these allegations immediately."

"It is vital that there are proper measures in place to perform accurate, expeditious, scientific assessments for chemicals that pose a threat to public health," he said in a statement to POLITICO, citing his state's "tragic history" with chemical contamination.

Pruitt says he is taking the chemicals issue seriously. Not long after the North Carolina senators torpedoed the chemicals nominee, Pruitt announced a "leadership summit" on PFOA, PFOS and related chemicals that is scheduled to be held at EPA headquarters next week.

But few are expecting his response to include any new regulatory action.

EPA has not regulated a single new contaminant under the Safe Drinking Water Act in more than two decades. The agency's 2016 drinking water advisory only provided advice to the states and local water managers — it set no mandatory limits.

And Pruitt's EPA doesn't even plan to go that far for other chemicals. The agency's No. 2 water official, Dennis Lee Forsgren, has told drinking water groups that under Pruitt, the agency won't issue any new health advisories for GenX or other chemicals.

Betsy Southerland, a career staffer who led work on the 2016 health advisory as director of science and technology at EPA's water office before resigning last year, said states would have to translate the information provided by EPA about the chemicals into health advisory levels or drinking water limits on their own, something few are equipped to do.

Pruitt's "not allowing EPA to provide the state with that expertise," she said.

EPA spokesman Jahan Wilcox, defending the agency's approach, said officials are "stressing that all options — not just health advisories — are on the table as we move into the National Leadership Summit and taking additional steps to address PFAS."

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EPA watchdog launches new probe into Pruitt's email habits Back

By Anthony Adragna | 05/15/2018 06:18 PM EDT

EPA's inspector general said Tuesday it would look into Scott Pruitt's use of nonpublic email accounts, bringing the number of federal probes into the EPA administrator's behavior to an even dozen.

Specifically, the inspector general said it would look into whether Pruitt is properly preserving email records as required under federal law and whether the agency is properly searching all of his accounts in response to public records requests.

Two senior Senate Environment and Public Works Committee Democrats — ranking member Tom Carper of Delaware and Jeff Merkley of Oregon — released the letter, dated May 2, confirming the probe.

EPW Chairman John Barrasso (R-Wyo.) has previously raised concerns about Pruitt's use of nonpublic email accounts. In response, the agency said it searches all of his accounts when responding to public records

requests. Previous EPA administrators also routinely used nonpublic accounts for day-to-day email communications.

The new probe comes as Pruitt faces a litany of questions surrounding his spending and ethical woes. EPA's inspector general, the Government Accountability Office and the House Oversight Committee are all looking into aspects of his conduct.

Those probes involve Pruitt's first-class travel, use of security on personal trips, pay for top political aides and a sweetheart condo deal with an energy lobbyist who later met with him, among others.

In the letter, EPA Inspector General Arthur Elkins warned that a stretched budget and staff meant he could not say when the probe would begin.

"The fact is that the OIG has been funded at less than the levels we deem adequate to do all of the work that should be done, and we therefore have to make difficult decisions about whether to accept any given potential undertaking," he said. "However, despite these constraints, we have determined that the issues raised in your letter are within the authority of the OIG to review, and we will do so."

Pruitt is set to appear before a Senate Appropriations subpanel Wednesday.

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EPA staff in 'despair' after Pruitt blame game Back

By Emily Holden | 04/27/2018 05:33 PM EDT

Scott Pruitt may have survived his testimony on Capitol Hill, but he's coming back to a further enraged and demoralized Environmental Protection Agency staff.

Several current and former EPA officials and other people close to the agency said Pruitt did himself no favors with his congressional testimony Thursday, in which he blamed his aides for installing a $43,000 privacy booth in his office and approving more than $100,000 in first-class flights that he took last year. Pruitt also denied knowing key details about raises that his top staff received last year. And he declined to defend his former policy chief against Democrats' accusations that she had failed to show up for work for three months, even though she and Pruitt had been photographed attending the same meeting during the period in question.

In conversations with 11 people who know the atmosphere inside EPA, including Republican political appointees, a handful said his refusal to grovel may have pleased President Donald Trump. But others said his strategy was appalling to the current and former staffers who found themselves thrown under the bus.

"I think his credibility is damaged, and whether or not he gets fired by a tweet isn't going to diminish the fact that his credibility has been seriously damaged by all of this," one person close to the administration told POLITICO. "It shows a real lack of leadership that he did not defend, or blamed, his staff. These are the people that he's asking for loyalty from. These are the people that are defending him. He's not returning the favor. That's not leadership."

A current EPA official said Friday that employees are veering between "despair" and "embarrassment," and Pruitt's televised performance did not help.

"I will tell you, it did not go unnoticed from people who watched the hearing that he did not take responsibility on the policy pieces" of the testimony, the official said. "It was not lost on us on the stuff we know about that he used very careful language, he was parsing his words, that some might say he did not speak the whole truth."

One former EPA official said even political aides are "sick of Pruitt constantly putting himself first," and "putting himself before the president's agenda."

"He's rarely been interested in selling regulatory reform as improving Americans' lives, and is far more interested in saving his political career," the former official said.

But Trump has shown no signs of abandoning his EPA chief, who has won the strong backing of conservative groups with his efforts to erase Obama-era environmental regulations. So far, that has outweighed the anger of White House staff members and exasperation of key Republican lawmakers at Pruitt's series of controversies over luxe travel, extensive security, a below-market D.C. condo rental from a lobbyist and history of questionable real estate deals in his native Oklahoma.

A senior EPA official said Pruitt's strategy of fighting the allegations was designed to appeal to Trump, who disdains members of his team who appear weak on television.

"They like fighters no matter what," the official said. "No matter what, fight. That's what we've been conditioned to."

The official predicted that the White House takeaway from the hours of hearings would be that Republican lawmakers stood with Pruitt, while Democrats squandered their opportunity by spending too much time criticizing Pruitt's deregulatory agenda — which Trump supports — rather than hitting him for the ethics issues.

"Any audience would say the White House saw a Republican bench entirely supportive of him," the EPA source said. "On the Democrat side, the White House also saw Democrats who used half their time to criticize policies he's doing that the White House likes. If they wanted to land punches, why do you ask about these policies? That's not going to do it for you."

Pruitt ally Sen. Jim Inhofe (R-Okla.) took that message from Thursday's hearings, despite saying earlier in the week that he was troubled by some recent allegations about the EPA leader's past dealings in Oklahoma. "After a full day of mudslinging and partisan questioning from the Democratic members of the committees, it is clear that the only fault they could find with Scott Pruitt is that he's successfully ending the EPA's history of overreach and over-regulation," Inhofe said in a statement Friday.

Still, the senior EPA official said, Pruitt's relatively good day in Congress could be "washed away" if his inconsistencies about what he knew about the raises generates a steady narrative that he lied to the White House, as at least one CNN pundit alleged.

And until Trump weighs in, the tension around Pruitt at EPA will remain high.

"There needs to be a halt to this because it's exhausting," the same official said.

Pruitt also still faces multiple investigations inside the executive branch and on Capitol Hill. On Friday, for example, the agency was due to deliver a "batch of documents" to the staff of House Oversight Chairman Trey Gowdy (R-S.C.), who is leading one of the probes.

Departed EPA aides who have said Pruitt didn't tolerate internal criticism of his spending and secrecy say current staffers still fear they'll be similarly swept up in the scandals — but won't be able to find jobs if they quit now and gain a reputation for disloyalty.

"They're trying to do the best they can in a toxic environment," one former staffer said. "You cannot express any idea that might be misconstrued as a political attack on Pruitt or any policy issues, so people just do what they're told. They're professional. ... They don't want to get caught in an undertow."

Another former EPA official has been getting phone calls from staffers who are frustrated by the controversies but keeping their heads down.

"Everyone in the building wants to come out and say something ... but as soon as they say something, they're out of a job," that person said.

Not everyone in the agency was upset that Pruitt pinned many of his controversies on his staff Thursday, after giving an opening statement in the House in which he confessed that his first year on the job had been "a learning process."

"When he was putting it on staff, that's the reality of it," one current EPA political appointee said. "Sure, he's the administrator; sure, he's the head of the agency. That doesn't mean he was aware of the $40,000. He asked for a secure phone line and the next thing you know it turned into a secure phone booth. ... Overall, I think his staff continue to stand beside him today and will continue to do that."

In his testimony, Pruitt said he had never asked for a $43,000 secure phone booth — only "access to secure communication" — or biometric locks for his office, and he said his security staffers made the call for him to fly first-class to avoid possible threats from other passengers. He said he had authorized his chief of staff, Ryan Jackson, to give raises to his top staff but had no idea that they were circumventing disapproval from the White House. And he chose not to defend his former policy chief against allegations from Democratic lawmakers that she was not in the office for months, even though an EPA spokesman had dismissed the accusations as "baseless and absurd."

A second political appointee said Pruitt didn't break any new ground with his defenses and that controversies dogging him had been "all blown out of context."

The person called Pruitt a "disruptor" and said "folks don't like that aggressive style."

"Administrator Pruitt speaks for a certain aspect of the Trump administration conservative movement," the appointee said.

Eric Wolff and Anthony Adragna contributed to this report.

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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.

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Emails show Pruitt pushing 'red team-blue team' climate debate Back

By Alex Guillén and Anthony Adragna | 05/15/2018 06:39 PM EDT

EPA Administrator Scott Pruitt had hoped at least twice last year to announce his plans for a controversial red team-blue team debate that would take aim at a federal assessment supporting climate change science, according to newly released emails.

Pruitt's contentious review was abandoned because of the White House's objections, but the communications reveal new details about how the process would have worked and who was influencing Pruitt.

Many scientists have complained that a red team-blue team style debate was a poor way to examine the scientific evidence that overwhelmingly supports the findings that humans are the primary driver behind climate change. But for Pruitt, who had once suggested the event might be televised, the debate appeared to be directed at rebuffing the Fourth National Climate Assessment.

That government-wide report issued on Nov. 3 contradicted many Trump administration political appointees who have questioned the connection between greenhouse gas pollution and global warming.

A draft press release that circulated on Nov. 4 among top EPA officials, and which was shared with Pruitt on Nov. 5, laid out the line of attack, according to the documents made public on Tuesday by EPA following a records request from the Natural Resources Defense Council.

"EPA is standing up a Red Team peer review of the report," they wrote, while the "blue team" would essentially be the federal assessment and its authors.

"A robust, transparent public peer review evaluation of climate change is something everyone should support," Pruitt said in the unreleased November statement. "Now is a perfect opportunity for the formation of a 'Red Team' exercise."

The draft release also included space for quotes from two prominent climate science critics: Steve Koonin, an Obama-era Energy Department official, and William Happer, a Princeton physicist who argues that increased carbon dioxide would benefit the planet.

The duo appear to have been tapped to help guide the red-team review together.

"Your contributions even in a small way to the validity of the red team blue team approach would be appreciated," Ryan Jackson, Pruitt's chief of staff, wrote to Koonin and Happer on Nov. 4.

In an email to POLITICO, Happer said the exercise was "badly needed," while Koonin, now the director of the Center for Urban Science and Progress at New York University, told POLITICO the National Climate Assessment was "demonstrably deficient on a number of points."

EPA did not return a request for comment.

Pruitt has previously said a Wall Street Journal piece written by Koonin in April 2017 calling for a similar EPA review of climate science was his inspiration for instigating the "red team" review.

The emails, however, show that Koonin and his allies began wooing Pruitt even before that. In an email more than a week before Koonin's WSJ piece ran, Dan Yergin, the Pulitzer-winning oil historian and vice chairman of IHS Markit who joined a board advising President Donald Trump, introduced Koonin by email to Jackson.

Pruitt and Koonin met April 28, and the emails show Koonin was closely involved in the process afterward.

Koonin sent EPA a "prospectus" outlining the exercise, and though much of it was redacted by EPA before its release, Koonin suggested timing the red team review to the National Climate Assessment, which was due out six months later. Doing so would "ensure that certainties and uncertainties in projections of future climates are accurately presented to the public and decision makers," he wrote.

A revised version of the prospectus was circulated by EPA to White House officials in July after news of Pruitt's plans had leaked.

"There are a lot of press reports about EPA's planning on this. None of it is being run by us. This seems to be getting out of control," wrote Michael Catanzaro, a top energy adviser to Trump who has since left the administration, a few days after receiving Koonin's proposal.

In late June, Liz Bowman, then a top EPA spokeswoman, questioned whether the exercise could be announced as early as July 5 or 6. But it wasn't until November that top Pruitt staffers begin circulating a draft press release on the announcement.

A draft of the announcement on Nov. 5 inspired a lengthy email chain, which EPA redacted, that involved direct messages from Trump chief of staff John Kelly, strategic communications director Mercedes Schlapp, and former White House staff secretary Rob Porter.

Pruitt was touting his plans to launch the red team review as late as December. Emails early in that month indicate the agency's air chief, Bill Wehrum, would make the announcement on Dec. 12 while Pruitt traveled in

Morocco. One message that included Jackson had the subject line of "Red Team/Blue Team Announcement Planned for Tuesday, Dec. 12."

The New York Times reported in March that Kelly and other top officials stopped the announcement in the fall, and Kelly's deputy Rick Dearborn met with Pruitt in mid-December to declare the plan dead.

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WRDA faces stumbling block over small community projects Back

By Annie Snider | 05/15/2018 04:48 PM EDT

A battle over boosting funding for drinking water and wastewater projects in small communities is threatening a bipartisan effort to pass the first major infrastructure bill under the Trump administration.

The measure at issue, Securing Required Funding for Water Infrastructure Now, or SRF WIN Act, would expand the popular WIFIA program that loans federal money for water infrastructure projects at Treasury's attractive long-term interest rates. The bill includes a number of changes seeking to make the WIFIA program more accessible to small and mid-sized communities.

Senate Environment and Public Works Chairman John Barrasso (R-Wyo.) said last week that he supported adding it to this year's Water Resources Development Act, S. 2800 (115), through a manager's amendment. But he said attaching the measure, which was introduced by Sens. John Boozman (R-Ark.), Cory Booker (D-N.J.) and nine others, wasn't a done deal. "We're working to try and get to that," he told reporters.

The SRF measure has sparked fierce opposition from the groups that originally conceived of the WIFIA program that say the new proposal tilts too far toward the small communities, and they are now threatening to revoke their support from the overall infrastructure bill if it gets added.

"We believe that SRF WIN Act is a fundamentally flawed proposal that, if enacted, would pose a severe threat to the future viability of the WIFIA program," the American Water Works Association, the Association of Metropolitan Water Agencies and the Water Environment Federation wrote in a letter to Senate EPW leaders last week.

The fight pits small and rural communities against larger communities whose projects can often run into the billions of dollars.

The WIFIA program, authorized as part of the 2014 WRDA bill, targets those larger-scale projects, in part because they have a harder time competing for money from the State Revolving Funds, the main federal funding mechanism for municipal water projects. Those funds prioritize spending in areas with public health problems, and some states have capped the amount that can go to larger projects so they don't drain the funds.

The groups opposing the new measure argue that small and rural communities already have access to a carve-out that gives them 15 percent of WIFIA funding. The proposed changes, they say, would put larger communities at an unfair disadvantage and could ultimately lead to the demise of EPA's State Revolving Funds program.

EPA estimates that $472.6 billion will be needed over the next two decades to improve drinking water infrastructure, alone. The federal government funds just a fraction of that — most years Congress appropriates less than $3 billion.

Beyond the rural carve-out under WIFIA, states can also bundle smaller projects together to reach the $20 million minimum funding requirement, and EPA recently conditionally approved one such application from the Indiana Finance Authority.

The changes being proposed in the SRF WIN Act seek to make this option more accessible, including by waiving the $100,000 application fee for states filing such applications and authorizing $200 million annually to go toward such projects.

"This legislation is an innovative approach to helping communities of all sizes, in every state secure loans so they can improve their crumbling infrastructure," Boozman said in a statement introducing the legislation.

Dozens of groups have endorsed including the SRF WIN Act in the Senate's WRDA bill, called America's Water Infrastructure Act, including the Chamber of Commerce, the American Society of Civil Engineers and the Vinyl Institute.

"We believe the inclusion of the SRF WIN Act in the America's Water Infrastructure Act will make a really good bill even better," more than 25 groups wrote in a letter to Senate EPW leaders on Tuesday.

But the opposing groups argue that Boozman's bill would decrease the program's leveraging rate — an aspect that has been wildly popular with lawmakers since it allows small appropriations to fund much larger infrastructure investments. EPA expects that the $25 million it got for WIFIA in fiscal 2017 will result in $2.3 billion worth of loans, the groups said.

"These robust rates enable the federal government to get a tremendous 'bang for the buck' when appropriating funds for water and wastewater infrastructure," AWWA, AMWA and WEF wrote.

The Senate Environment and Public Works Committee is seeking to move its WRDA bill swiftly. It will hold its second legislative hearing on the measure Thursday, with the assistant secretary of the Army for Civil Works due to testify. Barrasso said a markup will be held shortly thereafter.

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Panel moves $35B Interior-EPA spending bill to full committee Back

By Alex Guillén | 05/15/2018 06:18 PM EDT

The House Appropriations Committee's Interior-Environment panel today cleared its $35.25 billion spending package, teeing it up for consideration by the full committee as early as next week.

The bill cleared on a voice vote. It is likely to face contentious amendments before the full committee.

Before the bill advanced, ranking member Betty McCollum (D-Minn.) criticized the policy riders and complained that EPA has not yet reported to Congress regarding the GAO's April conclusion that EPA's construction of a soundproof booth for Administrator Scott Pruitt violated spending laws.

The bill provided $7.96 billion for EPA, a $100 million overall reduction from 2018 levels. Along with language repealing the Waters of the U.S. rule, the bill provided $2.6 billion for the Clean Water and Drinking Water State Revolving Loans and $75 million for the Water Infrastructure Finance and Innovation Act program.

Among the Interior Department's major agencies, the bill includes a $55 million increase for the Bureau of Land Management to $1.4 billion, a $19 million hike for the U.S. Geological Survey to $1.2 billion and another $53 million to boost the National Park Service to $3.25 billion.

The Office of Surface Mining would get $229 million, including $90 million for another year of a pilot program aimed at cleaning up abandoned Appalachian mines. The Fish and Wildlife Service's budget would drop by $11 million to $1.6 billion.

The bill also provided $6.1 billion for the Agriculture Department's Forest Service, including $3 billion for wildfire work.

WHAT'S NEXT: The full package will be considered by the full House Appropriations Committee at an unspecified later date.

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