Message

From: POLITICO Pro Energy [politicoemail@politicopro.com]
Sent: 5/30/2018 9:43:17 AM
To: Woods, Clint [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=bc65010f5c2e48f4bc2aa050db50d198-Woods, Clin]
Subject: Morning Energy, presented by America's Pledge: Battle in the Bakken state? — Groups sue over EPA waiver exemptions — Deja vu on formaldehyde

By Kelsey Tamborrino | 05/30/2018 05:41 AM EDT

With help from Annie Snider and Ben Lefebvre

BATTLE IN THE BAKKEN STATE? As the election year kicks into high gear, President Donald Trump's friendly relationship with Democratic Sen. Heidi Heitkamp is worrying some within the Republican party, POLITICO's Alex Isenstadt and Burgess Everett report. Republicans have grown increasingly frustrated with Trump's ongoing flirtation with the freshman senator from the No. 2 oil-producing state, especially at a time when many in the GOP fear that the president's unpredictable style will undercut their midterm plans. Heitkamp, who is seeking reelection in a state where Trump won nearly two-thirds of the vote, has a friendly relationship with the president, even after Trump aggressively recruited Rep. Kevin Cramer — who advised his campaign on energy issues — to give up his House seat and enter that race, leaving some of Cramer's closest allies feeling snubbed.

In an interview, Cramer said there would soon be "clarity" on who Trump supports in the race. But the congressman declined to predict whether the president would go after Heitkamp aggressively, as Trump has done with other Democratic incumbents. Cramer seemed aware of the warmth between the president and the senator, Alex and Burgess report. Trump has asked Cramer if he likes Heitkamp, and when the congressman responds yes, the president seems to be "relieved," Cramer said. "Politically, North Dakota's a pretty nice state. So I don't know that turning it on her is necessarily politically helpful to me," Cramer said. "They may just be concerned that she's a woman and maybe that has an impact. I just don't know."

For her part, Heitkamp said she's proud of her ability to work with the president. "I have a friendly relationship, I have a very important working relationship," she said in an interview, "not just with him but other members of the administration." Read the story here.

WELCOME TO WEDNESDAY! I'm your host Kelsey Tamborrino, and Peter Robertson of the Pebble Partnership was the first to correctly identify California and Ohio as the two states that don't have an avenue named after them in D.C. Instead, there's a California Street and Ohio Drive. For today: Which president was the first to see a major league baseball game in his hometown, and which town was it? Send your tips, energy gossip and comments to ktamborrino@politico.com, or follow us on Twitter @kelseytam, @Morning_Energy and @POLITICOPro.

Register for the Pro Summit: Join Pro subscribers, expert reporters and key decision-makers from the executive branch, federal agencies and Congress for a full day of incisive policy conversations on July 17. Learn more.

GROUPS SUE ON WAIVER EXEMPTIONS: Ethanol and farm groups say they've filed a lawsuit against EPA over some of the waivers granted to small refineries allowing them to shed their Renewable Fuel Standard requirements on blending biofuels, Pro's Eric Wolff reports. The Renewable Fuels Association, National Corn Growers Association, American Coalition for Ethanol and National Farmers Union are challenging the waivers granted to CVR Refining's Wynnewood, Okla., refinery and the HollyFrontier refineries at Cheyenne, Wyo. and

Woods Cross, Utah. Those refineries have collectively saved $170 million in compliance costs, the coalition said.

Those waivers, which ethanol backers say violate the volume mandates under the RFS, are also the subject of some horse-trading in the discussions between EPA Administrator Scott Pruitt and USDA Secretary Sonny Perdue. The two are trying to put the final touches on a compromise deal over EPA's rules for biofuels. Read more.

CHEVRON SHAREHOLDERS VOTE: Shareholders at Chevron's annual meeting today will vote on a pair of climate change-related provisions. First up is a proposal that the oil giant report to investors how it will change its business model to account for any decreased demand for oil and gas resulting from greater development of renewable energy sources. Another proposal is that Chevron start providing reports on steps it is taking to minimize methane emissions from its fracking operations. Chevron's board of directors have advised against both proposals, saying the company is already making sufficient efforts on both matters.

Exxon, which also holds its annual meeting today, is getting a break this year from the sort of environmental proposals its shareholders considered in 2017.

** **A message from America's Pledge:** America's Pledge is flipping the script on climate action. One year after the federal government announced it would pull out of the Paris Agreement, 2,700+ U.S. cities, states, and businesses are saying, "We Are Still In." See how far we've come: https://politi.co/2koAHZb **

DEJA VU? Already under fire for their handling of a controversial assessment of nonstick chemicals in drinking water, a newly uncovered EPA email suggests that public relations strategy was also front-of-mind for EPA staffers as the agency contemplated reevaluating the risks of formaldehyde. Reuters reported last week that EPA delayed release of a new assessment of the chemical that is expected to for the first time link formaldehyde with leukemia after meeting with the American Chemistry Council in January.

"They reiterated the concern you have raised about information leaking before it's been vetted and asked that the Agency have appropriate communication materials ready to use if needed," Jennifer Orme-Zavaleta, who heads EPA's Office of Research and Development, wrote in a Jan. 24 email to EPA chief of staff Ryan Jackson and Richard Yamada, deputy assistant administrator for research and development. The email was released to the Union of Concerned Scientists under the Freedom of Information Act.

Yogin Kothari, a lobbyist of UCS, said the email "sounds eerily similar" to concerns that EPA and White House officials expressed about a HHS assessment of the chemicals PFOA and PFOS. "It's not surprising that the ACC is attempting to wield its influence over EPA when its former staff are basically running the place," Kothari said by email.

WE'RE CLOSED: The Environmental Council of the States' upcoming fall meeting will close to the public certain sessions attended by EPA officials, according to the group's draft agenda for the August meeting. The draft shows ECOS will hold closed sessions on several issues, including a state-EPA roundtable on "cooperative federalism" and joint PFAS activities. (h/t E&E News' Sean Reilly)

NAFTA TALKS STILL STALLED: Recent NAFTA talks between the U.S., Mexico and Canada have not resulted in progress on the thorniest issues because the U.S. remains unwilling to offer important concessions, two sources close to the talks told Pro's Sabrina Rodriguez. Negotiators from the Office of the U.S. Trade Representative continue to demand that "they want everything, and there's no possible way they'll get everything they want," one of the sources said. "Conversations have stalled entirely." Read more.

WE'LL ALWAYS HAVE PARIS: This week marks the one-year anniversary of Trump's decision to pull the U.S. out of the Paris climate agreement. The United States still technically remains in the 2015 pact for the next

two-and-a-half years, but the action to implement it is playing out in the rest of the world. To mark the occasion, the World Resources Institute will host a discussion today on whether other nations have moved on since Trump's decision to exit the agreement. Among those participating is Todd Stern, the former State Department special envoy for climate change who helped seal the deal. In the lead-up to the event, WRI's Eliza Northrop laid out the seven signs of progress since Trump's announcement here, including a timeline of events over the last year. If you go: The discussion kicks off at 2:30 p.m at 10 G Street NW. Watch the livestream here.

— **And the National League of Cities**, as well as mayors from across the country, will release today their latest "State of the Cities" report that will look into the trend of cities taking on clean energy goals, despite the federal government.

OFFSHORE DRILLER FINED $4M: Oil and gas company Energy Resource Technology was fined $4 million Tuesday by the U.S. Attorney's Office for the Eastern District of Louisiana for fabricating data about the readiness of a key piece equipment used to prevent oil spills, Interior said. The fine comes as a result of an investigation by Interior's Office of Inspector General that found that ERT management directed an employee on its rig in the Gulf of Mexico to create a fake blowout preventer pressure test chart to conceal a failed test result, Pro's Ben Lefebvre reports. Read more.

EPA, KILDEE SPAR OVER SUMMIT: EPA defended its move to only allow federal agency and state representatives on the second day of last week's summit on toxic chemicals in drinking water, dismissing Democratic Rep. Dan Kildee's complaint that members of his staff had been barred from attending as a mischaracterization. EPA Associate Administrator Troy Lyons wrote in a letter Tuesday to Kildee and obtained by POLITICO that the agency worked with Kildee's office ahead of time to allow a staffer to attend the first day of the summit.

"I trust you understand our disappointment when we discovered that no one from your office attended the summit on May 22, particularly in light of the subsequent events on May 23," Lyons wrote. In a statement, Mitchell Rivard, Kildee's chief of staff, said that "it is hard to mischaracterize the EPA's actions — it had been widely reported that the EPA blocked both journalists and a congressional office from the taxpayer-funded PFAS summit." Read the letter here.

MAIL CALL! 45Q AND YOU: Rep. Cramer shared a letter Tuesday from the Treasury Department in response to his request for direction on the expanded 45Q tax credit for capturing and storing carbon dioxide. In the letter, Assistant Secretary for Legislative Affairs Drew Maloney said Treasury is developing published guidance to provide clarity to taxpayers for the purpose of using the credit.

— **A coalition of 12 state and city attorneys general** and attorneys sent a letter to National Academy of Sciences President Marcia McNutt saying EPA's so-called secret science proposal to ban the use of studies that don't publicly disclose all data is "too vague and rushed to allow for meaningful public review." And they pressed for the group to weigh in, saying "the National Academy's input on this extremely consequential proposal." Read it here.

API WRITES TO TRUMP ON SECTION 232: The American Petroleum Institute sent a letter to Trump last week requesting that the list of countries currently exempt from Section 232 tariffs on steel and aluminum be expanded "without imposing alternative measures such as quotas," and that the president remove any associated import quotas that have already been imposed. In his letter, API President and CEO Jack Gerard writes that additional import restrictions "will have a negative effect on our industry just as we have achieved the highest level of domestic hydrocarbon (oil and natural gas and natural gas liquids, or NGLs) production since 1949," according to EIA.

TRUDEAU COMMENTS ON PIPELINE: Canadian Prime Minister Justin Trudeau defended the Canadian government's plan to buy and complete the expansion of Kinder Morgan's Trans Mountain pipeline. "The

project became too risky for a commercial entity to go forward with it; that's what Kinder Morgan told us," Trudeau said during a Bloomberg Businessweek event. "We are going to ensure that it gets built so that we can get our resources to new markets." More here.

WHITE HOUSE TALKS PUERTO RICO: Aboard an Air Force One flight, press secretary Sarah Huckabee Sanders was asked whether the president — despite his previous comments — now thinks Puerto Rico constitutes a "real catastrophe" following the release of a Harvard University study that found at least 4,645 people died from the September 2017 storm rather than the 64 deaths federal authorities counted. The White House continues to be supportive of the governor of Puerto Rico, Sanders said according to pool reports, and of "transparency and accountability." The people of Puerto Rico "deserve nothing less than that, and were going to continue to be focused on helping in every way we can," she said. "FEMA has already done the largest response ever in history to any natural disaster. They're in Puerto Rico, and we're going to continue to give as much assistance as possible."

RBS COMMITS TO NEW ENERGY FINANCING: Ahead of its shareholder meeting today, the Royal Bank of Scotland announced Tuesday new energy financing policies to support a transition to low carbon. The bank said it would no longer provide "project-specific finance" to new coal-fired power plants, thermal coal mines or oil sands projects, among other projects. Additionally, RBS said it is tightening restrictions on general lending to mining and power companies generating more than 40 percent of their revenues from thermal coal and of electricity from coal, respectively. In response, Rainforest Action Network Executive Director Lindsey Allen said the announcement "comes as a result of groups like us pressuring banks to defund fossil fuels and deforestation," but said the "policy is only half a step forward because it leaves loopholes in place."

REPORT: COOK TAPPED FOR SUPERFUND JOB: EPA has named Steven Cook — a former senior counsel at chemical giant LyondellBasell — to the agency's Superfund Task Force in the position left vacant by Albert "Kell" Kelly, Bloomberg BNA reported. Cook has been serving as deputy assistant administrator for the agency's land and waste office, prior to his move to the Superfund spot.

ZINKE DEFENDS 'KONICHIWA' GREETING: In a wide-ranging radio interview with Breitbart Radio, Interior Secretary Ryan Zinke defended his use of the greeting "konichiwa" in response to a question from Rep. Colleen Hanabusa on preserving internment sites during a March Natural Resources hearing. "I grew up in a little logging, timber town, railroad town in Montana and a lot of my family lived through the years of the internment camps. I've long since had friends that were Japanese families that went through that," Zinke said, calling it an "appropriate salute." Listen to the full interview here.

AD WARS: Club for Growth Action said Tuesday that it would spend $250,000 on new ads attacking Russ Fagg, a former judge and Republican candidate for Senate in Montana. Campaign Pro's James Arkin reports the new ad campaign attacks Fagg over his record during his two decades as a district judge, including the time he called a judge who "undercut" Trump's rollback of environmental rules a "thoughtful moderate." Watch the TV ad here.

MOVER, SHAKER: Stuart Siffring joined the Western Energy Alliance as a regulatory analyst, the trade group announced Tuesday. Siffring previously worked as a permit engineer at EPA and the Colorado Department of Public Health and Environment.

QUICK HITS

— EPA used disavowed research to justify putting dirtier trucks on the road, Los Angeles Times.

— Antarctica has enormous mountain ranges and valleys deep beneath its ice, The Washington Post.

— Former Perry adviser is FirstEnergy's secret weapon in U.S. bailout, Bloomberg.

— McConnell's plan for a packed summer Senate agenda, CQ Roll Call.

— Lowe's drops paint strippers blamed in dozens of deaths, The New York Times.

— No offsets, no problem as Army Corps OKs wetland projects, E&E News.

HAPPENING TODAY

9:30 a.m. — The Woodrow Wilson Center's Environmental Change and Security Program discussion on "Sustainable Water, Resilient Communities: The Challenge of Erratic Water," 1300 Pennsylvania Ave NW

1:00 p.m. — The National Academy of Sciences' Government-University-Industry Research Roundtable webinar on "Connecting Research to Policy: The Broadband Research Initiative at Pew Charitable Trusts."

1:00 p.m. — The Center for Climate, Health, and the Global Environment at the Harvard T.H. Chan School of Public Health launches new center, Boston.

2:00 p.m. — The Woodrow Wilson Center discussion on "Where Does the Transatlantic Relationship Go from Here," 1300 Pennsylvania Avenue NW

2:30 p.m. — The World Resources Institute forum on "One Year Later: Has the World Moved On Since President Trump's Announcement on the Paris Agreement?" 10 G Street NE

4:00 p.m. — Atlantic Council's Cyber Statecraft Initiative and Global Energy Center discussion on "Supply Chain Vulnerabilities in the Software Era," 1030 15th Street Northwest

THAT'S ALL FOR ME!

** **A message from America's Pledge:** One year after President Trump announced plans to withdraw from the Paris Agreement, America's Pledge is showing the world that U.S. cities, states, and businesses can lead us towards our goals - with or without Washington. https://politi.co/2koAHZb **

To view online:
https://subscriber.politicopro.com/newsletters/morning-energy/2018/05/battle-in-the-bakken-state-236539

Stories from POLITICO Pro

The one Democrat Trump can't help but like Back

By Alex Isenstadt and Burgess Everett | 05/30/2018 05:08 AM EDT

When a small group of alarmed White House aides caught wind that Sen. Heidi Heitkamp — one of the most endangered Democrats up for reelection in 2018 — would be attending President Donald Trump's bill signing last week, they raced to stop it.

Word eventually reached Senate Majority Leader Mitch McConnell, who has made unseating Heitkamp a top priority. He opted not to intervene, and the invitation stood: As the president signed a banking deregulation bill into law before a national audience, Heitkamp was right next to him, the only Democrat in the room.

As the election year kicks into high gear, Republicans have grown increasingly frustrated with Trump's ongoing flirtation with the freshman senator. At a time when many in the GOP fear that the president's unpredictable

style will undercut their best-laid midterm plans, the relationship has given Heitkamp — who is seeking reelection in a state where Trump won nearly two-thirds of the vote — fodder to portray herself as a presidential ally.

Her office keeps a running list of the dozen-plus meetings Heitkamp has had with Trump and his top advisers since the 2016 election. And the senator is fond of noting that she forged close ties with Trump's former top economist, Gary Cohn. The president met with Heitkamp in Trump Tower after the 2016 election to discuss a possible Cabinet position, asked her to join him on Air Force One, and invited her onstage to join him and her Republican opponent, Rep. Kevin Cramer, during an appearance in North Dakota.

"Everyone is saying, 'What's she doing up here?'" the president said at the September event to sell his tax reform plan, which Heitkamp eventually opposed. "But I'll tell you what. Good woman, and I think we'll have your support, I hope we'll have your support. And thank you very much, senator, thank you for coming up."

After last week's bill signing, Heitkamp's allies raced to capitalize. The North Dakota Democratic Party sent out a tweet with an image of Cramer looking on uncomfortably as the president stood next to Heitkamp.

"At a bill signing today, @HeidiHeitkamp got a shout out and all @kevincramer got was a photo op next to a chair," the state party boasted.

"We will see footage of this on every platform," said Doug Heye, a former top Republican National Committee official. "It's a huge gift for her campaign."

Trump aggressively recruited Cramer to give up his House seat to take on Heitkamp, and his actions since have left some of Cramer's closest allies feeling snubbed. They note that while Trump has savaged Democratic incumbents Joe Donnelly of Indiana and Jon Tester of Montana and visited a growing list of states to pump up Republican Senate hopefuls — most recently Tennessee, where he appeared Tuesday on behalf of Rep. Marsha Blackburn — he has yet to make a campaign appearance with Cramer. Nor has the attack dog-in-chief attacked Heitkamp.

After Cramer learned last year that Heitkamp would be accompanying the president on Air Force One to North Dakota, he complained bitterly to the White House, according to two people with direct knowledge of the discussions. Heitkamp, Cramer predicted at the time, would try to use it to her political advantage. (A Cramer adviser, Pat Finken, denied that the congressman had complained about the senator riding on Air Force One.)

The administration has taken steps to assure Cramer that he has the president's full support. The congressman has been regularly in touch with White House political director Bill Stepien, and the two met earlier this month. Trump has agreed to hold a rally for Cramer later this year.

In an interview, Cramer shrugged off Heitkamp's attendance at the bill signing and said there would soon be "clarity" on who Trump supports in the race.

Yet the congressman declined to predict whether the president would go after Heitkamp aggressively, as Trump has done with other Democratic incumbents. Cramer seemed aware of the warmth between the president and the senator. Trump has asked Cramer whether he likes Heitkamp, and when the congressman responds yes, the president seems to be "relieved," Cramer said.

"Politically, North Dakota's a pretty nice state. So I don't know that turning it on her is necessarily politically helpful to me," Cramer said. "They may just be concerned that she's a woman and maybe that has an impact. I just don't know."

Heitkamp said she's proud of her ability to work with the president.

"I have a friendly relationship. I have a very important working relationship," she said in an interview, "not just with him but other members of the administration."

Trump's reluctance to go after Heitkamp stems in part from the simple fact that he needs her vote. With Republicans clinging to a narrow Senate majority, the White House has pushed for her support on several contentious votes, including the recent confirmations of CIA Director Gina Haspel and Secretary of State Mike Pompeo. She also backed Trump's nominations of Supreme Court Justice Neil Gorsuch and Environmental Protection Agency Administrator Scott Pruitt.

Last week's signing ceremony was organized by White House Office of Legislative Affairs Director Marc Short. He said he extended an invitation to Heitkamp because she played a central role in passing the banking deregulation law.

"She was an original cosponsor of the bill," Short said. "But she's also someone who opposed tax relief, who opposed repeal of Obamacare, and someone who will always support Chuck Schumer. So you can be sure the president will be actively campaigning in North Dakota this cycle."

Cramer's February entry into the race followed an intense pursuit from Trump and top White House officials. After Cramer initially said in January that he wouldn't run for Senate, he received overtures from Trump, White House counselor Kellyanne Conway, and energy executive and Trump donor Harold Hamm within a three-day period. Trump also met with Cramer's wife, Kris.

Cramer said Trump told him at the time that he'll "be out there campaigning more than you are." Trump's entreaties, Republicans contend, helped to push Cramer into the contest. Cramer won his statewide, at-large House seat in 2012, the same year Heitkamp entered the Senate.

"The president leaned on him very hard. The president wanted the best candidate, and everyone in the state thought Kevin was the best candidate to beat Heidi," said Gary Emineth, a former North Dakota GOP chairman who is close with the congressman. "You know how the president is. He just doesn't quit."

Heitkamp predicted that Trump would attack her eventually. While she has maintained a positive working relationship with the president, she said it pales in comparison to Cramer's staunch loyalty.

"I don't think anyone can match his Trump credentials," Heitkamp said. "He is somebody who will always do what the president asks him to do, regardless of whether it's good for North Dakota."

As of late, the senator has been airing commercials that highlight her balancing act. "When I agree with the president I vote with him — and that's over half my votes," she says in a spot that began airing this month. "And if his policies hurt North Dakota, he knows I'll speak up."

Cramer accused Heitkamp of acting like a "Republican wannabe" with her occasional support for key Trump nominees.

"Her trying to cozy up to Donald Trump has resulted in good votes," Cramer said. "But every time she tries to become more like me, it's more flattering to me than it is to her."

Democrats, however, couldn't be happier to portray Cramer as a jilted lover.

Last week, the North Dakota Democratic Party released a video featuring a montage of clips of the president praising Heitkamp and shaking her hand as Cramer looks on — set to the sad sounds of R.E.M.'s "Everybody Hurts."

To view online click here.

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Ethanol, farm groups sue EPA over exemptions Back

By Eric Wolff | 05/29/2018 07:13 PM EDT

A coalition of ethanol and farmers groups said they filed a lawsuit in federal court today against EPA seeking to overturn some of the waivers the agency has granted to small refineries allowing them to shed their Renewable Fuel Standard requirements on blending biofuels.

The Renewable Fuels Association, National Corn Growers Association, American Coalition for Ethanol and National Farmers Union are challenging the waivers granted to CVR Refining's Wynnewood, Okla., refinery and the HollyFrontier refineries at Cheyenne, Wyo. and Woods Cross, Utah. Those refineries have collectively saved $170 million in compliance costs, the coalition said.

The groups, along with their allies in Congress, have criticized EPA's frequent use of the waivers, which they say undermines the RFS mandates on the amount of biofuel that must be sold into the U.S. fuel market.

"EPA is trying to undermine the RFS program under the cover of night," RFA CEO Bob Dinneen said in a statement. "And there's a reason it has been done in secret — it's because EPA is acting in contravention of the statute and its own regulations, methodically destroying the demand for renewable fuels."

The Advanced Biofuels Association challenged the waivers May 1.

WHAT'S NEXT: The complaint will be heard in the U.S. Court of Appeals for the 10th Circuit.

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Exxon shareholders win vote to build Paris climate pact into plans Back

By Ben Lefebvre | 05/31/2017 02:37 PM EDT

The Trump administration may be preparing to withdraw the U.S. from the Paris climate change accords, but shareholders at Exxon Mobil and at least one other U.S. oil company are demanding the companies incorporate the international deal in their business models.

Nearly two-thirds of Exxon's shareholders backed a proposal on Wednesday calling for the company to assess how climate change and global efforts to limit temperature increases will affect its business. The vote is non-binding, but the results show that the once-fringe idea of linking climate change to big oil's operations has gained momentum.

The vote at the Exxon annual shareholder meeting in Dallas came after investors in its smaller rival Occidental Petroleum earlier this month cast more than two-thirds of their votes for a measure calling for the company to

assess how its business would be affected by the Paris climate change accord's target of holding global warming to 2-degrees. Company credit rating agency Moody's said last year it would start to use the Paris pledge to assess financial risk for corporations.

"Shareholders have spoken clearly on climate," said Danielle Fugere, president and chief counsel for As You Sow, a group that helps shareholders introduce environmental proposals. "If there's less demand for oil and the world is awash in oil, there's going to be more competition among these companies. Shareholders are trying to figure out who is the best bet."

Not all of these climate-related investor proposals succeeded, however. Chevron shareholders Wednesday morning rejected a motion that the company issue a report on how limiting global temperature increase to 2 degrees Celsius (3.6 degrees Fahrenheit) would affect its business. Only 27 percent of voting shareholders approved the proposal, down from more than 40 percent who voted for a similar proposal last year.

Exxon, Chevron and other energy companies facing such proposals argue that they are already taking the Paris agreement seriously and incorporating it into their business plans. Exxon in particular pointed out that it was developing technology that would capture the carbon emitted at natural gas power plans and then either store it or use it to produce more electricity.

"We believe the goal of carbon policy is to reduce emissions at the lowest cost to society," Exxon Chief Executive Darren Woods said at the shareholder meeting. "These goals led us to support the Paris Agreement." Woods sent President Donald Trump a letter earlier this month urging the U.S. to stay in the Paris deal.

For Exxon, the votes also illustrate how entangled the company has become in New York state climate change politics. The climate change proposal shareholders approved was partly sponsored by the New York State Common Retirement Fund, which is run by the State's comptroller. Meanwhile, the company is embroiled in a lawsuit with the New York and Massachusetts attorneys general over whether it withheld its own research on climate change from shareholders.

"The burden is now on Exxon Mobil to respond swiftly and demonstrate that it takes shareholder concerns about climate risk seriously," New York State Comptroller Thomas P. DiNapoli said in a prepared statement after the vote.

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NAFTA talks stall amid apparent refusal of U.S. to make concessions Back

By Sabrina Rodriguez | 05/29/2018 07:41 PM EDT

Recent high-level NAFTA talks between the U.S., Mexico and Canada have not resulted in progress on the thorniest issues because the U.S. remains unwilling to offer important concessions, two sources close to the talks said on Tuesday.

Negotiators from the Office of the U.S. Trade Representative continue to demand that "they want everything, and there's no possible way they'll get everything they want," one of the sources told POLITICO. "Conversations have stalled entirely."

As the U.S. and Canada resumed talks in Washington on Tuesday, the sources confirmed that Mexican Trade Undersecretary Juan Carlos Baker met with officials from USTR last week to present a counterproposal that would see Mexico make concessions on wages in the automotive sector in return for U.S. concessions on other flashpoint issues.

Under the offer, Mexico reportedly would accept language on automotive rules of origin that would require that 20 percent of cars produced within North America be made by workers earning at least $16 an hour.

In exchange, Mexico reportedly asked that the U.S. back off some of its thorniest proposals, like placing limits on government procurement as well as a so-called sunset clause, which would allow for the deal to be terminated if all three countries don't agree to renew it after five years. News of the counterproposal was first reported by Bloomberg.

Mexico's counterproposal was not well received by USTR, the sources said.

"USTR did not take a close look at their proposal before rejecting it," one of the sources said. "As soon as it included [the U.S.] giving in on something, it was a 'no' from USTR."

That leaves it up to U.S. Trade Representative Robert Lighthizer to decide if the U.S. will offer any concessions to Mexico and Canada, the sources added.

USTR did not immediately respond to a request for comment on Tuesday evening.

The latest deadlock comes as Mexico and Canada face a looming deadline in their effort to secure a permanent exemption from the U.S. steel and aluminum tariffs. Mexico and Canada were temporarily exempted from the duties, but to win a permanent reprieve each country must reach a separate agreement to satisfy U.S. national security concerns by June 1.

Mexican President Enrique Peña Nieto and Canadian Prime Minister Justin Trudeau have both emphasized in recent days that they will not be pressured into accepting a NAFTA deal that is bad for their respective countries.

"No NAFTA is better than a bad deal, and we've made that very clear to [President Donald Trump]," Trudeau said Tuesday in an interview with Bloomberg. "We are not going to move ahead just for the sake of moving ahead."

Trudeau discussed the NAFTA talks during a call with Vice President Mike Pence on Tuesday, the White House said in a readout that provided no details of the conversation.

Negotiators have made some gains, despite the continued difficulties over the hot-button topics. Canadian Foreign Minister Chrystia Freeland, Canada's top NAFTA official, said she had a "very substantive" conversation with her U.S. counterpart in Washington on Tuesday.

The NAFTA nations' top trade officials have been in consistent contact over the phone since they last met in Washington two weeks ago.

Lighthizer had acknowledged at that point that the three countries still faced "gaping differences" on a number of issues, such as market access for agricultural products and automotive rules of origin. "The NAFTA countries are nowhere near close to a deal," Lighthizer said then.

Talks have continued to move forward on the NAFTA modernization chapters, like e-commerce, "but as long as USTR keeps the thorny issues on the table, there won't be movement," one of the sources said.

Negotiators have so far closed nine chapters and six sectoral annexes, Mexico's chief negotiator, Kenneth Smith Ramos, said last week. Those chapters include: telecommunications, small- and medium-sized enterprises, competition, and technical barriers to trade.

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Gulf of Mexico rig operator fined $4M after Interior Department investigation Back

By Ben Lefebvre | 05/29/2018 04:36 PM EDT

The U.S. Attorney's Office for the Eastern District of Louisiana fined offshore oil and gas company Energy Resource Technology $4 million for fabricating data about readiness of a key piece equipment used to prevent oil spills, the Interior Department said today.

The fine was a result of an investigation by Interior's Office of Inspector General that found that ERT management directed an employee on its rig in the Gulf of Mexico to create a fake blowout preventer pressure test chart to conceal a failed test result. The failure by a blowout preventer was one of the main causes of Deepwater Horizon rig accident that killed 11 people in 2010.

An ERT supervisor on the same rig had employees perform welding near an active well in violation of Interior safety regulations.

Interior had fined ERT $4 million in 2012 for earlier violations on its rigs, and an accident killed a contract worker on an ERT rig in February.

ERT is a subsidiary of Houston-based Talos Energy.

WHAT'S NEXT: In addition to the fine, ERT was sentenced to 36 months' probation and ordered to pay $200,000 in restitution.

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Study: 4,645 people died after Hurricane Maria, far more than official estimate Back

By Mel Leonor | 05/29/2018 11:40 AM EDT

At least 4,645 people died amid the devastation wrought by Hurricane Maria in Puerto Rico — more than 70 times the official government death toll of 64, according to a new study from Harvard University.

Locals, journalists and public health experts have for months questioned the government estimate of deaths from the storm, which caused more than $90 billion in damage.

President Donald Trump, however, said in October that Puerto Rico officials should be "very proud" of the low death toll.

The study, published Tuesday in the New England Journal of Medicine, is based on household surveys of more than 3,000 homes in the territory, where researchers found a boom in the mortality rate between late September and late December 2017.

The authors of the study, which was largely funded by the Harvard T.H. Chan School of Public Health, described the official death count as a "substantial underestimate" and called it evidence of the "inattention of the U.S. government to the frail infrastructure of Puerto Rico."

"The timely estimation of the death toll after a natural disaster is critical to defining the scale and severity of the crisis and to targeting interventions for recovery," they wrote.

Researchers found that "interruption of medical care was the primary cause" of the high mortality rate that came after the storm made landfall.

With the 2018 hurricane season in swing, the authors also urged chronically ill patients, communities and health care providers to develop contingency plans for future disasters.

Carlos R. Mercader, executive director of the Puerto Rico Federal Affairs Administration, said in a statement that officials would analyze the report, adding, "We have always expected the number to be higher than what was previously reported."

He said the Puerto Rico government has commissioned a report from George Washington University, which he said would be released "soon."

Trump said in October that the storm had been less devastating than Hurricane Katrina in 2005, but the new study indicates that may not be true. Hurricane Katrina resulted in the deaths of 1,833 people, according to FEMA.

"Every death is a horror," Trump said at the time, "but if you look at a real catastrophe like Katrina and you look at the tremendous — hundreds and hundreds of people that died — and you look at what happened here with, really, a storm that was just totally overpowering ... no one has ever seen anything like this."

Rep. Nydia Velázquez (D-N.Y.) said after the report was released Tuesday that the apparent undercounting of deaths "concealed" the impact of Hurricane Maria on the territory.

"By obscuring this, many were left to believe the Trump Administration's mythology that Puerto Rico was not hit hard by Maria," Velázquez said in a statement. "We must get to the bottom of this discrepancy."

The White House did not respond to a request for comment.

Last year, Velázquez and Rep. Bennie Thompson (D-Miss.) asked a government watchdog to investigate how Puerto Rican officials "originally arrived at such a low number."

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New Club for Growth ads attack Fagg in Montana Back

By James Arkin | 05/29/2018 03:48 PM EDT

Club for Growth Action, the super PAC arm of the Club for Growth, announced today that it would spend $250,000 on new ads attacking Russ Fagg, a former judge and Republican candidate for Senate in Montana.

The Club is backing state auditor Matt Rosendale in the race in the race to face Democratic Sen. Jon Tester, and its PACs have spent more than $1 million on ads backing Rosendale and attacking Fagg, one of his top challengers in the June 5 primary.

The new ad campaign attacks Fagg over his record during his two decades as a district judge. The TV ad makes three claims against Fagg: that he defended another judge who suggested a rape victim was to blame for her own attack; that he called a judge who "undercut" President Donald Trump's rollback of environmental rules a "thoughtful moderate"; and that he "praised a liberal federal judge who ruled against speeding up deportations."

"Russ Fagg's values are not Montana values," the narrator says.

The radio version of the ad features a woman and a man having a conversation about Fagg's record and pointing listeners to a website, factsformontana.com, funded by Club for Growth Action.

You can watch the TV ad here and listen to the radio ad here.

To view online click here.

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