Appointment

From: Moorhead, Quellie U. EOP/WHO [Ex. 6 Personal Privacy (PP)]
Sent: 4/8/2018 7:37:43 PM
To: Moorhead, Quellie U. EOP/WHO [Ex. 6 Personal Privacy (PP)]; Liddell, Christopher P. EOP/WHO [Ex. 6 Personal Privacy (PP)]; SP3.PS3 - OSEC, Washington, DC [Sp3@osec.usda.gov]; Knight, Shahira E. EOP/WHO [Ex. 6 Personal Privacy (PP)]
CC: Catanzaro, Michael J. EOP/WHO [Ex. 6 Personal Privacy (PP)]; Starling, Ray A. EOP/WHO [Ex. 6 Personal Privacy (PP)] Green, Heidi - OSEC, Washington, DC [Heidi.Green@osec.usda.gov]; Jackson, Ryan [jackson.ryan@epa.gov]; Davis, May M. EOP/WHO [Ex. 6 Personal Privacy (PP)] Moran, John S. EOP/WHO [Ex. 6 Personal Privacy (PP)]; Lai, Joseph G. EOP/WHO [Ex. 6 Personal Privacy (PP)] Kudlow, Larry A. EOP/WHO [Ex. 6 Personal Privacy (PP)] Short, Marc T. EOP/WHO [Personal Matters / Ex. 6]; sooners7, adm [sooners7@epa.gov]; Swonger, Amy H. EOP/WHO [Ex. 6 Personal Privacy (PP)] Greenwood, Daniel Q. EOP/WHO [Ex. 6 Personal Privacy (PP)]; Curry, Cat E. EOP/WHO [Ex. 6 Personal Privacy (PP)]

Subject: Prep for POTUS RFS Meeting
Location: Roosevelt Room

Start: 4/9/2018 4:30:00 PM
End: 4/9/2018 4:45:00 PM
Show Time As: Busy

Recurrence: (none)

All – following the Cabinet meeting/MOU singing please gather in ***Roosevelt Room*** to touch base before the POTUS meeting that afternoon

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From: Liddell, Christopher P. EOP/WHO
Sent: Sunday, April 8, 2018 3:35 PM
To: SP3.PS3 - OSEC, Washington, DC ; Knight, Shahira E. EOP/WHO ; Moorhead, Quellie U. EOP/WHO
Cc: Catanzaro, Michael J. EOP/WHO ; Starling, Ray A. EOP/WHO ; Green, Heidi - OSEC, Washington, DC ; Jackson, Ryan ; Davis, May M. EOP/WHO ; Moran, John S. EOP/WHO ; Lai, Joseph G. EOP/WHO ; Kudlow, Larry A. EOP/WHO ; Short, Marc T. EOP/WHO ; sooners7@epa.gov
Subject: RE: Updates for POTUS RFS Meeting

We have 2.45 time with POTUS tomorrow

How about we all meet beforehand – say 2.30 -just to make sure we can all get up to speed before we sit down with him

Happy to host in my office – I'll send out a calendar invite

From: SP3.PS3 - OSEC, Washington, DC
Sent: Sunday, April 8, 2018 2:24 PM
To: Knight, Shahira E. EOP/WHO
Cc: Catanzaro, Michael J. EOP/WHO ; Starling, Ray A. EOP/WHO ; Green, Heidi - OSEC, Washington, DC ; Jackson, Ryan ; Davis, May M. EOP/WHO ; Moran, John S. EOP/WHO ; Lai, Joseph G. EOP/WHO ; Liddell, Christopher P. EOP/WHO ; Kudlow, Larry A. EOP/WHO ; Short, Marc T. EOP/WHO ; sooners7@epa.gov
Subject: Re: Updates for POTUS RFS Meeting

Team, frankly I'm confused. It seems several independent conversations happened last week on RFS. The President also called me Tuesday night and asked me to bring him a solution on the RFS issue. Then yesterday, I receive an email from Shahira, with attached proposed Presidential Memoranda prepared by EPA.

I spent this past week listening to voters in Ohio, Michigan and Kentucky so I come to our meeting with the President having heard directly from some of the President's most loyal supporters.They are scared for their livelihoods, and extremely anxious about their future. Personally, they want to support the President in his agenda, but the reality of their dire situation is gripping them. Frankly, I fear that the cumulative effect of trade disputes and a change in RFS policy could threaten their future political loyalty. Honestly, they were struggling with farm income before these issues.

Several things have changed over the past few months that I believe need to inform my recommendation to the President: 1) trade actions have

substantially increased anxiety among farmers and rural voters to which we need to be sensitive; 2) the EPA has granted an unprecedented number and gallons of RFS waivers to refineries for 2016 and 2017 that have significantly reduced the RFS RVO; 3) RIN prices have been falling since October of last year and; 4) I have heard from members of Congress, the ag community, as well as big oil that they want Congress to fix this issue.

I think everyone is aware of the anxiety among farmers on trade and their concern about retaliation. Politically, now would not be the time for the President to take any action that they would perceive as undermining demand. I am literally concerned that the cumulative effect of the retaliatory actions on AG trade, in conjunction with a change in RFS policy could undermine the strong rural and AG support the President has enjoyed. I can, have and will defend the administration's action regarding China's unfair trade practices, especially IPT. However, it would be extremely difficult to defend a change in policy over RFS which many in the AG sector will view as betrayal.

Also, concern has been mounting in recent weeks in the ag community and on Capitol Hill about the number of RFS waivers the EPA has granted that directly reduce the volumes under the RFS; farmers and farm state lawmakers feel that EPA's actions are directly undercutting the President's pledge to support the RFS. For the 2016 compliance year, EPA has granted 20 waiver requests totaling 790 million gallons. We are still awaiting the 2017 information, which some believe to be approaching a billion gallons.

Based on all these factors, and most strongly the political factors at work, my recommendation is that the President direct EPA to grant a RVP Waiver for E15 to allow sales year-round. Both corn and petroleum industries agree that this action would help reduce RIN prices, especially over the medium-term. He also could say that we will be closely monitoring RIN prices and if these actions don't bring results in the next year we will look at other options. The President also has the opportunity to point out that Congress is working on RFS legislation and call

on them to complete their work to provide certainty for all market participants.

I think right now we have to help the President keep the big picture in mind and not add to the concerns of our farmers and rural voters. I view my role as USDA Secretary to be thePresident's ambassador to the Ag voters, as well as to be their ambassador to him. I am attempting to the best of my ability to do both.

Respectfully, Sonny Perdue

Sent from my iPad

On Apr 7, 2018, at 6:38 PM, Knight, Shahira E. EOP/WHO < **Ex. 6 Personal Privacy (PP)** > wrote:

All,

We are scheduled to meet with the President on Monday at 2:45 PM to discuss the best way to bring closure to the RFS/RINs issue. Below is an update of where we stand. **By noon tomorrow, can everyone on this email please provide recent updates or concerns so everyone can enter the meeting fully informed?**

- On March 29, the NEC hosted a principals' call to discuss the RFS policy options that were developed during stakeholder meetings with USDA and EPA (options attached). Principals agreed these were the options on the table, but there was no consensus about which option to pursue.

- A POTUS meeting was scheduled for April 9 to try to bring closure to the issue in a way that removes the President from the middle of this political debate.

- Since then, we understand that POTUS has had additional discussions. In addition, WHCO received two draft Presidential Memoranda from EPA (attached). The idea of a PM was not previously on the table (nor was an agreed upon RIN price cap). We understand EPA plans to bring these PMs to the meeting on Monday.

If needed, we can huddle before or after the cabinet meeting to get on the same page before we discuss this with the President.

Thank you,
Shahira Knight
Deputy Director
NEC

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