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### 1. Energy rhetoric irrelevant in world of \$50 oil — analysts

Pamela King, E&E News reporter

Published: Friday, August 4, 2017

Six months into Trump's presidency, Interior Department actions to bring the United States to "energy dominance" have done little to boost confidence in a market where the price of a barrel of oil hovers just below \$50.

<http://bit.ly/2vxRrDW>

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The Trump administration will carry through on reversing recent changes made to how the federal government values coal, oil and natural gas for assessing royalties.

<http://bit.ly/2huhAhv>

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George Cahlink and Kellie Lunney, E&E News reporters

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Energy and environmental issues will likely take a back seat when the Senate returns in September to more pressing fiscal priorities, including avoiding a government shutdown and a potential financial crisis.

<http://bit.ly/2v6rt8B>

## **4. Watchdog to investigate Zinke's calls to Alaska senators**

Kellie Lunney, E&E News reporter

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The Interior Department's watchdog said yesterday it would start a "preliminary investigation" into Secretary Ryan Zinke's phone calls to Alaska's Republican senators involving votes on the failed GOP health care bill.

<http://bit.ly/2vxGfHx>

## **5. Sage grouse, chemicals amendments await NDAA debate**

Nick Sobczyk, E&E News reporter

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Sage grouse riders have a history of at least trying to find their way into the annual defense policy bill, and this year will be no different.

<http://bit.ly/2uriZH5>

## **6. Critics make another plea for speedy defeat of Obama EPA rule**

Ellen M. Gilmer, E&E News reporter

Published: Friday, August 4, 2017

Critics of an Obama-era rule to cut methane emissions from the oil and gas industry are making what may be their final push to quickly sideline the regulation.

<http://bit.ly/2ffsFSY>

## **7. Shaking near Oklahoma City disrupts calm**

Mike Soraghan, E&E News reporter

Published: Friday, August 4, 2017

A relatively large earthquake shook the Oklahoma City suburbs this week, disrupting what has been a decline in the state's man-made seismicity.

<http://bit.ly/2u9agd4>

## **8. TransCanada cues up Nov. investment decision for pipeline**

Jenny Mandel, E&E News reporter

Published: Friday, August 4, 2017

An effort by TransCanada Corp. to firm up market demand for crude oil on the proposed Keystone XL pipeline will not affect the company's ongoing permitting process in Nebraska.

<http://bit.ly/2v5V5CJ>

## **9. Pipeline opponent feels 'muzzled' in Neb. permitting**

Hannah Northey, E&E News reporter

Published: Friday, August 4, 2017

One argument that won't be made at the final hearing for the \$8 billion Keystone XL pipeline next week in Nebraska is whether the United States even needs the oil conduit.

<http://bit.ly/2v3OeLO>

## **10. Ore. senators push 2.1M-acre ban**

Dylan Brown, E&E News reporter

Published: Friday, August 4, 2017

Oregon Democratic Sens. Ron Wyden and Jeff Merkley reintroduced legislation this week to ban new mining claims across 2.1 million acres of southeastern Oregon.

<http://bit.ly/2u8MJZY>

#### **11. White House touts acceleration of permit review**

Published: Friday, August 4, 2017

Trump administration officials have been busy this week touting the Interior Department's streamlining of a coal mine permit review.

<http://bit.ly/2ubAP5B>

#### **12. Trump champions coal exports in W.Va. rally**

Zack Colman, E&E News reporter

Published: Friday, August 4, 2017

President Trump credited his administration yesterday for overseeing a boom in coal exports and said coal miners "are coming back strong" during a rally in Huntington, W.Va.

<http://bit.ly/2ffFzjM>

#### **13. Obama rules could yield \$300B annually in benefits — study**

Niina Heikkinen, E&E News reporter

Published: Friday, August 4, 2017

The benefits of Obama-era rules to curb greenhouse gas emissions would greatly exceed the costs in the coming years, according to a new analysis.

<http://bit.ly/2urGTIA>

#### **14. Greens work behind the scenes against 'unprecedented' threat**

Zack Colman, E&E News reporter

Published: Friday, August 4, 2017

A new effort seeded by a \$1 million foundation grant is deepening coordination among environmental groups to defend against Trump administration policies they oppose.

<http://bit.ly/2wt2xr4>

**15. Researchers hope for more than 'bright light'**

Adam Aton, E&E News reporter

Published: Friday, August 4, 2017

North Dakota's night sky burns with enough gas flares to see them from space.

<http://bit.ly/2urJWKv>

**16. White House supports ending 'fire borrowing'**

Maxine Joselow, E&E News reporter

Published: Friday, August 4, 2017

The Trump administration supports ending the practice of "fire borrowing," a Forest Service employee confirmed yesterday during a Senate Energy and Natural Resources Committee hearing.

<http://bit.ly/2v4iqGF>

**17. Bill would cut 'red tape' to help prevent wildfires**

Scott Streater, E&E News reporter

Published: Friday, August 4, 2017

South Dakota Sen. John Thune (R) introduced legislation to shield national forest managers from some environmental reviews in an effort to expedite forest health projects that reduce the risk of catastrophic wildfires.

<http://bit.ly/2urHa86>

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## 1. Energy rhetoric irrelevant in world of \$50 oil — analysts

Pamela King, E&E News reporter

Published: Friday, August 4, 2017

Six months into Trump's presidency, Interior Department actions to bring the United States to "energy dominance" have done little to boost confidence in a market where the price of a barrel of oil hovers just below \$50.

Vincent DeVito, counselor to Interior Secretary Ryan Zinke for energy policy, has said the "level of optimism" the department hears from investors will be an important metric for measuring the success of the agency's energy policies (*Energywire*, June 29).

But analysts say federal regulators can do little in light of the reality that crude prices are now about half what they were at the peak of the U.S. drilling boom.

"If oil prices were as low as they were 18 months ago, the best rhetoric in the world could not change the fact that companies are suffering from low oil prices," said Pavel Molchanov, senior vice president and equity research analyst at Raymond James & Associates Inc. "When oil was \$100 a barrel, the fact that the rhetoric out of the Obama White House was not as friendly to oil did not make any difference. The industry was in fantastic shape. It was going gangbusters.

MARCH 28 President Trump issues "energy independence" **executive order** directing agency review of all actions that "potentially burden" domestic energy development

MARCH 29 Interior Secretary Ryan Zinke signs **Secretarial Order 3349** implementing Trump's "energy independence" order

APRIL 28 Trump issues order declaring an **"America-First Offshore Energy Strategy"** in U.S. oceans

MAY 1 **S.O. 3350** enacts Trump's offshore order; **S.O. 3351** establishes counselor to the secretary for energy policy position; Vincent DeVito appointed first counselor to the secretary for energy policy

MAY 31 Zinke signs **S.O. 3352**, aimed at opening up energy development in the Arctic National Wildlife Refuge and the National Petroleum Reserve Alaska

JUNE 15 The Bureau of Land Management **announces** plan to delay compliance with some parts of Obama era methane regulation

JUNE 20 Zinke tells Senate Energy and Natural Resources Committee that his staff will rewrite BLM methane rule; legal filing from Justice Department indicates plan to completely dismantle the old rule

JULY 6 **S.O. 3354** instructs BLM to streamline oil and gas permitting process, conduct quarterly lease sales

JULY 13 Zinke reduces royalty rates from 18.75 percent to 12.5 percent for shallow water leases in the Gulf of Mexico

JULY 24 BLM **announces** intent to repeal fracking rule introduced under previous administration

Timeline data compiled by Brittany Patterson and Pamela King

"Fundamentals are what count. For this industry, commodity prices are what count."

The number of active rigs in the United States — the best indicator of a revival in the oil patch — is up 495 from last year, according to Baker Hughes data. But that has nothing to do with politics, Molchanov said.

"It has everything to do with the level of oil prices," he said.

Interior's moves to open up offshore drilling in the Alaskan Arctic and along the Atlantic coast are also unlikely to spur major new activity, Molchanov said.

"Industry does not want to drill in those places right now because prices are relatively weak," he said. "The idea that companies would jump at the chance to drill in the Arctic is somewhat of a fantasy."

Limitations to Interior's power over the energy industry stem from the agency's restricted scope. Interior controls activity on federal lands, but the hottest U.S. shale plays — such as North Dakota's Bakken Shale and Texas' Permian Basin — are located primarily on state and private land, Molchanov said.

Industry groups say formations with lots of public lands overlap — like Utah's Uinta Basin and Colorado's Piceance Basin — have been burdened from the start because of additional federal regulations.

"What we're looking for is a fair playing field in public land states," said Kathleen Sgamma, president of the Western Energy Alliance. "We're competing with other areas of the country without public lands. We're asking the federal government to rationalize its policies so that we're not at such a disadvantage."

The market needs time to absorb Interior's actions, she said.

"We're in the stage of being hopeful these policies will bear fruit," Sgamma said. "It was a huge lift just not to have a third term of the Obama administration, and we've seen several positive developments regarding the regulatory environment."

Sean Moran, chairman of the oil and gas practice group for Buchanan Ingersoll & Rooney PC in Pittsburgh, said even though his clients aren't directly affected by Interior actions, he has noticed an increased sense of optimism since President Trump took office.

Approval of the Keystone XL pipeline and a recent deal to ship 700,000 tons of U.S. coal to Ukraine signal that the new administration is moving on its energy goals, Moran said (*Greenwire*, March 24; *Climatewire*, Aug. 1).

"It creates an environment where people are more willing to deploy capital," he said.

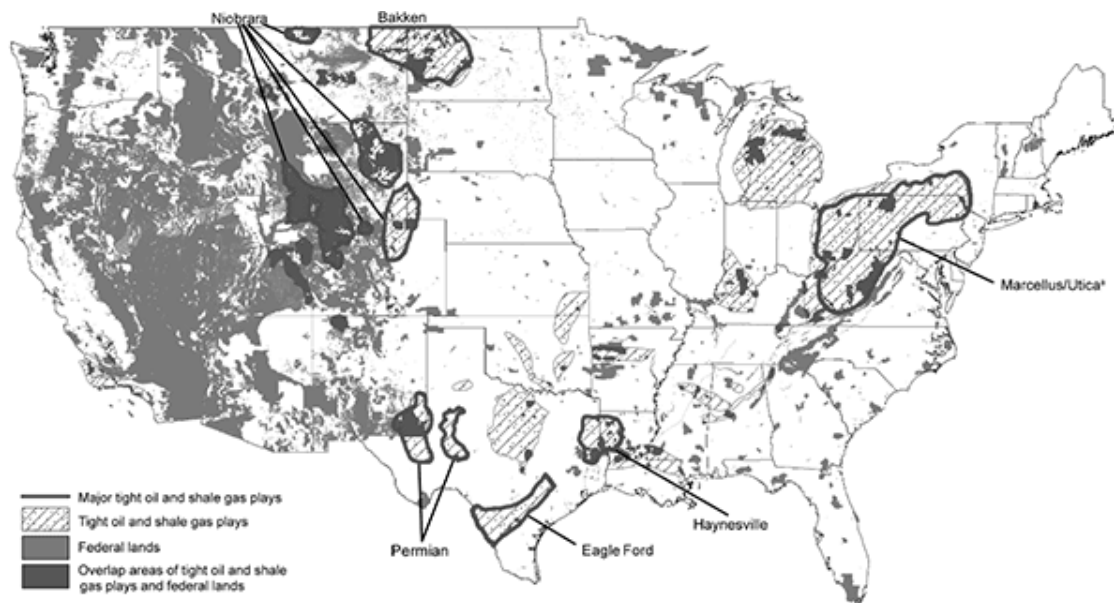
Because oil prices are tied to the global economy, Trump's foreign policies are the most likely avenues for change in the U.S. energy industry — but there's no telling what form that change could take, said Thomas Pugh, commodities economist for Capital Economics Ltd. in London.

An embargo by Saudi Arabia and its neighbors on oil-rich Qatar — a move that followed Trump's visit to the Persian Gulf — could lead to a sharp increase in oil prices and a rebound in U.S. production, he said. On the other hand, the blockade could disrupt a deal to cut output from OPEC, keeping supply high and prices low.

"Prices will have a far bigger impact on domestic U.S. oil and gas production than anything Trump does," Pugh said. "You can make as much government land available for drilling as you want, but if West Texas Intermediate prices go back to \$45 per barrel or stay low, things are going to stay the same."

## **Regulatory uncertainty**





[+] Limited overlap between public lands and the nation's most prolific shale plays restrains Interior's influence over U.S. energy production. Industry groups say formations with a public lands presence might be more productive if the federal government loosened its regulatory grip. Government Accountability Office

Interior's respective rewrite and rescission of the Bureau of Land Management's methane and hydraulic fracturing rules will likely have a real impact on production costs, but their value is mostly symbolic and speculative at this point, said Kevin Book, managing partner of ClearView Energy Partners LLC.

"Neither of those changes really move the needle on oil and gas production," he said. "They matter in the abstract."

If anything, scaling back federal rules may introduce more uncertainty for an industry that relies heavily on a predictable regulatory environment, said Kate Kelly, public lands director at the Center for American Progress and former senior adviser to Interior Secretary Sally Jewell under President Obama.

"They're introducing a huge level of uncertainty with the myriad reviews that are going on behind closed doors," Kelly said. "There are questions about what the rules will be, what will be rolled back, what will replace them."

"Industry doesn't mind commonsense regulations. They just want to know what those rules are."

BLM is planning to rewrite its rule to curb methane emissions from oil and gas operations on public lands, but the agency hasn't said whether it will redo the fracking rule it plans to rescind. Obama's versions of those rules are currently tied up in litigation.

It isn't obvious whether the fracking rule would have stood up in court, but dismantling it altogether allows uncertainty to persist, Book said.

"By providing regulatory certainty, the Trump administration could encourage or at least invite future investments," he said. "If the Trump administration veers more toward a 'rip it up' approach to rulemaking, the implication could be that uncertainty limits future investments."

The Independent Petroleum Association of America has argued in court that BLM was never able to demonstrate a difference between what the federal government was trying to do under the fracking rule and what state regulators had already done.

"There really never was a major problem," said Dan Naatz, IPAA senior vice president of government relations and political affairs. "It was just the Obama administration trying to address a perceived problem. The states are always in a better position to regulate."

Because the fracking rule never went into effect, its rescission doesn't reintroduce regulatory uncertainty — it simply maintains the status quo, Naatz added.

<http://bit.ly/2vxRrDW>

## 2. Interior moves to scrap fossil fuel valuation rule

Ellen M. Gilmer and Dylan Brown, E&E News reporters

Published: Friday, August 4, 2017

The Trump administration will carry through on reversing recent changes made to how the federal government values coal, oil and natural gas for assessing royalties.

The Office of Natural Resources Revenue (ONRR) will publish a final rule undoing the Obama administration's fossil fuel valuation rule in Monday's edition of the *Federal Register*. Thirty days later, the agency will revert to its previous standards.

Last year, ONRR finalized new requirements that would have based royalties on the value of a commodity at the first "arm's length" transaction, among other reforms.

Critics applauded closing what they saw as a loophole allowing companies, mainly coal mining firms, to sell their product to subsidiaries or affiliates at deflated prices.

The industry responded with several lawsuits to halt what it called "complex, difficult to implement, and far less reliable" standards.

After putting implementation on hold in February, the Trump administration identified "significant defects in the rule that would have undermined its purpose and intent."

ONRR said the changes compromised the agency's mission to collect mineral revenues and conflicted with President Trump's executive order to eliminate regulations that burden energy development.

ONRR also noted that Interior Secretary Ryan Zinke has begun the process to re-establish the Royalty Policy Committee, a defunct federal advisory panel, when he lifted the previous administration's coal leasing moratorium in March ([\*Greenwire\*](#), March 29).

### Legal implications

Supporters of the Obama rule have not yet signaled whether they plan to sue over the repeal, but the move is expected to have immediate implications for ongoing litigation over Interior's earlier efforts to delay compliance deadlines.

California and New Mexico filed suit in April, arguing that Interior had no authority to sideline the rule before completing a public notice and comment process.

Now, Justice Department lawyers representing Interior are expected to ask the U.S. District Court for the Northern District of California to dismiss the case as moot in light of the finalized repeal.

The lawsuit has been closely watched in recent months, both for its potential direct impacts and for its focus on a legal question that has arisen in debates over another Interior regulation: the Bureau of Land Management's Methane and Waste Prevention Rule.

For both rules, Interior invoked authority under Section 705 of the Administrative Procedure Act to delay compliance requirements. The APA provision allows agencies to postpone the effective dates of rules that are subject to litigation.

States and environmental groups in both cases pushed back on the delays, arguing that Section 705 did not apply to either rule because both had already taken effect before Interior moved to stall them.

Both cases are in California's Northern District, and the eventual outcome in the valuation lawsuit was expected to serve as a strong indicator of how the methane litigation would play out.

Trump administration lawyers will likely move to dismiss the valuation case Monday, when the rollback is formally published in the *Federal Register*.

<http://bit.ly/2huhAhv>

### **3. Tight fiscal deadlines await lawmakers after recess**

George Cahlink and Kellie Lunney, E&E News reporters

Published: Friday, August 4, 2017

Energy and environmental issues will likely take a back seat when the Senate returns in September to more pressing fiscal priorities, including avoiding a government shutdown and a potential financial crisis.

The Senate left yesterday for a more than four-week recess after approving a slew of nominees and bills ([see related story](#)). The chamber returns Sept. 5, when it will consider a federal court nominee.

Once back, senators will try to move fast on fiscal 2018 spending bills, with federal agencies facing a potential shutdown if they don't have new dollars or stopgap funding in place by Oct. 1.

Senate appropriators have passed six of the 12 annual funding bills, but, unlike in the House, none of them has reached the floor.

"We are working individual bills, but in the final analysis, if history is any guide, we probably would put together an omnibus" spending package, said Sen. Richard Shelby (R-Ala.), a senior appropriator.

Sen. Dianne Feinstein (D-Calif.), ranking member on the Energy and Water Development Appropriations Subcommittee, hasn't given up hope that bipartisan \$38.4 billion legislation covering the Department of Energy and Army Corps of Engineers could make it to the floor on its own.

"I don't think there is controversy that would keep it off the floor," said Feinstein.

Sen. Tom Udall (D-N.M.), the ranking member of the Interior and Environment Appropriations Subcommittee, said the measure that funds U.S. EPA and the Interior Department will be marked up in September. It's not clear if it would get any floor time.

Senate Majority Leader Mitch McConnell (R-Ky.), however, tipped his legislative hand in favor of an omnibus earlier this week when he took procedural steps that would allow him to more quickly call up a four-bill fiscal 2018 spending package passed by the House last month.

The procedural move signals McConnell is likely to work on a broad funding deal come September, rather than pushing individual bills.

The chamber will only meet for 16 days until the new fiscal year begins. That's why several senators have floated the idea of a continuing resolution to keep agencies running while negotiations continue.

### **'Whatever is easiest'**

A more heated partisan fight is expected in September over raising the nation's \$19.8 trillion debt ceiling. The Treasury Department has said it needs Congress to back an increase by October, otherwise the government won't be able to pay its debts.

Conservatives have pressed for other cuts in spending to go along with the debt hike, a move likely to be resisted by Senate Democrats who could filibuster the plan.



(Left to right) Senate Majority Leader Mitch McConnell (R Ky.) and House Speaker Paul Ryan (R Wis.) are preparing their caucuses for a potentially tough fall. C-SPAN

Sen. John Boozman (R-Ark.), a senior appropriator, said a debt ceiling increase is likely to be attached to other must-pass spending legislation, most likely a CR, to get enough votes.

Other senators have not ruled out having it ride on other expiring policy measures coming due in the fall, including a Federal Aviation Administration reauthorization.

"Anything's up for grabs, whatever is easiest, these are things that need to be done," Boozman added.

Beyond debt and spending bills, Sen. Roy Blunt of Missouri, a member of Senate GOP leadership, is expecting the White House to weigh in this fall on plans for a possible tax overhaul and a large infrastructure package.

He recommended the administration should avoid the often combative tone it took in a failed bid to have the Senate back a repeal of the 2010 health care law.

"I'd rather they deal with it more like they dealt with the [Supreme Court Justice Neil] Gorsuch nomination, which is make your points, stand back and only step in when your points need to be made a second time," said Blunt.

The House plans to move forward with trying to pass a budget in the fall, and Senate Budget Chairman Mike Enzi (R-Wyo.) is planning a markup on his own chamber's blueprint.

The process this year is less about spending levels than about setting the stage for tax reform negotiations under the process of reconciliation to prevent a Senate filibuster.

### **Monuments review, energy bills**

A few energy and environmental issues could emerge quickly once Congress returns.

Senate Energy and Natural Resources Chairwoman Lisa Murkowski (R-Alaska) will keep pushing for the chamber to take up her energy reform bill, which came close to emerging before recess.

In the House, the Energy and Commerce Committee will release legislation to reauthorize the Department of Energy and likely change some of its operations (*E&E Daily*, Aug. 3).

Interior Secretary Ryan Zinke's final recommendations on whether to alter 27 national monuments is due Aug. 24. Whatever he decides could prompt lawmakers on both sides of the issue to introduce legislation to overhaul the 111-year-old Antiquities Act.

Many members with designated sites under review in their states — with the notable exception of the all-Republican Utah delegation — oppose shrinking or rescinding any of the monuments.

So far, Zinke has exempted four monuments located in Colorado, Idaho, Montana and Washington state. But he is expected to recommend major changes to Utah's 1.35-million-acre Bears Ears monument, as well as to the Grand Staircase-Escalante site designated in 1996 (*Greenwire*, Aug. 3).

"We will fight" President Trump if he tries to reverse monument designations under the Antiquities Act, ENR ranking member Maria Cantwell (D-Wash.) said at a July rally along with five other Western Democratic senators.

Republicans and Democrats on Capitol Hill have split over whether the Antiquities Act gives the president the ability both to create and dismantle monuments (*E&E News PM*, March 29).

Zinke in June told lawmakers that he wants Congress to work on legislation to "clean up" ambiguities in the management of national monuments, including Bear Ears.

House Natural Resources Chairman Rob Bishop (R-Utah) has repeatedly said that he wants to introduce legislation reforming the "damn" law.

<http://bit.ly/2v6rt8B>

## **4. Watchdog to investigate Zinke's calls to Alaska senators**

*Kellie Lunney*, E&E News reporter

Published: Friday, August 4, 2017

The Interior Department's watchdog said yesterday it would start a "preliminary investigation" into Secretary Ryan Zinke's phone calls to Alaska's Republican senators involving votes on the failed GOP health care bill.

Reps. Frank Pallone (D-N.J.) and Raúl Grijalva (D-Ariz.) last week jointly asked Interior's inspector general and the Government Accountability Office to look into whether top Trump administration officials, including Zinke, "are part of a larger effort within the administration to advocate for health care proposals pending before Congress."

The Democrats asked the watchdogs to address several potential legal and ethical violations related to Zinke's calls (*E&E Daily*, July 28).

"We will advise you about what further action the results of this inquiry lead the OIG to take," said the brief, pro-forma **letter** from Interior Deputy Inspector General Mary Kendall to the Democrats.

Interior did not immediately respond to a question for comment on the IG's letter.

Zinke called Sens. Lisa Murkowski and Dan Sullivan on July 26 to complain about Murkowski's "no" vote on proceeding to debate the health care bill.

The *Alaska Dispatch News*, which broke the story of the phone calls, reported that Sullivan said Zinke had delivered a "troubling message" that "strong economic growth, pro-energy, pro-mining, pro-jobs and personnel from Alaska who are part of those policies are going to stop."

Murkowski declined to discuss her private conversation with Zinke, but she told E&E News that it was "a difficult call" (*Greenwire*, July 27).

The chairwoman of the Senate Energy and Natural Resources Committee ultimately joined fellow Republicans Susan Collins of Maine and John McCain of Arizona in casting decisive votes that helped sink the health care bill early on July 28.

Pallone and Grijalva are the top Democrats on the Energy and Commerce and Natural Resources committees, respectively.

"Yesterday's phone calls by Secretary Zinke occurred shortly after President Trump's tweet expressing displeasure with Senator Murkowski, and just one day after DOE Secretary [Rick] Perry generated concerns of impropriety with an editorial weighing in on the health care debate," Pallone and Grijalva wrote in a July 27 **letter** to Kendall.

"The close timing of these actions suggests an apparent pattern and organized effort within the Trump Administration involving the use of federal resources to advance partisan legislation," the lawmakers said. "We request your office investigate whether such a pattern or organized effort exists, whereby Secretary Zinke is advocating for health care proposals pending before Congress."

News of the phone calls sparked a flurry of press coverage and speculation over whether the Alaska senators were being improperly pressured. Zinke last weekend dismissed as "laughable" questions about the calls and rejected characterizations of them as a "threat" (*E&E Daily*, July 31). Yesterday morning, Zinke and Murkowski appeared together in a selfie posted on Twitter, smiling and drinking beers (*Greenwire*, Aug. 3).

"I say dinner, she says brews. My friends know me well. Thanks @lisamurkowski #Alaska #IPA #MadeInAmerica," the secretary tweeted.

<http://bit.ly/2vxGfHx>

## 5. Sage grouse, chemicals amendments await NDAA debate

Nick Sobczyk, E&E News reporter

Published: Friday, August 4, 2017

Sage grouse riders have a history of at least trying to find their way into the annual defense policy bill, and this year will be no different.

A proposed amendment from Sen. Mike Lee (R-Utah) — one of hundreds submitted ahead of Senate debate on the fiscal 2018 National Defense Authorization Act this fall — would decentralize greater sage grouse conservation and implement state management plans for the rangeland birds.

The Lee proposal would also prevent the Fish and Wildlife Service from listing the species as endangered until at least 2027.

Even though sage grouse management is more the purview of natural resources panels and bills, lawmakers who worry about the bird protections affecting development on public lands say they could also affect military installations.

Though nearly identical provisions have come close to making it into the final bill in recent years, this latest sage grouse rider is unlikely to even get a vote on the Senate floor.

Senate Armed Services Chairman John McCain (R-Ariz.) has long fought against what he sees as unrelated policy riders, and leadership is hoping to move NDAA quickly to President Trump's desk after the recess.

McCain has thwarted sage grouse efforts from Lee and fellow Utah Republican Rep. Rob Bishop during conference talks in each of the last two years.

And given the massive roster of amendments submitted by Senate lawmakers this year, McCain is likely to focus attention on other issues (*E&E Daily*, Nov. 18, 2016).

Bishop, for his part, shied away from the sage grouse issue during the committee stage of the defense authorization bill in the House earlier this year.

The final version, passed last month, did not include any contentious environmental riders, save for one Democratic provision on climate change that eventually drew bipartisan support (*E&E Daily*, June 28). The Senate's NDAA has provisions on wildfire, and the Armed Services Committee included climate language in its report on the bill. The Senate bill would also authorize the Coast Guard to acquire up to 6 new polar icebreakers, a longtime need for the agency (*E&E Daily*, July 12).

Senate lawmakers may also look to prevent Russia from providing energy resources to U.S. military bases in Europe with a proposed amendment from Sen. Pat Toomey (R-Pa.).

That measure would encourage the Department of Defense to reduce dependence on Russian fuel sources and report to Congress on its work to mitigate the risk that comes with buying fuels sourced in Russia.

The goal, said a Toomey spokesman, would be for DOD to work with the Senate Armed Services Committee so Congress could appropriate funds for projects aimed at moving to alternative sources of fuel.

## **Chemicals, Yucca Mountain**

Toomey last week also proposed an amendment to NDAA that would assess exposure of residents near eight former military installations to perfluorinated chemicals (PFCs), which were used for years in Air Force firefighting foam.

The measure is one of two on PFCs proposed ahead of debate on the bill. The other, from Sen. Kirsten Gillibrand (D-N.Y.), would set maximum contaminant level goals for PFCs.

Both provisions are part of a larger push in Congress this year to get the military to double down on cleanup efforts around contaminated installations.

House lawmakers last week approved \$30 million to help mitigate drinking water pollution from PFCs as part of their minibuss spending package (*E&E Daily*, July 28).

The House-passed version of the NDAA also includes a number of amendments related to PFCs, including one that would require a health impact study (*Greenwire*, July 14).

And on Tuesday, 14 members of Congress penned a letter to President Trump urging him to hasten the Pentagon's ongoing investigations into PFC contamination around bases nationwide.

"It is critical that DOD take immediate action to prevent further exposure," the letter says. "Despite the dangers PFCs present, DOD has been slow to provide safe drinking water to those areas with contaminated water."

Senate lawmakers have proposed a slew of other environment and energy-related provisions ahead of debate on NDAA, including:

- A provision from Sen. Maria Cantwell (D-Wash.) to require DOD to collaborate with the Department of Energy on cybersecurity for energy delivery systems and infrastructure.
- An amendment from Sen. Rand Paul (R-Ky.) to allow DOD to produce and use natural gas located under Kentucky's Fort Knox.
- A provision from Sen. Amy Klobuchar (D-Minn.) to establish a health center for prevention and diagnosis of diseases related to military burn pits and other environmental hazards.
- A measure from Sen. Mazie Hirono (D-Hawaii) to give DOD authority to use the energy savings investment fund for energy management initiatives.
- Another provision from Hirono to require a report from DOD to Congress on projects to improve energy resilience.
- An amendment from Sen. Dean Heller (R-Nev.) to require the Air Force secretary to report on the impact of the Yucca Mountain nuclear waste repository on nearby military installations.
- A measure from Sen. Elizabeth Warren (D-Mass.) to require a report on significant vulnerabilities to the electric grid.

## Road ahead

The schedule for debate on the bill remains in flux, however, after Paul delayed a procedural motion last week to take up the NDAA.

Majority Leader Mitch McConnell (R-Ky.) and Minority Leader Chuck Schumer (D-N.Y.) had both hoped to move on the measure last week after the Senate rejected the Republican health care reform effort in the early hours of Friday morning. That would have allowed McCain to preside over debate before heading home Monday to start treatment for brain cancer.

Paul objected in an effort to secure debate on his bipartisan measure to roll back authorizations for the use of military force enacted during the George W. Bush administration.

McCain in a statement last week said he planned to come back to the Senate after the August recess, and on Wednesday, he told Arizona's 550 KFYI that he would be back next month.

McCain, who had pushed to finish up work on NDAA last week, expressed frustration with Paul, though he declined to mention him by name.



"It is unfortunate that one senator chose to block consideration of a bill our nation needs right now, the National Defense Authorization Act," McCain said in a statement last week.

<http://bit.ly/2uriZH5>

## 6. Critics make another plea for speedy defeat of Obama EPA rule

Ellen M. Gilmer, E&E News reporter

Published: Friday, August 4, 2017

Critics of an Obama-era rule to cut methane emissions from the oil and gas industry are making what may be their final push to quickly sideline the regulation.

In a filing to the U.S. Court of Appeals for the District of Columbia Circuit, two dozen oil and gas industry groups argued that the full court should reconsider a panel decision that revived U.S. EPA's 2016 methane restrictions last month.

The Trump administration is rethinking the methane standards and in June issued a 90-day stay of core elements of the rule. A three-judge panel of the D.C. Circuit last month ruled that EPA's attempt to delay the rule was unlawful and ordered the agency to begin enforcing it (Greenwire, July 3).

Industry groups are pushing the court's 11 active judges to rehear the case. They say the panel erred because EPA's decision to use a Clean Air Act reconsideration process to justify pausing the rule does not amount to a final agency action that would fall under the court's jurisdiction. Instead, they argue, EPA's actions are not ripe for judicial review until EPA completes its reconsideration process.

"The reconsideration grant merely began a proceeding in which EPA will decide whether or not to revise the rule," the groups said in yesterday's filing.

Industry lawyers further argue that EPA's decision to stay the standards is not reviewable because it falls within the agency's discretion and merely preserves the status quo.

"The Panel identified what it believed to be a tension in the law — i.e., how to review EPA's stay decision when that decision follows a non-final, non-reviewable agency action. It resolved that tension by reviewing the non-final, non-reviewable action, expanding judicial review jurisdiction contrary to law and precedent," they wrote.

EPA has not made its own request for rehearing. A coalition of states opposed to the methane standards requested rehearing but did not file a reply defending their position yesterday. If the court does not grant rehearing, EPA will have to enforce the standards while it goes through a public notice and comment process for a proposed two-year delay.

Environmental and state supporters of the standards, meanwhile, have pushed the D.C. Circuit to reject the rehearing request and maintain the panel's decision.

The full court is expected to issue a decision soon on whether to reconsider the panel's decision. Nine of the court's 11 active judges earlier this week ordered EPA to enforce the rule for now (Energywire, Aug. 1).

<http://bit.ly/2ffsFSY>

## 7. Shaking near Oklahoma City disrupts calm

Mike Soraghan, E&E News reporter

Published: Friday, August 4, 2017

A relatively large earthquake shook the Oklahoma City suburbs this week, disrupting what has been a decline in the state's man-made seismicity.

The quake was one of seven quakes bigger than magnitude 3 in the Edmond area reported by the U.S. Geological Survey since midnight Wednesday. There were four other such quakes, including a magnitude 3.2 event 11 miles southwest of the Cushing-area oil tank farms.

Oil and gas regulators at the Oklahoma Corporation Commission (OCC) announced they are looking into the shaking in the Edmond area.

The OCC investigation is focused on oil and gas wastewater disposal wells that inject into the Arbuckle formation, the state's deepest formation, the agency said in a statement. But the agency hasn't changed any of the injection volume restrictions imposed last year in the area.

The quakes were clustered in an area where there is a known fault but no Arbuckle disposal wells.

The agency sent a field inspector to check on wells in the area and is reviewing recent data on the wells' operations.

Scientists have known for decades that deep injection of industrial fluid can cause earthquakes in rare cases. The fluid seeps into faults, essentially lubricating them, and they slip.

In Oklahoma, production methods that result in unusually large volumes of wastewater have combined with favorably aligned faults to cause swarms of quakes.

The state has had an epidemic of shaking since 2012, peaking in 2015 when there were 905 quakes. There have been a handful of injuries, and most of the quakes aren't large enough to do significant damage, but many residents are concerned about the long-term effects on their homes and the difficulty of getting earthquake insurance.

The rate of earthquakes has slowed in recent months. The calm has been attributed to restrictions by regulators and a slowdown in production in quake-prone areas because of a price slump.

Oklahoma had 181 quakes of magnitude 3 or greater through the end of July, according to Oklahoma Geological Survey data. During the same time in 2016, it had 433.

<http://bit.ly/2u9agd4>

## **8. TransCanada cues up Nov. investment decision for pipeline**

Jenny Mandel, E&E News reporter

Published: Friday, August 4, 2017

An effort by TransCanada Corp. to firm up market demand for crude oil on the proposed Keystone XL pipeline will not affect the company's ongoing permitting process in Nebraska.

TransCanada announced last week that it was launching an "open season" for binding commitments to transport oil on its Keystone mainline and proposed Keystone XL line. The existing and proposed pipelines are both designed to carry crude from the oil sands in Alberta to the central U.S. hub of Cushing, Okla., and the U.S. Gulf Coast. The open season will run through Sept. 28.

Some jurisdictions consider commercial demand for a proposed project in weighing whether to permit construction of oil or gas pipelines. But Nebraska's Public Service Commission, which is in the midst of a public process to determine whether the Keystone XL project is in the best interest of the state, does not weigh market factors in its decisionmaking.

Aside from securing a permitted route across Nebraska, TransCanada has already lined up the authorizations it would need to move forward on the Keystone XL project, which was initially proposed in 2008 and went through a winding road of protests and legal challenges before being denied a key permit by the Obama administration in 2015. President Trump brought back the project during his first days in office.

In an earnings call last week, TransCanada's president for liquids pipelines, Paul Miller, said the company's open season does not reflect a drop-off in support from previously committed customers, but is part of the process of rebuilding commitments following the project's resurrection.

"When the permit was denied in late 2015, many of our shippers reviewed other options. Now that this option is again in front of them, they have come back," Miller said. "Over the course of the last four or five months since we received the permit, it really just has been a function of refreshing the legacy contracts and getting the documentation in place."

Miller said follow-up from the open season and the Nebraska permitting process are both expected to wrap up in late November, setting the stage for a final investment decision. "In the event that we do decide to proceed with the project, we still need probably six months to nine months to start doing some of the staging of the construction crews, et cetera, and that would be followed by about a two-year construction period," he added.

Asked about opposition to new pipelines that the oil and gas industry has faced around the country, another TransCanada official said the company's existing infrastructure puts it in a good competitive position.

"It's not a secret, our goal is to continue to develop within the right of ways," said Karl Johansson, the company's chief of Canadian and Mexican natural gas pipelines and energy. "We believe we have footprint that will continue to be needed, and our goal is to do as much business within those right of ways or just outside of those right of ways as possible."

<http://bit.ly/2v5V5CJ>

## 9. Pipeline opponent feels 'muzzled' in Neb. permitting

Hannah Northey, E&E News reporter

Published: Friday, August 4, 2017

One argument that won't be made at the final hearing for the \$8 billion Keystone XL pipeline next week in Nebraska is whether the United States even needs the oil conduit.

That's because a retired county judge hired to conduct a weeklong hearing on the Alberta-to-Gulf-Coast pipeline sided with developer TransCanada Corp. yesterday and barred prewritten testimony touching on the potential for oil leaks and whether the United States needs KXL or its Canadian oil.

Former Lancaster County District Judge Karen Flowers **ruled** that the federal government — not the Nebraska Public Service Commission — must decide whether the Keystone XL oil pipeline is needed.

"The Siting Act deals exclusively with the route of the proposed KXL pipeline and does not direct or permit the commission to conduct a need and necessity analysis," Flowers wrote. "The decision regarding need and necessity for an interstate pipeline is not within the purview of a state Commission, but is a Federal decision."

TransCanada spokesman Terry Cunha in an email defended review for the project. He said the Nebraska PCS proceedings have a "specific scope, and the Commission's ruling is to stay within that scope, and recognizing the vast amount of scientific review related to safety and the environment has already been conducted on this project."

Still, Flowers' decision infuriated opponents like Lorne Stockman, research director at Oil Change International, who had planned to travel to Lincoln, Neb., to argue against the state approving the Keystone XL pipeline, a project he said is unnecessary and unlikely to move forward.



Nebraska regulators are excluding testimony from Lorne Stockman, a senior researcher at Oil Change International, in deliberations over the Keystone XL oil pipeline, the group said. @LorneStockman/Twitter

"I definitely feel muzzled; it's been outrageous," Stockman said. "The PSC has been increasing its efforts to limit people officially able to intervene in the process."

Stockman in his prepared remarks said TransCanada isn't committed to building the pipeline and the project is unneeded and unlikely to be built, and therefore not in the state's best interest.

"Absent a dramatic increase in oil price, development of new oil projects in Western Canada has ended, eliminating the need for any major increase in new crude oil pipeline export capacity from Canada," Stockman wrote.

Indeed, speculation about the pipeline's future has been growing given a cratering in oil prices since TransCanada first proposed the project in 2008.

The Obama administration rejected the project, which was subsequently approved by President Trump earlier this year shortly after he took office.

TransCanada has recently moved to firm up support in the wake of KXL's resurrection, and company officials have said a recently announced "open season" through Sept. 28 could lead to a decision on whether the project will move forward sometime in November (*Energywire*, Aug. 4).

Cunha said TransCanada believes KXL "remains a very important project for both Canada and the United States, and it is clearly in the national interest of both countries."

Even so, the project will continue to face pushback. Opponents, including landowners fuming over the potential use of eminent domain to seize their private property for the KXL project, are already planning to file appeals and possibly sue.

Brian Jorde, a partner with Omaha-based Domina Law, is representing a group of opposition landowners and has pledged a lawsuit if TransCanada gets approval to move forward with eminent domain.

"Regardless of which way the commissioners go, there will be appeals," Jorde said. "Those appeals will last a year, maybe two years. The likelihood of this pipeline being built is slim."

<http://bit.ly/2v3OeLO>

## **10. Ore. senators push 2.1M-acre ban**

Dylan Brown, E&E News reporter

Published: Friday, August 4, 2017

Oregon Democratic Sens. Ron Wyden and Jeff Merkley reintroduced legislation this week to ban new mining claims across 2.1 million acres of southeastern Oregon.

The "Southeastern Oregon Development Act," **S. 1714**, would make a swath of the Owyhee Canyonlands off-limits to mineral extraction, which Wyden sees as the "biggest threat" to livelihoods in the sparsely populated sagebrush desert flanking the Owyhee River.



[+] Senator Wyden's office

He "reintroduced this bill based on the need to protect traditional agriculture, ranching and other long-time ways of making a living in that part of rural southeastern Oregon," Wyden spokeswoman Samantha Offerdahl said in a statement.

The entire mineral law withdrawal lies within massive Malheur County, not far from the Malheur National Wildlife Refuge in nearby Harney County that Ammon Bundy and anti-government activists occupied last year for 41 days.

With mistrust in the federal government running deep in the region, Wyden and Merkley's bill is careful in its approach to land management.

"Nothing in this title restricts livestock grazing, law enforcement activities, wildfire management, hunting, fishing, fish and wildlife management activities," the bill states.

It would also exempt geothermal leasing.

To help garner support, the measure offers a series of federal infrastructure, workforce development and other grant opportunities and would authorize rural firefighter assistance funding.

In addition to Department of Agriculture grants, the bill would create the Agricultural Center for Rangeland Excellence in the county.

It would mandate a study on the potential need for an economic regional commission, like the Appalachian Regional Commission, to specifically serve Malheur and six other counties.

More broadly, several Democratic lawmakers — including Sens. Tom Udall and Martin Heinrich of New Mexico, Sen. Michael Bennet of Colorado, and Rep. Ben Ray Lujan also of New Mexico — are preparing legislation to reform U.S. mining laws to make it harder for companies to secure minerals, particularly in sensitive areas.

<http://bit.ly/2u8MJZY>

## **11. White House touts acceleration of permit review**

Published: Friday, August 4, 2017

Trump administration officials have been busy this week touting the Interior Department's streamlining of a coal mine permit review.

President Trump held a rally last night in West Virginia, where he championed a surge in coal exports and said coal miners are "coming back strong" (*Climatewire*, Aug. 4).

In the days leading up to the rally, Cabinet officials praised the Interior Department for speeding up a permit review for the Ramaco Berwind Mine, which could bring 200 jobs to McDowell County, W.Va.

But it remains unclear which specific actions the Interior Department took to pave the way for permit approval.

A press release issued Monday by Interior Secretary Ryan Zinke said the department's Fish and Wildlife Service "had a role in approving wildlife conservation plans for two species of crayfish in conjunction with the state of West Virginia's Department of Environmental Protection" (*Greenwire*, Aug. 1).

But the press release was short on specifics in terms of the scope and nature of the "wildlife conservation plans" (Ken Ward Jr., *Charleston Gazette-Mail*, Aug. 3). — **MJ**

<http://bit.ly/2ubAP5B>

## **12. Trump champions coal exports in W.Va. rally**

Zack Colman, E&E News reporter

Published: Friday, August 4, 2017

President Trump credited his administration yesterday for overseeing a boom in coal exports and said coal miners "are coming back strong" during a rally in Huntington, W.Va.

Trump visited the Appalachian town on the heels of announcing that a Pennsylvania company had won the rights to supply Ukraine's state power agency with 700,000 tons of thermal coal. He had praised Appalachian coal miners throughout the 2016 campaign and since his move to the White House.

"We are putting our coal miners back to work; we've ended the war on beautiful, clean coal," Trump said. "We've stopped the EPA intrusion. American coal exports are already up."

Coal exports in the first quarter of 2017 hit 22.3 million short tons, up 57.6 percent from 14.2 million the year prior, according to the U.S. Energy Information Administration. Reuters reported a 60.3 percent increase in coal exports this year, citing unpublished EIA figures shared with the news agency.

Whether Trump is responsible for those gains is less clear. Experts contend that surging demand overseas — where the U.S. coal industry has pinned its economic hopes — has contributed to the recent upturn rather than domestic policies. In the United States, cheap natural gas is pushing coal out of the electricity sector.

For all the growth in exports, jobs in the United States coal mining sector have been more stubborn. Employment rose by 1,100 between December and May, a 2.2 percent gain, to hit 50,800 in the sector, according to the Bureau of Labor Statistics.

While long-term trends such as increasing automation in the industry, easy-to-mine seams drying up and competition from natural gas stand in the way of a coal rebound, Trump has sought to remove restrictions on mining in several ways. His administration is working on rolling back U.S. EPA's Clean Power Plan, has rescinded the stream buffer rule that sought to rein in water pollution from mining, and has withdrawn from the Paris climate agreement.

"To protect our workers and our coal miners, I also withdrew the United States from the job-killing Paris climate accord," said Trump, who has previously couched his reasons for exiting Paris on the false claim that the pact's emissions-cutting targets are binding.

Trump has also come under criticism for not protecting coal miners, as coal industry injuries are on the rise and his administration hasn't nominated anyone to head the Mine Safety and Health Administration.

"Nothing he is doing is cutting back on the safety," deputy press secretary Lindsay Walters said, per a pool report. "Safety is a top priority, but our main focus is on creating and growing jobs in these communities that rely on the coal industry as a main source of income."

West Virginia overwhelmingly voted for Trump last year, with 67.9 percent of Mountain State voters casting their ballots in his favor. It's part of a long transition that has seen this formerly Democratic union stronghold increasingly go Republican — a reality capped off by Gov. Jim Justice switching back to the Republican Party yesterday after winning his November election as a Republican-turned-Democrat.

The state has gone increasingly Republican in federal elections partly in response to energy policies pushed by former President Obama, who was cast as an enemy to the state's coal mining industry. Declining union membership and decades of dwindling employment that long preceded Obama also blurred traditional animosities between miners and coal operators, who blamed Obama and Democratic climate change policies for coal's struggles — though most analysts finger natural gas for the industry's woes.

Yesterday's speech came on the two-year anniversary of the Clean Power Plan being finalized, raising speculation ahead of time that Trump would make an announcement related to the Obama-era power plant regulation. The rule, which seeks to curb electricity emissions 32 percent below 2005 levels by 2030, has generated a flurry of White House meetings in recent weeks and is reviled by the coal industry (*Climatewire*, Aug. 1).

<http://bit.ly/2ffFziM>

### **13. Obama rules could yield \$300B annually in benefits — study**

Niina Heikkinen, E&E News reporter

Published: Friday, August 4, 2017



The benefits of Obama-era rules to curb greenhouse gas emissions would greatly exceed the costs in the coming years, according to a new analysis.

Regulations designed to control emissions from power plants, oil production and motor vehicles could together lead to close to \$300 billion in net benefits per year by 2030, according to the report by Columbia University's Sabin Center for Climate Change Law.

The paper comes as President Trump has sought to roll back any regulations his team says could hinder domestic energy development and is part of a broader shift in focus away from action on climate change throughout the administration.

While the Trump administration has taken other actions to depart from the Obama administration's climate change priorities — like pulling out of the Paris Agreement — the analysis cites the elimination of these rules as having the greatest impact on the nation's ability to address climate change.

"We wanted to challenge the argument made by the opponents of the rules that these rules impose undue costs on industry and society as a whole. We also wanted to look at these rules as a complete package," said Jessica Wentz, a staff attorney at the Sabin Center and co-author of the paper, in an email.

In "**The Price of Climate Deregulation**," Wentz and Nadra Rahman, a Sabin Center intern, analyzed the projected economic impacts of major regulations aimed at controlling carbon dioxide and methane: U.S. EPA's Clean Power Plan, the Bureau of Land Management's Methane and Waste Prevention Rule, EPA's 2016 New Source Performance Standards for the oil and gas sector, and EPA's emissions standards for both light-duty and heavy-duty vehicles.

The authors aimed to make federal data on the regulations' impacts more accessible to the general public, Wentz said.

"I wouldn't say the results were unexpected, but I do think this project helped us (and the public) to better understand the magnitude of the social impact of rescinding or modifying these rules," she wrote.

Rahman and Wentz primarily aggregated EPA and Interior's own cost-benefit projections of the Obama-era regulations. They also compared the values to separate cost-benefit analyses developed by independent researchers, a number of whom challenged the agencies' analyses of the regulations, alternately stating that EPA and BLM had overestimated benefits or underestimated costs.

The \$370 billion in gross benefits includes the positive impacts of reducing 980 million metric tons of carbon dioxide equivalent by 2030, along with the health benefits of also reducing other pollutants, such as nitrogen oxides.

These benefits would be four times greater than the projected \$84 billion in total costs of implementing major regulations crafted under the Obama administration, said researchers in a paper published on the center's website yesterday.

On a year-to-year basis, the economic benefits can either significantly exceed, or at the very least match, the cost of implementation. Some of the highest potential benefits come from implementing the Clean Power Plan and from standards for medium- to heavy-duty vehicles. The total does not include other benefits like job creation and long-term climate change mitigation benefits.

## **Clean Power Plan**

Based on EPA's estimates, the net economic benefits of the rule could be around \$7 billion in 2020, and then rise to \$46 billion in 2030.

These figures included: compliance costs, an estimated reduction of 74 million metric tons of CO<sub>2</sub> emissions in 2020 and a reduction of 375 million metric tons in 2030. The dollar values also counted health benefits resulting from the reduction of other pollutants like sulfur dioxide and nitrogen oxides.

The economic benefits don't include other potential positives of the rule like avoided premature deaths, lower exposure to hazardous air pollutants and impacts on ecosystems.

The researchers note that the economic benefits are calculated using a social cost of carbon, a complex metric that puts a dollar value on the emission of 1 ton of carbon. The value takes into account how rising global temperatures will affect the planet and society (*Climatewire*, Feb. 13).

In the president's "energy independence" executive order, Trump signaled that the administration would seek to alter this method of calculating the costs of climate change, though agencies could use a related metric that would only take into account domestic impacts of climate change (*Climatewire*, April 6).

### **Motor vehicle emissions**

**Light-duty vehicles:** The fuel efficiency improvements alone for light-duty vehicles are enough to offset the costs of implementing rules on emissions from these vehicles, according to the EPA figures the researchers cited.

The net economic benefits of fuel efficiency standards for model years 2012 to 2016 are expected to be \$34.7 billion in 2020 and \$100.4 billion in 2030. Meanwhile, standards for model years 2017 through 2025 could lead to net benefits of \$168 billion in 2020 and \$81.4 billion in 2030.

**Medium and heavy-duty vehicles:** According to EPA data, phase one of emissions standards for these vehicles, for model years 2014 to 2018, could lead to net benefits of \$10 billion in 2020 and \$27.3 billion in 2030. Phase two, for model years 2019 to 2028, could have net benefits of \$31.5 billion in 2020 and \$74.4 billion in 2030.

### **New Source Performance Standards for the oil and gas sector**

As with the Clean Power Plan, EPA used the social cost of carbon metric to calculate the net monetary benefits of controlling methane, volatile organic compounds and toxic air pollutants emitted from new and modified sources. The net benefits of the rule could be \$37 million by 2020 and go up to \$180 million in 2025.

These numbers consider compliance costs and methane emissions reductions of 300,000 short tons in 2020 and 510,000 short tons in 2025.

Not all benefits were included. EPA did not put a dollar value on the health benefits of potential reductions in ozone, which is formed from volatile organic compounds. Estimates also did not include potential natural gas savings from captured methane.

### **Methane and Waste Prevention Rule**

This BLM rule aims to reduce venting, flaring and leaking of methane on public and Native American lands.

Preventing the potent greenhouse gas from escaping could lead to net economic benefits of \$126 million in 2020 and \$197 million in 2025. This is based on methane reductions of about 177,000 short tons in 2020 and 179,000 short tons in 2025. It also considers factors like the resale value of recovered natural gas and costs of compliance.

<http://bit.ly/2urGTIA>

## 14. Greens work behind the scenes against 'unprecedented' threat

Zack Colman, E&E News reporter

Published: Friday, August 4, 2017

A new effort seeded by a \$1 million foundation grant is deepening coordination among environmental groups to defend against Trump administration policies they oppose.

The upshot of the initiative is this: During the Obama years, environmental groups were able to work on issue-driven pet projects without fear of a major policy rollback. That's all changed, and defending environmental rules is now their priority. The Combined Defense Project, as the initiative is known, is helping the groups link arms, while also expanding their presence by including like-minded partners in public health and social justice corners.

But little else is known about the Combined Defense Project, including how many people work for it. Ari Appel, who's leading the initiative, wouldn't talk on record. His job title on LinkedIn simply reads "Leading the Green Resistance." The Packard Foundation, which funds the program, said it wanted to let participants tell their own stories — though most groups contacted by E&E News declined to do so. On top of that, there's barely a digital trace of the organization.

That's exactly how it wants to keep it. The goal, really, is to provide a communication support system to enable individual groups to rack up and tout their own victories.

Top brass at most of the big national environmental groups are involved, according to a March email from May Boeve, executive director of the climate advocacy group 350.org. The email to Building Equity and Alignment for Impact, a grass-roots advocacy network, shows that the environmental community intends to reach beyond its traditional base.

"Our goal is to create a level of transparency on activities, priorities, and resourcing thereof, that helps provide further groundwork for relationship and trust building among allies," Boeve said in the email, one of the few signs of the program's existence on the internet. (E&E News gleaned it from an open Google Groups page.) "Sharing information is baby steps, but we are committed to taking them. The environmental community has historically been more siloed than others and this is an attempt to break that pattern in the face of a major threat to us all."

The Combined Defense Project essentially fills an organizational vacuum for dozens of national environmental groups, local partners and allied groups outside the green space. It conducts polling, runs social media campaigns and alerts activists across the country in daily phone calls about where Trump administration officials are heading or what hearings are underway so people can protest in person.

One of the most visible outcomes of this coordination is the constant "bird-dogging" of administration officials.

The effort's fingerprints were behind the turnout at Senate offices during U.S. EPA Administrator Scott Pruitt's confirmation and continue to emerge at otherwise mundane agency hearings. Interior Secretary Ryan Zinke is seeing it as he barnstorms the nation to review monuments for potential downsizing or elimination.

"Wherever Zinke has gone, he has been met with protesters wearing 'Support Bears Ears' T-shirts," said Melinda Pierce, legislative director with the Sierra Club, referring to the controversial national monument in Utah created by President Obama on his way out of office. "These are not the typical coastal liberal communities. This is Las Cruces, N.M., and Utah."

The endeavor also builds on yearslong efforts to forge relationship with civil society groups outside the environmental space. Green groups, for example, have sought to strengthen ties with environmental justice

organizations, in turn bringing Latino and black communities most likely to be affected by industrial pollution closer to national groups leading the environmental movement.

In a way, the Combined Defense Project is a recommitment to rough-and-tumble, grass-roots organizing. Simply put, environmental groups were preparing for a different outcome in last November's presidential election. They'd gotten used to the relative luxuries of proactive campaigning on everything from curbing coal-fired power to family planning. The reality of needing to rediscover the defensive posture of the George W. Bush years took root.

They were out of practice, Pierce said. Test runs like getting an energy bill shelved in the Senate — only to have it re-emerge this year — rekindled the trench warfare element of policy defense. But that was episodic and time-constrained. The Trump years call for something far more sustained and diffused beyond the halls of Congress for this "unprecedented" political atmosphere, she said.

That's where Appel comes in. He's instrumental in helping lead daily conversations for interested groups in Washington and across the country. He sees himself as "a convener of big and small groups across the country," Pierce said. She said it reminded her of when environmental groups united under the banner of "War on the Environment" to counteract policies proposed by then-House Speaker Newt Gingrich (R-Ga.) and his "Contract With America" in the 1990s.

Appel is convening some big names. Sierra Club Executive Director Mike Brune is serving as chairman, while Boeve and U.S. Climate Action Network Executive Director Keya Chatterjee are vice chairwomen, according to Boeve's email. The League of Conservation Voters, Wilderness Society, Natural Resources Defense Council and others are also dialed into the effort.

A spokesman for NRDC said the program is responding to "dangerous and far-reaching threats" by the Trump administration.

"We are working together to stop this unprecedented assault. And we welcome support from all quarters, including from millions of Americans, who share our deep concerns," Edwin Chen, federal communications director with NRDC, said in an emailed statement.

Boeve referenced a Bloomberg [story](#) that Jeremy Symons, associate vice president of climate political affairs at the Environmental Defense Fund, shared with other Combined Defense Project participants that analyzed how proposed EPA budget cuts would affect Republican districts.

"Very helpful info for all of us!" she said.

<http://bit.ly/2wt2xr4>

## **15. Researchers hope for more than 'bright light'**

Adam Aton, E&E News reporter

Published: Friday, August 4, 2017

North Dakota's night sky burns with enough gas flares to see them from space.

Drillers are burning off methane, the oil byproduct that forms the primary component of natural gas. It has about 30 times the warming potential of carbon dioxide, but there's little market value in piping it from the remote areas driving the country's energy boom. So fuel producers ignite it.

As much as a third of the gas goes up in flames, accounting for an estimated 3.5 percent of the world's natural gas consumption.

Now, researchers think they've found a better way to use it — potentially driving down net emissions and creating a new revenue source for energy companies.

"Right now, the only thing we get from flaring methane gas is bright light," said Su Ha, a professor at Washington State University and director of the O.H. Reaugh Laboratory for Oil and Gas Research. "Everyone wants to convert methane to something ... that has more value."

Ha and a team of researchers have developed a reactor that uses water, an inexpensive nickel catalyst and an electric current to decompose methane into carbon monoxide and hydrogen gas — the ingredients for synthetic gas.

That can be stored as liquid gasoline, Ha said, which can more easily be transported from remote locations.

Ha, Washington State professor Jean-Sabin McEwen and other researchers published their findings in the journal *ACS Catalysis*.

The idea isn't exactly new, but the method is.

"It's like a combination lock," Ha said of unbinding methane's molecular structure. "When you apply the right combination, when you apply the electric field with the right strength and right direction, it's like you are applying a combination to a lock, and click, it opens."

It's cheaper, uses about half the amount of water that other methods use, and functions at a much lower temperature.

Although it still produces hydrocarbon fuel, that product could offset other fossil fuel use instead of going directly into the atmosphere, Ha said.

The reactor is still only a lab model, and it will take about five years before the researchers have scaled it up to present as a prototype.

Flaring around the Bakken play is already declining as the infrastructure catches up to the drilling, said Matt Harrison, vice president of engineering consulting company AECOM, which works to help reduce greenhouse gas emissions.

This idea could potentially present an option for areas where infrastructure development is toughest or will take the longest, he said.

<http://bit.ly/2urJWKv>

## **16. White House supports ending 'fire borrowing'**

Maxine Joselow, E&E News reporter

Published: Friday, August 4, 2017

The Trump administration supports ending the practice of "fire borrowing," a Forest Service employee confirmed yesterday during a Senate Energy and Natural Resources Committee hearing.

The White House is "absolutely committed" to addressing the practice, in which the Forest Service and the Interior Department dip into money from other programs to cover the increasing cost of wildfires, said Victoria Christiansen, deputy chief of state and private forestry at the Forest Service.

Her remarks came in response to a series of questions from Sen. Ron Wyden (D-Ore.). "The Obama administration supported finding an end to fire borrowing," Wyden said.

"Every year, more and more of the budget is used to pay for wildfires, leaving forests in poor health and at an even greater risk of catastrophic wildfires," he said. "I'd just like to get for the record, because I don't think you all have been asked on this, is the Trump administration's position the same as the Obama administration's position on this?"

Wildland fire management has so far defied congressional attempts at compromise. Lawmakers remain mired in debate over how to pay for the blazes and how to alter the Forest Service's management of fire-prone areas (*E&E Daily*, July 31).

Last month, Sens. Mike Crapo (R-Idaho) and Sherrod Brown (D-Ohio) included a wildfire funding solution in a bill reauthorizing the National Flood Insurance Program (*E&E Daily*, July 19).

Their bill proposes treating wildfires similarly to natural disasters like floods and hurricanes, which are paid for by a disaster relief fund.

The idea got little mention during yesterday's hearing. Instead, Chairwoman Lisa Murkowski (R-Alaska) emphasized the need to address technological challenges facing firefighters.

The Forest Service relies on a fleet of tanker airplanes that drop a mix of chemicals and water on fires. But these airplanes have their limitations, Murkowski said.

"You've got some technological issues that you're dealing with," she said. "Batteries take two hours to recharge. You're limited to line of sight, which means that you can only do this during the day.

"For us in Alaska during the summertime, we've got the benefit of 24 hours up there," she added. "But in other places, you have more limited application."

The Forest Service has also expressed interest in using drones for firefighting. But it has yet to establish a formal system governing the technology's use.

Bryan Rice, director of Interior's Office of Wildland Fire, said the agency continues to explore the possibilities of unmanned aircraft as the technology advances.

"The use of unmanned aircraft systems is becoming increasingly important in our day-to-day fire operations," he said.

This week, Sen. John Thune (R-S.D.) released a forest management bill with fire components. And Wyden helped pen a letter urging action (*see related story*).

<http://bit.ly/2v4iqGF>

## **17. Bill would cut 'red tape' to help prevent wildfires**

Scott Streater, E&E News reporter

Published: Friday, August 4, 2017

South Dakota Sen. John Thune (R) introduced legislation to shield national forest managers from some environmental reviews in an effort to expedite forest health projects that reduce the risk of catastrophic wildfires.

Thune's bill would "address the forest health crisis" on national forestlands, in part by allowing forest managers to expand the use of categorical exclusions to 10,000 acres from 3,000 acres. Doing this "would greatly increase forest management and treatment landscapes," according to a summary of the bill from Thune's office.

Categorical exclusions exempt forest managers from National Environmental Policy Act (NEPA) requirements to prepare a detailed environmental analysis before conducting smaller-scale forest management activities.

The use of categorical exclusions in Thune's bill would be limited mostly to "commercial thinning" and wildlife habitat improvement projects. It would also allow exclusions for "the incidental removal of trees" for road clearing and construction "of a temporary road that is not longer than 1 mile to carry out that commercial thinning," the bill text states.

Thune's "Forest Management Improvement Act of 2017" would also allow categorical exclusions for projects meant to salvage "trees that are dead, dying, or both, and were damaged by wind, an ice storm, fire, or another event." And it would expand the use of the exclusions for projects that are designed to slow insect infestations like pine beetles that have killed millions of trees across hundreds of thousands of acres.

Where an environmental assessment (EA) or environmental impact statement (EIS) is conducted, Thune's bill would restrict the scope of the analysis to only the proposed project and a "no-action" alternative, a move that appears aimed at reducing the length of the NEPA document.

Thune said in a statement that the legislation, which he wants included in the 2018 farm bill, is badly needed to protect and restore national forestlands.

"Truly effective forest management must include overcoming the pine beetle infestations in the Black Hills and other national forests," Thune said.

But the Forest Service, he said, "is excessively burdened with NEPA compliance obstacles" that prevent it from "pursuing proactive land stewardship goals for habitat management, recreational improvement, road maintenance, forest health, and wildfire protection, among other areas."

He added, "By expediting and simplifying implementation of common-sense timber management tools, as my bill would allow, we can achieve these land stewardship goals, protect our environment, and grow our economy."

Streamlining forest management requirements in the name of preventing wildfires and slowing insect infestation has been a source of legislative debate for years.

More than 86 million acres of national forestlands are considered to be at high risk for wildfires as well as insect infestation. Dead trees killed by fire or pine beetles are especially vulnerable to wildfires.

Rep. Bruce Westerman (R-Ark.) in June introduced the "Resilient Federal Forests Act," H.R. 2936, which like Thune's bill would authorize the Forest Service to expand the use of categorical exclusions to 10,000 acres. The higher limit would apply to areas at risk of wildfire because of disease or recent fires. In cases where various agencies and local authorities are collaborating on such projects, the area eligible for categorical exclusions could be up to 30,000 acres (*E&E Daily*, June 23).

The House Natural Resources Committee in June passed Westerman's bill, 23-12 (*Greenwire*, June 27).

The Thune and Westerman bills both would establish an arbitration pilot program as an alternative dispute resolution process meant to bypass litigation.

Thune, like Westerman, said he doesn't want to completely exempt forest management projects from environmental review. He said he wants to streamline the level of detail — and thus the time and money involved — that's required to complete an EA or EIS.

"The changes I've proposed would go a long way to provide relief from unnecessary and burdensome red tape and improve national forest management," Thune said.

His bill has the support of Tom Troxel, executive director of the Intermountain Forest Association.

"This bill would allow the U.S. Forest Service to implement projects on the ground more efficiently to achieve forest plan goals and reduce the potential for catastrophic fires and mountain pine beetle epidemics," Troxel said.

### **Ending 'fire borrowing'**

Meanwhile, a bipartisan group of senators is pushing for approval of legislation that would end the Forest Service's practice of borrowing money from non-fire-related accounts to pay for fire suppression, which takes up more than half of the agency's budget (*see related story*).

Critics say that with so much money tied up in fire suppression, the Forest Service can't adequately fund forest health projects that could help prevent wildfires.

Led by Sen. James Risch (R-Idaho), four senators sent a **letter** yesterday to the chairman and ranking member of the Senate Banking, Housing and Urban Affairs Committee, urging them to advance a National Flood Insurance Program reauthorization bill that includes a provision ending "fire borrowing." At issue is **S. 1571**, introduced last month by Senate Banking Chairman Mike Crapo (R-Idaho), which includes a section that would treat wildfires on federal lands as a "major disaster."

Doing so would allow the Agriculture and Interior secretaries to petition the president to declare wildfire-ravaged lands as national disaster areas eligible for disaster relief funding once congressionally appropriated wildfire suppression funds have been exhausted. The president could then transfer money from a Disaster Relief Fund subaccount to either agency "to conduct wildfire suppression operations," instead of pilfering from other programs.

"Over the years, we have worked to fix fire borrowing in any way we could find," the senators wrote in the letter to Crapo and Ohio Sen. Sherrod Brown, the committee's ranking Democrat.

In addition to Risch, Democratic Sens. Martin Heinrich of New Mexico and Jeff Merkley and Ron Wyden of Oregon signed the letter.

"We have worked together on amendments, letters to the administration, spoken repeatedly at committee hearings, and given speeches on the Senate floor to bring attention to the severity of this problem," they wrote. "Yet year after year, fire season after fire season, the fires continue to worsen and any attempt at a fix gets snarled in Washington politics."

They concluded: "Fixing the broken system of wildfire funding through the National Flood Insurance Program Reauthorization Act of 2017 will ensure that federal agencies have the stable funding they need to not only fight wildfires but also complete forest health projects that will reduce the risk and severity of future fires. We stand ready to help in any way we can to get this over the finish line."

**<http://bit.ly/2urHa86>**