

From: POLITICO Pro Energy
To: megan_bloomgren@ios.doi.gov
Subject: Afternoon Energy, presented by the National Wildlife Federation: Pruitt moves forward — Democrats push Pruitt on recusal issues — TransCanada files for route approval
Date: Thursday, February 16, 2017 2:23:36 PM

By Kelsey Tamborrino | 02/16/2017 03:20 PM EDT

With help from Darius Dixon, Annie Snider, Eric Wolff, Alex Guillén and Esther Whieldon

PRUITT MOVES FORWARD: Despite environmentalists' backlash against his nomination, the Senate today managed [to advance](#) Scott Pruitt for EPA administrator in a 54-46 vote. If Democrats insist on using all remaining debate time, as expected, Pruitt would be confirmed just after 1 p.m. Friday.

Pruitt appears likely to clear the chamber: Only Republican [Susan Collins](#) of Maine has come out against him, and Pruitt should pick up Democratz [Joe Manchin](#) and [Heidi Heitkamp](#), both of whom voted to advance his nomination today. But [John McCain says](#) he has places to be on Friday, informing [Mitch McConnell](#) that he will not delay his trip to the Munich Security Conference, meaning he'll miss the Friday vote. [Lindsey Graham](#) is also attending the security conference, but said the rest of the congressional delegation was planning to delay its departure until later Friday afternoon.

DEMOCRATS PRESS PRUITT ON RECUSALS, EMAILS: Thirty Senate Democrats today [called on](#) Pruitt to recuse himself from any issue he sued EPA over as Oklahoma's attorney general, a move that would significantly limit his powers as EPA administrator. Democrats also continued to call for the release of records from his time as AG.

[Tom Carper](#) (D-Del.), warned Republicans that they could come to rue the day they voted for Pruitt if his emails eventually uncover something damaging. "Sometime — a week from now, maybe days from now — my fear is that a number of members, especially on the other side, will have been put in a very bad position and asked to vote for a nominee that they otherwise may not have supported had they known," he said at a press conference in the Capitol. An Oklahoma judge is convening a hearing this afternoon to consider a lawsuit from a liberal watchdog group arguing that Pruitt's office is obstructing the release of emails under the state's open records law. Carper did acknowledge that if the judge rules today against quickly releasing the emails, that's "game over" for the Democrats' campaign against Pruitt's nomination.

Also in anti-Pruitt letter news: A letter from former EPA employees opposed to Pruitt's nomination is up to [773 signatories](#).

Welcome to Afternoon Energy. I'm your host Kelsey Tamborrino. Send your thoughts, news and tips to ktamborrino@politico.com, mdaily@politico.com and njuliano@politico.com, and keep up with us on Twitter at [@kelseyam](#), [@dailyml](#), [@nickjuliano](#), [@Morning_Energy](#) and [@POLITICOPro](#).

**** A message from the National Wildlife Federation:** America's 40 million hunters and anglers depend upon our nation's public lands. Some in Congress want to overturn National Monument protections or even sell-off the places Americans hunt, fish, hike, and camp. Join us as we urge President Trump and Congress to defend America's public lands for future

generations: <http://bit.ly/2lhONxJ> **

TRANSCANADA FILES FOR ROUTE: TransCanada said today it filed an application with Nebraska regulators seeking approval to route its Keystone XL pipeline through the state, Ben Lefebvre [reports](#). The company filed to the Nebraska Public Service Commission, in its latest move to push through the controversial cross-border pipeline. The pipeline would bring heavy Canadian crude to U.S. refiners along the Gulf Coast. Former President Barack Obama blocked the project from getting a required cross-border approval, but Trump last month signed executive action calling for approval of KXL. TransCanada resubmitted its application shortly after.

Hires new lobbyists: TransCanada Pipelines has signed CGCN Group to lobby for the firm after splitting with its previous lobbying firm. The company signed CGCN's Jay Cranford this week to lobby on "Natural Gas policies in the United States and between the U.S. and Canada; Any energy legislation impacting cross border and domestic transmission of natural gas; Policy issues and executive branch approval of the Keystone pipeline," according to a disclosure report. Cranford is a veteran of former House Speaker John Boehner's leadership team, with experience on the House Energy & Commerce, Natural Resources and Transportation and Infrastructure committees.

— TransCanada employed three lobbying firms for much of the Obama administration: Bryan Cave; McKenna, Long & Aldridge; and Van Ness Feldman. But the company split with all three during Obama's second term. TransCanada has also employed its own in-house lobbyist, Alex Oehler, according to disclosure reports. (h/t [POLITICO Influence](#))

WHO PAYS FOR THE COPS? California's Butte County, home to the damaged Oroville dam, is asking FERC to make the state pay. For years, the county has complained that it has to cover the costs of policing the dam's infrastructure, but the state's Department of Water Resources and FERC have repeatedly rebuffed requests for reimbursement. Now, Butte County is trying again, saying in a [petition](#) filed with FERC Wednesday that providing fire and public safety services on the heels of a mandatory evacuation and amid an ongoing voluntary warning is straining the county's services to the brink.

DEMS STILL TRYING ON DRINKING WATER REFORM: House Democrats are still holding out hope that Congress will undertake the first updates to the Safe Drinking Water Act in more than two decades in the wake of Flint's lead contamination crisis — something the chamber's Republicans have shown little appetite for. House Energy and Commerce ranking member [Frank Pallone](#) and Environment Subcommittee ranking member [Paul Tonko](#) today refiled their [legislation](#) encompassing a wishlist of reforms, from provisions aimed at easing EPA's ability to regulate new chemicals to ones to provide grants for replacing lead service lines in schools and communities.

IOWA FUEL GROUPS WANTS RFS OBLIGATION LEFT JUST WHERE IT IS : A group of seven fuel retailers, Iowa corn and Iowa biofuel groups are calling on the EPA to leave oil refiners responsible for complying with the Renewable Fuel Standard. The agency proposed denying petitions from Carl Icahn's CVR refiner, Valero, and others, asking to shift the obligation downstream to wholesalers and blenders. "We have a slogan in the renewable fuels family that says 'Don't mess with the RFS,'" Iowa Renewable Fuels Association Executive Director Monte Shaw, said in a statement. "Let me make this perfectly clear: changing the point of obligation is most definitely messing with the RFS in a significantly harmful manner." The comment period ends next week.

RYAN BRUSHES IT OFF: House Speaker [Paul Ryan](#) brushed off criticism today of his proposed "border adjustment" tax plan, instead predicting Congress would overhaul the tax code this year. His comments come as Ryan's border adjustment plan — a linchpin of House Republicans' tax-reform designs — has come under heavy criticism from the party's erstwhile allies in the business community, including oil refiners. "We're going to get tax reform done, and there's going to be a whole bunch of drama you're going to enjoy covering between now and then," he told reporters. The plan would impose new taxes on imports while allowing exports to be sold tax free, [reports](#) Pro Tax's Brian Faler.

FTC REACHES MERGER DEAL WITH ENBRIDGE AND SPECTRA: Enbridge Inc. and Spectra Energy Corp. have reached a [settlement](#) with the Federal Trade Commission that aims to ensure their proposed merger would not harm market competition. Under the proposed settlement, which the FTC is accepting comment on through March 20, Enbridge would limit its access to non-public information about the Discovery Pipeline and board members of the Spectra affiliated companies that hold a 40 percent share in the pipeline would recuse themselves from any votes involving the pipeline with some exceptions. FTC worried that without those limits Enbridge could unilaterally increase pipeline transportation costs for its competitors. Stakeholders of both companies approved the merger in December.

SVINICKI STILL GETTING SETTLED INTO ROLE: Kristine Svinicki has been at the Nuclear Regulatory Commission for nearly nine years but she's only been its chairwoman for less than a month and is still adjusting to the center seat at the leadership table. During a briefing for the agency brass on post-Fukushima regulations, Bill Dean, who directs the NRC's nuclear reactor regulation office, apologized to the commissioners "in advance if I stumble over titles," since former Chairman Stephen Burns has stayed on as a commissioner. "I have to interrupt you," Svinicki said to Dean. "I printed out something yesterday and grabbed it off the printer and it said 'chairman approves, whatever.' Oh this is Burns', where's my email? Wait a second. That is mine."

MOVERS, SHAKERS: John Holdren, who was the former national science adviser to Obama, rejoined the Harvard Kennedy School faculty as the Teresa and John Heinz Professor of Environmental Policy, the school [announced](#). Holdren has spent the past eight years as the senior adviser to Obama on science and technology issues. He holds the record as the longest-serving presidential science adviser in U.S. history.

QUICK HITS:

- Water shutoffs to resume in Flint before spring, [WZZM 13](#).
- The EPA just posted a mirror website of the one Trump plans to censor, [Gizmodo](#).
- Life near Oroville Dam now shadowed by fears and concerns, [The Associated Press](#).
- Standing Rock: Tribes file last-ditch effort to block Dakota pipeline, [InsideClimate News](#).

WIDE WORLD OF POLITICS:

- Will top cop Chaffetz actually [police Trump](#)?
- Priebus struggles to control [fractious White House](#)

— How [Puzder fell](#)

**** A message from the National Wildlife Federation:** America's 40 million hunters and anglers depend upon our nation's public lands. Many of these lands have been protected over the past century by both Republican and Democratic Presidents through the Antiquities Act - a bedrock conservation law enacted by President Theodore Roosevelt - so that every American can enjoy our nation's outdoor treasures. These majestic places help define us as Americans. They are indispensable to America's hunting and fishing heritage - and serve as powerful economic engines for local communities. Yet right now, some in Congress want to overturn National Monument protections for iconic places, like Bears Ears in Utah. Others want to allow more pollution or even sell-off special places where Americans hunt, fish, hike, and camp. President Trump has strongly supported keeping America's public lands public and we need Congress to do the same for America's hunters and anglers. Help us defend America's public lands: <http://bit.ly/2lhONxJ> **

To view online:

<https://www.politicopro.com/tipsheets/afternoon-energy/2017/02/pruitt-moves-forward-021438>

Stories from POLITICO Pro

Senate advances Pruitt nomination [Back](#)

By Alex Guillén | 02/16/2017 11:43 AM EDT

The Senate this morning voted 54-46 to advance Scott Pruitt's nomination to be EPA administrator.

Procedural rules require up to 30 hours of debate before a final vote, meaning Pruitt could be confirmed early Friday afternoon if Democrats insist on using all that time. With lawmakers eager to get out of town for the weeklong President's Day recess, it remains unclear whether that final vote will happen Friday or after next week.

Pruitt appears well situated to clear the chamber. Only one Republican, [Susan Collins](#) (Maine), has [come out against him](#), and GOP backers are looking to pick up red-state Democrats such as Sen. [Joe Manchin](#) (W.Va.).

[Back](#)

McCain to miss Pruitt confirmation vote [Back](#)

By Austin Wright and Darius Dixon | 02/16/2017 11:59 AM EDT

Sen. [John McCain](#) says he informed Majority Leader [Mitch McConnell](#) that he will not delay his trip to the Munich Security Conference, which means he will miss a vote expected to take place on Friday to confirm Scott Pruitt as EPA administrator.

McConnell had asked senators to stay in Washington for the Friday vote, and McCain said he did not know if his travel plans would affect the vote.

"I don't know. I told them months ago that this conference in Munich is one of the most important gatherings conducted and I told them I was going months ago," McCain said.

Sen. [Lindsey Graham](#), who is also attending the security conference, said the rest of the congressional delegation was planning to delay its departure until Friday afternoon.

With McCain's absence and Sen. [Susan Collins](#)' opposition to Pruitt, the Oklahoma Attorney General's path to 50 votes is tight. But the expected support of Democrats Sens. [Joe Manchin](#) and [Heidi Heitkamp](#) should ensure that his nomination is approved.

[Back](#)

TransCanada files for Nebraska Keystone XL route approval [Back](#)

By Ben Lefebvre | 02/16/2017 12:51 PM EDT

TransCanada filed an application with Nebraska regulators seeking the green light to route its Keystone XL pipeline through the state, the company said today.

The filing with the Nebraska Public Service Commission is the company's latest move in its renewed push to build the controversial cross-border pipeline, which would bring heavy Canadian crude to U.S. refiners along the Gulf Coast. Former President Barack Obama blocked the project from getting a required cross-border approval, but President Donald Trump signed executive action last month calling for approval of KXL. TransCanada resubmitted its application shortly after.

TransCanada expects the NPSC to finish reviewing the application this year. The Nebraska Governor's office approved the route through the state back in 2013 after it went through review from the Nebraska Department of Environmental Quality.

The KXL project in the state still faces opposition from landowners, however. TransCanada says 90 percent of landowners along the proposed route have signed voluntary easement approvals, but there are still holdouts protesting TransCanada's use of eminent domain to acquire land along the route.

[Back](#)

Ryan brushes off criticism of border-adjustment tax plan [Back](#)

By Brian Faler | 02/16/2017 12:20 PM EDT

House Speaker [Paul Ryan](#) sloughed off criticism of his proposed "border adjustment" tax plan today, and predicted Congress would overhaul the code this year.

"We're going to get tax reform done, and there's going to be a whole bunch of drama you're going to enjoy covering between now and then," he told reporters.

"It's going to be up, it's going to be down, it's going to be on, it's going to be off," said Ryan. "You're going to report 150 stories on tax reform's fate between now and when we get tax reform done."

His comments come as Ryan's border adjustment plan — a linchpin of House Republicans' tax-reform designs — has come under heavy criticism from the party's erstwhile allies in the business community, including retailers, oil refiners, apparel companies and others. Many

Republicans are unhappy with the proposal as well, especially in the Senate where lawmakers have made clear they will carve out their own path to a tax-code rewrite.

Advocates of the border adjustment plan, which would impose new taxes on imports while allowing exports to be sold tax free, are hoping President Donald Trump will give the idea new momentum by adopting it as part of a new tax-reform plan his administration is now developing behind closed doors.

Ryan gave a forceful defense of the proposal, arguing the current tax system puts U.S. products at a "huge disadvantage" in international markets, though many economists dispute that.

[Back](#)

Will top cop Chaffetz actually police Trump? [Back](#)

By Kyle Cheney and Darren Samuelsohn | 02/16/2017 05:07 AM EDT

Rep. Jason Chaffetz has taken some baby steps lately toward policing the Trump White House, chastising Kellyanne Conway for her hawking Ivanka Trump products and questioning the president's security protocols at Mar-a-Lago.

Now some Republicans are urging the chairman of the House Committee on Oversight and Government Reform to plow full speed ahead — never mind that it's a fellow Republican on the receiving end of his scrutiny.

"I made efforts to hold, as a junior member, to hold the Bush administration accountable at a number of junctures where I felt they could've been better served if we had pushed hard," said Rep. Darrell Issa (R-Calif.), a former chairman of the oversight panel. "In my third time as a congressman with a new president, I think that's where we need to be."

Should Chaffetz take that advice, it would mean setting aside historical precedent under which committee leaders have been deferential to presidents of the same party. That natural partisan inclination has held true under Democratic and Republican administrations.

But those oversight traditions appear to be shifting, if slightly, as Trump's early stumbles — and some seamier questions about his ties to Russia — have caused heartburn on Capitol Hill. Key Senate Republicans on Tuesday [ramped up](#) calls for an examination of the scandal swirling around Michael Flynn, the just-ousted Trump national security adviser who made questionable pre-inauguration contacts with Russia's U.S. ambassador. And a New York Times report late Tuesday suggesting routine contacts between Trump's campaign aides and Russian operatives is sure to ratchet up the pressure further for more investigation.

Chaffetz, for his part, has been reluctant to dip his toe into the Flynn controversy. He referred questions about the scandal to an ongoing Intelligence Committee probe, telling reporters that oversight of the Flynn flap is "taking care of itself."

And late Wednesday, Chaffetz joined House Judiciary Committee chairman Bob Goodlatte to [call on](#) the Department of Justice's inspector general to investigate the steady stream of "potentially classified" intelligence community leaks that have thrown the Trump administration into turmoil.

For Chaffetz, it's a delicate balancing act as he considers how early and often to pursue probes of Trump's vast but opaque business network and the potential for ethical and legal conflicts. Even before Trump was sworn in, Democrats were [calling](#) on Chaffetz to demand documents related to Trump's financial arrangements, prompting the Utah Republican to [counter](#) that he wasn't interested in taking a series of "fishing trips." That comment infuriated critics who noted Chaffetz said he had "two years' worth of material already lined up" to investigate Hillary Clinton when it appeared she was on track to win the presidency.

But things have changed since Trump took office. Chaffetz, who criticized his party's nominee during the 2016 campaign, at one point even [revoking his endorsement](#), [agreed](#) with Democrats' call late last week for the Office of Government Ethics to investigate Conway after she urged Fox News viewers to buy Ivanka Trump apparel.

Chaffetz then went further Tuesday when he asked the Trump administration to divulge details of security protocols at the president's Florida club, Mar-a-Lago, expressing concern over [Trump's decision](#) to hold "sensitive" calls and conversations in a public dining room as he responded to a missile test by North Korea.

Oversight committee leaders have historically treaded lightly when it comes to investigating presidents of the same party.

"Traditionally what you have when there's unified government is the majority party tends to protect its quarterback. That's been true for 50 years," said former Rep. Tom Davis, a Virginia Republican who chaired the oversight committee during George W. Bush's administration. "If you start going after them, it destroys your legislative agenda."

Other Republicans on Chaffetz's panel say they, too, would welcome probes of the new administration — and that Trump and his allies could even benefit from it.

"What I would say is that I think that the notion, particularly as it relates to conflict of interest, financial interest and the importance of 'no gray zone' ... at the presidential level, that it's important that the committee should straighten out the line regardless of party," said Rep. Mark Sanford (R-S.C.), a member of the oversight committee. "Whether or not that's politically possible or sustainable, time will tell, but I think it's important."

Chaffetz has insisted he intends to approach oversight of Trump on a case-by-case basis, as issues arise. He inquired last month, for example, about Trump's lease of the Old Post Office Building in Washington, where Trump recently opened his luxury hotel. Trump still holds the lease despite a provision that prohibits elected officials from being party to the lease, and Chaffetz has been talking to the General Services Administration to determine whether that constitutes a violation.

Chaffetz has also spent weeks asserting that Trump is legally unable to have a conflict of interest as president, deflecting pressure from Democrats to review Trump's potential business conflicts. But his decision last week to join Democrats in rebuking Conway represented a change in posture.

It also answers critics in his district who've complained Chaffetz hasn't been aggressive enough with Trump. Chaffetz's hometown newspaper, the Salt Lake Tribune, published an [op-ed](#) in late November calling on him to "shift from investigating people who no longer hold power to people who do." And at a town hall last week, an angry crowd broke out into chants

of "do your job!"

Chaffetz's appearance at that event came just hours after he had signed off on a letter with his panel's ranking member, Rep. Elijah Cummings, arguing that Trump, "as the ultimate disciplinary authority for White House employees, has an inherent conflict of interest since Conway's statements relate to his daughter's private business."

Rather than wait for a joint press release with Democrats to issue his letter, Chaffetz instead blasted it out on [Twitter](#): "What she did was wrong, wrong, wrong. Here is our bi-partisan letter to the White House and OGE," he wrote, including a special hashtag: #Donteverdothis.

On Tuesday, OGE agreed that Conway committed a "clear violation" of ethics rules and requested that the White House address the issue by Feb. 28.

Sanford agreed that oversight committees have "at times been too deferential to the party of alignment," and he said he hoped to see a more neutral approach to oversight going forward.

"It's gone beyond gray zone to, at times, bizarre zone," said the South Carolina Republican. "The whole notion that the president of the United States is going to be condemning Nordstrom's for buying and product line decisions is not exactly the typical role we've seen from presidents of the past."

[Back](#)

Priebus struggles to control fractious White House [Back](#)

By Alex Isenstadt and Josh Dawsey | 02/16/2017 05:04 AM EDT

Reince Priebus, facing growing criticism and calls for his ouster, is racing to bring order to a White House that looks to be spiraling out of control.

After weeks of West Wing turmoil and critiques from President Donald Trump himself, the chief of staff is scrambling to impose a more traditional approach on a White House that is anything but, according to more than a dozen administration aides and others close to Priebus.

Priebus, who arrives at the White House by 6:30 a.m. and often doesn't leave until midnight, has launched an early-morning staff meeting aimed at streamlining each day. He spends hours on the phone with Capitol Hill Republicans, who have been left confused and flat-footed by the administration's stormy opening days. He's trying to reshape an overwhelmed communications office that has had its share of fumbles. And, along with several others, he guided the search for a replacement for scandal-ridden national security adviser Michael Flynn, whose dismissal an infuriated Priebus helped to engineer.

The maneuvers paint a picture of an embattled aide frantically trying to corral a White House that has been swamped by division and dysfunction. Whether he succeeds could determine his political future — and determine the administration's path as it moves beyond its tumultuous first month.

Priebus, a 44-year-old lawyer-turned-Republican National Committee chairman new to the federal government, has turned to a group of former chiefs of staff who have briefed him on how previous administrations functioned. They include Rahm Emanuel, the hard-charging Chicago mayor and former top Barack Obama aide, whom he met with this week. He has also

leaned on Andy Card and Josh Bolten, who navigated the fires of the George W. Bush years.

It all comes at a time of mounting urgency for Priebus, who has become a favorite target for those unhappy with the rocky start — some of whom are demanding he get the hook.

Breitbart, a conservative website deeply influential in Trump world, published an article Tuesday hyping the possibility of a Priebus firing. Over the past week, two longtime Trump friends, Republican strategist Roger Stone and NewsMax chief executive Christopher Ruddy, have called for his removal — though Ruddy changed his position after a pledge from Priebus that he'd improve.

"I had this quaint idea that the chief of staff would know what he was doing," Stone said in an interview, adding that many of the president's longtime supporters were losing faith in Priebus. "There will be more revelations about things he's done in this job that don't serve the president well. I promise you there will be more revelations."

Although many chiefs of staff become subjects of shakeup rumors, the earliness and intensity of those confronting Priebus are unusual.

Trump himself in recent days has burned up his phone line to sound out friends in the business world about how they think his chief of staff is performing, something he has done in the past when he's not happy with an employee. The president, ever the fan of theater, has stoked speculation about a shakeup, meeting Tuesday for lunch in the White House with New Jersey Gov. Chris Christie and his wife, Mary Pat. Christie has long been rumored for a top job in the administration.

For now, the president is waving off talk of a change — telling reporters this week that Priebus is doing "great."

In private conversations over the past week, Priebus has expressed confidence in his standing and shrugged off reports that he could be in trouble. In one phone call with an associate, the chief of staff conveyed frustration over internal turf battles, described as a level of franticness that was hard to manage, and hinted at a rising degree of fatigue.

Amid the fury, Priebus has adopted a low-profile approach, quietly embracing his role as the guy whose job it is to keep an unruly White House running and granting few interviews. He did not respond to a request for comment for this story.

For Priebus — a Washington Republican who has long been close to mainstream party figures like Haley Barbour and Karl Rove — the Trump wilderness has at times been hard to navigate. He has been trying to closely manage staffing across Cabinet agencies. Yet he often feels a need to be at Trump's side throughout the day to make sure the easy-to-distract president stays on track. During meetings, when his boss veers into a tangent, Priebus is often the one trying to get him in line.

"Trump is nothing like Reince has ever dealt with," said one person who knows Priebus well. "Would you want the job of trying to control him and getting him to focus?"

The president can be nearly impossible to staff. His whims, moods and insatiable appetite for TV can throw off plans. Priebus, along with others, often briefs him extensively before meetings, telling him about the audience's makeup and offering guidance for what he should say. Yet Trump has veered off on tangents, like repeating his unsubstantiated claim during

meetings with senators that voter fraud was committed in the election. It has often fallen upon Priebus to change the subject — sometimes with success, sometimes not.

"The staff has to assume that Donald Trump is going to do things in unconventional ways and that he's not going to change," said Rep. Peter King, a New York Republican. "They have to learn to work around that."

In order to be with Trump nearly all of the time, Priebus has largely handed off oversight of White House operations to deputy chief of staff Katie Walsh, one of his top lieutenants.

Priebus has had to confront obstacles beyond Trump. The president, who is fond of creating decentralized leadership structures where power is split among multiple aides with different viewpoints, has empowered not just his chief of staff, but also a handful of top advisers — chief strategist Steve Bannon, senior adviser Jared Kushner and counselor Kellyanne Conway.

Some White House aides say they've seen Bannon or Conway in conversation with Trump — and then observed Priebus rushing to insert himself into the discussion.

At times, he has seemed determined to convince others of his influence. After the botched travel ban rollout, Priebus made a round of calls to senior Republicans to relay that the president had made clear that Priebus' team, and no one else, was in charge of day-to-day operations.

"He's not been set up to be a very strong chief of staff," said one staffer. "I think there's an insecurity there."

Trump's mercurial nature has only heightened the sense of anxiety. "You're working for a president where no one really knows where they stand," the staffer said.

Priebus has been deeply frustrated by reports he and Bannon do not get along — something both of them adamantly deny. While Priebus has come to view Bannon as the architect of Trump's nationalist vision, Bannon regards Priebus as the operational vehicle that will carry the president's agenda. Staffers have grown used to entering the building early in the morning and seeing the two already deep in discussion.

Bannon, who rarely speaks on the record, said in a text message: "Reince is doing a great job."

Priebus has grown particularly close with policy adviser Stephen Miller, a populist flamethrower who is Bannon's ally. While in New York City during the transition, the two met for in-depth conversations over meals. Last week, Priebus was heavily involved in Miller's preparation for a series of Sunday show interviews.

Bannon and Miller have insisted they did not have a hand in this week's anti-Priebus story that appeared in Breitbart; Bannon was formerly an executive of the conservative website, and Miller has been previously linked to it.

"Reince is exemplary," Miller wrote in an email. "He is a close friend, and his leadership has been stellar in every way."

Priebus' job, many staffers are convinced, is safe — at least for now. And some of those who've worked for him in the past point to one early move as a primary reason why that's the case: his decision to line the White House with a number of his loyalists — chief among them

Walsh and press secretary Sean Spicer.

"If Reince goes," said one former Priebus aide, "everyone else goes that he brought in."

[Back](#)

How Puzder fell [Back](#)

By Timothy Noah | 02/15/2017 10:20 PM EDT

Steve Bannon and Stephen Miller, two of the most powerful voices in President Donald Trump's inner circle, were never strongly behind Andy Puzder as labor secretary, believing he was too soft on immigration.

So when Puzder's nomination was teetering on the brink of implosion in recent weeks, that lack of support from the president's top aides left Puzder, whose backing was already eroding in the Senate, with little choice but to withdraw his name, according to two sources close to Puzder.

Even though Puzder had all the right credentials — major Republican donor, backed by Chief of Staff Reince Priebus, and strong support from the business community — his past support for more moderate immigration reform put him on the wrong side of the more radical anti-immigration forces in the Trump administration, according to sources close to the situation. More important, revelations — first reported by POLITICO — that Puzder's ex-wife had gone on "The Oprah Winfrey Show" with allegations that he abused her in the 1980s moved a critical number of wavering Republican senators to the "no" column.

The Puzder saga came to a quick end Wednesday afternoon when he dropped out from contention to run the Labor Department, the day before he was scheduled to appear in front of several less-than-sympathetic Republican and Democratic senators at his confirmation hearing. Losing a labor secretary nominee within 48 hours of losing an NSC chairman only increased the sense of dysfunction in the 28-day-old Trump administration.

Bannon and Miller distrusted Puzder because of his prior stance in favor of robust immigration, a position that reflected Puzder's business interests as chairman of the parent company of Hardee's and Carl's Jr., which depend heavily on immigrant food workers.

"They [Bannon and Miller] predicted this," said a source close to the situation. "They said his confirmation was going to be a problem before they made the announcement."

White House Spokesman Sean Spicer said at a briefing Wednesday that Trump would not issue a statement on Puzder. In his own statement, Puzder said: "While I won't be serving in the administration, I fully support the president and his highly qualified team."

It was mainly the potency of the immigration issue that weighed Puzder down when the Huffington Post [reported](#) that he'd employed an undocumented worker for several years (and didn't bother to pay back taxes until after he was nominated). A labor nominee, Linda Chavez, under President George W. Bush withdrew under much less damning circumstances.

As word spread Wednesday that Puzder was out, anti-immigration groups expressed their delight. The conservative National Review [editorialized](#) against Puzder's nomination earlier Wednesday because he "has been a reliable font of clichés in favor of higher levels of legal

immigration."

Another problem for Puzder was Senate Republicans' mounting exasperation with the daily fiascos emanating from the Trump White House. "They're about out of political capital," one Senate GOP staffer said of the White House. "Every day, they seem to be making it harder for us. They're in a spot where they have to pick their battles."

Two weeks ago, in a meeting with Senate GOP communications staffers, Kellyanne Conway shrugged off one participant's complaint that the White House wasn't providing enough cover as congressional Republicans defended Trump's Cabinet picks against a surge of constituent phone calls opposing them. Conway asserted, correctly, that many of the calls against Education Secretary Betsy DeVos' nomination were being orchestrated by teachers' unions, saying that it didn't affect "real people."

When senators this week viewed the Oprah video — in which Puzder's ex-wife accused Puzder of physically beating her and then threatening her ("You will pay for this") when she went public— they sensed constituents wouldn't likely forgive them rubber-stamping his nomination and saw little reason to put themselves at risk to please the White House.

"It was a sheer counting of votes," said Sen. Richard Burr (R-N.C.). "People made their mind up that they were not going to be part of a hearing. And I understand that."

"They didn't bother to vet him," observed one Senate GOP staffer. "They didn't do much to defend him. At some point, it's no longer our problem."

The business sector Puzder hailed from--fast food--posed a problem from the start. The Labor Department [has targeted](#) restaurants as one of 15 "low wage, high violation" industries where it focuses its enforcement efforts. DOL's Wage and Hour division pursues more wage theft cases against restaurants, mainly fast food restaurants, than any other sector, recovering nearly \$40 million in back wages in 2016 alone.

The fast-food industry has been the locus of national protests to raise the minimum wage above the current hourly federal minimum of \$7.25. Puzder said he didn't oppose a minimum-wage increase in principle, but opposed an increase to \$10.10, a goal congressional Democrats have long since abandoned in favor of \$12 or \$15. Puzder also opposed a rule issued under President Barack Obama that would extend eligibility for overtime pay to four million additional workers. The rule is currently in legal limbo after a federal judge halted its implementation in November.

Puzder's fast-food problem was compounded when a 2011 speech [surfaced](#) in which he called his fast-food workers "the best of the worst" and sometimes "the worst of the worst."

The fast-food company that Puzder chaired, CKE Restaurants, was [comparatively light](#) on wage-theft violations compared to most of its competitors in the industry, according to an analysis of enforcement data published by Bloomberg BNA in September. But DOL still found violations in nearly 60 percent of its investigations of CKE restaurants--most of them owned and managed not by CKE but by franchisees.

That was enough to rally labor unions in protest against Puzder.

From the beginning, though, the most volatile personal issue attached to Puzder was the


accusations of physical violence that his ex-wife, Lisa Fierstein, aired three decades ago. Fierstein retracted the accusations in Nov. 1990 as part of a [child-custody settlement](#), and repeated the retraction as recently as last month. But POLITICO's [discovery](#) that Fierstein donned a wig and sunglasses to repeat her accusations under the assumed name "Ann" on Oprah in March 1990 called aspects of Fierstein's retractions into question, and prompted a search for the tape by multiple news organizations and the Senate HELP Committee.


Sen. Susan Collins (R-Maine) let drop Monday that the tape was in the HELP Committee's possession and that she'd seen it. That put the search for an additional copy into high gear. POLITICO obtained a copy of the video from Charlotte Fedders, who appeared on the Oprah episode with Fierstein, and published it Tuesday night. Fedders became an advocate for battered wives after a 1985 Wall Street Journal article revealed her to be the victim of beatings by her then-husband John Fedders, a much-respected chief of enforcement in Ronald Reagan's SEC. After publication, Fedders swiftly lost his job.


Tara Palmeri, Eli Stokols and Burgess Everett contributed to this report.


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