

From: POLITICO Pro Energy
To: megan_bloomgren@ios.doi.gov
Subject: Morning Energy: Zinke, Perry play defense on budget requests this week — Examining Trump's energy holdings — Checking in on coal country
Date: Monday, June 19, 2017 4:55:25 AM

By Anthony Adragna | 06/19/2017 05:52 AM EDT

With assistance from Annie Snider

KINGS OF THE HILL: Interior Secretary Ryan Zinke and Energy Secretary Rick Perry are barnstorming Capitol Hill this week, hitting multiple committees to defend the administration's requests for steep budget cuts. Expect lawmakers to be cool to the call to [slash](#) Interior's budget by \$1.1 billion, or ten percent, from last year's spending levels, and similar skepticism for the proposed 18 percent [cut](#) to DOE's non-nuclear security work. EPA Administrator Scott Pruitt drew some [hostile questioning](#) from both Democrats and Republicans during a similar budget hearing last week.

Zinke heads first to the Senate Energy and Natural Resources Committee at 10 a.m. Tuesday, followed by a 9:30 a.m. [trip](#) to Senate Appropriators the following day (Sen. [Lisa Murkowski](#) will chair both hearings). And then he'll get some [face time](#) with House Natural Resources Chairman [Rob Bishop](#) on Thursday for similar treatment. Look for intense questioning on Zinke's ongoing review of dozens national monument designations that were made under the Antiquities Act, as well [his plans](#) to shuffle several senior department staff. And ME would be shocked if House Natural Resources' top Democrat [Raul Grijalva](#) didn't push for some promise from Zinke to respond to his bevy of oversight letter requests.

Perry's turn in the hot seat kicks off Tuesday at 1 p.m. in [a visit](#) with House Appropriators, followed by a 2:30 p.m. [hearing](#) the following day with Senate energy spending cardinals. ME expects the former Texas governor (who tweeted about everything from [live music](#) to [college baseball](#) over the weekend) to get lots of questions about funding for clean energy research programs and national laboratories, both of which are targeted for deep cuts under Trump's budget. And look for climate hawks to press Perry to justify [closing](#) the Office of International Climate and Technology within DOE.

HITTING THE HOUSE FLOOR: Lawmakers are expected to consider legislation on the floor this week that backers say will improve grid reliability and reduce the risks of wildfires by making it easier to remove trees and other vegetation near electric equipment on federal lands. [The Electricity Reliability and Forest Protection Act](#) (H.R. 1873) cleared the House Natural Resources Committee by a 24 to 14 vote in late April. Also expected to get a vote is the [Water Supply Permitting Coordination Act](#) (H.R. 1654) (more on that below.) The House Rules Committee takes up both measures Tuesday at 5 p.m.

WELCOME TO A NEW WEEK! I'm your host Anthony Adragna, and I'm only with you for part of this week, as I'm off to get married at the end of it! But in the meantime, Christopher Pearcy was first to identify Philadelphia as the site of the First Continental Congress. For today: Who was the person who infamously asked Sen. Joseph McCarthy "Have you no sense of decency?" Send your tips, energy gossip and comments to aadragna@politico.com, or follow us on Twitter [@AnthonyAdragna](#), [@Morning_Energy](#), and [@POLITICOPro](#).

GLANCING INTO TRUMP'S ENERGY PORTFOLIO: President Donald Trump made between \$149,719 and \$401,000 from holdings in the energy sector, according to his latest financial [disclosure](#) covering the 2016 calendar year and the early months of 2017. Trump reported energy holdings in GE, Halliburton, Kinder Morgan, Phillips 66, NextEra Energy, Chevron, Exxon Mobil and Shell, among others. Theodoric Meyer and Matthew Nussbaum have a closer look at the disclosure form [here](#).

ON THE WATER DOCKET: After winning a relaxing of environmental restrictions on pumping in California's water hub last year, the state's House Republicans are this week poised to move on Rep. [Tom McClintock](#)'s "Water Supply Permitting Coordination Act," which would change the way new water storage projects are permitted and put the Bureau of Reclamation in the driver's seat for approving new dams and reservoirs. The measure, which is slated to hit the House floor Thursday, passed the House Natural Resources Committee earlier this month over Democratic objections that it could short-circuit environmental review and arguments that the real challenge to new reservoirs is not permitting, but economics.

Not to be outdone, the Senate has its own full water agenda this week, with an Environment and Public Works Committee subpanel considering innovative financing options for addressing the country's water infrastructure woes Tuesday morning and the Energy and Natural Resources Committee holding a hearing that afternoon on federal and state partnerships aimed at restoring watersheds and other large scale restoration projects.

WHAT'S GOING ON IN COAL COUNTRY? James Higdon checks in on Eastern Kentucky for [POLITICO Magazine](#) and finds job losses continue in the coal industry there, but there's increased optimism that the bleeding has been staunched. There's also been surprise demand from Silicon Valley for the rare earth elements and a type of metallurgic coal needed to make silicon, the basic material for computer chips and solar panels. But the overall sense remains the federal government is not a benevolent force for the region: There's "a perception in communities like this that we're being done wrong. People around here get the feeling that the government is not being reputable with them." Pat White, the County Judge Executive for Whitley County, told James.

KLOBUCHAR: WHERE ARE THE PICKS? Asked on "[Fox News Sunday](#)" whether Democrats shared some of the blame for Trump's swath of unfilled federal agency positions, Minnesota Sen. [Amy Klobuchar](#) correctly pointed out the White House had yet to send over hundreds of nominees for the Senate to consider. "I'm not saying we are perfect throughout time, but I do know that all of his cabinet nominees are now in place, that they have been voted on, some with significant Democratic support," she said. And they "haven't put people up for a lot of those positions."

TAKING STOCK OF TEXAS SHALE: The Academy of Medicine, Engineering & Science of Texas is today releasing [a report](#) examining the environmental and community impacts of shale production in that state. Key findings: Texas produced more oil in 2015 than all but six countries, oil and natural gas generated \$1.7 billion in property tax revenue for Texas schools, and earthquakes in the state jumped from around two a year before 2008 to between 12 and 15 since then. In addition, Texas ranks 11th in the country for at-risk species though the fact that 95 percent of state's land is privately owned limits study of land impacts, five percent of emitters account for about half all emissions and fracking accounts for less than one percent of statewide water usage. The group will hold [a webinar](#) at 11 a.m. EST today to discuss its findings.

EPA PULLS, RESENDS COAL ASH GUIDANCE: Last week, EPA withdrew from OMB its original draft guidance for states on setting up coal ash permitting programs, but promptly swapped in a new version, Pro's Alex Guillén reports in [Energy Regulation Watch](#). It's not yet clear why EPA had to pull its first version just three weeks after it sent the document over to the White House for regulatory reform.

WHAT'S HOLDING BACK CLEAN ENERGY? The Joint Economic Committee Democrats are out with [a report](#) today identifying the impediments they say are holding back the speedier deployment of clean energy technologies. Some of the holdups they highlight: "Implicit and explicit" subsidies that benefit fossil fuels and make it harder for clean energy to compete; underinvestment from the private sector in new energy sources; existing energy infrastructure that's built to accommodate fossil fuels and "inconsistent or unclear policy directions" that make it hard for investors to feel comfortable investing in new clean technologies.

OIL SECTOR DEFENDS NAFTA: Maintaining the current basic contours of NAFTA is crucial if the U.S. hopes to achieve energy independence, the American Petroleum Institute wrote in a [letter](#) to the U.S. Trade Representative. As Ben Lefebvre [reports](#), the group's priorities in negotiations include prohibiting tariffs, protecting intellectual property rights, ensuring mobility of labor and adding more flexible language for diluents, the light oil that Canadian oil sands producers mix into bitumen to make it easier to process and send through pipelines. "The overall functionality of the current NAFTA agreement works for the oil and natural gas industry," API said.

HOUSE DEMS: REVERSE COURSE ON PARIS: Nearly 90 percent of House Democrats, led by Rep. [Brad Schneider](#), introduced [a resolution](#) Friday saying that they "strongly disapprove" of Trump's decision to pull out of the Paris climate accord and urging him to reverse that decision.

MARKEY TO PERRY: DON'T CLOSE CLIMATE OFFICE: Avowed climate hawk Sen. [Ed Markey](#) sent [a letter](#) to Perry Friday urging him to reverse course on his [plans to shutter](#) the Energy Department's Office of International Climate and Technology.

KAINE SCREENS SEA-LEVEL RISE DOCUMENTARY: Virginia Sen. Tim Kaine today delivers opening remarks and hosts a screening of a new documentary, *Tidewater*, exploring the impacts of sea-level rise on the Hampton Roads region. It kicks off at 6 p.m. in the Congressional Meeting Room North of the Capitol Visitors Center.

LAWMAKERS TO PRUITT: KEEP WAIVER ABILITY INTACT: More than 75 House members urged Pruitt in a Friday [letter](#) to keep intact the ability for states like California and others to set tougher vehicle emissions standards than federal ones. "If the administration is unwilling to support stronger fuel efficiency and emissions standards, it is more important than ever that states be allowed to continue driving innovation, consumer choice and environmental and public health improvements through strong state standards," they wrote. Pruitt told House Appropriators last week California's current waiver is " [not under review](#)." Republicans [Carlos Curbelo](#) and [Mike Coffman](#) joined dozens of Democrats in signing the letter.

RENEWABLE CREDIT EXTENSION SIGNED IN FLORIDA: Among the 13 bills signed into law by Florida Gov. Rick Scott Friday was one that extended a property tax break from residential to commercial for renewable energy source devices, POLITICO Florida's Bruce Ritchie [reports](#). The bill, which implements a 2016 constitutional amendment, won the

backing of environmental groups and solar panel installers even though the Florida House added some consumer protection measures.

POWERING THE NEXT GENERATION GRID: Eight national renewable energy groups released a [vision statement](#) today calling for correctly valuing both new and existing technologies, tax policy that protects existing credits for renewables and "expansion and modernization of the power grid." Signatories include the American Council on Renewable Energy, the American Wind Energy Association, American Biogas Council, Biomass Power Association, Energy Recovery Council, Geothermal Energy Association, National Hydropower Association and Solar Energy Industries Association.

MOVER, SHAKER: Jim Jones has joined Consumer Specialty Products Association as the executive vice president of strategic alliances and industry relations; he was previously the top chemicals official at EPA and played a key role in ushering through the bipartisan overhaul of the Toxic Substances Control Act.

ENERGY GROUP ADDS BOARD MEMBERS: Sen. [Lamar Alexander](#) and Rep. [Dave Reichert](#) are among the seven new members of the Alliance to Save Energy's Board of Directors. Also joining: Paula R. Glover, president of the American Association of Blacks in Energy; Microsoft's Bert Van Hoof; Andreas Schierenbeck, CEO of Thyssenkrupp Elevator AG; Maryrose Sylvester, president of Current; and Steve Wright, general manager of the Chelan Public Utility District.

QUICK HITS

— 'Pi' group makes first endorsements. [The Hill](#).

— Scott Pruitt vows to speed the nation's Superfund cleanups. Communities wonder how. [Washington Post](#).

— Lawmakers say GOP reining in DNR scientists who rebelled on climate change. [Madison.com](#).

— Sweden's Largest Pension Fund Sells Off ExxonMobil & TransCanada Stock. [CleanTechnica](#).

— Patagonia's CEO Is Ready To Lead The Corporate Resistance To Donald Trump. [Huffington Post](#).

— Qatar won't cut gas to UAE: Qatar Petroleum CEO. [Reuters](#).

HAPPENING THIS WEEK

MONDAY

3:30 p.m. — "[Naftogaz and the Future of Ukraine's Energy Sector](#)," The Atlantic Council, 1030 15th Street NW, 12th Floor,

TUESDAY

8:30 a.m. — U.S. Chamber of Commerce's Institute for 21st Century Energy host events w/ Scott Pruitt and Ryan Zinke, 1615 H Street, NW

10:00 a.m. — House Science, Space and Technology Committee Democrats [discussion](#) on climate change, 2360 Rayburn

10:00 a.m. — "[Hearing to examine the President's budget request for the Department of the Interior for Fiscal Year 2018](#)," Senate Energy and Natural Resources Committee, 366 Dirksen

12:00 p.m. — "[Oil Pollution Act Update 2017](#)," Environmental Law Institute, 1730 M Street, NW, Suite 700

1:00 p.m. — Budget [hearing](#) for Department of Energy, House Appropriations Subcommittee on Energy and Water Development, and Related Agencies, 2359 Rayburn

2:30 p.m. — "[Subcommittee oversight hearing to examine collaborative initiatives on restoring watersheds and large landscapes across boundaries through state and federal partnerships](#)," Senate Energy and Natural Resources Subcommittee on Public Lands, Forests and Mining, 366 Dirksen

2:30 p.m. — "[Innovative Financing and Funding: Addressing America's Crumbling Water Infrastructure](#)," Senate Committee on Environment and Public Works Subcommittee on Fisheries, Water, and Wildlife, 406 Dirksen

3:00 p.m. — "[Partners in Ingenuity: Inventing the Future w/ Sen. Lamar Alexander](#)," Bipartisan Policy Center with the American Energy Innovation Council, 430 Dirksen

5:45 p.m. — "[Litigation Roundtable and Wine & Cheese Reception](#)," Women's Council on Energy and the Environment, Wright & Talisman PC, 1200 G Street NW, Suite 600

WEDNESDAY

8:30 a.m. — "[Day 1: The Wilson Center-Arctic Circle Forum](#)," Ronald Reagan Building, Amphitheatre, 1300 Pennsylvania Ave. NW

9:30 a.m. — Senate Appropriations Committee [hearing](#) on Interior Department budget w/ Ryan Zinke, 124 Dirksen

10:00 a.m. — National Press Club Headliner [Newsmaker](#) with Former Sec. of Energy Ernest Moniz, 529 14th St. NW, 13th Floor

10:00 a.m. — "[Legislative Hearing on Discussion Draft of Helium Extraction Act of 2017](#)," House Natural Resources Subcommittee on Energy and Mineral Resources, 1324 Longworth

10:00 a.m. — "[Leading the Way: Examining Advances in Environmental Technologies](#)," House Science, Space, and Technology Committee's Environment Subcommittee, 2318 Rayburn

10:00 a.m. — Continuation of the [Markup](#) of H.R. 1422, H.R. 1558, H.R. 2246, H.R. 2565, H.R. 2868, H.R. 2875, and H.R. 2874, House Financial Services Committee, 2128 Rayburn

10:00 a.m. — Bloomberg New Energy Finance's [New Energy Outlook](#) 2017, Center for Strategic and International Studies, 1616 Rhode Island Avenue, NW

2:30 p.m. — [Hearing](#) to examine DOE's FY2018 budget, Senate Appropriations Energy-Water Subcommittee, 138 Dirksen

3:00 p.m. — "[Addressing Climate Change Through Innovation](#)," Carnegie Endowment for International Peace, 1779 Massachusetts Ave. NW

THURSDAY

8:30 a.m. — "[Day 2: The Wilson Center-Arctic Circle Forum](#)," Ronald Reagan Building, 6th Floor, 1300 Pennsylvania Ave. NW

9:30 a.m. — FERC meeting on policy issues related to Bulk-Power System, 888 First Street NE, Commission Meeting Room

9:30 a.m. — "[Examining the Department of the Interior's Spending Priorities and the President's FY2018 Budget Proposal](#)," House Natural Resources Committee, 1324 Longworth

10:00 a.m. — "[Marine Debris: Efforts on Marine Debris in the Oceans and Great Lakes](#)," Senate Commerce, Science and Transportation Oceans, Atmosphere, Fisheries, and Coast Guard Subcommittee, 253 Russell

10:00 a.m. — "[Hearing to examine the President's budget request for the Department of Energy for Fiscal Year 2018](#)," Senate Energy and Natural Resources, 366 Dirksen

1:00 p.m. — "[Statoil Energy Perspectives 2017](#)," Center for Strategic and International Studies, 1616 Rhode Island Avenue, NW

FRIDAY

8:30 a.m. — "What Works: Miami," POLITICO Magazine, Eden Roc, Pompeii Room - 4525 Collins Ave, Miami Beach, FL

12:00 p.m. — "[Energy Demand Disruptions: Aspirations vs Reality](#)," National Capital Area Chapter of the U.S. Association for Energy Economics, Chinatown Garden, 618 H St. NW

THAT'S ALL FOR ME!

To view online:

<https://www.politicopro.com/tipsheets/morning-energy/2017/06/zinke-perry-play-defense-on-budget-requests-this-week-023361>

Stories from POLITICO Pro

Trump seeks 10 percent cut to Interior budget [Back](#)

By Ben Lefebvre | 05/23/2017 11:38 AM EDT

President Donald Trump's fiscal 2018 budget requests \$11.7 billion for the Interior Department, a \$1.1 billion or 10 percent decrease from the 2017 annualized CR level.

BLM would receive \$963 million for activities like managing energy development and grazing on federal lands, down 10 percent from this year. The only part of BLM's budget to increase

would be for energy and minerals management.

BOEM would see its budget to offer offshore drilling and wind development leases remain flat at \$171 million, and the Office of Surface Mining budget would fall 11 percent to \$109 million.

The proposal follows up on Trump's promises to slash clean energy and climate change programs launched under the Obama administration and to unwind regulations hampering fossil fuel development such as Interior's coal leasing moratorium.

Congress is unlikely to go along with the deep cuts, however. Any final spending bill would have to secure 60 votes in the Senate to overcome a Democratic filibuster.

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Few DOE programs spared cuts in full Trump budget [Back](#)

By Darius Dixon | 05/23/2017 11:47 AM EDT

The Energy Department's [budget](#) would be cut by more than 9 percent to \$28 billion under President Donald Trump's fiscal 2018 [budget proposal](#) released today.

DOE's Fossil Energy and Energy Efficiency and Renewable Energy offices would be cut by more than half under the White House proposal. The nuclear energy office would see a cut of about 30 percent.

DOE's Office of Science would be cut from \$5.4 billion to \$4.8 billion. The budget proposes to cut some programs entirely, including ARPA-E, and the controversial loan operation.

The proposal includes \$90 million to restart licensing activities for the long-stalled Yucca Mountain nuclear waste repository and to initiate an interim storage program.

Trump's full budget would keep the DOE at the level the White House targeted in its ["skinny" budget](#) released in March, but Congress [provided](#) the agency with a funding increase for the rest of fiscal 2017 to put the agency's budget at \$30.8 billion.

Trump's topline DOE reduction is a relatively modest 9.1 percent compared to other federal agencies, partly because DOE's National Nuclear Security Administration would see a \$1 billion increase.

Still, many Republicans in Congress have opposed several aspects of Trump's budget and any final spending bill would need 60 votes in the Senate to overcome a Democratic filibuster.

DOE intends to release additional agency-specific budget materials later today.

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GOP tells Pruitt he will get bigger budget than requested [Back](#)

By Alex Guillén | 06/15/2017 02:42 PM EDT

Republican lawmakers made it clear today that EPA is not going to get the budget it asked for — it's going to get a whole lot more.

Multiple GOP members of the Appropriations committee overseeing EPA said they will not come close to enacting the administration's proposed 31 percent cut.

"I can assure you you're going to be the first EPA administrator that's come before this committee in eight years that actually gets more money than they asked for," Rep. [Tom Cole](#) (R-Okla.) told EPA Administrator Scott Pruitt. "That doesn't mean you'll get as much as you've had, but you'll do better than you asked for."

Rep. [Mark Amodei](#) (R-Nev.) noted that Congress has already cut EPA's budget by more than \$2 billion since 2010. "No one's standing on the rooftops begging for dirty air and dirty water," he said in calling for no more than moderate spending reductions.

Other Republicans on the panel made sure to defend specific programs they favor.

House Appropriations Chairman [Rodney Frelinghuysen](#) (R-N.J.) told Pruitt that his state is home to more than 100 of the nation's 1,300 Superfund sites. "I think it's good to move with precaution before you take too many dramatic steps," he warned about EPA's 31 percent cut to that program.

Subcommittee chairman [Ken Calvert](#) (R-Calif.) criticized steep cuts to a popular diesel engine retrofit program and lamented the complete deletion of targeted air shed grants.

And Rep. [Dave Joyce](#) (R-Ohio) criticized the budget for killing the \$300 million Great Lakes Restoration Initiative.

WHAT'S NEXT: Appropriators will write EPA's spending bill for next year, expected to be released later this summer.

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Zinke to shuffle top Interior Department career staff [Back](#)

By Ben Lefebvre | 06/16/2017 03:15 PM EDT

Interior Secretary Ryan Zinke is shuffling dozens of senior department staff to new positions, reassigning as many as one-quarter of the top career people into new jobs.

A spokeswoman for the agency confirmed the changes were taking place, which Jason Briefel, executive director of Senior Executive Services, told POLITICO could involve as many as 50

people.

That would be "a very large number" compared to the previous shakeups that occur when new administrations take power, Briefel said, and could require some staffers to change jobs in as little as 15 days.

A former Fish and Wildlife Service member told POLITICO a move of that breadth of the staff changes would be "unprecedented," and said the shakeup was rumored to move many of the people between DOI's various agencies.

DOI defended the moves.

"Personnel moves are being conducted to better serve the taxpayer and the department's operations through matching senior executive skill sets with mission and operational requirements," said DOI spokeswoman Heather Swift said. "The president signed an executive order to reorganize the federal government for the future and the secretary has been absolutely out front on that issue."

She decline to give details of the planned job changes.

According to The Washington Post, which obtained a copy of one the letters sent to Interior staff on Thursday, officials who received notices include Interior's top climate policy official, Joel Clement, who directs the Office of Policy Analysis, as well as at least five senior FWS officials.

Among the Fish and Wildlife officials are the assistant director for international affairs, Bryan Arroyo; the southwest regional director, Benjamin Tuggle; and the southeast regional director, Cindy Dohner, according to the paper. BLM New Mexico state director Amy Lueders would move to FWS, while Bureau of Indian Affairs Director Weldon "Bruce" Loudermilk, acting Assistant Secretary of Indian Affairs Michael S. Black and acting Special Trustee for American Indians Debra L. DuMontier would all be reassigned, the paper said.

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NYT: Staff of DOE international climate office told to pack their bags [Back](#)

By Eric Wolff | 06/15/2017 01:48 PM EDT

The Department of Energy will shutter its Office of International Climate and Technology, its staff was told this month, [according](#) to The New York Times, which cited current and former DOE employees.

The department has been in the crosshairs since it was marked for elimination in President Donald Trump's budget request. Its workers played an essential role in planning Energy Secretary Rick Perry's visit to Beijing last week as part of the Clean Energy Ministerial.

The office is the only unit at DOE to have climate in its name.

The office last made headlines in February when a supervisor told staff not to use the term "climate change," "Paris Agreement" or "emissions reduction" in written communications, as POLITICO [reported](#) at the time.

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Trump reports assets of at least \$1.4 billion in financial disclosure [Back](#)

By Theodoric Meyer and Matthew Nussbaum | 06/16/2017 05:20 PM EDT

The campaign and the early months of President Donald Trump's presidency have been good for Donald Trump.

The Trump International Hotel, which opened last year just blocks from the White House in a building leased from the federal government, brought in nearly \$20 million in revenue for the president, according to Trump's latest financial disclosure, [released](#) by the U.S. Office of Government Ethics on Friday.

Trump's Mar-a-Lago resort, which he visited often in the early months of his presidency, raked in \$37 million - up from \$30 million in the report Trump filed last year and about \$16 million in the report filed two years ago.

Sales of Trump's "The Art of the Deal" brought in as much as \$1 million for Trump, compared to the less than \$100,000 in royalties that Trump reported in his 2016 filing. And sales of Trump's book "Crippled America" brought in up to another \$5 million.

Trump reported assets of at least \$1.4 billion and income of at least \$596.3 million in the 2016 calendar year and the early months of 2017. He reported owing at least \$310 million to various financial institutions, including at least \$130 million to Deutsche Bank.

It's difficult to say how beneficial the presidency has been overall for Trump's sprawling business empire. Most of the figures detailing Trump's income, assets and debt are reported in brackets, and the highest brackets do not include an upper bound. And the reports for different years don't cover exactly the same time periods.

The 98-page document, which Trump filed voluntarily, does not provide an exact picture of his net worth. Trump has claimed he is worth in "excess of \$10 billion" but [Fortune](#) put the number at less than \$4 billion late last year.

The report also doesn't reveal how much Trump paid in taxes last year, but it still provides a snapshot into his range of investments. The White House said last month that Trump would voluntarily release his financial disclosure from the 2016 calendar year.

Trump has taken steps to reduce his conflicts of interest, stepping back from the Trump Organization and turning over daily control to his adult sons, Donald Trump Jr. and Eric Trump. However, he has maintained his financial interest, and his sons give him updates on the financial condition of the company.

Trump sold off all of his stocks, as his aides said he had, with the exception of some private funds over which he has no control — a typical practice for elected officials. Trump also apparently maintains a small investment in a private, New Jersey-based apparel company, Eco Tek 360, Inc.

Trump also collected \$84,292 in pension payments from the Screen Actors Guild.

"President Trump welcomed the opportunity to voluntarily file his personal financial disclosure form; while this filing is voluntary (as no report was due until May 2018), it has been certified by the Office of Government Ethics pursuant to its normal procedures," press secretary Sean Spicer said in a statement on Friday evening.

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POLITICO Magazine: Why this part of coal country loves solar power [Back](#)

By James Higdon | 06/18/2017 02:05 PM EDT

WILLIAMSBURG, Kentucky—The first few months of 2017 haven't been especially kind to the coal miners of Kentucky. Eighty-eight of them lost their jobs when a single company, Mountainside Coal, laid off its entire work force.

Deb Moses was one of them. "I volunteered for the layoff because somebody had to go," she told POLITICO Magazine. "I was the one that could handle it because I didn't have a mortgage."

Whitley County, in the Appalachian foothills, was one of the hardest hit counties in a state that saw an overall loss of 216 coal jobs during the first quarter, according to the Kentucky Energy and Environment Cabinet. In a region where coal still dominates a sagging economy, even small fluctuations like this are parsed for signs of larger trends.

But there is a surprising amount of optimism in Appalachia these days. The recent job losses weren't nearly as painful as the relentless declines the industry has felt over the past six years, which in itself was a kind of good news. Then, six days after I spoke to Moses in Whitley County, President Trump announced that he would pull the United States out of the Paris climate accord, honoring a campaign pledge to revive the coal industry by removing the yoke of environmental regulations. The announcement, met largely with anger and frustration in America's coastal cities, was cheered in this part of Kentucky.

"Hopefully it signals the beginning of the end to the war on our local economy from federal regulations," Pat White, the County Judge Executive for Whitley County, told me by email two days after the president's announcement.

But perhaps the best reason for an out-of-work miner in Whitley County to think she'll be back underground before long has little to do with the regulations Trump has stripped away. Interestingly, it has more to do with the demands of the new economy driven by Silicon Valley.

The coal under the hills of Whitley County, like about a third of the coal in central Appalachia, is metallurgic coal, a higher grade of coal that burns hotter and cleaner than the power plant-fueling thermal coal that has been demonized by environmentalists in debates over carbon emissions and climate change. Used to forge steel and other metals, metallurgic coal will be essential for any future infrastructure project boom, and Kentucky's mountains have an estimated 35-year supply. But the seam in Whitley County is an even more valuable variety of metallurgic coal known as "blue gem." It burns even hotter with a low ash content, making it useful to produce silicon, the basic material for computer chips and solar panels.

"You need the blue gem to make the solar panels, and that's what people don't know," Moses told me, articulating a simple truth: Without Coal Valley, there's no Silicon Valley.

Here in Appalachia, the new and old economies remain linked in inextricable ways often ignored in partisan debates that cast fossil fuels and renewable energy in a zero sum battle. In early June on MSNBC, reporter Willie Geist asked EPA Administrator Scott Pruitt, "It's true is it not that there are more jobs created by solar energy, by the next wave of energy in this country, than by the coal jobs that you have cited?" Pruitt responded that "all jobs matter," but he could have gone further. He could have told Geist there's a seam of coal in Whitley County that is in high demand by American industry, but 88 people lost their jobs because of the Army Corps of Engineers' permitting restrictions caused a coal company to go dark.

"One of the biggest headaches we have in the U.S. is getting permits," said Dr. Rick Honaker, chair of the Department of Mining at the University of Kentucky's College of Engineering. "If you go to Canada, you can up there and get started in two or three years, but in the U.S., it's a five to 10-year process."

Eastern Kentucky coal miners were once a key Democratic Party constituency on the front lines of the labor movement. Then, in 1980—just three years after the documentary film Harlan County, U.S.A. about striking coal workers won an Oscar—Hal Rogers was elected to Congress as an Appalachian Republican. Four years later, Mitch McConnell won statewide in his first race for U.S. Senate. Still, Democrats continued to hold their own in Kentucky, especially in the mountains, until the first term of the Obama administration.

In 2011, two things happened nearly simultaneously: Obama's EPA announced its mercury and air toxins standards at about the same time that the price of natural gas fell below the price of coal for the first time in history, resulting in power plants converting from coal to gas. The market for thermal coal cratered. Republicans wasted no time blaming the job losses on Obama's regulations. Though some said this was roughly the equivalent of blaming the president for the price of gasoline at the pump, the "War on Coal" became a convenient political weapon with which Republicans cudged Democrats. And when Republicans weren't beating Democrats over the head, Democrats were doing it to themselves, as evidenced by Hillary Clinton's campaign gaffe about "putting lots of coal miners out of work." In November, a region of the country that had been reliably Democratic a generation or two ago voted for Trump in overwhelming numbers.

The "War on Coal" rhetoric loses some steam when confronted with the reality that 21 gigawatts of coal-fired power plants are scheduled to be shut down over the next four years. The coal firing those plants will likely be replaced by natural gas and renewables, according to the American Public Power Association. But that hasn't made regulation bashing any less

popular in this part of the country, which is why Trump's popularity remains so high. Trump, to the delight of his supporters, has followed through on several major campaign promises on coal. Even before the much-touted retreat from the Paris Accords, Trump had dumped the Stream Protection Rule and pulled the plug on Obama's Clean Power Plan.

In March, Fox News put a camera crew down a long-wall mine outside of Hazard in Perry County. Miners were back at work there and this news seemed to endorse the notion that onerous regulations really were the thing holding back the coal industry. Perry was one of the lucky counties in the region, recording a gain of 54 jobs in the first quarter. But overall, Kentucky's job numbers were down by more than 200. Only in a region as bruised by job losses as this one would that be seen as good news. But that's what it looked like to Tyler White, president of the Kentucky Coal Association, who observed that any number that wasn't a four-digit loss suggested "that maybe the bleeding has stopped."

Back in October 2015, Mountainside Coal began applying for permits to mine the blue gem in Whitley County. Like all coal operations, it required permits from an array of state and federal agencies, including the Army Corps of Engineers, which claims jurisdiction over all waterways in America. The Army Corps granted a permit to Mountainside in April 2017, but Mountainside had been laying people off since July 2016.

"I can tell you that if we had gotten that permit in a timely manner, we could have mined that coal while we had a contract to sell it," Moses told me.

When I asked the Army Corps if it slow-walked coal mining permits, as many in coal country believe, a spokesman for the Corps pushed back: "If use of the term 'slow-walks' is meant to imply that we intentionally drag our feet or delay processing of applications related to coal mining proposals—that is simply not true."

Stories like this one, confirm for the people of eastern Kentucky that the federal government is not a benevolent force, says Judge White. There's "a perception in communities like this that we're being done wrong. People around here get the feeling that the government is not being reputable with them."

Regulations, big environmental ones or just the plodding bureaucracy, define the federal government in this region and will remain a fixation for the residents of coal country for the foreseeable future.

"If the regulations level out and they get that worked out, that's going open up more jobs and help with the blue gem market, and maybe extend that market," said former exploration foreman Kent Sears, who, like Deb Moses, was also laid off from Mountainside Coal in the first quarter of 2017.

As of 2012, eastern Kentucky had 5.5 billion tons of metallurgic coal remaining inside its mountains, enough for 35 years, according to a report from the University of Kentucky. That's the good news. The bad news is that only 17 percent of those reserves are greater than 42 inches thick. Anything narrower than that requires cutting out additional rock, which raises production costs.

In addition to metallurgic coal, another bright spot in the future of eastern Kentucky is a

reserve of coal near Hazard called the Fire Clay seam, which yields a surprising byproduct during the coal cleaning process: large quantities of rare earth elements (REEs)—vital to the production of smart phones, tablets, electricity-generating windmills and military hardware. Experts say there's enough to meet U.S. demand for 20 years.

Currently, the world's largest reserves of rare earth elements is in China, which is keeping the price for the elements low because its REE reserves are the first step of the Chinese smart-phone supply chain. Consequently, China is keeping the costs of its REEs low, according to Dr. Rick Honaker, the chairman of the the University of Kentucky's Department of Mining.

At the Fire Clay seam near Hazard, Dr. Honaker and his team have demonstrated they can extract industrial amounts of REE's during the coal-cleaning process from the clay immediately adjacent to the coal — a substance that is normally a waste product.

"What was the environmental headache of coal could be an economic gem," Dr. Honaker told me by telephone. "We can do it today. The problem today is that China controls the market and keeps the REE prices suppressed."

So if Silicon Valley were ever interested in repatriating its smart phone supply chain, the first thing it would need is a reliable domestic supply of REE's, and according to Dr. Honaker, there's a 20-year supply in eastern Kentucky. One might think that a domestic supply of REE's would be a big deal to Silicon Valley companies like Apple that rely heavily on REE's for its smart phones and tablets. But earlier this year, Apple pledged to work towards a zero-mining future, envisioning its primary source for its aluminum, silicon, and REE's to come from recycling instead of China or eastern Kentucky.

Apple chose not to respond to a request for comment for this story, when I asked them about the company's reliance on metallurgic coal for its computer chips and for the 50-megawatt solar array it just built in Arizona to power its data center there.

"They think about coal as being dirty or whatever, but you have certain things that are a necessity. You're going to have to get it somewhere," Kent Sears told me. "If you look at all the regulations we have, maybe we got too many. Maybe consolidate a few, or streamline them. We're not their enemy."

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API: NAFTA critical for North American energy independence [Back](#)

By Ben Lefebvre | 06/16/2017 05:51 PM EDT

The American Petroleum Institute is warning the Trump administration that if it wants North American energy independence, it should not make a mess of NAFTA.

"The overall functionality of the current NAFTA agreement works for the oil and natural gas industry," the trade association wrote this week in a [letter](#) to the U.S. Trade Representative. "API and its industry members therefore wish to ensure that as NAFTA is modernized, the provisions of the current agreement remain in place in a new NAFTA."

USTR asked for comments on issues that could play into the development of negotiations for a modernization of NAFTA.

API outlined its priorities for any NAFTA negotiations, including no tariffs, intellectual property rights protection, mobility of labor and more flexible language when it comes to diluents, the light oil that Canadian oil sands producers mix into bitumen to make it easier to process and send through pipelines.

As long as the free energy trade continues — and is expanded to Mexico, which wasn't a party to NAFTA's original energy provisions — North America's energy production will continue to grow faster than demand, API writes in its letter.

"This allows supply to overtake demand, offering North America the opportunity to be self-sufficient, provided open trade flows — especially between the U.S. and Canada," API's June 12 letter states. "Taken together, the U.S., Canada and Mexico are on the cusp of North American self-sufficiency."

What's Next: API asked to testify at a June 27 public hearing on NAFTA.

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Pruitt: EPA not reviewing California car emissions waiver [Back](#)

By Alex Guillén | 06/15/2017 12:30 PM EDT

EPA is not reviewing a key waiver that allows California to set stricter emissions limits for cars than the federal government, EPA Administrator Scott Pruitt said today.

"Currently the waiver is not under review ... by EPA," Pruitt said at an appropriations hearing.

"It's important we recognize the role of states in achieving good air quality standards," Pruitt added, noting California's early role in environmental regulation.

EPA's decision to re-open a review of auto standards for model year 2022-2025 cars also raised concerns that EPA would consider revoking the California waiver. The Clean Air Act allows EPA to give waivers to California on air quality issues because of the state's historic and chronic pollution problems.

The state and environmentalists argued that the law does not allow EPA to revoke such waivers once granted, and California officials said they would fight the Trump administration if it attempted to revoke it.






The waiver in question was granted by the Obama administration in 2009. EPA and the Transportation Department later set the first greenhouse gas emissions standards for cars, but California said that any cars complying with the federal standard would also be deemed to have met the state's standards so as to avoid a patchwork of regulations.

WHAT'S NEXT: EPA is continuing its review of the nationwide emissions rules for model year 2022-2025 vehicles.

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