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<http://bit.ly/2v0JBC4>

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

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States and environmental groups that support an Obama-era rule for methane emissions from the oil and gas industry are urging a federal court to reject critics' latest attempt to kill the restrictions.

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

8. EY report dismisses supply concerns

Oil prices may stay in the \$50-per-barrel range for some time, and feared oil supply gaps by 2020 may not happen, according to a new report.

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9. Ahead of review team report, groups ask Zinke not to alter plans

A mix of sporting, business and veterans groups today urged Interior Secretary Ryan Zinke not to dramatically alter Obama-era greater sage grouse conservation plans on the eve of a review team's final report to Zinke that's expected to include recommendations for change.

<http://bit.ly/2v1pQKS>

10. Activists' Quixote-like goal: No logging on public lands

National forests provide 2 percent of annual U.S. timber production. Chad Hanson would like to cut that to zero.

<http://bit.ly/2u5zvNo>

11. Senate to vote on DOE nominee; Trump submits FERC picks

The Senate's blitz on confirmations continues today with a noon vote slated on insurance executive Dan Brouillette's nomination to the No. 2 slot at the Department of Energy.

<http://bit.ly/2vxojh4>

12. Republican fight brewing to lead powerful committee

House Budget Chairwoman Diane Black (R-Tenn.) yesterday announced a bid for governor, setting off a fight among Republican lawmakers for the top spot on the powerful committee.

<http://bit.ly/2wq7scy>

13. Enviro group backs Rep. Rosen in bid to unseat Heller

A key environmental group yesterday endorsed Rep. Jacky Rosen, one of two prominent Nevada Democrats bidding to unseat Republican Sen. Dean Heller.

<http://bit.ly/2u4ViVt>

14. Zinke, Murkowski share beers, tweet selfie

In a sharp pivot from last week's health care tumult, Interior Secretary Ryan Zinke and Alaska Republican Sen. Lisa Murkowski this morning appeared together in a selfie posted on Twitter, smiling and drinking beers.

<http://bit.ly/2u8ADEb>

15. OPM cyberdefenses still need work after breach — watchdog

Two years after a massive data breach, the Office of Personnel Management's computer systems are more vulnerable to hackers than they should be, according to a government watchdog.

<http://bit.ly/2vu8s1K>

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1. Committee to debate monuments, lands after recess

Kellie Lunney, E&E News reporter

Published: Thursday, August 3, 2017

Legislation related to national monuments, public lands management and energy development is all on the post-August recess agenda of Utah Republican Rob Bishop, head of the House Natural Resources Committee. Not surprisingly, opposing that agenda will be the main focus of the panel's top Democrat, Raúl Grijalva of Arizona.

Bishop said he has "a whole backlog of bills" waiting for action when the House returns in September.

"We'll have discussions on the Land and Water Conservation Fund, Antiquities [Act] and land policies going forward," the chairman told reporters just before leaving town last week for the first stop on his recess schedule, a military and energy congressional delegation headed to Europe.

Bishop previously has pushed a state-focused proposal to reform the LWCF, and he's made clear on several occasions that he's no fan of the current 111-year-old law that allows presidents to designate national monuments (*E&E Daily*, April 26).

The lawmaker also mentioned that he plans to reintroduce this fall a version of his Public Lands Initiative, which failed last year. The PLI, which Bishop co-sponsored with former Rep. Jason Chaffetz (R-Utah), was a locally driven, multiyear effort to reform federal lands management in Utah.

Bishop has said the legislation was aimed at solving land disputes in the state, where the government owns 65 percent of the land, and striking a better balance between conservation and development. But conservation groups like the Wilderness Society said the bill undermined environmental laws and didn't protect Bears Ears, the 1.35-million-acre national monument in southeastern Utah that President Obama designated just before he left office.

Bishop said he is figuring out now how to structure a new PLI bill, whether to deal with the state's counties individually or throw everything together in one comprehensive legislative package. He's also weighing whether to incorporate language on Bears Ears into an overall PLI package, or do a stand-alone bill.

"Interior wants us to do something [on Bears Ears]," Bishop said. "We will do something." He added that looking into onshore and offshore drilling efforts are also on his to-do list.

Interior Secretary Ryan Zinke in June recommended significantly shrinking the 1.35-million-acre Bears Ears monument in southeastern Utah in an interim report as part of his larger review of 27 national monuments. The final report is due Aug. 24.

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 (*E&E Daily*, June 9).

Grijalva said he hasn't heard anything about what Zinke's final review will recommend but he "anticipates it's going to cause a huge backlash" because the secretary "has been very circumspect and not very transparent and secretive about what that process has been."

The Democrat added that the "whole focus of attention seems to be Utah." Groups opposed to shrinking or rescinding national monuments are prepared "to test" the Antiquities Act and challenge any changes in court, he said.

As for an overall strategy on natural resources policy, Grijalva said he thinks the committee Democrats' approach will consist of "a more intense public campaign on what they're doing, as opposed to trying to legislatively maneuver, because that's not working." The ranking member plans to meet with panel Democrats in early September to discuss strategy, he said.

"Some members feel like they need to be working bipartisan, to try to get what they can out of the Republicans," Grijalva said. "I think we need to provide the contrast, but we'll knock that around for a while. You know, the assault on these things is not going to abate."

The Democrat plans to do "monument stuff" in Arizona over the recess, including a trip to Ironwood Forest National Monument, as well as visiting some Superfund sites that U.S. EPA is cleaning up.

Grijalva who has been in the House with Bishop since 2003, reflected on whether he thinks the committee has become more partisan during his tenure.

"There's always been room in the middle on some stuff, especially on tribal issues," he said. "But even that's hardening now. That always used to be the bipartisan area."

<http://bit.ly/2v0JBC4>

2. Zinke exempts Upper Missouri Breaks from review

Jennifer Yachnin, E&E News reporter

Published: Thursday, August 3, 2017

Interior Secretary Ryan Zinke confirmed yesterday that he will not recommend changes to the Upper Missouri River Breaks National Monument in Montana, marking the fourth site he has exempted in an ongoing review of dozens of national monuments.

Zinke's reprieve for the 378,000-acre site, created by President Clinton in 2001, was widely expected, given his remarks in late June that he anticipated leaving the Montana monument "as is" *E&E News PM*, June 27).

"The review of the Upper Missouri River Breaks National Monument has concluded and I am recommending to the president that no changes be made to the monument," Zinke said in a statement. "The monument is one of the only free-flowing areas of the Missouri that remains as Lewis and Clark saw it more than 200 years ago."

While conservationists praised the decision to maintain the monument, many organizations used Zinke's announcement to criticize the continued review of 23 other such sites nationwide.

"Montanans have breathed a collective sigh of relief today, as the Department of the Interior announced that they will be recommending the Upper Missouri River Breaks National Monument remain unchanged," said Bozeman, Mont.-based Barb Cestero, the Wilderness Society's senior regional representative.

"While we are pleased to hear that The Breaks will be spared, today's announcement demonstrates just how haphazard and arbitrary the monuments 'review' has been to date," Cestero continued in her statement. "It is unclear why the storied waters and majestic White Cliffs of the Upper Missouri River Breaks received a reprieve from this unnecessarily damaging review — while other priceless American treasures remain on the chopping block."

President Trump in late April signed an executive order mandating a review of all monuments created since 1996 that contain more than 100,000 acres, with an eye toward reducing or even eliminating some sites.

Zinke has now recused four monuments. He announced last month that reviews of Craters of the Moon National Monument and Preserve in Idaho, Hanford Reach National Monument in Washington state and Canyons of the Ancients National Monument in Colorado had likewise concluded without recommending alterations. But he also indicated in an interim report that he will seek significant reductions to Bears Ears National Monument in Utah. A final report is due Aug. 24.

Poll finds support for monuments

A majority of Americans oppose the Trump administration's ongoing review of monuments, according to a poll released today by government watchdog Western Values Project.

A nationwide survey of 1,013 registered voters conducted for the Montana-based group by Global Strategy Group and Garin-Hart-Yang Research Group found that 53 percent opposed Trump's order mandating the review, while 33 percent were in support of his executive order.

The survey also asked whether voters believed Trump would "continue to protect these public lands or should he review the status of these public lands to see if they should be used for private development?"

Among those polled, 75 percent said the Trump administration should continue to protect the lands, while 17 percent said public lands should be reviewed.

"Unlike President Trump and Secretary Zinke, the vast majority of Americans see no reason to open up iconic landscapes to private development," Western Values Project Executive Director Chris Saeger said. "This is another sign that this sham review is happening only to benefit a narrow range of special interests. It never should have started to begin with."

Although Zinke has repeatedly asserted that he is opposed to the transfer or sale of the federal estate, changes to monument boundaries could open the public lands under review to oil and gas development or new mining claims (*Greenwire*, July 28).

The July 24-27 survey had a 3.1-point margin of error.

<http://bit.ly/2wby69p>

3. Greens debut website showcasing oil and gas data

Kellie Lunney, E&E News reporter

Published: Thursday, August 3, 2017

Two conservation groups hope oil and gas development data housed in a central location online will demystify the leasing and drilling process on public lands.

The Center for Western Priorities and Wilderness Society today debuted RiggingTheSystem.org to counter the "noise" around leasing and drilling on federal lands, said CWP Deputy Director Greg Zimmerman. The site intends to provide facts and statistics on drilling and development as well as analyses of policy proposals from Congress and the administration.

"What we want to do with this website is help clear up the confusion and provide a resource for everyone to better understand the issues," Zimmerman said. "The fact is oil and gas production in the United States has reached new heights, and public lands have played an important role."

He added that the Trump administration "is looking to throw the baby out with the bathwater, undermining common-sense safeguards that protect public lands and communities from the impacts of drilling."

The White House and Interior Department in the last six months have issued several executive and secretarial orders that could affect oil and gas development and conservation management on public lands, as well as offshore. The administration also is looking to modify, delay and rescind several Obama-era regulations, including those related to methane flaring on public lands and hydraulic fracturing (*Greenwire*, July 20).

Nada Culver, senior counsel at the Wilderness Society, said Interior's mission includes much more than energy development. The department "is required by law to manage public lands for many different uses — not just oil and gas — including outdoor recreation, conservation, wildlife and clean water."

The website includes information on the leasing process for oil and gas development on public lands, the economics involved in decisions to drill, and a section dubbed "On the Chopping Block," which lists parks and public lands "currently threatened by development."

Earlier this week, the Western Values Project, an environmental advocacy group, unveiled **Department of Influence**, a site the organization said seeks to identify "the revolving door between special interest lobbyists and political appointees at the Department of the Interior" (*Greenwire*, Aug. 2).

<http://bit.ly/2v0XCj7>

4. Agency blocked in bid to fire Alaska whistleblower

Rob Hotakainen, E&E News reporter

Published: Thursday, August 3, 2017

The Department of the Interior has been blocked in its bid to fire a regional environmental officer in Alaska who says he was the victim of whistleblower retaliation.

The U.S. Office of Special Counsel won a 45-day stay from the U.S. Merit Systems Protection Board as it investigates the case of Jeffrey Missal, an officer with Interior's Bureau of Safety and Environmental Enforcement in Anchorage.

"Because OSC has completed its investigation and is attempting to resolve this matter, it is appropriate to grant the stay," the board said in a ruling yesterday.

Missal was removed from his position on Jan. 14, 2016, after an internal investigation.

Missal filed a retaliation complaint with the OSC, alleging that he was investigated and lost his job because he had told Interior's inspector general that he believed the department had violated environmental regulations while reviewing Royal Dutch Shell PLC's Arctic offshore drilling lease (*Energywire*, Sept. 15, 2015).

<http://bit.ly/2v1BeXe>

5. Panel clears DOE, Interior picks as Senate mulls deal

Sam Mintz and Hannah Northey, E&E News reporters

Published: Thursday, August 3, 2017

The Senate approved dozens of administration nominees by voice vote this afternoon ahead of the August recess, but key energy and environment roles — including at the Federal Energy Regulatory Commission and Nuclear Regulatory Commission — remained empty.

Meanwhile, the Senate Energy and Natural Resources Committee this afternoon cleared a number of Interior and Energy department picks.

The panel approved by voice vote Brenda Burman to lead the Bureau of Reclamation and Susan Combs to be Interior assistant secretary of policy, management and budget.

For the Department of Energy, the committee approved by voice vote Mark Menezes for energy undersecretary and Paul Dabbar for science undersecretary.

The committee voted 13-8 along party lines to approve Douglas Domenech for Interior assistant secretary of insular affairs. Sens. Rob Portman (R-Ohio) and Ron Wyden (D-Ore.) did not vote.

The ENR panel did not vote on David Jonas, who is in line to be DOE's general counsel. The rest could be part of a package of nominees for full Senate consideration later today.

Floor action

Robert Powelson and Neil Chatterjee, two nominees for FERC, which has been without a quorum and unable to make major decisions for more than six months, were not among the flurry of names Senate Majority Leader Mitch McConnell (R-Ky.) called up this afternoon.

The Nuclear Regulatory Commission is also waiting for the Senate to approve two nominees to fill out its five-member ranks. *Politico* reported that Sen. Dean Heller (R-Nev.) is blocking quick action on one NRC pick amid his opposition to the Yucca Mountain nuclear waste site.

Senate aides said nomination negotiations were ongoing.

The chamber did clear Mark Buzby to lead the Maritime Administration and Peter Davidson to be general counsel of the Department of Transportation.

McConnell said the chamber will next vote Sept. 5 on Timothy Kelly to be a judge on the U.S. District Court for the District of Columbia.

<http://bit.ly/2v1bgmJ>

6. Bernhardt warns employees not to 'parrot' special interests

Kellie Lunney, E&E News reporter

Published: Thursday, August 3, 2017

Interior Deputy Secretary David Bernhardt told department employees this week that he expects respectful and healthy disagreement from them, but also an adherence to facts rather than "special interests."

Bernhardt, a former oil and gas industry lobbyist who weathered a controversial Senate confirmation process, pledged a commitment to public service and sought to align himself with the career employees he now leads in his first departmentwide email as Interior's No. 2.

"Given the hyperbole of today's public discourse, you and I, and everyone else within the Interior, really are in the soup together," he wrote in the email sent Tuesday to all Interior employees and obtained by E&E News. "We may not like it. But it is the way it is. This means my conduct will reflect on you. Yours will reflect on me and your other colleagues. All of our conduct reflects on the Secretary."

He added that some people have "forgotten" their oath to public service and instead "parrot comments of special interests rather than carry out their governmental duties to move the country forward," calling such actions "arbitrary" and "lazy." Bernhardt, who served eight years at Interior during the Bush administration, exhorted employees to "refrain" from taking that route.

"The decisions we make here have consequences. We must understand the factual setting and our actual decision space. Our conclusions must be connected to the facts that exist, not to the facts or the law that we might wish existed to fit our preferred outcome," he wrote.

He included in the email a list of 14 principles of ethical conduct for executive branch employees as a reminder of their collective oath to faithfully perform their duties.

Late last month, senators voted 53-43, mostly along party lines, to confirm Bernhardt. All Republicans present, four Democrats and one independent voted in favor (*E&E Daily*, July 25).

Bernhardt's nomination attracted strong support because of his extensive public policy experience in the executive and legislative branches, but also robust opposition from Democrats and green groups alarmed by his ties to oil and gas lobbyists.

The Senate Energy and Natural Resources Committee's top Democrat, Sen. Maria Cantwell of Washington, led the opposition to Bernhardt.

"I've made no secret that I have concerns with this nomination," Cantwell said in July during floor debate on the nomination, citing Bernhardt's work as a lobbyist for the oil and gas industry as well as other groups he will oversee as Interior deputy secretary.

"I'm not suggesting that just working for the private sector disqualifies someone," Cantwell said, "but when you have a wide range of issues that you worked on in the private sector, and now you are going to be on the other side of the table, it brings up concerns."

Sen. Lisa Murkowski (R-Alaska), ENR chairwoman, has praised Bernhardt, saying that as a Westerner, he "understands the management of federal lands" and the "balance between conservation and development." Murkowski also touted the Coloradoan's experience and "strong reputation as a manager," which she said is particularly important for a deputy secretary.

In his email to employees, which was first reported by *Politico*, Bernhardt also mentioned several times his regard for senators, even those who disagree with him; his respect for the law; and his belief that "there are bounds" to Interior's authority.

"To the extent such bounds exist, we should not try to stretch the law like a fraying rubber band to fit a particular policy vision," he wrote. "Instead, we should ask Congress for the authority we want or need — if it's so important for us to have."

Bernhardt indicated he is open to disagreement on "important issues" as long as it's civil.

He provided an example of an unnamed senator during his confirmation hearing "who clearly does not agree with the Administration's policy vision" and "questioned my policy views."

The deputy secretary added: "He stated his position. He asked me the questions he wanted to ask. He challenged my responses where he disagreed. Although we see things differently, he was not challenging my motivations, my intentions, or my morality because of this difference in opinion. I left with respect for him. His actions were precisely what I believe our public policy discourse should be."

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

7. States, enviros urge court to reject new bid to kill EPA reg

Ellen M. Gilmer, E&E News reporter

Published: Thursday, August 3, 2017

States and environmental groups that support an Obama-era rule for methane emissions from the oil and gas industry are urging a federal court to reject critics' latest attempt to kill the restrictions.

In a court filing yesterday afternoon, more than a half-dozen states and several environmental groups urged the U.S. Court of Appeals for the District of Columbia Circuit to deny their opponents' request that the court

reconsider a recent panel decision reviving U.S. EPA's standards for methane emissions from new oil and gas sources.

A panel of three judges last month rebuked EPA Administrator Scott Pruitt for attempting to use a Clean Air Act reconsideration process to stall for 90 days key provisions of the New Source Performance Standards for methane, a potent greenhouse gas. The court issued a mandate earlier this week ordering EPA to enforce the standards (*Energywire*, Aug. 1).

Two dozen industry groups and 11 states that oppose the rule last week petitioned the court to rehear the case en banc — before all active judges (*Energywire*, July 28).

Rule supporters pushed back yesterday, arguing that there are no grounds for the en banc court to reconsider the panel's decision, especially because EPA itself has not requested a rehearing.

"The Panel correctly decided that Administrator Pruitt's stay of a duly promulgated regulation was reviewable and was arbitrary, capricious, and in excess of his authority," state and environmental attorneys wrote in a joint **response**. "Respondent EPA has not even sought rehearing. The Industry and State Respondent-Intervenor petitions do not raise any serious argument that casts doubt on the decision, much less show that this case presents a question worthy of en banc review."

Opponents of the methane rule are expected to respond in a brief later today. They have argued that the methane standards fail to account for voluntary efforts industry has taken to slash emissions.

Nine of the court's 11 active judges supported the decision earlier this week to order EPA to enforce the standards for now.

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

8. EY report dismisses supply concerns

Nathanial Gronewold, E&E News reporter

Published: Thursday, August 3, 2017

Oil prices may stay in the \$50-per-barrel range for some time, and feared oil supply gaps by 2020 may not happen, according to a new report.

In its latest industry reserves survey, accounting giant EY finds that oil and gas companies are successfully replacing drawn-down reserves, even though they are spending less on upstream investments. Capital expenditures on new oil production were lower in 2016, but spending cuts have slowed considerably compared with 2015 figures.

Moreover, analysts find that the oil and gas industry has recovered to a near 100 percent reserves replacement ratio. That ratio measures the degree to which companies can show creditors that they control as much recoverable hydrocarbons in one year as they had in the prior year. It's a key metric used to determine the size of an oil company and its ability to maintain its size and production volumes.

Two straight years of steep spending cuts on new future oil production led some industry watchers to fear that the world could face shortages around 2020 as global oil demand increased. Upstream investments are needed not only for meeting rising oil demand, but to overcome production declines at older wells. Generally, industry experts think oil and gas companies worldwide have to find 5 million barrels a day of new oil production each year to match demand growth and natural field declines.

EY's new study, the latest "U.S. Oil and Gas Reserves Study 2017," suggests concerns over pending oil supply tightness may be overblown. Industry insiders have been skeptical of the "price spike" prediction, and the picture painted by the EY study may explain why.

Spending on new exploration and production is still sharply lower in 2016 than before the historic collapse of the oil price. But the industry has become leaner and more cost-efficient, finding sufficient volumes of oil at even lower spending levels. As a result, the report says reserves declined by just 2 percent for the companies included in the survey "as extensions and discoveries more than offset production, while substantially lower downward revisions were recorded compared with 2015."

And as prices rise, EY's analysts believe the U.S. shale patch will respond swiftly to match demand thanks to surging investments in drilled but uncompleted (DUC) wells. Analysts there counted over 3,000 DUC wells in the Permian Basin and Eagle Ford Shale regions alone. Those assets can be brought into production cheaply and relatively quickly.

Still, EY analyst Mitch Fane noted in an online presentation that companies can be expected to have more difficulty achieving future reserves replacements with \$50-per-barrel crude. "Over time, because of the pricing environment the oil and gas companies are in and the constraint around what is a proved reserve, it's going to be harder and harder for companies to be able to have the production replacement ratios or reserve replacement ratios that they saw in 2012," he said.

Improving investments

The study also confirms that investments in oil and gas have improved since last year, though at lower levels than what was common in the past.

U.S. oil companies lowered capital expenditures by about 27 percent in 2016, compared with spending reductions of 57 percent in 2015. That's still two straight years of steep spending cuts, but reserves volumes seem to be holding up despite the decline, EY's data show.

The report's authors also pointed to a rebound in merger and acquisition activity last year over 2015 levels as positive signs of consolidation and preparation for future growth in this "new normal" environment of lower oil prices and lower capital spending.

"2016 looks like it may not be good, but it is a little less bad. We do see some mix," said EY analyst James Bowie. "There are some silver linings."

The report echoes views by government oil industry analysts that see crude prices floating in the \$50-per-barrel range through 2018 and possibly beyond.

Oil and gas executives burned by the oil price crash that began in mid-2014 now say they plan investments assuming a per-barrel crude rate of around \$40.

<http://bit.ly/2hsble7>

9. Ahead of review team report, groups ask Zinke not to alter plans

Scott Streater, E&E News reporter

Published: Thursday, August 3, 2017

A mix of sporting, business and veterans groups today urged Interior Secretary Ryan Zinke not to dramatically alter Obama-era greater sage grouse conservation plans on the eve of a review team's final report to Zinke that's expected to include recommendations for change.

A representative of the Wyoming Wildlife Federation also warned during a conference call with reporters today not to keep the final review team report from the public. The report is scheduled to be delivered tomorrow to Zinke.

Zinke's secretarial order in June directed the review team to analyze the federal grouse conservation plans, identify where they interfere with energy development and suggest changes (*Greenwire*, June 7).

The Interior Department has never released the names of the review team members, other than to say the team mostly comprises representatives from the Bureau of Land Management, Fish and Wildlife Service, and U.S. Geological Survey. The team has met with state and local leaders but conducted its review of the grouse plans the past two months behind closed doors and without public involvement.

"I think that the recommendations should be made public," said Joy Bannon, field director of the Wyoming Wildlife Federation and a member of that state's Sage Grouse Implementation Team.

Bannon, noting that the federal grouse plans were developed through "a very public process" and in "a very transparent way," said during the conference call that keeping the review team recommendations from the public would be a bad idea.

"If they were to kind of hide behind the wall there and not present them to the public, it would be a disservice to the American people," she said.

The federal sage grouse conservation plans, finalized in September 2015, amended 98 BLM and Forest Service land-use strategy documents to include grouse conservation measures covering nearly 70 million acres in 10 Western states. The plans were strong enough to convince the Fish and Wildlife Service that the bird did not need federal protection under the Endangered Species Act.

But Zinke's order directed the team to consider "creative approaches and ideas" to sage grouse management, including setting population targets for the bird in each of the 11 Western states with grouse habitat. That would mark a major shift in federal grouse management, as the plans focus on habitat conservation and restoration.

"The population is cyclical, varies dramatically in three-to-five-year cycles, and management needs to focus on habitat health," Bannon said. "We don't have a population problem; we have a habitat problem. No sagebrush equals no sage grouse."

The Western Association of Fish and Wildlife Agencies last month issued a **white paper** that concluded that altering the plans to prioritize state-by-state population goals without including "habitat management and restoration" could harm the bird and drive many other sagebrush-dependent species toward federal protection (*Greenwire*, July 31).

"Science tells us that management [of grouse] needs to focus on preserving large, untracked and undeveloped chunks of habitat," John Bradley, field representative with the Montana Wildlife Federation, said during the conference call. "Healthy habitat should be the measure used, and that model must not change."

Interior should leave the federal plans alone, said Garrett Reppenhagen, a former Army sniper in Iraq who is now the Rocky Mountain director of the Vet Voice Foundation.

"It's insulting that Secretary Zinke thinks he can fully and adequately review the sage grouse plans in just 60 days, when it took over a decade to complete [them] in the first place," Reppenhagen said.

"If Secretary Zinke decides to drastically change the course of the sage grouse conservation plans, that would amount to silencing the voices of hundreds of thousands of Westerners who weighed in on these plans," he

added. "I have one recommendation for Secretary Zinke: Do not throw away years of hard work on sage grouse to appease a few powerful people in Washington."

Zinke has defended the review as necessary to ensure the plans are working without restricting other uses of public lands.

"While we in the federal government have a responsibility under the Endangered Species Act to take action, we also want to be a good neighbor, a good partner and recognize that a lot of the state agencies and the work that has been done thus far are really the forefront of the efforts," Zinke said in announcing the review in June.

He added, "We just want to make sure first and foremost we work hand in hand with the states ... because no party that I know wants the sage grouse to be listed and no party that I know doesn't want a healthy population of the sage grouse out West."

<http://bit.ly/2v1pQKS>

10. Activists' Quixote-like goal: No logging on public lands

Marc Heller, E&E News reporter

Published: Thursday, August 3, 2017

National forests provide 2 percent of annual U.S. timber production. Chad Hanson would like to cut that to zero.

Hanson, a forest ecologist and director of the John Muir Project in Bear City, Calif., is dusting off a radical-sounding idea that not too long ago had the support of more than 100 lawmakers in the House: Stop logging on national forests.

"It's an idea whose time will come," said Hanson, who has begun raising the notion with congressional offices even though, he said, he doesn't expect a Republican-led Congress to pay much attention. "We need to re-energize this campaign and never give up on it."

Hanson said economics and environmentalism are on his side. The nation's 154 national forests, comprising 193 million acres of forest and grasslands, have seen timber harvests plummet from more than 12 billion board feet in the late 1980s to 2.5 billion board feet last year, suggesting the forest products industry doesn't really need federal lands, he said. Forests that aren't cut regularly for timber make better habitat for wildlife and may be less prone to big wildfires, in Hanson's view, in part because fires happen more frequently in forests where human activity such as logging may increase the risk of ignition.

Forest communities would be better off, Hanson said, by focusing on recreation in and around the forests. Federal funds formerly used for the timber program could be used for a jobs program to help protect at-risk homes from forest fires, while communities shift their economies. That's a suggestion in line, he said, with a February [analysis](#) from Montana-based Headwaters Economics suggesting Western counties shouldn't count on commodities like timber alone to fuel economic growth, although the report cites timber among the valuable resources from federal land.



Chad Hanson, a forest ecologist and director of the John Muir Project, wants to cut national forest timber production to zero. John Muir Project

"The real gold in the West is tourism, not timber," Hanson said.

Supporters of logging say Hanson has the problem backward. Federal forests' shrinking share of the timber harvest is a symptom of an industry impaired by overregulation, they say, and forests that haven't been cut at all are filling with deadwood just waiting to be ignited into out-of-control fires. Two lawmakers — Sen. Steve Daines (R-Mont.) and Rep. Tom McClintock (R-Calif.) — have said there's plenty of demand for fresh timber in their states, which national forests could help fill.

In some states, such as New Mexico and parts of Montana, national forests are sawmills' livelihood, said Bill Imbergamo, executive director of the Federal Forest Resource Coalition, a timber industry group. Those mills would likely shut down, he said, even as private forests nationally make up any gap from missed federal timber production.

"The biggest forest health problems facing the Forest Service are in the regions where they have the fewest mills and loggers to help them thin and manage the National Forests," Imbergamo said. "Zero cut is an idea whose time never was. Suggesting this now, in an era with high fire danger due to overstocked forests, is dangerously irresponsible."

In Montana, declining federal timber sales have contributed to the closure of 30 mills and the loss of 3,400 jobs in the last 27 years, according to the Montana Wood Products Association. The remaining industry supports 7,000 jobs, with labor income of \$319 million and sales of more than \$900 million, said the association's executive director, Julia Altemus.

"The conversation should be centered around how we increase the pace and scale of the current program," Altemus said. "This is the only economically, ecologically and socially responsible thing to do."

John Muir Project

Hanson has been stirring up forestry circles since he founded the John Muir Project in 1996, a few years after seeing the effects of clearcutting on a 2,700-mile hike of the Pacific Crest Trail through California, Oregon and Washington. He has a law degree from the University of Oregon, and he worked for the Oregon-based Native Forest Council — "dedicated to the preservation and protection of all publicly owned natural resources from destructive practices, sales, and all resource extraction" — while in law school.

In 2015, Hanson and a fellow researcher, Dominick DellaSala, wrote a book called "The Ecological Importance of Mixed-Severity Fires," which challenged the idea that managed forests are at less risk of catastrophic wildfire than forests that are largely left alone. He has said recently that forests infested with bark beetles aren't the big fire risk many foresters say they are, and that some lawmakers' push to thin those forests could actually increase fire risks (*Greenwire*, March 9).

Hanson's organization, the John Muir Project, is part of the Earth Island Institute, based in Berkeley, Calif. Earth Island is an environmental group financed in part by liberal-leaning organizations such as the Kresge Foundation, San Francisco Foundation and Silicon Valley Community Foundation, a connection its critics say only proves there's an agenda behind its science.

The John Muir Project doesn't hide its philosophy, declaring on its website that "the federal timber sales program must be ended in order for ecological management of our national forests and other federal forestlands to occur."

Now Hanson has quietly stepped up his efforts, hiring an aide, Samantha Spagnolo, to attend forestry-related hearings on Capitol Hill, visit lawmakers and provide counterpoints to legislation such as a proposal by Rep. Bruce Westerman (R-Ark.) (*H.R. 2936*) to loosen environmental restrictions that delay forest-thinning projects — a bill that has advanced in the House but faces tougher odds in the Senate.

That can be a delicate balancing act for Spagnolo, a recent college graduate who admitted she would rather go further, building a "lumber-free America" where houses are made from recycled steel rather than trees. She said she avoids bringing up that idea with lawmakers, who already need convincing about logging on federal lands, and Hanson said he's not advocating for it.

"I'm not looking to do that, although I agree we do need greater protection on private lands," Hanson said. Some proposals, he said, would be to stop harvesting the biggest trees, dead or alive, and to restrict harvests in recently burned areas that need to recover. "As a forest ecologist, it's all about the biodiversity."

Their efforts bump up against a forest products industry with deep pockets for political action. The industry spent \$14.6 million on lobbying in 2016, according to the Center for Responsive Politics, citing information from the Senate Office of Public Records. Political committees for forest products companies contributed \$4.7 million to congressional candidates in 2016, the organization said.

Cost arguments

The last time banning logging in national forests was seriously discussed in Congress, in the mid-1990s, a Republican took the lead.

That was Rep. Jim Leach (R-Iowa), who in splashier moments led the call for the investigation of Bill and Hillary Clinton's dealings with Whitewater Development Corp. Leach, a moderate Republican, had fans in the environmental movement, scoring a 76 percent rating from the League of Conservation Voters in 1998, including for a vote blocking increased timber activities in national forests. More than once, he introduced or co-sponsored legislation called the "National Forest Protection and Restoration Act" to end logging on national forests, gaining as many as 112 co-sponsors in 2001 but never more than a few fellow Republicans. The bills never reached the floor for a vote.

"I think the environmental case is a pretty powerful one," Leach told E&E News in a recent telephone interview, recalling the struggle between environmental "purists" and logging interests when he worked on the issue. Although some colleagues told him his idea was a stretch, Leach said, many said they agreed with his assertion that halting logging in the long run would be a more responsible and cost-conscious way to look after federal lands.

"The effort was not 100 percent Don Quixote-like," Leach said.

Leach made economic arguments as well as environmental ones. As a steward of its assets, he said, the federal government shouldn't pay private parties to reduce the value of those assets — a practice that costs the government hundreds of millions of dollars a year, according to the watchdog group Taxpayers for Common Sense.

The Government Accountability Office has cited poor tracking of timber-related expenses by the Forest Service. In cases where the agency did estimate the costs, the GAO found timber was a money-losing venture. From 2008 to 2014, the agency spent \$139.1 million on road-clearing and other timber-related activities in the Tongass National Forest in Alaska, only to make \$8.6 million from timber sales, the GAO said.

"Instead of profiting from the sale of taxpayer-owned timber, we actually lose money," said Sohini Baliga, director of communications at Taxpayers for Common Sense. "The new administration has voiced support for overall budget cuts at the Forest Service alongside increased timber harvest from federal lands, but we are concerned without major reform in the federal timber program, this will only spell more revenue losses for taxpayers."



Tom Tidwell. U.S. Forest Service

Timber has been part of the Forest Service's mission since the agency's founding by Gifford Pinchot in 1905. More recently, in its strategic plan for 2015 to 2020, the agency included a pledge to "promote and develop markets for sustainably grown wood, particularly for low-value timber and for use of wood as a 'green' building material."

Forest Service Chief Tom Tidwell has said he wants to boost timber sales to 3.2 billion board feet next year, from 2.9 billion board feet in 2016. That could start to reverse the slide in timber harvests that began in the late 1980s with the decline of old-growth cutting and increased protection for wildlife such as the northern spotted owl.

Agriculture Secretary Sonny Perdue, whose department oversees the Forest Service, has come down firmly on the side of logging, telling a House subcommittee in May that trees are "crops" that "ought to be harvested for the benefit of the American public" (*E&E Daily*, May 26).

State forestry officials warn against a hands-off approach to national forests, which they say puts neighboring private and state-owned lands at risk.

"Fire and insects know no boundaries," said Gary Schiff, policy director at the National Association of State Foresters. "Active forest management is a good thing."

<http://bit.ly/2u5zvNo>

11. Senate to vote on DOE nominee; Trump submits FERC picks

Sam Mintz, E&E News reporter

Published: Thursday, August 3, 2017

The Senate's blitz on confirmations continues today with a noon vote slated on insurance executive Dan Brouillette's nomination to the No. 2 slot at the Department of Energy.

The DOE deputy secretary pick passed through the Energy and Natural Resources Committee last month, but his confirmation was reportedly held up by Sen. Dean Heller (R-Nev.) over the Trump administration's plans to resume licensing for the controversial Yucca Mountain nuclear waste repository in Nevada.



Dan Brouillette. Energy and Natural Resources Committee

Meanwhile, President Trump formally nominated Kevin McIntyre, an energy lawyer at the firm Jones Day, and Richard Glick, a Democratic Senate aide, to serve on the Federal Energy Regulatory Commission.

The two will have to face the Senate Energy and Natural Resources Committee before they can be voted on by the full chamber. The panel has scheduled a Sept. 7 hearing on the duo, as well as Joseph Balash to be assistant Interior secretary for land and minerals management. If confirmed, McIntyre would chair FERC.

Glick's nomination could clear the way for two other FERC nominees, Pennsylvania regulator Robert Powelson and Senate Republican aide Neil Chatterjee, to be confirmed by the Senate this week.

Energy and pipeline industry leaders have been urging the Senate to move forward to restore a quorum to FERC, which has been unable to finalize major decisions since Chairman Norman Bay resigned in February (*E&E Daily*, July 11).

But Democrats had wanted to see the nomination of Glick, their pick for the traditionally bipartisan agency, officially sent to the Senate, which finally happened last night.

With a large spate of nominees for various positions still waiting for confirmation, it is unclear whether the FERC nominees will be approved before the Senate leaves for its August recess, which could happen as soon as this week.

<http://bit.ly/2vxojh4>

12. Republican fight brewing to lead powerful committee

Nick Sobczyk, E&E News reporter

Published: Thursday, August 3, 2017

House Budget Chairwoman Diane Black (R-Tenn.) yesterday announced a bid for governor, setting off a fight among Republican lawmakers for the top spot on the powerful committee.

Black would have to step down from the position to run under a Republican conference tradition known as the Paul Ryan rule, started in 2014 and named after the current House speaker.

Earlier this year, Black became the first woman to lead the panel, a position that is often a springboard for ambitious politicians. Ryan (R-Wis.), Ohio Gov. John Kasich (R), and Health and Human Services Secretary Tom Price all formerly chaired the committee.

After Black's campaign announcement yesterday morning, several Republicans were rumored to be lobbying the GOP Steering Committee, which will help choose the next chair.

The Hill newspaper reported that Rep. Bill Johnson has already floated his name as a possible replacement for Black.

Johnson, a fourth-term Republican from Ohio, is a co-chairman of the House Natural Gas Caucus and has played a major role in legislation to speed up natural gas exports.

Johnson, in an emailed statement to E&E News, confirmed his interest in taking the gavel, though he stopped short of saying he was in the running.

"The House Budget Committee plays a critical role in the budgeting process, helping to shape America's spending priorities — now more than ever, given the \$20 trillion national debt," he said. "So, this is something I'm looking at very closely."

Johnson is a relatively junior member of the Budget Committee, however. He would have to leapfrog several members, some of whom have been on Capitol Hill for more than a decade, including Republican Reps. Tom Cole of Oklahoma and Mario Diaz-Balart of Florida and Vice Chairman Todd Rokita (R-Ind.).

Cole and Diaz-Balart, however, may be hesitant to give up top spots on Appropriations subcommittees to take the Budget chairmanship.

A Cole spokeswoman told E&E News he would not seek the position, preferring to focus on his role as head of the Labor, Health and Human Services, and Education Appropriations Subcommittee.

And Rokita, who vied against Black for the gavel earlier this year, is rumored to be mulling a Senate run, which would likely eliminate him from contention as well.

Black's gubernatorial run comes at an inconvenient time for the Budget Committee, with Republicans still trying to push President Trump's fiscal 2018 proposals and hoping to strike a deal to raise spending caps.

With a packed schedule after this month's recess, Budget member Rob Woodall (R-Ga.) suggested Black could seek an exemption to the Ryan Rule and stay in the chair.

"Republican conference rules don't allow a member to seek higher office and remain as chairman, but if there was ever a case to be made for a waiver, Diane would be it, and I would support it," Woodall said.

'In Tennessee, we're conservative'

Black, a reliable conservative vote who won her seat during the tea party wave in 2010, announced her candidacy for governor in a video posted yesterday morning.

In the spot, she touts accomplishments as Budget chairwoman and pledges to fight against liberals and "weak-kneed" members of her own party.

"In Tennessee, we're conservative, and we do things the right way, no matter what Hollywood or Washington thinks about it," Black says in the video.

That statement certainly rings true in a state where both senators, seven of nine House members and term-limited Gov. Bill Haslam are all Republicans.

With a number of hard-line conservative stances and a 3 percent lifetime rating from the League of Conservation Voters, Black will be a strong contender for the Tennessee governorship.

She is the most well-known name in a heavily Republican field that includes few candidates with experience on the national political stage.

And while some Democrats have entered the race, their outlook is dim.

Democrat Phil Bredesen held the governor's mansion for eight years before Haslam took his place in 2011, but *The Cook Political Report*, alongside other nonpartisan election analysts, rate the race as "likely R."

Democrats may also struggle to contend for Black's seat in Congress, the second to open up in the state this week, which she won in 2016 with more than 70 percent of the vote.

Sixteen-term Tennessee Republican Rep. John Duncan left an opening in the state's delegation this week when he announced his retirement (*E&E Daily*, Aug. 2).

<http://bit.ly/2wq7scy>

13. Enviro group backs Rep. Rosen in bid to unseat Heller

Nick Sobczyk, E&E News reporter

Published: Thursday, August 3, 2017

A key environmental group yesterday endorsed Rep. Jacky Rosen, one of two prominent Nevada Democrats bidding to unseat Republican Sen. Dean Heller.

The League of Conservation Voters Action Fund is throwing its weight behind Rosen, who the group says has been a reliable voice on clean energy and environmental issues since joining the House this year.

"In Congress and as a community leader, Jacky Rosen has been a strong supporter of investing in clean energy and protecting Nevada's parks and monuments," LCV Action Fund Senior Vice President of Government Affairs Tiernan Sittenfeld said in a statement.

"We are thrilled to back Jacky Rosen against Senator Heller, who has a terrible record of voting to undermine protections for our air and water while supporting every climate change denier in [President] Trump's Cabinet."

The endorsement adds to the list of establishment forces, including former Senate Majority Leader Harry Reid (D-Nev.), backing Rosen in her bid to unseat Heller, who is widely considered to be one of the GOP's most vulnerable incumbents in 2018.

Both Rosen and the other Democrat who could contend for the seat, Rep. Dina Titus, have taken staunch stances against the Yucca Mountain nuclear waste project, which has been a longtime sticking point for Reid and other Silver State lawmakers.

But Titus, skeptical of starting over as a backbencher in the Senate, remains on the sidelines for now and has said she will announce whether she will run after the August recess.

Though Titus has polled exceptionally well against Heller, she may also face other issues if she decides to vie for the seat, aside from potentially having to once again submit to congressional seniority.

Nevada political experts have said Reid, who has long avoided backing Titus' career, would likely attempt to "destroy" her in a Democratic primary against his preferred candidate (*E&E Daily*, July 25).

Heller, meanwhile, could be in for a tough general election contest no matter which Democrat emerges from the primaries.

The nonpartisan *Inside Elections* rates his seat as a "toss-up," while *The Cook Political Report* rates it as "lean R."

Heller, a relative moderate, has also come out with a tough stance against Yucca, but environmental groups say he hasn't done enough to please them on other issues.

With a 13 percent lifetime rating from LCV, Sittenfeld said, "Heller sides with special interest polluters almost every chance he gets."

<http://bit.ly/2u4ViVt>

14. Zinke, Murkowski share beers, tweet selfie

Hannah Northey, E&E News reporter

Published: Thursday, August 3, 2017

In a sharp pivot from last week's health care tumult, Interior Secretary Ryan Zinke and Alaska Republican Sen. Lisa Murkowski this morning appeared together in a selfie posted on Twitter, smiling and drinking beers.

Zinke, who hosted the senator last night at his private residence, is shown holding an Alaskan Brewing Co. IPA, with a cowboy hat hanging on a cabinet in the background.

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

The tweet drew a chuckle from environmental groups and commenters, with Aaron Weiss, a spokesman for the Center for Western Priorities, writing, "Decided you need your nominees confirmed after all?"

The Senate Energy and Natural Resources Committee, which Murkowski chairs, vets Interior Department nominees and is set to hear testimony from Joseph Balash on his nomination to be assistant Interior secretary for land and minerals management on Sept. 7 (*E&E Daily*, Aug. 3).

The panel later today will vote on three Interior nominees: Brenda Burman to lead the Bureau of Reclamation; Susan Combs to be Interior's assistant secretary of policy, management and budget; and Douglas Domenech to be Interior's assistant secretary of insular affairs (*E&E Daily*, July 25). That vote was rescheduled from last week.

The dinner took place after a week of political turmoil on Capitol Hill surrounding a failed attempt at health care reform in which President Trump — and then Zinke — called Murkowski about a critical vote that helped sink the measure (*Greenwire*, July 27).

Murkowski has yet to discuss the details of her call with Zinke but has characterized her discussion with Trump as "hard." Alaska Republican Sen. Dan Sullivan was more candid, telling reporters that Zinke told him Murkowski's vote could threaten energy development on federal land in the Last Frontier State.

Some experts have suggested Zinke's call has already raised the bar for keeping politics out of agency decisions, a situation that could trigger lawsuits and gum up Interior matters.

Escaping the media spotlight earlier this week, Murkowski retreated to Alaska to spend time salmon fishing with family and friends on an island off the state's southeast coast (*E&E Daily*, Aug. 2).

Interior spokeswoman Heather Swift, who has called reporting of Zinke's phone call "sensational," said today's Twitter photo reflects an ongoing and warm relationship between the secretary and Murkowski.

"They talk and meet often in both a professional and friendly capacity," she said in an email.

<http://bit.ly/2u8ADEb>

15. OPM cyberdefenses still need work after breach — watchdog

Blake Sobczak, E&E News reporter

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Two years after a massive data breach, the Office of Personnel Management's computer systems are more vulnerable to hackers than they should be, according to a government watchdog.

OPM officials have "made progress" in shoring up their cyberdefenses, the Government Accountability Office said in a **report** released today, but additional fixes are still needed.

In June 2015, OPM discovered it had lost 21.5 million employee records to hackers. Chinese intelligence agencies are widely thought to have stolen the sensitive files, which included security clearance forms, Social Security numbers and fingerprint data.

In the wake of that breach, the U.S. Computer Emergency Readiness Team made 19 recommendations for boosting OPM's security controls. OPM is responsible for recruiting, managing and conducting background investigations on millions of federal employees.

The agency has completed 11 of those cybersecurity recommendations, according to GAO, but still has work to do on the last eight. For instance, GAO investigators pointed out that OPM "did not encrypt stored data on one selected system and did not encrypt transmitted data on another" — an oversight that makes potentially valuable information much easier for hackers to reach.

"Until OPM completes implementation of government-wide requirements, its systems are at greater risk than they need be," GAO concluded, echoing assessments from several past investigations that have found fault with OPM security practices (*Greenwire*, Sept. 7, 2016).

In a May 11 executive order on cybersecurity, President Trump pledged to hold agency heads accountable for protecting their networks.

OPM is now led by acting Director Kathleen McGettigan. Trump nominated George Nesterchuk to fill her shoes, but Nesterchuk recently withdrew his name from consideration for the post (*Greenwire*, Aug. 2).

OPM did not immediately respond to a request for comment on the GAO report, though the agency concurred with four of the watchdog's five technical recommendations. GAO made nine additional recommendations in a separate report that was not released to the public.

OPM's chief information officer, David DeVries, said in a letter to GAO that the watchdog "does not fully acknowledge OPM's 'defense in depth' strategy and compensating controls," citing "many layers and aspects to OPM's defensive strategy."

<http://bit.ly/2vu8s1K>