

Conversation Contents

Fwd: Afternoon Energy: The target still on EPA's back — BOEM gets Cooking — Court sides with startup in DOE dispute

"Swift, Heather" <heather_swift@ios.doi.gov>

From: "Swift, Heather" <heather_swift@ios.doi.gov>
Sent: Fri May 19 2017 14:53:39 GMT-0600 (MDT)
To: Laura Rigas <laura_rigas@ios.doi.gov>, "Magallanes, Downey" <downey_magallanes@ios.doi.gov>
Subject: Fwd: Afternoon Energy: The target still on EPA's back — BOEM gets Cooking — Court sides with startup in DOE dispute

Afternoon Energy

INTERIOR SAYS ZINKE STILL UNDECIDED ON BEARS EARS: The Interior Department is pushing back on claims that Interior Secretary Ryan Zinke may have told some Utah officials that he plans to recommend that Trump rescind the Bears Ears National Monument in the state. E&E News [reported](#) today that San Juan County Commissioner Phil Lyman said Zinke had told him and other officials that the secretary made up his mind on the issue. An Interior spokesperson said Zinke had not made any such comment. "The Secretary is listening to and talking with advocates on all sides of the issue in Utah. He has not yet reached a decision," the spokesperson said. Zinke has until June 10 to send his suggestions to Trump on what to do with the monument, and the agency is taking public comment on that monument until May 26.

-

Heather Swift
Department of the Interior
@DOIPressSec
Heather_Swift@ios.doi.gov | Interior_Press@ios.doi.gov

----- Forwarded message -----

From: POLITICO Pro Energy <politicoemail@politicopro.com>
Date: Fri, May 19, 2017 at 4:47 PM
Subject: Afternoon Energy: The target still on EPA's back — BOEM gets Cooking — Court sides with startup in DOE dispute
To: heather_swift@ios.doi.gov

By Kelsey Tamborrino | 05/19/2017 04:46 PM EDT

With help from Darius Dixon and Esther Whieldon

LEAKED BUDGET SUGGESTS EPA STILL TARGETED: A leaked draft of President Donald Trump's fiscal 2018 budget proposal suggests EPA is still a significant target within the White House. Alex Guillén and Annie Snider report the budget proposal will include significant spending cuts for programs championed by lawmakers from both parties and would eliminate hundreds of millions of dollars for popular grant programs, according to a [summary](#) document

leaked today. The National Association of Clean Air Agencies, which released the leaked summary, said it "comes directly from an Administration document." The document maintains the 31 percent overall budget cut for EPA laid out in the administration's March "skinny" budget. The agency would get \$5.6 billion, a wrenching drop from this year's annualized funding of more than \$8.2 billion.

Lawmakers on both sides of the aisle decried the skinny budget's cut to popular programs and state grants, and appropriators have said Congress isn't likely to approve slashing EPA's budget as severely as the Trump administration is asking. The budget proposal shows EPA Administrator Scott Pruitt's emphasis on water infrastructure, tagging an additional \$4.3 million for the Drinking Water and Clean Water State Revolving Funds, and keeps funding for the Water Infrastructure Finance and Innovation Act level at \$20 million. But the budget would slash water spending elsewhere, including for research and water quality work. Read the breakdown [here](#).

EPA declined to comment on the veracity of the document. But spokeswoman Liz Bowman said the administration's budget request "prioritizes federal funding for work in infrastructure, air and water quality, and ensuring the safety of chemicals in the marketplace" and "aims to reduce redundancies and inefficiencies."

Welcome to Afternoon Energy and happy Friday! I'm your host Kelsey Tamborrino. Send your thoughts, news and tips to ktamborrino@politico.com, mdaily@politico.com and njuliano@politico.com, and keep up with us on Twitter at [@kelseytam](https://twitter.com/kelseytam), [@dailym1](https://twitter.com/dailym1), [@nickjuliano](https://twitter.com/nickjuliano), [@Morning_Energy](https://twitter.com/Morning_Energy) and [@POLITICOPro](https://twitter.com/POLITICOPro).

BOEM GETS COOK-ING: BOEM has offered up offshore drilling leases in the northern part of Alaska's Cook Inlet, paving the way for new oil and gas development in the area. BOEM's [announcement](#) follows Trump's promise to open more offshore areas for energy development. "The lease sale will indicate how much interest oil and gas companies have in drilling in the waters along Alaska's southern coast while much of the industry is focused on onshore fields where fracking has driven down production costs," Ben Lefebvre [reports](#). Companies will have until June 19 to bid on the Cook Inlet leases, which will run for 10 years, and BOEM will release the results two days later.

PERRY: LEAKERS SHOULD LEAVE GOVERNMENT: Energy Secretary Rick Perry was on Fox News today, where he said government officials who leak damaging information to the press should leave their jobs. "I'll be pretty blunt about it," he said. "Those that want to govern through leaking, go to work somewhere else." The secretary went on to say the most effective way to stop leaks is to put the right people in the government, the Washington Examiner [reports](#). "No. 1, have a cadre of people around you that are loyal, that believe in your philosophy, want to go where you want to go," Perry said.

COURT SIDES WITH COMPANY IN DOE LOAN SUIT: The D.C. Circuit Court of Appeals today sided with an automotive startup in a decision that keeps alive a long-running legal dispute over the Energy Department's loan guarantee program. Darius Dixon reports the court ["reversed"](#) a lower court's approval of a DOE proposal to consider a new loan guarantee application from the company, effectively ending the case. Now, the D.C. District Court will have to decide a new path forward for the dispute." Read [more](#).

INTERIOR SAYS ZINKE STILL UNDECIDED ON BEARS EARS: The Interior Department is pushing back on claims that Interior Secretary Ryan Zinke may have told some Utah officials that he plans to recommend that Trump rescind the Bears Ears National Monument in the state. E&E News [reported](#) today that San Juan County Commissioner Phil Lyman said Zinke had told him and other officials that the secretary made up his mind on the issue. An Interior spokesperson said Zinke had not made any such comment. "The Secretary is listening to and talking with advocates on all sides of the issue in Utah. He has not yet reached a decision," the spokesperson said. Zinke has until June 10 to send his suggestions to Trump on what to do with

the monument, and the agency is taking public comment on that monument until May 26.

HOUSE SCIENCE DEM CAUTIOUSLY EYES ARPA-E THAW: Rep. [Eddie Bernice Johnson](#) (D-Texas), the top Democrat on the House Science Committee, is happy that the Energy Department started finalizing ARPA-E contracts that were in limbo at the beginning of the Trump administration. But she's still plenty concerned about the grants still up in the air. "While this is a step in the right direction, I still have serious concerns given that at least twenty additional competitively selected awardees are still awaiting notice that contract negotiations with ARPA-E can resume," Johnson said in a statement. "I will continue to raise questions until ARPA-E's FY2016 appropriations are fully distributed in accordance with the law and its mission." Last week, Johnson asked the [GAO to probe](#) the funding freeze.

CALIFORNIA REGULATORS MULL RETAIL CHOICE OPTIONS : The California Energy Commission and California Public Utilities Commission are holding a daylong joint conference today examining the changing status of retail choice in the state and potential changes that may be needed to the utility business model as more distributed generation and storage is brought online. In his opening statement at the event, CPUC Chairman Michael Picker said the agencies, along with the state's grid operator, must also decide "how regulatory models themselves must change to accommodate this transition from a few very, very long utility decision makers to millions of distributed market participants."

GAME OF THRONES: Senior House Republicans want Rep. [Jason Chaffetz](#) to give up his Oversight chairmanship well before he resigns from Congress, POLITICO's Rachael Bade reports. The Utah Republican is being quietly encouraged by several senior GOP lawmakers to step down from his role soon, even though he doesn't plan to resign from Congress until June 30. GOP insiders, however, "say Chaffetz has been reluctant to let go of his panel's leadership before he leaves Congress — and now he's thrown himself into the thick of the Russia scandal that's consuming Washington. It's made for an uncertain transition at the committee and a sore subject for House Republicans." Read [more](#).

RIG COUNT SURGES: The Baker Hughes oil and gas [rig count](#) "climbed by 16 in the past week, marking the 18th consecutive weekly increase," FuelFix [reports](#). The count has reached 901, up from a record low of 404 last May. The oil rig count is up by eight, bringing its total to 720 this week, while the gas rig count is also up by eight, to 180. Miscellaneous rigs stayed at one.

MOVERS, SHAKERS: Alex Dominguez is moving to EPA to serve as the policy analyst to the senior adviser to the administrator for air and radiation starting Monday. Today is his last day as energy and trade LA for Rep. [Jim Renacci](#) (R-Ohio). (h/t [Playbook](#))

QUICK HITS:

— Exxon Mobil to invest \$300 million for a share of Mexico's gasoline market, [Dallas Morning News](#).

— Sources: OPEC panel looking at deepening, extending oil cuts, [Reuters](#).

— Fight over fossil fuel influence in climate talks ends with murky compromise, [InsideClimate News](#).

— U.S. regulators approve VW diesel fix for 84,000 vehicles, [Reuters](#).

WIDE WORLD OF POLITICS:

— Why [California Republicans](#) aren't as vulnerable as they look

— Trump shows wear from [a brutal week](#)

— [5 things to watch](#) on Trump's foreign trip

To view online:

<https://www.politicopro.com/tipsheets/afternoon-energy/2017/05/the-target-still-on-epas-back-022930>

Stories from POLITICO Pro

Leaked budget document shows EPA still targeted for sharp cuts [Back](#)

By Alex Guillén and Annie Snider | 05/19/2017 02:56 PM EDT

EPA's 2018 budget proposal will include significant spending cuts for programs championed by lawmakers from both parties and would eliminate hundreds of millions of dollars for popular grant programs, according to a summary document leaked today.

The [summary](#) — released by the National Association of Clean Air Agencies, which said it "comes directly from an Administration document" — maintains the 31 percent overall budget cut for EPA laid out in the administration's March "skinny" budget. The agency would get \$5.6 billion, a wrenching drop from this year's annualized funding of more than \$8.2 billion.

Lawmakers from both parties decried the skinny budget's cut to popular programs and state grants, and appropriators have said Congress isn't likely to approve slashing EPA's budget as severely as the Trump administration is asking.

The budget proposal shows EPA Administrator Scott Pruitt's emphasis on water infrastructure, tagging an additional \$4.3 million for the Drinking Water and Clean Water State Revolving Funds, an increase of less than 1 percent, and keeps funding for the Water Infrastructure Finance and Innovation Act level at \$20 million.

But the budget would slash water spending elsewhere, including for research and water quality work. And it would zero out funding for popular watershed programs like the Chesapeake Bay and Great Lakes, which Congress explicitly protected from the Trump administration's proposed cuts when it passed its funding measure for the remainder of 2017.

While EPA would not verify the numbers in the document, a spokeswoman reiterated the administration's priorities.

"The budget prioritizes federal funding for work in infrastructure, air and water quality, and ensuring the safety of chemicals in the marketplace," EPA spokesman Liz Bowman said via email. "The budget aims to reduce redundancies and inefficiencies and focus on our core statutory mission."

Despite the boosts to the State Revolving Fund budgets, overall state and tribal assistance grants would be cut by \$96 million from the 2017 level of \$2.4 billion, not including one-time funding of \$100 million for Flint, Mich., according to the summary from NACA. The proposal maintains plans to eliminate funding for grant programs covering Alaska Native villages, the Mexican border and targeted airshed grants. Additional cuts would be made to the popular Brownfields and Diesel Emissions Reduction programs.

Categorical grants, which pay for state environmental programs, would drop by \$481 million from the current \$1.08 billion budget. Several grant categories are completely zeroed out, including radon, lead, pollution prevention, beach protection and nonpoint source pollution.

The proposed cuts to grants and the rest of the budget would "devastate state and local governmental air pollution control agencies," NACAA Executive Director Bill Becker said in a statement. "While the Trump Administration has been touting its commitment to 'cooperative federalism,' these proposed cuts belie that assertion."

The budget also continues to go after programs Pruitt has championed as the "basic" work of EPA. The Superfund cleanup program, for example, would get a \$194 million cut, down to \$516 million. That's a major reduction from this year's budget of \$710 million, which was below the \$780 million in fiscal 2016.

Two Superfund enforcement programs are also on the chopping block: one program enforcing Superfund at federal sites would be zeroed out, while a broader enforcement program would lose \$56 million of its \$150 million 2017 budget.

EPA's Brownfields cleanup program would be cut \$9.4 million, down to \$16 million, while two Brownfields grants programs are also in line for significant cuts.

In EPA's primary compliance budget, criminal enforcement would lose \$3 million, dropping to \$4.1 million, while the small environmental justice spending would be eliminated.

One of the few areas to get a budget boost is the agency's chemical risk review program, which would get an extra \$6.6 million, up to \$65 million. However, the proposal more than offsets that increase by zeroing out a lead risk reduction program and a pollution prevention program.

To view online [click here](#).

[Back](#)

BOEM puts Alaska's Cook Inlet waters up for drilling leases [Back](#)

By Ben Lefebvre | 05/19/2017 12:25 PM EDT

BOEM is offering offshore drilling leases in the northern part of Alaska's Cook Inlet, opening the door for new oil and gas development in the area.

BOEM's [announcement](#) in the Federal Register follows President Donald Trump's promise to open more offshore areas for energy development, raising concerns among greens about the possibility of an oil spill in environmentally sensitive areas. The lease sale will indicate how much interest oil and gas companies have in drilling in the waters along Alaska's southern coast while much of the industry is focused on onshore fields where fracking has driven down production costs.

BOEM estimated the new lease areas in Cook Inlet held a potential 215 million barrels of oil and 571 billion cubic feet of natural gas. Companies that seek to drill in the area, which BOEM said does not contain any active leases, would have to take measures to mitigate risks for aquatic wildlife, including beluga whale habitats.

WHAT'S NEXT: Companies have until June 19 to bid on the Cook Inlet leases, which will run for 10 years, and BOEM will release the results two days later.

To view online [click here](#).

[Back](#)

D.C. Circuit sides with company in dispute over DOE auto loan [Back](#)

By Darius Dixon | 05/19/2017 01:02 PM EDT

A federal appeals court today sided with an automotive startup in a decision that keeps alive a long-running legal dispute over the Energy Department's loan guarantee program.

The D.C. Circuit Court of Appeals [reversed](#) a lower court's approval of a DOE proposal to consider a new loan guarantee application from the company, effectively ending the case. Now, the D.C. District Court will have to decide a new path forward for the dispute.

The case started with allegations from the now-defunct firm XP Vehicles and partner Limnia Inc. that DOE inappropriately rejected their loan application in 2009. The companies sought backing from both the Advanced Technology Vehicles Manufacturing loan program and a parallel 1703 loan guarantee, but DOE rejected both applications.

Limnia and XP alleged the application was rejected because of "political cronyism that taints DOE's decision-making," a charge the agency has consistently denied. The companies want a court to decide whether the Obama administration violated the Administrative Procedure Act in turning it down.

A D.C. Circuit panel today said the lower court acted in error when it [granted](#) DOE a "voluntary remand" to consider a new application, because the department said it would not take another look at the company's original submission.

A "voluntary remand is typically appropriate only when the agency intends to revisit the challenged agency decision on review. That prerequisite was not met in this case," Circuit Judge Brett Kavanaugh [wrote for a three-judge panel](#).

WHAT'S NEXT: The case returns to the D.C. district court to sort out Limnia's procedural claims against DOE.

To view online [click here](#).

[Back](#)

House Democrat asks GAO to probe DOE's ARPA-E funding [Back](#)

By Darius Dixon | 05/08/2017 05:44 PM EDT

The top Democrat on the House Science Committee today asked the GAO to probe whether the Energy Department is illegally withholding funding for projects under the agency's ARPA-E program.

"I have serious concerns that the actions which have been reported to me at ARPA-E may constitute violations of the Impoundment Control Act," Rep. [Eddie Bernice Johnson](#) said in a [letter](#) to GAO Director Gene Dodaro. "I would ask that you look into these allegations with all due haste, and take any actions you feel are necessary to ensure Executive compliance with Congressional direction."

Sources told POLITICO [last month](#) that the agency was withholding money on grants already approved under ARPA-E, which selects technology projects and awards funding as those ventures meet development milestones. But those sources said even projects that received initial ARPA-E backing were having their money withheld regardless of whether they met their milestones because of a "procurement hold" or "no contract action."

Johnson said more than \$100 million in fiscal 2017 funds have been appropriated to ARPA-E. The spending bill that averted a government shutdown last week also included a budget increase for ARPA-E through the remainder of 2017.

"[T]he courts have declared that agencies may not attempt to thwart the intent of Congress by withholding or impounding funds intended for a specific purpose. If the Department of Energy has subjected ARPA-E to a 'no contract action' which has this effect, the Department could be in

violation of the law," Johnson wrote.

To view online [click here](#).

[Back](#)

Republicans shove Chaffetz on his way out [Back](#)

By Rachael Bade | 05/19/2017 05:08 AM EDT

A handful of top Republicans have a message for outgoing Rep. Jason Chaffetz: It's time to relinquish the House Oversight Committee gavel.

Several senior GOP lawmakers are quietly encouraging Chaffetz to step down from his chairmanship soon, even though the Utah Republican doesn't plan to resign from Congress until June 30. While his retirement announcement Thursday said nothing about his future work, Chaffetz has told lawmakers he'll be heading to Fox News.

But GOP insiders say Chaffetz has been reluctant to let go of his panel's leadership before he leaves Congress — and now he's thrown himself into the thick of the Russia scandal that's consuming Washington. It's made for an uncertain transition at the committee and a sore subject for House Republicans.

"If the chairman is on his way out ... he should step down and allow the Steering Committee to move immediately to appoint a new chairman," said Rep. Steve Womack (R-Ark.), who sits on the Steering panel, which selects committee chairmen. "Sooner, not later."

Critics are grumbling that even as Chaffetz was planning his retirement, he summoned newly fired FBI Director James Comey to testify before his panel next week. Chaffetz said he wants to question Comey about allegations that President Donald Trump tried to pressure him to drop an investigation of former national security adviser Michael Flynn.

The explosive hearing announcement — and Chaffetz's threat to subpoena related FBI documents should they refuse to hand them over — has annoyed a number of GOP lawmakers. They worry that a major chairmanship transition in the middle of a high-profile probe of the president's actions could create confusion at the committee.

These sources believe it would make more sense if a new chairman took the lead before the committee's Comey probe takes off.

"Chaffetz is job-hunting when he should be doing the people's business," said one Republican who asked not to be named.

Chaffetz, reached by phone Thursday night, said he was "trying to do the right thing" by notifying colleagues of his departure weeks before he steps down. He said he still has a number of ongoing investigations and doesn't plan to drop them just yet.

The transition to a new chairman, Chaffetz continued, "doesn't have to be immediate but also doesn't have to be on my last day either." He said he wants to work with leaders and committee members to ensure a smooth hand-off.

The House Steering Committee announced Thursday that it will meet the week of June 5 to consider his replacement.

Rep. Trey Gowdy, who previously ran the House Select Committee on Benghazi, is [expected to take the reins](#) of the Oversight Committee and is already making his case to Steering panel

members. GOP insiders say the South Carolina Republican has the position locked up.

Behind the scenes, there is some concern that Chaffetz is hanging on to Oversight for the wrong reasons. The telegenic 50-year-old would garner major publicity for chairing a high-profile interrogation of Comey, whose story is one of the most sought after inside the Beltway.

At least one Republican mused to POLITICO that Chaffetz's continued chairmanship could create a conflict given his possible future endeavors in television. Asked about a potential conflict with Chaffetz during a press conference Thursday, Speaker Paul Ryan demurred, saying he had not yet heard the news that Chaffetz planned to leave June 30 for Fox.

Most Republicans, however, are just concerned about the transition.

"If he's a lame duck for another five weeks ... why would you start such a big event, with the Comey hearing, and then switch horses in the middle of the stream?" asked one senior House Republican aide.

Chaffetz said he's still unsure whether Comey will testify next week. He has yet to hear back from the former FBI director.

Not everyone is anxious about the looming transition. Freedom Caucus Chairman Mark Meadows (R-N.C.) doesn't believe there is any rush to move Chaffetz out of the post. Republican Study Committee Chairman Mark Walker (R-N.C.) also said that while "normally I would be" worried about a transition in the middle of such an investigation, "there's one reason I'm not.

"That is because that transition would probably go to Trey Gowdy," he said, before praising the former federal prosecutor at length.

A fifth-term lawmaker, Chaffetz is no stranger to high-profile interrogations. He was one of the all-star questioners of former IRS chief Lois Lerner, whom Republicans blamed for the agency mistreating conservatives groups. Chaffetz was also a key investigator on the Benghazi probe and during the "Fast and Furious" gun-walking investigation.

On Capitol Hill, he's known for his ambition to climb the ranks. After Speaker John Boehner resigned, he challenged Majority Leader Kevin McCarthy (R-Calif.) for the top job, before Ryan was ultimately drafted.

Many believed Chaffetz would run for leadership again someday. That's why his retirement caught much of Washington off guard. Insiders, however, believe he could run for Utah governor in the future. And should that be his ultimate goal, his position as Oversight chairman is not necessarily conducive to helping him attain it.

While it's easier to grill an administration run by the opposite party, Chaffetz in recent months has had to become Trump's watchdog in Congress. That means he has found himself in the middle of Democratic calls to investigate Trump's finances and ties to Moscow.

And back home, Chaffetz has been slammed by left-leaning constituents who want him to do more to uncover Trump's tax returns. Should he act on that, Chaffetz risks alienating the GOP base. If he doesn't act forcefully, however, he could be accused of giving the president a pass.

Kyle Cheney contributed to this report.

To view online [click here](#).

[Back](#)

Why California Republicans aren't as vulnerable as they look [Back](#)

By David Siders | 05/19/2017 05:26 AM EDT

RIVERBANK, Calif. — No state is more critical to the battle for the House in 2018 than California, and Democrats here rushed last week to tear into vulnerable Republicans over their support for the health care repeal and replace bill.

Yet in a sign of how difficult it will be for Democrats to win back a House majority — even when armed with high-caliber ammunition — doubts about the lasting political potency of the Affordable Health Care Act already are emerging.

Within days of the bill's passage, focus in Washington spun to the ouster of FBI Director James Comey - and then to Trump's disclosure of allegedly classified information to Russian officials and the appointment of a special prosecutor — while Senate amendments to the health care bill appeared likely to recast the debate long before voters turn their attention to the 2018 campaign.

And the seven congressional districts targeted by the Democratic Congressional Campaign Committee hardly qualify as low-hanging fruit. While Hillary Clinton won all of them, voters in these California districts have remained largely conservative in their overall voting behavior, according to an analysis prepared exclusively for POLITICO by Darry Sragow and Rob Pyers of the California Target Book, which handicaps races in the state.

"You have to remember something," said Mike Madrid, a Republican consultant in California. "The Democrats were absolutely convinced that running against Trump down-ticket was going to create the biggest Democratic blue wave of all time, and it did not work at all ... What we're really seeing in America right now is incredibly intense, wired up Democratic base that's lighting its hair on fire and driving the media narrative, but it's not driving polling data, and you're not seeing it in increased turnout in elections."

In the week after the House vote, liberal activists confronted Republican lawmakers in Orange County and the Central Valley during the House recess. Democrats aired radio ads in Southern California targeting Republican lawmakers who supported the health care bill, while Democrat Harley Rouda made headlines with an online ad attacking Rep. Dana Rohrabacher.

But even in a state that embraced Obamacare more fully than any other, reason for skepticism hangs heavy. Despite the Democratic Party's statewide dominance and Hillary Clinton's lopsided victory over Trump in California, Democrats made no House gains here in 2016.

"Democrats are guilty of excessive optimism if they think they're going to wipe the floor in next year's elections with the California House Republicans who voted to repeal and replace Obamacare," Willie Brown, the former San Francisco mayor and Democratic state Assembly speaker, wrote in the San Francisco Chronicle.

While predicting Republicans "will catch grief in their districts over the next few days," Brown wrote soon after the vote, Senate amendments will likely render the House vote "a very distant memory" in 2018.

For Democrats, California gains are essential to any hopes of capturing the House. Of the 59 Republican-held districts House Democrats plan to target in 2018, seven are in California.

Returning home to the Central Valley to face a battering at a community meeting in this small city last week, Rep. Jeff Denham cast the health care bill as a work in progress and drew jeers when he said it was the product of a "bipartisan" process, despite the fact no Democrats supported it. On the sidelines, activists plotted their next meetings and promised to make health care a salient issue in 2018.

But Denham and his Republican peers may not be as vulnerable as the presidential numbers suggest. In five of the seven districts, voters opposed a school construction bond measure that passed statewide, and voters in every district went against a bid to repeal the death penalty. A prescription drug pricing initiative that Vermont Sen. Bernie Sanders championed last year failed by a wide margin in each of the districts, according to the California Target Book analysis.

One California Republican, Rep. Darrell Issa, was nearly toppled in 2016, and Denham won by less than 5 percentage points. But GOP Rep. Steve Knight carried his district by a more comfortable margin and four other targeted Republicans won by more than 10 percentage points, performances that signaled they were capable of running well ahead of the national ticket.

Of the Republican lawmakers' votes on health care, Sragow said, "Presumably they know their own districts."

For many Democrats who recall their own party's losses amid health care controversies in the 1990s and again in 2010, the prospect of Republicans escaping unscathed next year remains implausible. These Democrats are buoyed, too, by Trump's unpopularity and the historic success in midterm elections of the party not occupying the White House.

"Can you look back over history and deny that health care is a very explosive and toxic issue?" asked Garry South, a Democratic consultant in California. "Because it certainly was in 1994 and it certainly was in 2010."

South described vulnerable California Republicans voting for the health care bill as "one of the most stark examples I've ever seen of politicians walking the plank," adding, "Any Republican in California who is not concerned about 2018, you know, has their head up where the sun doesn't shine."

Within minutes of the health care measure's passage, Democratic challengers went on the offensive. Katie Porter, who is challenging Orange County-based Rep. Mimi Walters, sent a fundraising appeal with a photograph of Walters and Trump standing together after the vote, calling it a "picture worth a thousand words."

Josh Harder, who is challenging Denham, recounted the large proportion of district residents on Medicaid, saying "every single person in my district knows someone who's going to get hurt." And Eddie Kurtz, president and executive director of the liberal advocacy group Courage Campaign, said it is "my job to make sure [the health care vote] isn't a flash in the pan, that it is hung around these folks' necks every way possible."

"If it doesn't have consequences for all of them," Kurtz said, "our side has just proven to be completely inept."

Still, Kurtz said he cautioned his staff, many of them young progressives not steeped in the history of California GOP districts, that "it's not like these [Republican] folks have gone unchallenged." Many Republicans gained their seats promising to repeal Obamacare, which remains unpopular in many conservative districts.

Dave Gilliard, a strategist for four of California's seven targeted Republicans — Denham, Walters, Issa and Rep. Ed Royce — said "all four of them had campaigns for re-election saying they were going to repeal Obamacare in favor of something better ... They all came to the conclusion that this was better than Obamacare, and that was what they campaigned for re-election on."

Gilliard called concerns about damage to Republicans from the health care vote "overblown," saying political fallout would have been worse had Republicans withheld their votes.

"When you take over both houses of Congress and the White House, Republican voters expect

some action, they expect movement on their issues," he said.

Republican and Democratic strategists alike expect the long-term effect of the House vote to be softened by anticipated amendments to the bill in the Senate. The Congressional Budget Office estimated an earlier version of the bill could have resulted in 24 million more people going without insurance within a decade; Republicans contest criticism that the bill would undermine health care access for people with preexisting conditions.

In California, which dramatically expanded its Medicaid rolls under Obamacare, the effect could be especially severe. According to the Legislative Analyst's Office, 4.6 million Californians had obtained Affordable Care Act-funded coverage as of fall 2016, with large populations of enrollees in California's conservative, inland reaches.

In Riverbank last week, Denham suggested House Republicans from California had considered the potential fallout in their home state, discussing with one another the likelihood that California would not opt out of requiring health insurance companies to cover people with pre-existing conditions.

"Do you think California's ever going to opt out?" Denham asked an activist questioning him on Tuesday. "Do you have concerns that [Democratic Gov.] Jerry Brown would try to opt out? ... I look at every vote from a state perspective and a Valley perspective."

Following the health care vote, Cook Political Report downgraded Republicans' prospects in 20 districts -- including four in California. Gilliard acknowledged Democrats "are doing a very good job of recruiting candidates based on all this energy on their side," while left-leaning groups have reported raising millions of dollars in the days following the vote.

The organizational and fundraising lift that the health care vote has given Democrats could have a lasting effect in 2018, but Paul Mitchell of Political Data Inc., the voter data firm used by both Republicans and Democrats in California, said "it's kind of a fool's errand to say what's going to be the topic du jour in 16 months."

Despite majority support for Obamacare in California, health care as an issue ranked below jobs and the economy, education and immigration, according to a January poll by the Public Policy Institute of California.

Before Senate amendments are taken up and the bill is signed into law, said longtime California pollster Mark DiCamillo, director of the Berkeley IGS Poll, "it's way too early" to assess the electoral impact.

Unlike the economy, he said, "Issues like health care kind of go up and down with the news cycles. It depends on what happens next."

To view online [click here](#).

[Back](#)

Trump shows wear from a brutal week [Back](#)

By Matthew Nussbaum | 05/18/2017 05:14 PM EDT

President Donald Trump is tired of not winning.

He wants to talk about jobs, or trade, or combating illegal immigration, or his victory in the 2016 election. But reality continues to intervene.

Trump appeared at a news conference for the first time since April 12 on Thursday amid the most tumultuous stretch of his young presidency. His firing of the FBI director almost two weeks ago and the appointment of a special counsel to investigate possible collusion between Russia and his campaign book-ended a torrent of bad news for the president, including allegations that he had leaked classified information to Russian officials and new bombshells about his former national security adviser.

He is wounded, offended and convinced that certain forces are working to bring down his presidency. The problem, he has said again and again, is not him or his own actions. It is how he is being treated and received — by the media, by the FBI, by Democrats, by his own staff.

"The entire thing has been a witch hunt, and there was no collusion," Trump said Thursday when asked about the appointment of the special prosecutor.

"Believe me," he added later, "there's no collusion."

And when pressed on whether, as reported, he had asked Comey to drop the investigation into former National Security Adviser Michael Flynn, he responded forcefully: "No. No. Next question."

But as he stood beside the president of Colombia in the East Room and tried to pivot to discussing jobs and trade and crime, the strain of the week was apparent on the president. He was more reserved than usual and gave short, if still winding, answers to questions. At one point, he called on a New York Times reporter who was not at the news conference, and his staff handed the microphone to a local Washington television reporter.

Seated before the president were top advisers including chief of staff Reince Priebus and Trump's son-in-law and top adviser Jared Kushner. He has grown irritated with both in recent weeks according to reports. Off to the side stood embattled press secretary Sean Spicer, whose days behind the podium appear to be numbered.

The closest Trump came to admitting mistake was stating he misread how his firing of former FBI Director James Comey would be received — though it also served as an accusation of hypocrisy.

"Director Comey was very unpopular with most people," Trump said. "I thought that it would be a bipartisan decision."

The decision was anything but, and paved the way for the special prosecutor, arguably the most serious threat to Trump's agenda in an administration that has suffered a series of missteps.

Trump greeted the special counsel appointment with equanimity Wednesday night, according to White House officials. He released a measured statement, saying he would be exonerated.

But by Thursday morning, that calm acceptance had vanished.

"This is the single greatest witch hunt of a politician in American history!" Trump tweeted.

"With all of the illegal acts that took place in the Clinton campaign & Obama Administration, there was never a special counsel appointed!" he added minutes later.

In the afternoon, he told television network anchors at a lunch that the appointment of a special counsel "hurts our country terribly." The investigation merely represents "a pure excuse for the Democrats having lost an election that they should have easily won," he said.

He also criticized the media for not covering his successes at the lunch.

Though he was relaxed, attendees said he went through his usual pronouncements, making

clear he doesn't think the media covers all the good work the White House is doing. "I don't watch you guys as much anymore because if I did, it would be all hell. You couldn't tell that I went to a good school, studied, that I succeeded in my companies," he griped.

In public, Trump is doing nothing to hide his hurt at the way he feels he is being mistreated.

"Look at the way I've been treated lately, especially by the media," Trump told Coast Guard Academy graduates on Wednesday. "No politician in history — and I say this with great surety — has been treated worse or more unfairly."

"Nothing is easier or more pathetic than being a critic, because they're people that can't get the job done," Trump told graduates at Liberty University this past Saturday. "But the future belongs to the dreamers, not to the critics."

It was clear in which category he considers himself.

Hadas Gold contributed to this report.

To view online [click here](#).

[Back](#)

5 things to watch on Trump's foreign trip [Back](#)

By Michael Crowley | 05/19/2017 05:13 AM EDT

President Donald Trump departs Friday for his first foreign trip, a nine-day voyage that will take him across the Middle East and Western Europe. Although the trip will be shadowed by Trump's growing problems at home, it could shape his foreign policy in important and lasting ways.

Trump will encounter a slew of thorny foreign policy issues on his trip, which features stops in Saudi Arabia, Israel, a G7 meeting in Sicily, a NATO summit in Brussels and a visit to the Vatican.

Here are five things to watch:

1. Will he say "radical Islamic terrorism"?

During his first stop in Saudi Arabia, Trump will give a speech focused on Islam and terrorism. He might come in with rhetorical guns blazing. Trump once said that Saudi Arabia "blew up the World Trade Center" and has accused it and other Gulf Arab states of supporting terrorism. He said in March 2016 that "Islam hates us."

But fans of Trump's tough talk may be disappointed. His Saudi hosts, and the Muslim leaders who will gather in Riyadh for a summit while Trump is there, would be infuriated by such rhetoric from their guest. They will be expecting a more temperate message in the vein of Trump's predecessors, George W. Bush and Barack Obama, who argued that Islam is a religion of peace and that the United States is not at war with the world's Muslims. In a briefing last week, national security adviser H.R. McMaster said Trump's speech would be "respectful."

One thing to watch is whether Trump's address uses the phrase "radical Islamic terrorism." McMaster has urged Trump to avoid using that phrase, which Trump often repeated as a candidate but which Obama and Bush both avoided because it offends many Muslims. Trump has used the construction publicly at least twice since McMaster took the job in February—though McMaster hinted at a possible compromise during a briefing at the White House last week, when he said Trump would speak about "radical Islamist ideology," which he said "uses a

perverted interpretation of Islam to justify crimes against all humanity."

2. Will he play Middle East peacemaker?

Trump's second stop will be in Israel. The visit itself will draw an implicit contrast with Obama, who had testy relations with Israeli Prime Minister Benjamin Netanyahu and who did not stop in Israel during his first visit to the Middle East in 2009. [Despite the controversy](#) over whether Trump shared classified intelligence provided by Israel with Russian officials in the Oval Office last week, a bigger focus of his visit will be the Israeli-Palestinian conflict. Trump insists he wants to broker a historic agreement between the two sides, despite decades of failed efforts to reach one—and despite wariness among Israeli officials that Trump might want a deal more than they do.

Close observers of the region will be watching not only Trump's interactions with Netanyahu but also with the Palestinian leader, Mahmoud Abbas. Trump has a meeting with Abbas planned, but a key question is whether he will convene Abbas and Netanyahu in an effort to jump-start peace talks that have been dormant for three years. "Will there be a three-way Trump-Bibi-Abbas meeting—and if so will there be any announced understandings from it?" asked Dennis Ross, a former Middle East policy adviser to several presidents.

3. Does he *really* support NATO?

Trump spent much of the 2016 campaign criticizing NATO. Many European leaders were relieved to hear Trump say in an April press conference with Italy's prime minister that the 28-member military alliance is "no longer obsolete." But Trump said that in response to what he says is NATO's new attention to terrorism, which in fact remains a secondary mission for the alliance.

What Trump has still not done as president is affirm NATO's role as a guarantor of European security—particularly against Russia, the country NATO was formed to defend against. Trump has also not committed to observe the part of the treaty that commits every member to defend one another against aggression. During the campaign, Trump suggested that the United States might not come to the defense of a NATO member that had not met its budgetary commitments to the organization. (Most NATO members spend less on defense than they have pledged.)

"To me the big question is if he endorses the original mission, which he hasn't done," said Thomas Wright, director of the Center on the United States and Europe at the Brookings Institution.

4. Can he stick to a script?

Longtime Trump watchers are keen to see how he'll handle the many opportunities to stray from the script prepared for him by McMaster and other national security professionals. A shoot-from-the-hip president on a long and tiring first trip out of the country is a recipe for multiple missteps, gaffes and comments that could send confusing messages about U.S. policy. Distracted by a barrage of controversies at home, including Wednesday's appointment of a special prosecutor to probe Russia's involvement in the 2016 election, Trump has had little time to focus on the briefing materials his staff has prepared for him. Events like G7 and NATO meetings are typically choreographed affairs in which everyone knows what everyone else will say in advance, but no one is sure just what to expect from Trump.

"This is not a president who tends to follow the script," said Charles Kupchan, a Georgetown University professor who served as the Obama National Security Council's top aide for Europe. Anytime Trump meets with a foreign leader, "you don't know what you're going to get," Kupchan said.

That's even more likely in multilateral meetings like the ones Trump will attend next week, "when everyone's just kind of speaking extemporaneously," Kupchan said.

5. Can he change the subject?

Presidents have long savored the opportunity to skip town at times of domestic trouble and drag a captive White House press corps through foreign meetings where the commander in chief is treated like a potentate. Regardless of a president's approval ratings at home, foreign officials always welcome an American leader with camera-friendly pomp and circumstance.

But presidents often find that a change of scenery isn't enough. "You can't really change the subject," said one former senior Obama White House official who recalled long trips abroad in which White House reporters cared less about Obama's interactions with foreign leaders than about controversies brewing back in Washington. Obama and his aides spent much of a November 2012 trip to Asia, for instance, fielding questions about a looming fiscal crisis in Washington that overshadowed his diplomatic message. On another Asia trip in the fall of 2015, Obama parried tough questions about GOP criticism of his policy toward the Islamic State and Muslim refugees. (It is unclear how often Trump will field questions from the reporters traveling with him—or whether he will at all.)

The good news for Trump is that the particulars of his first foreign trip will attract more play-by-play attention than most presidential jaunts. The bad news is that the easiest way to change the subject from his headaches at home is to commit a gaffe that adds to his mounting woes.

To view online [click here](#).

[Back](#)

Was this Pro content helpful? Tell us what you think in one click.

				
Yes, very	Somewhat	Neutral	Not really	Not at all

You received this POLITICO Pro content because your customized settings include: **Afternoon Energy**. To change your alert settings, please go to <https://www.politicopro.com/settings>

POLITICO PRO

This email was sent to heather_swift@ios.doi.gov by: POLITICO, LLC 1000 Wilson Blvd. Arlington, VA, 22209, USA
