

**From:** POLITICO Pro Energy  
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**Subject:** Afternoon Energy, presented by Trout Unlimited: Bonn climate negotiators waiting for U.S. decision — EPA court move signals action on California waiver — Fake news finger pointing from fracking group  
**Date:** Monday, May 08, 2017 2:44:12 PM

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By Eric Wolff | 05/08/2017 03:39 PM EDT

*With help from Esther Whieldon, Darius Dixon and Ben Lefebvre*

**BONN CLIMATE NEGOTIATORS WAITING FOR U.S. DECISION:** Climate negotiators convening in Bonn, Germany, had planned to talk about the devilish details of implementing the Paris agreement, but instead they're trying to think ahead to life without the U.S. in the international pact. As POLITICO Europe's Kalina Oroschakoff and Sara Stefanini [report](#), negotiators are already discussing the absence of U.S. leadership in addressing climate change. Even if President Donald Trump keeps the U.S. in the deal, it will only be with reduced commitments. "It's clear that [the U.S.] won't abide by the commitment," a senior climate negotiator from Africa told POLITICO in Bonn. "They are de facto out of the Paris agreement. Now it's a matter of making it de jure."

**Fiji defiant:** The ambassador from the island nation of Fiji, which is chairing the conference, sounded a defiant note [earlier today](#). "Our number one priority is to build a grand coalition ... to defend and uphold the Paris agreement," Ambassador Nazhat Shameem-Khan told reporters. "We believe in multilateralism," she said when asked about the potential effects of a U.S. withdrawal. "Irrespective of the position of individual countries, it is very important that we continue to move this process forward."

**Cramer in WSJ asks Trump to stay:** Rep. [Kevin Cramer](#) (R-N.D.) took his case to remain in the Paris climate deal to [the pages](#) of the Wall Street Journal today. Trump's top advisers are expected to meet tomorrow to discuss the climate pact, and Cramer, who advised the Trump campaign on energy issues, has been pushing to keep the country in the climate deal so that the U.S. can keep its place at the table. In his op-ed, Cramer says the U.S. would benefit from having "an experienced negotiator" like Trump in on the talks. "Voters elected Donald Trump because they trusted him to drive hard bargains and help America start winning again. I trust that President Trump can negotiate the Paris Agreement into a good deal and deliver yet another win," he wrote.

**Welcome to Afternoon Energy** and a Happy Monday to you. I'm your host Eric Wolff filling in for Kelsey Tamborrino today. Send your thoughts, news and tips to [ewolff@politico.com](mailto:ewolff@politico.com), [ktamborrino@politico.com](mailto:ktamborrino@politico.com), [mdaily@politico.com](mailto:mdaily@politico.com) and [njuliano@politico.com](mailto:njuliano@politico.com), and keep up with us on Twitter at [@esthernow](https://twitter.com/esthernow), [@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).

**THIS MAYBE CRA-ZAY, BUT METHANE RULE VOTE MAYBE WEDNESDAY:** Murmurs are that the Senate could take up BLM's methane rule CRA on Wednesday. That would be one day before the May 11 deadline that Republicans have to overturn the rule under the CRA, but some on the Hill are unsure whether it will make it to the floor. Sources said it was still uncertain whether the rule's opponents had the votes, especially after Sen. [Chuck Grassley](#) tied his support to an unrelated ethanol-friendly measure. Wednesday may also complicate scheduling for Sen. [Lisa Murkowski](#) to cast a vote, as the Alaskan Republican was said to be scheduled for a meeting that with constituents in her own state that day. The picture

should be clearer after tomorrow's Senate Republican caucus lunch.

Meanwhile, Democrats are keeping the pressure on to reject the CRA. Sen. [Maria Cantwell](#) hosted a call featuring a former Montana Department of Revenue director and others denouncing the CRA attempt. One speaker, retired Maj. Gen. Paul Eaton, managing director of Vet Voice Foundation, said about 2,000 veterans sent an open letter to the Senate asking for the methane rule to stay in place. "How can we ask our soldiers to put their lives on the line if every day we let oil and gas companies back home to waste the resources they're asked to defend?" Eaton said on the call.

**\*\* A message from Trout Unlimited:** For over 50 years, Trout Unlimited has been dedicated to conserving, protecting and restoring North America's coldwater fisheries and watersheds on behalf of today's anglers and coming generations of sportsmen and women. Join us as we support America's public lands and national monuments: <http://bit.ly/2paVoYB> \*\*

**EPA COURT MOVE SIGNALS ACTION ON CALIFORNIA WAIVER:** EPA asked the 9th Circuit Court of Appeals for more time before holding oral arguments on a case questioning the appropriate use of California's Clean Air Act waiver for off-road diesel engines, Pro's Alex Guillén [reports](#). The agency wants to review the waiver and "determine whether it will be reconsidered." California uses its waiver to set tough Clean air rules, not least for mileage standards. If EPA seeks to revoke the waiver, it would have a ripple effect across Clean Air act rules. Defenders of California's actions say the law allows no provision for revoking a waiver.

**Court grants review on trailer rule, too:** The D.C. Circuit granted a similar EPA request on a case challenging a rule regulating long-haul freight trailers. The court granted a 90-day delay the case, Alex [reports](#).

**DOE TO DOLE OUT FUNDS FOR NUMBER-CRUNCHING:** The Energy Department is planning to put up to \$3.9 million into [13 projects](#) that use the supercomputing power housed at the national labs toward more manufacturing applications, the agency [announced](#) this afternoon. The High Performance Computing for Manufacturing program, run out of DOE's Energy Efficiency and Renewable Energy office since 2015, leans on computing resources at Lawrence Livermore national lab to study ways to boost efficiencies in different manufacturing processes. Project awardees, which can each get up to \$300,000, included a few large firms, including Ford, General Electric and Samsung.

**WASHINGTON GOVERNOR SIGNS BIOMASS BILL:** Washington Gov. Jay Inslee is signing a bill, [Engrossed S.B. 5128](#), that would allow older biomass facilities to sell renewable energy credits to utilities. Biomass projects that have been around since 1999 already qualified as renewable but the bill extends that designation to include any upgrades made to older biomass projects since 2010. Among other things, the bill would help pulp mills and wood waste boilers such as at KapStone's packaging plant in Longview, Wash., to [sell](#) credits for hundreds of thousands of dollars annually. Large utilities in the state are required to obtain at least 15 percent of their electricity from qualifying renewable facilities by 2020.

**OBAMA EPA OFFICIAL LOBBYING FOR PIPELINE:** Laura Vaught, who held multiple positions in the Obama Administration's EPA, is lobbying to advance the Atlantic Coast Pipeline on behalf of Dominion Energy, [reports](#) Eyes on the Ties, a project of accountability nonprofits LittleSis and the Public Accountability Initiative. Vaught served as senior adviser, deputy associate administrator for Congressional Affairs, and associate

administrator for the Office of Congressional and Intergovernmental Relations, Eyes on the Ties says. The 600-mile, \$5 billion Atlantic Coast Pipeline would to carry natural gas from the Appalachian basin, but it has met resistance from local land owners and environmental groups.

**FAKE NEWS FINGER POINTING FROM FRACKING GROUP:** Frack Feed, a pro-fracking advocacy group backed by natural gas companies, is sending a [letter](#) to Google asking the search giant to designate articles and blog posts by Sierra Club, EarthWorks, Food & Water Watch and Environment America as "fake news." The group cites a report that Google is rejiggering its news algorithm to downplay false and misleading news reports. "We believe many of the most prominent anti-fracking websites have content that is misleading, false, or offensive — if not all three," the letter says.

**MOVER, SHAKER: SASSE'S CHIEF TO REFINERS GROUP:** Derrick Morgan, most recently chief of staff for Sen. [Ben Sasse](#) (R-Neb.), will become a senior vice president for the American Fuel and Petrochemical Manufacturers, a refiners trade association. Morgan has been with The Heritage Foundation, and once worked for Vice President Dick Cheney.

## QUICK HITS

- [Entergy CEO says future holds no new coal plants](#), Arkansas Online
- [Brimming U.S. oil storage tanks to feel OPEC cuts last](#), Reuters
- [Despite Sanctions, Russia's Oil Industry Powers On](#), WSJ

## WIDE WORLD OF POLITICS

- [Obama warned Trump about Flynn, officials say](#)
- [Will Sally Yates drop a Flynn bombshell?](#)
- [Coming soon: The fiscal cliff to end all fiscal cliffs](#)

**\*\* A message from Trout Unlimited:** For over 100 years the Antiquities Act has been a bipartisan tool for conserving America's public lands and our outdoor heritage. Since the time President Theodore Roosevelt signed the Act into law, the Antiquities Act has provided for the long-term conservation of some of the best fish and wildlife habitat and hunting and angling opportunities in the country, spurring local economies. In these places, locally driven conservation efforts need to be preserved and celebrated. Currently, the Department of the Interior is reviewing national monuments designations. Secretary Zinke has strongly supported keeping America's public lands in public hands. Join us in showing him that we support upholding our national monuments: <http://bit.ly/2paVoYB> \*\*

*To view online:*

<https://www.politicopro.com/tipsheets/afternoon-energy/2017/05/bonn-climate-negotiators-waiting-for-us-decision-022728>

## Stories from POLITICO Pro

**Climate negotiators stare into a looming American void** [Back](#)

By Kalina Oroschakoff and Sara Stefanini | 05/08/2017 01:01 PM EDT

BONN, Germany — International climate negotiators were supposed to spend the next 10 days in Bonn doing technical work on rules to fulfill the 2015 Paris climate agreement.

Instead, they're transfixed by the prospect that President Donald Trump will carry out his campaign pledge and abandon the agreement altogether — a subject his top advisers are [scheduled to discuss](#) Tuesday in Washington.

Even if it stays in the deal, the Trump administration has made it plain it intends to walk away from the aggressive carbon-cutting goals that former President Barack Obama made when the U.S. signed onto the Paris deal. Trump's agencies have also started work on unraveling the Obama administration regulations that would have been key to meeting those promises.

"It's clear that [the U.S.] won't abide by the commitment," a senior climate negotiator from Africa told POLITICO in Bonn. "They are de facto out of the Paris agreement. Now it's a matter of making it de jure."

A U.S. decision to pull out, which could come this week, will "damage the process," said a European Union official. "It's going to be problematic, even a benign disengagement. Because in climate negotiations you need to drive, you need to push, and the previous administration was definitely instrumental in pushing other economies forward."

The U.S. is the world's second largest greenhouse gas emitter after China. With the shrunken American delegation in Bonn acting more as place-holders than as negotiators, the rest of the conference is scrambling to figure out what happens to climate change efforts without the U.S.

"At the moment we all equally recognize that they're waiting for clear policy directions," Amjad Abdulla, a delegate from the Maldives and chief climate negotiator for the Alliance of Small Island States, told POLITICO. "The good thing is they're letting us move on with the process."

European diplomats have been working [for months to persuade](#) the Trump administration to [stay in the pact](#), arguing that climate change is no longer a niche concern but a central issue in international diplomacy.

The Obama administration played a key role in pushing through the final Paris agreement in tandem with China in 2015, and the two coordinated to ratify it in [record time](#) last year.

Now delegations are warning the U.S. about the consequences of departure.

"If you want to be part of the international community, anyone going solo is not going to benefit," Abdulla said. "The whole beauty of this multilateral process is we've been able to unite the world."

U.S. representatives are present at this week's technical conference climate in Bonn, which is a prelude to the next full-blown climate conference in November. But a State Department spokesperson said it's a smaller delegation than usual, and is "focused on ensuring that decisions are not taken at these meetings that would prejudice our future policy, undermine the competitiveness of U.S. businesses, or hamper our broader objective of advancing U.S. economic growth and prosperity."

The world has been prepping for this moment ever since Trump's unexpected victory in

November — an event that shook delegates at the climate summit then taking place in Marrakech, Morocco.

Brussels has since ramped up its diplomatic efforts. Miguel Arias Cañete, the EU's climate action and energy commissioner, visited Canada and China earlier this year to show that the world's major economies are serious about implementing the deal regardless of the U.S. An EU-China leaders' summit on June 2 is expected to indicate deeper climate and diplomatic ties between the two.

Brussels is also in "permanent contact" with its African and Latin American allies, the EU official said, as well as with members of the High Ambition Coalition, a grouping of countries crucial to reaching the Paris agreement.

With the U.S. taking a back seat, other countries are stepping in — both to push for more aggressive policies and to bask in the international publicity of being seen as a climate good guy. China has unexpectedly become one of the bulwarks of the global rule-based system, while the EU senses there might be an opening to up its diplomatic game.

"The EU has always been a trustworthy partner because the EU has always delivered," said Tosi Mpanu-Mpanu, the lead negotiator for the Democratic Republic of Congo.

Europe and its allies understand that the possible U.S. departure leaves a big hole in efforts to tackle climate change. The Paris agreement's aim is to keep global warming to below 2 degrees Celsius, and eventually 1.5 degrees, by the end of the century. But scientists are warning that the window for meeting that target is closing fast, with the [World Meteorological Organization](#) saying average temperatures last year were 1.1 degrees Celsius above pre-industrial levels.

The Trump administration is already making that task more difficult by gutting some of the environmental policies championed by Obama and encouraging a return to coal and to more oil and gas drilling.

"The Canadians said, 'Listen, we definitely need to push the agenda forward, we definitely want to be with the Europeans in driving the process,'" the EU official said. But "it is definitely very, very difficult to fill any vacuum of leadership from the Americans."

*Eric Wolff contributed to this report.*

*This article first appeared on [POLITICO.EU](#) on May 8, 2017.*

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**Incoming climate summit chair ready to 'defend and uphold' Paris deal [Back](#)**

By Kalina Oroschakoff | 05/08/2017 11:15 AM EDT

BONN, Germany — Fiji, the island nation chairing this year's U.N. climate change summit, will make it a priority to move ahead with implementing the Paris agreement — with or

without the U.S., its chief climate negotiator said today.

"Our number one priority is to build a grand coalition ... to defend and uphold the Paris agreement," Ambassador Nazhat Shameem-Khan told reporters at the Bonn climate change conference, where countries are meeting to prepare for the COP23 summit.

"We believe in multilateralism," she said when asked about the potential effects of a U.S. withdrawal. "Irrespective of the position of individual countries, it is very important that we continue move this process forward."

Shameem-Khan's views were echoed by Patricia Espinosa, the executive secretary of the United Nations Framework Convention on Climate Change, who urged negotiators to focus on agreeing to the technical rules needed to fulfill the Paris agreement's goals.

Country representatives agreed at last year's Marrakech climate summit to finalize the rulebook in 2018, the same year countries will hold a first global assessment of their efforts to fight climate change. "There is not much time, we really need to make progress," Espinosa said.

EU negotiator Yvon Slingenberg also stressed the time factor, regardless of what the U.S. decides to do. "2017 is a crucial year," she said. "We have had the Paris agreement — historical achievement — but now it's about practical implementation."

Negotiations so far look promising, she added. "The mood is positive, and we've got off on a constructive start."

*This report first appeared on [POLITICO EU](#) on May 8, 2017.*

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**EPA seeks delay of California waiver suit** [Back](#)

By Alex Guillén | 05/08/2017 11:44 AM EDT

The Trump administration has asked a federal court to postpone arguments in a case over EPA's 2013 approval of a Clean Air Act waiver allowing California to set stricter emissions limits for diesel engines.

In its [filing](#) in the 9th Circuit Court of Appeals Friday, EPA says the new Trump administration needs more time to review the waiver and "determine whether it will be reconsidered."

If EPA does reconsider and revoke that waiver, it could lead to a challenge of the agency's authority on that issue. California receives special treatment under the Clean Air Act to set stricter limits because of its history of high pollution levels, if EPA grants a waiver. However, the state and environmental groups argue the law does not specify that EPA has the authority to revoke a waiver once granted.



The lawsuit playing out in the 9th Circuit is over a waiver to set stricter particulate matter and oxides of nitrogen limits for "non-road" diesel engines on vehicles like forklifts and bulldozers. Various challengers, represented by the Texas Public Policy Foundation, say the limits aren't needed on a statewide level and should have been approved on a more local basis.

The Trump administration has also [indicated](#) it may decide to go after a similar waiver granted during the Obama administration to California to enforce stricter auto emissions standards than the federal limits.

EPA said the California Air Resources Board, which got involved to help defend the waiver, opposes delaying arguments.

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### **Court pauses lawsuit over EPA truck emissions rule [Back](#)**

By Alex Guillén | 05/08/2017 01:55 PM EDT

The D.C. Circuit Court of Appeals today [granted](#) EPA's request for a 90-day pause in a lawsuit over the Obama administration's Phase 2 emissions rule for heavy-duty trucks.

EPA asked for the delay so it can review the rule and potentially revise the portion under dispute. The underlying rule, which covers model years 2019 onward, remains in effect.

The lawsuit brought by the Truck Trailer Manufacturers Association is a narrow challenge to EPA's requirement that the trailers used to haul cargo meet new regulations designed to make them lighter and more aerodynamic to reduce their fuel use and emissions.

TTMA had opposed the delay without a similar pause on the implementation dates, but the court said the group had not made a proper argument for issuing a stay of the rule itself. EPA said it will use the review time in part to consider whether to alter the rule to address TTMA's issues.

The order was issued by Judges Thomas B. Griffith, Sri Srinivasan and Nina Pillard.

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### **Obama warned Trump about Flynn, officials say [Back](#)**

By Edward-Isaac Dovere and Matthew Nussbaum | 05/08/2017 01:07 PM EDT

Former President Barack Obama warned then-President-elect Donald Trump about Michael Flynn during their Oval Office meeting two days after the election, current and former administration officials confirmed.

Obama and his staff felt Flynn was problematic and prone to what they thought of as crazy ideas, and had fired him from his job as head of the Defense Intelligence Agency. Obama relayed that to Trump during the 90 minutes they spent together.

Obama hadn't planned to spend time in the meeting criticizing Flynn, but it came up as part of the conversation when the topic of personnel came up, according to a former Obama administration official. Accounts differ on how extensive he got, with one person familiar with the meeting saying that Obama forcefully told Trump to steer clear of Flynn.

This seemed to momentarily give Trump pause, the former Obama administration official said.

Some on the transition team, including New Jersey Gov. Chris Christie, lobbied against hiring Flynn, said the person familiar with the meeting. But Trump, always one to value loyalty, decided to stick with the man who had campaigned for him so hard.

Flynn was an integral part of the Trump campaign and was already by then receiving intelligence briefings as a Trump designee, and was on track to be named national security adviser, which he was ultimately named to. He was fired in February after it was revealed he misled Vice President Mike Pence and others about his conversations with Russian ambassador Sergey Kislyak.

He's now at the center of investigations about the Trump orbit's ties to Russia and his own failure to disclose foreign financial ties and relationship. NBC News first reported Obama's warnings to Trump about Flynn.

Trump and other White House aides have tried to shift the responsibility for his rocky tenure to Obama. "General Flynn was given the highest security clearance by the Obama Administration - but the Fake News seldom likes talking about that," Trump tweeted Monday morning.

White House Press Secretary Sean Spicer acknowledged on Monday that Obama criticized Flynn in his conversation with Trump last year, but tried to downplay his concerns, describing the former president as not a "fan" of Flynn.

"It's true that President Obama made it known that he wasn't exactly a fan of General Flynn's," Spicer told reporters at the afternoon briefing, "which frankly shouldn't come as a surprise to anyone, given that General Flynn had worked for President Obama, was an outspoken critic of President Obama's shortcomings."

Spicer then tried to cast doubt on the validity of Obama's questions about Flynn by asking why he had not revoked his security clearance, using the same argument to dismiss questions about whether Flynn had been truthful in all his answers on government forms.

"I'm not going to get into those details," Spicer said. "That was something adjudicated by the Obama administration in April of 2016. They took no steps to suspend that, so that's not really a question for us. It's a question for them at that time."

As Flynn has come under scrutiny in recent weeks, the White House has repeatedly deflected criticism of its vetting process by noting that the Obama administration had vetted the former national security adviser, as well.



Obama's office declined comment on the conversation with Trump.

Sally Yates, the Obama administration official who was acting attorney general in the first days of the Trump administration, before the president fired her, is scheduled to testify before the Senate Judiciary Subcommittee on Crime and Terrorism on Monday afternoon. She had raised concerns about Flynn's contact with the Russian ambassador early on to the Trump White House.

*Madeline Conway contributed to this report.*

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**Sally Yates: 'We believed that Gen. Flynn was compromised'** [Back](#)

By Austin Wright | 05/08/2017 05:22 AM EDT

Former Acting Attorney General Sally Yates informed the White House in late January that then-National Security Adviser Michael Flynn was compromised by Russia and susceptible to being blackmailed, she said Monday.

"We believed that Gen. Flynn was compromised," she testified at a highly anticipated Senate Judiciary subcommittee hearing.

Yates said she told White House counsel Don McGahn that Flynn had misled Vice President Mike Pence and other senior officials and that as a result, public statements by White House officials were inaccurate.

"To state the obvious, you don't want your national security adviser compromised with the Russians," Yates said.

President Donald Trump earlier on Monday launched a preemptive Twitter strike ahead of the hearing on Yates, whose afternoon testimony on her role in the ousting of Flynn was expected to cast a harsh light on the White House's handling of his firing.

Trump urged lawmakers to ask Yates whether she was responsible for classified information about Flynn's conversations with Russia's ambassador being leaked to the news media. "Ask Sally Yates, under oath, if she knows how classified information got into the newspapers soon after she explained it to W.H. Council," Trump wrote.

Both Yates and former Director of National Intelligence James Clapper, who testified alongside Yates, said they did not know how classified information about Flynn's conversations with Russia's ambassador ended up in The Washington Post. Both also said they had never leaked classified information to the news media, nor authorized anyone else to do so.

The testimony was before the Senate Judiciary Subcommittee on Crime and Terrorism. Yates' appearance was also expected to revive another controversial episode — her own firing as acting attorney general in January, which came after she refused to defend Trump's first travel

ban targeting citizens from several Muslim-majority countries. That executive order was soon blocked by the courts.

Yates was first scheduled to appear in March before the House Intelligence Committee, but the session was canceled as relations broke down between Intelligence Chairman Devin Nunes (R-Calif.) and his committee's Democrats, who accused him of using his post to provide political cover for the White House. The Justice Department also raised concerns about Yates' scheduled appearance before the House panel, citing executive privilege.

Into the void stepped Sen. Lindsey Graham (R-S.C.), whose subcommittee on crime and terrorism has jurisdiction over the FBI and parts of the Justice Department. Graham is a staunch Russia hawk who has been one of the president's fiercest Republican critics and has vowed to get to the bottom of Russia's meddling in the presidential election and any Trump campaign ties to Moscow.

Graham said last week the White House raised no objections to Monday's hearing with Yates.

Since the canceled March hearing, Democratic lawmakers have hinted that Yates' testimony could be damaging for Trump; Flynn was shown the door only after it became public that he had misled his colleagues when he told them he did not discuss sanctions in pre-inauguration calls with Russia's ambassador.

Yates warned White House counsel Donald McGahn on Jan. 26 that there were discrepancies in Flynn's story and that he could be vulnerable to being blackmailed by Russia. Flynn was not fired until Feb. 13.

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**Coming soon: The fiscal cliff to end all fiscal cliffs** [Back](#)

By Burgess Everett and Sarah Ferris | 05/08/2017 05:03 AM EDT

If President Donald Trump and the Republican Congress think they've been under pressure to produce lately, just wait a few months.

Over the next several months, Republicans will have to figure out how to cut deals with Democrats to avoid a default on the national debt and avert a government shutdown, among several other must-pass items. But the negotiations will unfold against the acrimony of the GOP's Obamacare repeal effort and a bruising fight over tax reform, none of which are likely to inspire trust between the two sides.

Though Congress avoided a government closure this month — a major bipartisan legislative accomplishment for an institution otherwise devoid of any this year — a quintet of critical deadlines in the early fall will force either a furious round of deal-making or brinkmanship that could have dire effects on the economy. It will be a major test of Trump and the all-GOP Congress' ability to govern, and the Republicans are bound to be blamed for any problems, given their dominant political position.

By most accounts, Congress is not ready for the impending crunch; Trump even seemed to welcome a crisis with his tweet last week that the country "needs a good 'shutdown' in September."

A new government funding bill is due by the end of September, and Republicans are behind schedule on producing a budget that lays out their spending plans. The debt ceiling will likely need to be raised around that time, a vital exercise that an all-GOP Washington hasn't executed for more than a decade. Democrats are eager to extract leverage at every opportunity given their minority status. At least eight Democratic votes in the Senate will be needed to pass a funding bill and, most likely, increase the debt ceiling.

"If I were in charge, I would be worried," warned Sen. Claire McCaskill (D-Mo.).

As if avoiding a government shutdown and debt default weren't enough, Congress will have to tackle three important programs set to expire at the end of September: Federal Aviation Administration law, federal flood insurance and a children's health insurance initiative. Congress may have to adopt short-term fixes to keep all three running. A number of smaller provisions are set to expire, too, including Coast Guard laws and some Medicare and Food and Drug Administration programs.

The early prognosis from senior Republicans is that the debt ceiling and government funding will have to be combined in some way to get a deal, possibly with some of the other expiring measures.

"Not many orphans get very far, do they?" said Sen. Richard Shelby (R-Ala.), a senior member of the Appropriations Committee.

Republicans are anxious about the nightmarish calendar ahead. Congress has 12 weeks left before all 12 appropriations bills are due, and not a single one is close to the starting — let alone the finish — line.

Work on the spending bills is on track to start much later than expected, according to long-time appropriators and observers. Some lawmakers, like Rep. Tom Cole (R-Okla.), are already warning that a stopgap funding bill might be needed to avoid a shutdown after Sept. 30.

"Our budget process is totally broken," said Sen. Bob Corker (R-Tenn.).

Republicans are now considering a longer delay to the official kickoff of the 2018 spending cycle. GOP budget-writers may not release their budget blueprint until after the Memorial Day recess, according to a GOP aide familiar with the process. The document sets the amount of money Congress will spend that year.

The initial goal was around May 15, the same week the Trump administration was expected to unveil its full budget blueprint. The White House has since told lawmakers to expect its budget the week of May 22, sources said. New administrations typically release their budgets in February.

Republicans can't officially pass a budget until finishing, or ditching, their health care effort. That's because their current power to use reconciliation — the majority-vote budget tool that allows the Senate to bypass the filibuster — will expire when a new budget is approved. Republicans intend to use the next budget to write reconciliation instructions for tax reform;

Senate rules preclude using the next budget resolution for health care reform as well.

Still, some lawmakers say they can get around approving an official budget, and start drafting appropriations bills, if GOP leaders can informally agree to spending levels for next year.

However, Trump injects a new dose of uncertainty into the annual fall fiscal fights. The president nearly went all-out this spring to secure funding for his proposed U.S.-Mexico border wall before relenting at the last minute; the White House could come to see September's convergence of deadlines as a chance to exert more leverage over Congress.

"I don't know where the president is on these matters. If he's willing to go to the [mat], I think it will help Republicans," said Senate Finance Chairman Orrin Hatch (R-Utah). "[Democrats] will do their very best to get whatever they can."

Conservatives in the House Freedom Caucus, who mostly opposed a \$1.1 trillion spending bill that Trump signed Friday, averting a government shutdown, say they'll also be digging in much more next year. And they expect Trump to do the same.

"It's one thing to compromise and have a bipartisan bill, but when you have [Sen. Chuck] Schumer grinning from ear to ear, it's like, 'come on,'" said Rep. Dave Brat (R-Va.), referring to the perception that Democrats one-upped Republicans in the recent budget showdown. "Now it's like, 'OK, let's get it right. Let's start putting the Trump agenda into effect.'"

The focus on avoiding economic catastrophe could cause Congress to put off attempts to revamp expiring laws. Historically, Congress has had little problem punting on the FAA bill, while the flood insurance program is a source of Republican infighting, with lawmakers from low-lying areas fighting for lower premiums and fiscal conservatives blasting any rates viewed as too generous.

Democratic senators say they have not decided how to exert their leverage. They could insist on additional spending on domestic programs as a condition for voting to raise the debt ceiling. Democrats will also want an extension of the Children's Health Insurance Program.

"I am concerned because we don't see any long-term planning," said Sen. Patty Murray of Washington, the No. 3 Democratic leader. "There are some things ... you have to do. And [children's health insurance] is certainly part of that, in my mind."

Republicans are skeptical that Democrats will provide votes without major concessions. And that means the GOP may be forced to come up with the bulk of the votes for lifting the debt ceiling, after providing minimal support over the past eight years.

Historically, "the party in the majority has to raise the debt ceiling. So we're going to have to, I assume, combine that with other measures that will make that palatable," said Senate Majority Whip John Cornyn (R-Texas).

Budget leaders are already scheming to get conservatives to swallow a tough vote after years of opposing increases to the debt limit. White House budget chief Mick Mulvaney is suggesting that Republicans impose "more fiscal discipline" in future fiscal deals, while House conservatives have similarly hinted that they want some kind of deficit-slashing package to be included with a debt ceiling vote.

They could get their wish: Earlier this month, the GOP-led House Budget Committee privately

floated cutting some entitlement programs later this year.






The crush of deadline-driven items — on top of big-ticket efforts on health care and taxes — is sowing doubts that Republicans can pull it all off. The party has also promised to raise Obama-era caps on defense spending.

"From the beginning, I thought the agenda was too big to be realistic," said Doug Holtz-Eakin, president of American Action Forum and a former budget official in the George W. Bush administration. "It's just too much."

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|  |  |  |  |  |
| Yes, very   | Somewhat  | Neutral   | Not really  | Not at all  |

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