

TUNE IN: Five Answers The Public Should Expect to Learn From Senators and Nominee Tommy Beaudreau During His Confirmation Hearing

Protect the Public's Trust believes we all benefit if public officials follow the ethics requirements without respect to partisan politics.

We hope the public learns the answers to the following questions when the Senate considers the nomination for Deputy Secretary of the Interior.

1) Should we start with an assumption of ethics violations?

One nominee for Deputy Secretary of the Interior has previous experience at the Department and is a lawyer at a large law firm. He has 26 former clients and reported over \$1 million in earnings, including fossil fuel entities, renewable energy companies and large water districts.

Another nominee for Deputy Secretary of the Interior likewise has previous experience at the Department and is a lawyer at a large law firm. He has 35 clients and reported over \$2 million in earnings, including from fossil fuel entities, renewable energy companies and private equity clients.

At the first nominee's confirmation hearing, a prominent senator on the committee made the following comments:

Because of his extensive background as a lobbyist, [the nominee] has so many conflicts of interest, or the appearance of conflicts, that there will be one of two outcomes.

One, he will simply be unable to perform his duties as deputy secretary.

That's because he will need to be recused from such a broad swath of the Department's issues. Today, we do not even understand the full scope of those issues.

His ethics agreement says he will not participate in "particular matters involving specific parties" in which his "firm is a party or represents a party." But which matters? Which parties?

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Or two, he will manage the Interior Department despite his clear conflicts of interest, and he will end up participating in matters involving his former firm or his former clients.

Neither option is acceptable.

At the second nominee's hearing, will the senator ask the same line of questions and work to hold him accountable? With the second nominee's potential conflicts being cast much larger than the first one's, should the scrutiny be even higher? Will senators who were concerned about the first nominee demand that the second nominee identify each instance he communicated with officials at the Department of the Interior in the last year?

2) Is the concern solely about those nominees that represent fossil fuel companies? If so, how is the first list of clients materially different than the second?

Fossil fuel clients for nominee #1

- Cobalt International Energy
- Eni Petroleum North America
- Halliburton Energy Services, LLC
- Independent Petroleum Association of America
- National Ocean Industries Association
- Noble Energy Company LLC
- NRG Energy Inc.
- Sempra Energy
- Statoil Gulf Services LLC
- Targa Resources Company LLC
- Taylor Energy Company LLC
- US Oil and Gas Association

Fossil fuel clients for nominee #2

- UNOCAL Pipeline Company
- Crimson Midstream LLC
- Beacon Offshore Energy
- EPIC Midstream Holdings
- WhiteWater Midstream LLC
- TOTAL
- Dominion Resources Inc.
- Cormetech Inc.
- Atlas Sand Company LLC

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Nominee number 1 was David Bernhardt. Nominee Number 2 is Tommy Beaudreau, the Biden Administration's nominee for Deputy Secretary of the Interior.

What procedures can the public expect Tommy Beaudreau to institute to ensure no conflicts of interest or even the appearance of bias occur? What assurance can the nominee provide to the public that he has such procedures in place prior to joining the Department? Can the public be assured that he has not already been advocating for these clients at the Department of the Interior? Will Beaudreau disclose every communication he has had with Interior over the past year?

3) More than a dozen clients of Beaudreau's will be direct financial beneficiaries of the Biden Administration and the Department of the Interior's climate agenda.

Tommy Beaudreau represented a host of multinational corporations and utilities that will financially benefit from DOI's renewable energy policies and funding, and whom currently have business before the Department. The list includes:

- Vineyard Wind, a sub of Avangrid Renewables
- Avangrid Renewables
- Orsted
- EnBW North America
- Neom Company
- Dominion Resources
- Terra-Gen Power
- D.E. Shaw Renewable Investments
- Anbaric Development Partners
- Innogy Renewables
- ArcLight Clean Transition Company (in process of merging with Proterra)
- BayWa AG

Avoiding conflicts with these former clients will be difficult given the Biden Administration's focus on advancing renewable energy both onshore, offshore, through expediting environmental reviews and approving transmission infrastructure.

For instance, Secretary Haaland recently issued Secretary's Order 3399 (SO 3399), which establishes a Department-wide approach to climate change and extends significant authority to the Deputy Secretary to advance its objectives. The Order appoints the Deputy Secretary as co-chair of DOI's Climate Task Force and places implementation in

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his hands. Given Beaudreau's former employment, the Order contains countless opportunities to violate his ethics obligations and financially benefit his former clients in the wind industry. Does Beaudreau plan to be involved in the implementation of this Order? How will he navigate his potential conflicts?

Will the public be told specifically, what aspects of SO 3399 does Beaudreau believe he can participate in without violating his ethics responsibilities?

4) How does Beaudreau's representation of the Neom Company and the Red Sea Development Company, projects of the Saudi Crown Prince, square with Secretary Haaland's commitment to protect natural resources and honor tribal communities?

A former client of Beaudreau, the Neom Company, is a project of Saudi Crown Prince Mohammed bin Salman that seeks to build a futuristic megacity, which relies solely on renewable energy. Beaudreau's firm was tasked with setting up the city's court system, with judges reporting directly to the Crown Prince. Yet "Saudi authorities have been accused of displacing thousands of members of the Huwaitat tribe to make room for a \$500 billion project and killing a protester last year."

According to one human rights <u>organization</u> that follows the Crown Prince's activities, "It's a bit discombobulating that Biden's nominee for deputy Interior Secretary — the very mission of which is to protect natural resources and honor tribal communities — is someone who has been helping Mohamed bin Salman raze entire villages in Saudi Arabia, displace tens of thousands of the local Huwaitat tribe, and implement a foreign legal system exclusively for colonists in the future city of Neom," said Sarah Leah Whitson, the executive director of Democracy for the Arab World Now (DAWN), a human rights group inspired by murdered Saudi dissident Jamal Khashoggi."

Will Beaudreau communicate to the public how the displacement of native people to make way for a renewable energy city fit within Secretary Haaland's vision for her tenure at the Department? Are these the same values that will be embraced when advancing the Administration's 30x30 renewable energy goals?

5) What involvement will Mr. Beaudreau have in Secretary Haaland's agenda to mandate and acquire electric vehicle technology across the DOI fleet, as well as its energy efficiency requirements for the Department's facilities?

One of Mr. Beaudreau's clients is ArcLight Clean Transition Company, which is in the process of merging with Proterra in its bid to take the company public. The electric vehicle manufacturer Proterra has been in the news recently since it was revealed that one

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of its former board members, Secretary of Energy Jennifer Granholm, has yet to divest the stock options she holds in the company (as much as \$5 million). According to E&E News, "Along with her stock options totaling between \$1 million and \$5 million, Granholm has unvested stocks with the company she promised to forfeit upon confirmation, per her ethics agreement." Secretary Granholm is now claiming she may not divest until 180 days after being confirmed.

The groundwork for Proterra acquiring federal dollars is already being laid at multiple agencies, including Interior. Secretary Haaland's Department-wide push to advance the Administration's climate agenda is laid out in SO 3399, with the Deputy Secretary being a co-chair and responsible for its implementation. One of the Order's directives is to "prioritize action on climate change in budget processes and in contracting and procurement policies, including the purchase and use of clean and zero-emission vehicles." These objectives and Beaudreau's former client base raise questions about Mr. Beaudreau's ability to fulfill his duties in a compliant manner.

Does the Department plan to mandate the Bureau of Indian Education acquire electric school buses? Will Mr. Beaudreau recuse himself for any deliberation, decision or involvement in particular matters involving his former client during his two-year recusal period? How about any other decisions or mandates to acquire electric vehicle technology for DOI's fleet which may contribute to an inherent appearance of bias?

Given the substantial opportunity for a conflict of interest to arise, does Tommy Beaudreau plan to still participate in and co-chair the Department of the Interior's Climate Task Force? If not, how will he identify the matters he will not be involved in so as to avoid the appearance of bias in the Task Force's decisions and activities?

SO 3399 also requires the Department to "ensure that investments associated with Department-managed facilities meet the Federal standards for energy efficiency and greening applications"

Another one of Tommy Beaudreau's clients, BayWa AG, manufactures building materials and consults on <u>innovative topics such as healthy construction</u>, <u>energy efficiency or building information modeling</u>. This is another example of a former client that could benefit from Mr. Beaudreau's implementation of SO 3399.

How will Tommy Beaudreau oversee this part of the Order in a compliant manner that does not allow his former client to benefit from his decisions?

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