

# Dirty Business Continues

August 5, 2015



The following story was written by Dan Christensen and published on [the Florida Bulldog](#). It outlines the underhandedness (read corruption) that makes a few rich and threatens our springs, rivers and environment, not to mention our populace.

OSFR is already registered as an intervenor in legal action against Sabal Trail, and is poised and ready to support, assist and testify in any way possible once the petition mentioned below is filed.

All Floridians should be outraged at this. This is not the way for our "leaders" to run this state. This is not the way for our Department of Environmental Protection to protect the land and resources. Voice your concerns.



AUGUST 4, 2015 AT 6:00 AM

[Gov. Scott's pipeline investment gets a boost from Florida environmental regulators](#)

*Filed under* [A1 TOP STORY, DEPARTMENT OF ENVIRONMENTAL PROTECTION, ENVIRONMENT](#)

By Dan Christensen, FloridaBulldog.org



Gov. Rick  
Scott, Sabal  
Trail  
Investor,  
Supporter,  
Decision  
Maker,  
Controller

State regulators are quietly backing the award of a crucial environmental permit to a company that wants to build a controversial \$3-billion natural gas pipeline in North Florida. The company's investors have included Gov. Rick Scott.

Florida's Department of Environmental Protection (DEP), overseen by the governor, published a notice of its intent to issue an Environmental Resources Permit to Sabal Trail Transmission LLC,

a joint venture of Houston-based Spectra Energy and Florida Power & Light parent, NextEra Energy.

The July 10 notice also says the DEP intends to grant an easement that would allow Sabal Trail to use “submerged state lands” to help construct the pipeline. Some of those lands are beneath the Suwannee, Santa Fe and Withlacoochee rivers, where the 36-inch pipeline would be buried.

The Board of Trustees of Florida’s Internal Improvement Trust Fund owns the submerged lands, according to DEP’s notice. The board is comprised of the governor and Cabinet – Scott, Attorney General Pam Bondi, Agriculture Commissioner Adam Putnam and state chief financial officer Jeff Atwater.

FPL selected Spectra Energy to build and operate Sabal Trail in July 2013.

*FloridaBulldog.org* [reported in July 2014](#) that Gov. Scott owned a \$53,000 stake in Spectra Energy, and a \$55,000 stake in DCP Midstream Partners, a natural gas limited partnership 50 percent owned by Spectra Energy. As detailed in a state financial disclosure form, the governor’s portfolio included several million dollars invested in the securities of more than two-dozen entities that produce and/or transport natural gas, including several, like Spectra, with substantial Florida operations.

## CONFLICT OF INTEREST PROHIBITIONS



Sabal Trail pipeline project map

The governor and other public officials in Florida are generally prohibited by state ethics laws from owning stock in businesses subject to their regulation or

that do business with state agencies. The law also prohibits them from having an interest in companies that would “create a continuing or frequently recurring conflict” between their private interests and the “full and faithful discharge” of their public duties.

As described in paperwork released by the department, issuance of the environmental permit would constitute certification that the pipeline project is in compliance with state water quality standards and consistent with Florida’s Coastal Zone Management Program.

DEP says it will issue the permit and easement unless an

affected party files a petition seeking an administrative hearing by Friday, August 7. A spokesman for one environmental group, the Georgia-based WWALS Watershed Coalition, said it intends to file a petition by the deadline.

The Sabal Trail Transmission is proposed as a 474-mile natural gas pipeline to run from Alabama and Georgia to a hub in Central Florida, south of Orlando. The Florida leg, more than 230 miles long, will traverse a dozen counties in north Florida.

Florida Power & Light intends to use the pipeline as a dedicated supply of fracked natural gas to fuel a new generation of gas-fired power plants in locations that include Port Everglades.

According to the DEP, the project will affect 408 acres of wetlands and other surface waters. The notice says some wetland vegetation should re-establish fairly quickly, but "forested areas may take 2-50+ years to re-establish to pre-construction conditions."

Sabal Trail applied for the permit, water quality certification and authorization to use the sovereign submerged lands on July 31, 2014.

#### PIPELINE 'CLEARLY IN THE PUBLIC INTEREST'

"The department has determined...the applicant has provided reasonable assurance that the construction, including the direct, secondary and cumulative impacts, will comply with" state laws and rules, says the notice signed by Jeff Prather, director of the DEP's central district. "The applicant has also demonstrated that the construction...is clearly in the public interest."

The Federal Energy Regulatory Commission is the lead federal agency responsible for reviewing the project and preparing an

environmental impact statement. FERC has accepted public comments in its ongoing review of the project. A decision could come as early as November.

Gov. Scott was heavily involved in the state's early backing of the Sabal Trail pipeline project. In May and June 2013, he signed into law a pair of bills intended to speed up permitting. Later that year, his appointees on the Florida Public Service Commission approved construction of Sabal Trail as the state's third major natural gas pipeline.

At the time, however, Scott's ownership interest in Spectra Energy was not publicly known. Like tens of millions of dollars of the governor's other assets, his Spectra shares were placed in a Florida blind trust.

Blind trusts are supposed to eliminate conflicts of interest by "blinding" public officials and the public to their specific assets. And a spokesman for Scott said the governor "had no knowledge of his Spectra investment because his decision to invest was made by a trustee of the blind trust."

But Scott's trustee wasn't a disinterested manager. It was Hollow Brook Wealth Management and chief executive Alan Bazaar, a trusted former employee of the governor's private investment firm, Richard L. Scott Investments.

Scott lifted the veil on his assets briefly in June 2014 after he closed his original blind trust and immediately opened a new one and placed all of his assets back into it. The maneuver served to insulate the governor from criticism about financial transparency in advance of last year's election, but it also revealed the governor's large personal bet on natural gas firms like Spectra and Energy Transfer Equity LP, entities with significant pipeline interests in Florida.

Energy Transfer's subsidiaries include a joint venture that owns Florida Gas Transmission, the state's largest natural gas pipeline and a major state vendor. Scott also has a financial interest in Florida's other major natural gas pipeline Gulfstream, through his investments in Spectra and the large pipeline operator Williams Cos.

Last month, the *Wall Street Journal* reported that Energy Transfer Equity LP, run by Dallas billionaire Kelcy Warren, is pursuing a multi-billion dollar deal to acquire Williams.

In his most recent financial disclosure, Scott valued his units of Energy Transfer as worth \$311,000 on Dec. 31 2013. He also reported a \$400,000 stake in a pair of entities owned by Energy Transfer, Regency Energy Partners LP and PVR Partners LP.

Energy Transfer boss Warren has been a big political supporter of Gov. Scott. In Nov. 2013, two days after former Gov. Charlie Crist filed to run against Scott, Warren contributed \$50,000 to Let's Get to Work, a political committee backing Scott. In March 2012, an Energy Transfer subsidiary gave \$25,000 to Let's Get to Work.

On Sunday, *The New York Times* ranked Warren third among those who have given the most money in the 2016 presidential race. Warren's \$6 million in contributions all supported former Texas Republican Governor Rick Perry.