

PAYBACKS

POLICIES, PATRONS AND PERSONNEL

How the Bush Administration
is Giving Away Our Environment
to Its Corporate Contributors

Earthjustice and Public Campaign
September 2002



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Maria Weidner, Earthjustice

Nancy Watzman, Public Campaign

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ABOUT US

Earthjustice is a nonprofit public interest law firm dedicated to protecting magnificent places, natural resources, and wildlife. Earthjustice defends the right of all people to a healthy environment and brings about far-reaching change by enforcing and strengthening environmental laws on behalf of hundreds of organizations and communities. **White House Watch** is a project of Earthjustice that monitors administrative actions – including nominations and appointments, regulatory developments, and shifts in federal policy – and uncovers attempts to weaken the nation’s existing environmental and public health safeguards. Note: While Earthjustice recognizes the influence that campaign contributions have on environmental policy, the organization has not taken a position on campaign finance reform legislation.

Public Campaign is a non-profit, non-partisan organization dedicated to sweeping reform that aims to dramatically reduce the role of special interest money in America’s elections and the influence of big contributors in American politics. Public Campaign is laying the foundation for reform by working with various organizations, particularly citizen groups around the country that are fighting for change in their states. Together we are building a network of state-based efforts and create a powerful national force for federal reform. Note: Public Campaign is dedicated to showing the effects campaign contributions have on a wide array of public policy issues, particularly on the environment, public health, and safety; however, Public Campaign does not take specific policy positions.

ACKNOWLEDGMENTS

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Industry campaign contributions cited in this report are based on Federal Election Commission (FEC) contribution data coded by industry by the Center for Responsive Politics (CRP), a nonprofit, nonpartisan research organization, and analyzed by Public Campaign.

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“The biggest challenge is going to be how to best utilize taxpayer dollars to the benefit of industry...”

— Mike Smith, Bush administration Assistant Secretary for Fossil Fuels at the U.S. Department of Energy, *Charleston Gazette*, January 31, 2002.

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INTRODUCTION

The Bush administration is rolling back the nation's environmental and public health laws and policies at a rate never seen before. Laws governing water and air pollution, public lands and national forests, hazardous waste sites, and other subjects of environmental concern have been targeted for substantial weakening or elimination. Without exception, these rollbacks threaten to undo decades of hard-won progress.

The Bush administration's anti-environmental agenda doesn't just appear to be made-to-order for polluting and extractive industry interests. It is. Industries now reaping the benefits of an administration intent on eliminating important environmental and public health safeguards are the same ones that helped underwrite the Bush-Cheney campaign and the Republican National Committee with more than \$44 million in contributions. Although much of the public is aware of the Bush administration's anti-environmental stance, this report documents that the administration is weakening environmental laws in particular to help those industries that paid to put it in office.

Industry interests have been ardent supporters of the Bush-Cheney campaign and the Republican National Committee (RNC). More than \$44 million has been invested by mining, oil and gas, timber, coal-burning utilities, chemical and other manufacturing interests. Indeed *one out of every three dollars* contributed by these interests to all federal candidates and party committees since 1999 has been invested in the Bush-Cheney ticket and the RNC – more than was contributed to all federal Democratic candidates and party committees combined.

This industry patronage has paid off. In less than two years, the Bush administration has initiated scores of anti-environmental, anti-public health policies sought by industries. *PAYBACKS* surveys some of the most egregious of these rollbacks, documenting that, time and again, the industries that benefit most directly from Bush administration decisions made significant contributions to the Bush-Cheney campaign and the RNC.

These contributions and policy rollbacks tell the story of how corporate interests brought the Bush administration to power so that it could weaken the law to benefit their bottom line.

***PAYBACKS* examines three critical elements:**

THE POLICIES—

Bush administration policies affect the breadth of environmental issues, from clean air and water to toxic waste cleanup and the future of public lands and the wildlife that depend on them. Overwhelmingly, the Bush administration's environmental policies favor its corporate benefactors and undermine fundamental environmental and public health safeguards.

THE PATRONS—

Corporate polluters – mining, oil and gas, timber, coal burning utilities, chemical manufacturers and others – contributed generously to the Bush-Cheney campaign and the RNC.

The money flowed in every possible form – individual hard money contributions from executives and their families to both the campaign and the RNC; soft money contributions

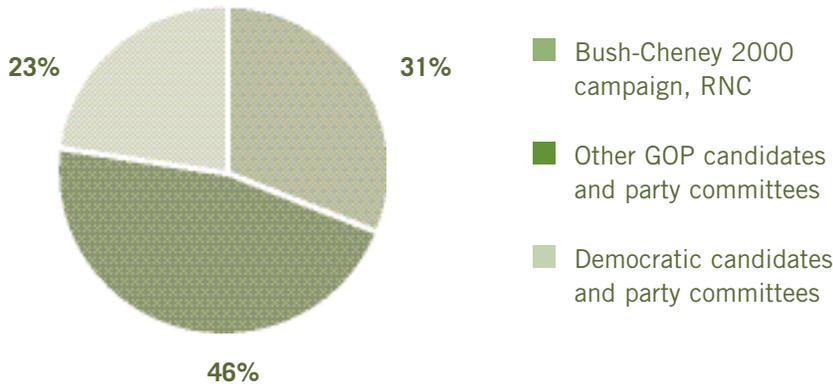
In January 2000, *Newsweek* reported that the Bush campaign had been keeping tabs on the fundraising progress of various industries by assigning tracking code numbers to their trade groups. According to a fundraising memo obtained by *Newsweek*, big contributors to the Bush campaign were strongly encouraged to incorporate their industry's tracking code in fundraising efforts to ensure that their industry would be credited for its contributions.¹

to the RNC; and contributions to the inaugural and recount funds. Numerous Bush “pioneers,” volunteer fundraisers who promised to raise \$100,000 for the Bush campaign, are among the contributors as well.

THE PERSONNEL—

Many of the Bush administration's appointees to top environmental positions at key federal agencies built their careers as lawyers and lobbyists for the very industries they are now charged with regulating. These appointees are implementing anti-environmental policies that benefit the Bush administration's corporate contributors, and will have a profound effect on national environmental policy, our nation's precious and limited natural resources, and public health.

POLLUTERS INVESTMENT PORTFOLIO (2000-2002 Election Cycles)



INDUSTRY CAMPAIGN CONTRIBUTIONS AND POLICY PAYBACKS

INDUSTRY	INVESTMENT*	POLICY PAYBACK
MINING	\$3.1 million	Eliminating environmental protections to allow coal and hardrock mining companies to use rivers, streams, wetlands, and other waters as waste dumps and threaten communities and the environment with new dangerous mines
TIMBER	\$3.4 million	Promoting more timber industry logging deep in national forests
CHEMICAL & OTHER MANUFACTURING	\$18.6 million	Requiring taxpayers, not polluting industries, to pay for more hazardous waste cleanups
OIL & GAS INDUSTRY	\$17.0 million	Opening up sensitive areas in and near national monuments and national parks to oil and gas drilling
COAL BURNING UTILITIES	\$2.0 million	Allowing the nation's oldest, dirtiest facilities to evade requirements to install up-to-date pollution controls
TOTAL	\$44.1 million	OUR ENVIRONMENT AND PUBLIC HEALTH GIVEN AWAY FOR THE BENEFIT OF CORPORATE CONTRIBUTORS

* Includes contributions from individuals of \$200 or more and PAC contributions to the 2000 Bush-Cheney campaign; contributions to inaugural & vote recount funds; and hard and soft money contributions to the RNC (2000-2002 Election Cycles). Source: Public Campaign analysis of Federal Election Commission campaign contribution data coded by industry by the Center for Responsive Politics.



DEATH BY A THOUSAND CUTS

INDUSTRY INVESTMENT: \$3.4 MILLION

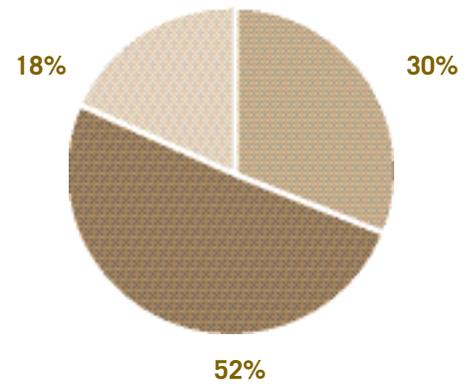
Throughout the 20th century, hundreds of thousands of public-spirited citizens worked for the passage of laws to protect our national forests and public lands from the excesses of the timber industry. The Bush administration is now trying to gut as many of those laws as it can, just as its timber industry sponsors had hoped.

TIMBER INDUSTRY CAMPAIGN CONTRIBUTIONS*	
Bush-Cheney 2000 Campaign (PAC & Indiv (\$200+))	\$294,000
Bush-Cheney Recount Donors	\$8,000
Bush-Cheney Inaugural Donors	\$350,000
Republican National Committee (hard & soft, 2000-2002 Election Cycles)	\$2,742,236
TOTAL	\$3,394,236

* Forestry & Forest Products

TIMBER* INVESTMENT PORTFOLIO (2000-2002 Election Cycles)

*Forestry & Forest Products



- Bush-Cheney 2000 campaign, RNC
- Other GOP candidates and party committees
- Democratic candidates and party committees

HEALTHY PROFITS OVER HEALTHY FORESTS

The large wildland fires of recent years are widely acknowledged to be the result of record-breaking drought combined with nearly a century of fire suppression strategies exercised by the Forest Service. Rather than responding to the fires in a way that ensures that at-risk communities will be protected, the Bush administration has instead seized this year's dramatic fire season as an opportunity to use "fuel reduction" as an excuse for exempting commercial logging from environmental laws.

In August 2002, President Bush announced his "Healthy Forests Initiative," a plan made to order for the timber industry. It calls for waiving environmental laws and locking the public out of the decision-making process for all projects carried out in the name of fire management. While the law and public involvement are cut out under the Bush plan, logging interests are "in."

Bush administration officials provided more details about their plan on September 5, when Interior Secretary Norton and Agriculture Secretary Veneman presented the House Resources Committee a legislative proposal intended to implement the President's vision. The bill highlights the administration's use of the fire issue as a smokescreen for a different agenda – increased commercial logging in national forests.

Three of the plan's biggest payoffs to the timber industry are:

- The plan gives the Forest Service sweeping authority to trade trees for any “services to achieve land management goals for the national forests or other federal lands,” not just fire-related projects like thinning small trees and brush. The industry could even get “paid” in trees to maintain the very logging roads that were built for their timber sales in the first place. Within the fire program, this approach would create an incentive for timber companies to remove large, fire-resistant trees from sites – the same trees that must remain uncut to restore forest health. The Bush administration’s system would drive projects to where commercially valuable timber usually is, deep in the forest and away from communities that the policy is supposed to protect.²
- The Bush administration’s bill attempts to waive the National Environmental Policy Act (NEPA), the nation’s charter environmental law, for all timber sales and other projects conducted under the President’s fire proposal. NEPA is the primary law that requires the federal government to look before it leaps, or, in this instance, logs. The bill also seeks a combination of real and de facto prohibitions on judicial review and eliminates administrative appeals of Forest Service decisions.
- The Bush package would shift the emphasis of the Northwest Forest Plan from protecting old growth to increasing timber output. The Northwest Forest Plan was adopted in 1994 to preserve old growth forests in Washington, Oregon, and California from unsustainable logging practices that threatened the entire ecosystem.

“[T]imber harvest, through its effects on forest structure, local microclimate and fuel accumulation, has increased fire severity more than any other recent human activity.”—Regents of the University of California, *Sierra Nevada Ecosystem Project Final Report to Congress*, June 1996.

Even before this year’s fires, the Bush administration was trying to prevent the public from being able to challenge decisions made by the Forest Service. In December 2001, the Bush administration approved a major logging project in the Bitterroot National Forest in Montana, allowing nearly 44,000 acres of trees to be logged. This plan would have allowed timber companies to log in three to five years more than double the volume of timber cut in the Bitterroot during an entire decade, from 1990 to 1999.³ Aware that the Bitterroot plan would spark controversy, the Bush administration tried to shut the public out of the process by illegally barring administrative appeals. Fortunately, this timber industry payback failed.

Almost immediately, a federal judge granted a restraining order requested by environmental groups to block the sale. The judge also harshly criticized the administration for violating the law in attempting to lock the public out of the process. (Ultimately, environmental groups settled the case with the Forest Service, garnering an agreement that protected 27,000 acres of lands containing roadless areas and sensitive native fish habitat, while allowing logging to proceed in some burned over portions of the forest.)

“[F]orest officials told us they tend to (1) focus on areas with high-value commercial timber rather than areas with high fire hazards or (2) include more large, commercially valuable trees in a timber sale than are necessary to reduce accumulated fuels.”—General Accounting Office, *Western National Forests: A Cohesive Strategy is Needed to Address Catastrophic Wildfire Threats*, April 1999.

ROAD TO RUIN IN AMERICA’S LAST WILD FORESTS

The National Forest Roadless Area Conservation Rule, adopted in January 2001, would ensure the protection of the last remaining pristine areas in our national forests. Under the rule, 58.5 million acres of national forest lands would be protected from road building and nearly all logging. The Roadless Rule is one of the most important conservation initiatives of the 20th century – on a par with the creation of the national forest system in 1905 by President Teddy Roosevelt.

The product of years of study and intense public involvement, the response to the Roadless Rule was huge. Over 1.6 million comments were submitted, the vast majority calling for strong protections for remaining pristine areas in our national forests – a level of public support for a federal rule-making that is unmatched in U.S. history.

Despite the broad public support for the Roadless Rule, the Bush administration has worked to gut the protections for the last wild places in our national forests, a policy position that is supported by the timber industry.

- The Bush administration suspended implementation of the Roadless Rule in February 2001, citing the need for further review, despite the fact that the rule had been years in the making and was already final.⁴
- In July 2001, the administration reopened the rule for more public comment. Given that the rule had already elicited more public comment than any other rulemaking in history, the only purpose in reopening it was to create further delay and an opportunity for weakening it.⁵
- The Bush administration failed to defend the rule when timber interests and others challenged it in the Idaho federal district court.⁶ The administration did not even show up for the Ninth Circuit Court of Appeals' consideration of the district court's preliminary ruling.

ON THE CHOPPING BLOCK

But these are not the only Bush administration paybacks to the timber industry. The President's budget proposal for 2003 called for the creation of "charter forests" within the National Forest System to place forest management decisions in the hands of a small group of individuals selected by the administration. "Charter forests" would give timber interests even more influence over logging decisions and make it more difficult for the public to be involved in management decisions.



Clear-cut forest

Timber companies that log in national forests contributed generously to the Bush-Cheney campaign and RNC: *

DR Johnson Lumber	\$133,960
Weyerhaeuser	\$40,500
Louisiana-Pacific Corp	\$30,250
TOTAL	\$204,710

* Amounts include individual (\$200+) and PAC contributions to the 2000 Bush-Cheney campaign, plus hard and soft money contributions to the RNC.

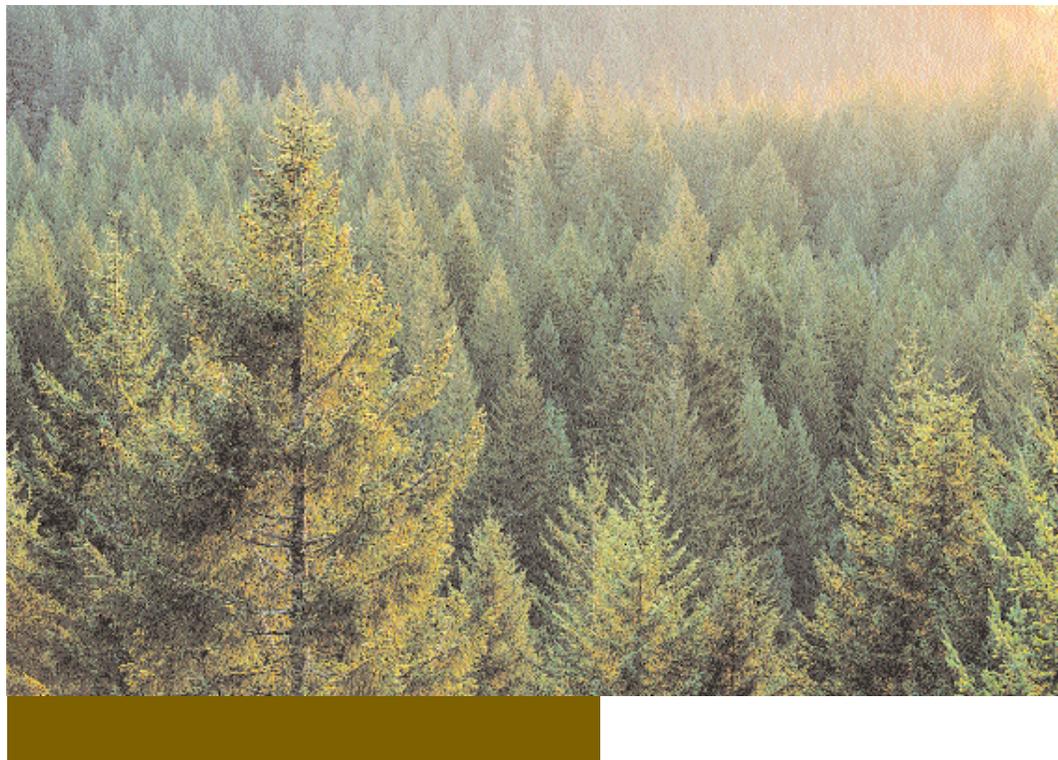
American Forest and Paper Association, the national trade association for the timber, paper and wood products industry, gave **\$55,050** to the Bush-Cheney campaign and the RNC.

FOLLOW THE MONEY

Big timber has given handsomely to the Bush-Cheney campaign and the RNC:

TIMBER INDUSTRY CAMPAIGN CONTRIBUTIONS*						
Bush-Cheney Campaign & Republican National Committee (2000-2002 Election Cycles)						
INDUSTRY	CYCLE	Individual (\$200+) Bush Campaign	PAC Contributions Bush Campaign	Republican National Committee, hard money	Republican National Committee, soft money	Total
FORESTRY AND FOREST PRODUCTS	2000 2002	\$284,000	\$10,000	\$393,755 \$44,409	\$2,094,150 \$209,922	\$2,781,905 \$254,331
TOTAL		\$284,000	\$10,000	\$438,164	\$2,304,072	\$3,036,236

* Forestry & Forest Products



CORPORATE CONNECTIONS

Mark Rey is the Bush administration's pick for the job of Under Secretary of Natural Resources and Environment at the U.S. Department of Agriculture, a position responsible for the management of 156 national forests, 20 national grasslands, and 15 land utilization projects on 191 million acres in 44 states.

Rey spent nearly 20 years working for various timber trade associations, including the National Forest Products Association, American Paper Institute, and the American Forest Resources Alliance, all of which are allied in their goals to promote logging. NFPA and API joined forces in the early 1990's to form the American Forest & Paper Association, a leading proponent of logging in national forests. Rey was the timber industry's lead lobbyist in fighting the creation of the Northwest Forest Plan as well as in fending off legislative efforts to protect old growth in the region.⁷

After leaving big timber in 1994, Rey became a professional Senate staff member, where his advocacy for the interests of timber corporations continued. In this capacity, Rey opposed conservation initiatives such as the National Forest Roadless Conservation Rule and helped spearhead efforts to weaken existing environmental laws, such as the National Forest Management Act.⁸

Since joining the Bush administration, Mark Rey has made decisions that advance the timber industry's agenda, including signing the record of decision for the controversial Bitterroot timber sale and moving to shut the public out of the appeals process – a decision later overturned by a judge. He is an instrumental player behind the administration's efforts to systematically chip away at protections for roadless areas.

Forest policies now being promoted by the Bush administration are very similar to the policies advocated by Rey in the past:

- As a timber lobbyist, Rey was a vocal critic of the Forest Service's appeals process; now the Bush administration is proposing to dismantle administrative appeals by the public for timber sales and other important decisions.⁹
- Rey opposed the Northwest Forest Plan; now the Bush administration is moving to change the emphasis of the plan from protecting old growth forests in favor of boosting logging.
- Rey had a major role in eliminating the law in the Pacific Northwest under the infamous "salvage rider" in 1995; now the administration is calling for doing essentially the same on millions of acres of national forests in the guise of the "Healthy Forests Initiative."¹⁰



Mark Rey

"We urge the administration to move quickly to take the controversial, but necessary, step of ending the appeals process."

—Then-timber lobbyist Mark Rey, *Lewiston Morning Review*, March 20, 1992.

SELLING OUT CLEAN WATER AND COMMUNITIES

INDUSTRY INVESTMENT: \$3.1 MILLION



Mountaintop removal coal mining site

The mining industry has put its political and financial support behind the Bush-Cheney campaign and RNC and in turn has benefited from Bush administration environmental policy decisions.

For coal mining companies, the Bush administration rewrote clean water law to legalize the industry's illegal waste dumping practices. For metal miners, the administration is substantially weakening much-needed reforms of the 1872 General Mining Law regulations.

DUMPING ON THE CLEAN WATER ACT

In May 2002, the Bush administration finalized one of the most destructive changes ever made to Clean Water Act rules. The goal was to give coal mining companies the ability to dump millions of tons of mining waste into the valleys and streams of Appalachia. Such dumping has been expressly illegal under the Clean Water Act and its regulations for decades, but the Bush administration swept those environmental protections aside for coal companies.

Over the past decade, coal mining methods have grown more destructive than ever; companies now blow up entire mountaintops to reach seams of coal. Mountaintop removal mining generates millions of tons of waste the coal companies then dump into valley streams, burying waters. Already, over 1,000 miles of streams in West Virginia and Kentucky have been destroyed.

Coalfield residents seeking to end this harm to their communities went to court to enforce the Clean Water Act against coal companies. Fearing that the courts would find them to be on the wrong side of the law, coal companies asked the Bush administration to change the rules that prohibit dumping waste in streams so they could continue their destructive practices. The Bush administration promptly changed the rules to the mining industry's exact specifications. The rule change is not only a huge policy payoff for "King Coal;" it was crafted to allow other industries, including hardrock mining, to dump their wastes in waters, too. In fact, the Bush administration followed the National Mining Association's suggestions almost to the letter in its "wastedumps in waters" rule change.¹¹

MINING INDUSTRY CAMPAIGN CONTRIBUTIONS

Bush-Cheney 2000 Campaign (PAC & Indiv (\$200+))	\$204,196
Bush-Cheney Recount Donors	\$35,000
Bush-Cheney Inaugural Donors	\$202,500
Republican National Committee (hard & soft, 2000-2002 Election Cycles)	\$2,647,792
TOTAL	\$3,089,488

"We were looking for friends, and we found one in George W. Bush."

—James H. "Buck" Harless, *Wall Street Journal*, June 13, 2001. Harless is a board member of Massey Energy, a major coal mining company in Appalachia that practices mountaintop removal mining.

Harless is also a Bush "pioneer," having pledged to raise at least \$100,000 for the Bush-Cheney presidential campaign. He and his family personally have contributed \$60,650 to the RNC and the Bush 2000 campaign since 1999.



Flood damage caused in part by valley fills

Just days after the Bush administration changed the rules, a federal court ruled that this giveaway to the mining companies was illegal.¹² Undaunted by either the court's ruling or public opinion – which overwhelmingly opposes allowing industries to use the nation's precious water resources as landfills – the Bush administration is appealing the court's decision.

FOULING MORE STREAMS

The Bush administration is currently gutting another federal environmental law that limits the coal companies' ability to dump waste in waterways.

The buffer zone rule, a Reagan-era regulation under the Surface Mining Control and Reclamation Act (SMCRA), prohibits coal mining companies from disturbing the land within 100 feet of streams, protecting both stream banks and the stream channel. Permits for coal mining activities within these buffer zones can be granted only if the company can prove that mining activities will not damage water quality or quantity.

Documents obtained by Earthjustice in May 2002 show that the Bush administration's Interior Department plans to substitute the buffer zone rule with a much weaker regulation that would allow mountaintop removal coal mining companies to construct their massive waste dumps right in the streams.

STRIVING TO STAY IN THE 19TH CENTURY

Modern hardrock mining methods use toxic chemicals such as cyanide, sulfuric acid, and arsenic to extract small amounts of precious metals from tons of mined ore. This process creates huge quantities of hazardous waste that leach poisons into local waters people rely on for irrigation, livestock, recreation, and drinking water. Hardrock mining was ranked the top toxic polluter in the country for two years straight in EPA's annual Toxic Release Inventory. The agency estimated mining polluted 40 percent of western headwaters in 2000.

GREASING THE SKIDS

Before a new federal regulation can be finalized, the White House's Office of Management and Budget (OMB) must approve it. Under the Bush administration, OMB has proclaimed that it requires agencies to meet high standards for data quality and sound science before it will approve new rules.

But this policy apparently applies only to rules that would protect the environment, not to regulatory rollbacks that are gifts to industry supporters. OMB gave the Bush administration's sweeping Clean Water Act rule change their stamp of approval in record time – less than 48 hours, even though:

- not one study was conducted to measure the impacts of the new rule, though it applies to every body of water nationwide; and
- the Bush administration's own reports showing the devastating environmental effects of mountaintop removal were ignored.

“For the first time in a long time you have an administration in Washington that places importance on increasing coal production and reducing the barriers that could prevent its development”—Steven Griles, in remarks to the West Virginia Coal Association, August 4, 2001.



Gold processing operation

Governed by an antiquated law passed in 1872, hardrock mining has managed to avoid effective regulation by fighting against any changes in mining rules that would provide protections for communities and the environment.

The mining industry staunchly opposed new rules finalized in November 2000 to update mining regulations, bringing them from the 19th century to at least the 20th, if not the 21st. The product of four years of study by the Bureau of Land Management, the new regulations modernized standards to protect the environment and communities in the West where hardrock mining is concentrated.

The new mining regulations included a prohibition on new mines that would cause significant irreparable harm to the environment, communities, and cultural values, penalties for mining operations that violate their permits, and requirements for mines to pay the cost of restoring public lands harmed by their activities.¹³

Hardrock mining interests made every effort to stop the new rules, appealing to both the Bush administration and the courts for help. The mining industry asked a judge to stop the regulations, but the judge dismissed the industry's request.¹⁴ While mining interests failed in the courtroom, the Bush administration made sure that the industry got much, if not all, of what it wanted.

The Bush administration proposed to suspend the hardrock mining rules in March 2001, after they had already been in effect for two months.¹⁵ In June, the administration allowed only one provision of the rule to take effect, the requirement for mining companies to pay the cost of cleaning up public lands damaged by their activities.¹⁶

In October 2001 the Bush administration finalized changes to the hardrock mining rules, dropping the provision instituting civil penalties against mining operations for violating their permits and eliminating the prohibition on new mines that could cause significant irreparable harm to communities and the environment.¹⁷

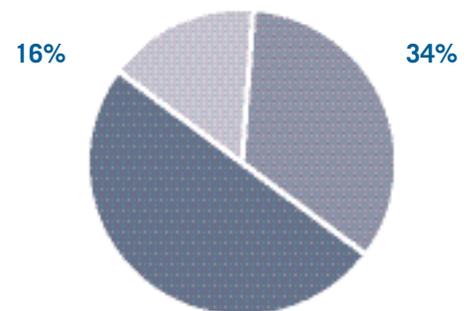
These two changes will have major consequences. Without the threat of civil penalties, mining companies will have less incentive to comply with their permits. And without the government's ability to forbid dangerous new mines, communities, environmentally sensitive areas and sites sacred to native people will continue to be placed at risk.

Three of the nation's leading metals mining interests contributed a total of \$230,650 to the Bush-Cheney campaign and RNC:*

Freeport McMoran	
Copper & Gold	\$176,500
Barrick Goldstrike	\$36,350
Coeur D'Alene Mines	\$17,800
TOTAL	\$230,650

* Amounts include individual (\$200+) and PAC contributions to the 2000 Bush-Cheney campaign, plus hard and soft money contributions to the RNC.

MINING INDUSTRY INVESTMENT PORTFOLIO (2000-2002 Election Cycles)



- Bush-Cheney 2000 campaign, RNC
- Other GOP candidates and party committees
- Democratic candidates and party committees

FOLLOW THE MONEY

Mining interests made significant investments in the Bush-Cheney campaign, as well as the Bush recount and inaugural funds and the Republican National Committee.

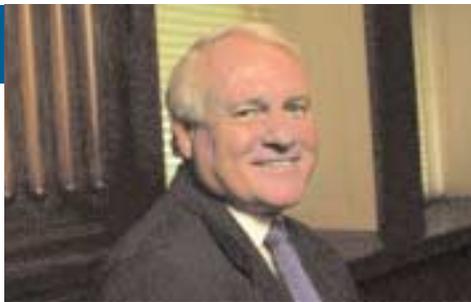
MINING INDUSTRY CAMPAIGN CONTRIBUTIONS						
Bush-Cheney Campaign & Republican National Committee (2000-2002 Election Cycles)						
INDUSTRY	CYCLE	Individual (\$200+) Bush Campaign	PAC Contributions Bush Campaign	Republican National Committee, hard money	Republican National Committee, soft money	Total
COAL MINING	2000 2002	\$81,821	\$27,000	\$220,700 \$32,300	\$1,287,525 \$312,200	\$1,617,046 \$344,500
COAL MINING TOTAL		\$81,821	\$27,000	\$253,000	\$1,599,725	\$1,961,546
METAL MINING & PROCESSING	2000 2002	\$25,000	\$1,000	\$4,700 \$3,500	\$201,835 \$27,000	\$232,535 \$30,500
METAL MINING & PROCESSING TOTAL		\$25,000	\$1,000	\$8,200	\$228,835	\$263,035
MINING, OTHER	2000 2002	\$62,375	\$7,000	\$77,302 \$8,300	\$423,900 \$48,530	\$570,577 \$56,830
MINING, OTHER TOTAL		\$62,375	\$7,000	\$85,602	\$472,430	\$627,407
TOTAL		\$169,196	\$35,000	\$346,802	\$2,300,990	\$2,851,988

CORPORATE CONNECTIONS

The Bush administration has put a number of former mining industry advocates in key agency environmental positions, especially at the Interior Department:

Deputy Secretary **Steven Griles**, second-in-command at Interior, was a lobbyist for many coal mining companies and other resource-extractive industries. His clients included the National Mining Association, the trade association for coal and metals mining companies, and Arch Coal, a major practitioner of mountaintop removal mining.

Steven Griles



Coal Mining and Coal Burning Interests that Retained Steven Griles:

Arch Coal
Pittston Coal Company
ANR Coal
Kennecott Energy Company
National Mining Association
Dominion Resources, Inc.
Pennsylvania Power & Light
Coastal Coal Operations
United Company
Jewell Coal and Coke
Rapoca Energy Company
Edison Electric Institute
Air Implementation Reform Coalition

Mr. Griles was directly involved in the Bush administration's decisions to weaken Clean Water Act rules for the mining industry. While the rule change was signed by EPA and the Army Corps of Engineers, documents obtained by Earthjustice show that Griles was heavily enmeshed in administration decisions to allow mining companies to dump their wastes into waters. In August 2001, Griles assured the West Virginia Coal Association that "[w]e will fix the federal rules very soon on water and spoil placement," referring to the planned change to clean water rules to legalize mountaintop removal waste dumping.¹⁸

After a draft environmental impact statement prepared by the administration concluded that vast portions of the unique Appalachian environment would be destroyed if mountaintop removal continued unchecked, Griles sent a memo to top agency officials on October 5 asserting that the study should instead focus on "centralizing and streamlining coal mine permitting."¹⁹

Just one month after this memo was sent, coal interests contributed \$150,350 in soft money to the Republican National Committee. One of the donors, Arch Coal, gave \$15,350 that month, part of \$76,894 overall the company has given to the Bush campaign and the RNC since 1999.

Griles is still receiving substantial compensation from National Environmental Strategies, his former lobbying firm that represents mining interests. He is getting approximately \$568,000 over two years "in recognition of the client base" he built at the firm. The fact that a lobbying firm that represents mining interests is signing paychecks to the Deputy Secretary raises serious conflict of interest issues.

William Myers

Interior Solicitor **William G. Myers**, the top lawyer at the Interior Department, was a lawyer for industries seeking to retain cheap access to resources on public lands, including the Public Lands Council and National Cattlemen's Beef Association. Myers's services were also retained by mining interests, including Kennecott Energy, one of the world's largest coal producers and a wholly owned subsidiary of Rio Tinto, a massive multinational mining conglomerate with interests in metal, mineral, and coal mining.



The Bush administration relied on Myers's opinion as Interior Solicitor in its decision to delete the provision in the new hardrock mining rules protecting communities, the environment, and cultural resources from significant and irreparable harm. The opinion also overturned the previous administration's rejection of a plan to construct a massive open-pit gold mine in proximity to sacred Native American sites.

Gale Norton, Secretary of the Interior, was a lobbyist for NL industries, a company that has been involved in legal battles over its mining facilities and disposal sites. She was also an attorney at the Mountain States Legal Foundation, a non-profit law firm dedicated to advocating for mining and other resource-extractive interests.

Norton came under fire for her role in the Summitville gold mine fiasco when she was Colorado Attorney General. Her office failed to take action against the mine's environmental violations, which culminated in a huge cyanide spill into the Alamosa River that killed 17 miles of the waterway.²⁰ Norton also once argued – unsuccessfully – that the surface mining control law (SMCRA) protecting communities from the hazards of coal mining practices is unconstitutional.

KNOCKING THE BREATH OUT OF THE CLEAN AIR ACT

INDUSTRY INVESTMENT: \$2.0 MILLION

The Clean Air Act protects the public from excessive and unhealthy air pollution emitted by industrial sources, especially old coal-fired power plants, through a program called New Source Review. New Source Review requires new facilities and existing facilities that significantly increase their emissions to install modern pollution controls.

COAL BURNING ELECTRIC UTILITIES INDUSTRY CAMPAIGN CONTRIBUTIONS	
Bush-Cheney 2000 Campaign (PAC & Indiv (\$200+))	\$126,360
Bush-Cheney Inaugural Donors	\$300,000
Republican National Committee (hard & soft, 2000-2002 Election Cycles)	\$1,571,518
TOTAL	\$1,997,878



Oil refinery looms over baseball field

Older facilities that do not meet modern air pollution control standards continue to be a huge pollution problem for this nation. Seventy to 80 percent of all power plant emissions come from facilities that were built before 1977. Compared to modern or updated power plants, old plants emit four to ten times more pollution for every megawatt produced, creating dramatic adverse health consequences.

The first New Source Review enforcement cases were brought by the Reagan administration against wood-processing companies and utilities that had modified their plants without putting in new pollution controls. When previous administrations brought New Source Review cases against oil refineries and coal burning utilities, these industries began lobbying to block the program.

While past efforts to weaken or repeal New Source Review were unsuccessful, industries received a more friendly reception from the Bush administration. The Bush energy policy, released in May 2001, directed EPA to reconsider the New Source Review program. The suggestion to review and “improve” the program was offered by a lobbyist for Southern Company, a major electric utility that is currently the defendant in a number of clean air enforcement actions.²¹ Southern Company invested \$315,918 in the Bush campaign and RNC since 1999, and gave \$100,000 for Bush’s inaugural festivities.

“NSR doesn’t make sense.”—EPA Assistant Administrator Jeffrey Holmstead, in remarks to the American Bar Association at its annual environmental law meeting, March 15, 2002, *Inside EPA*, March 22, 2002.

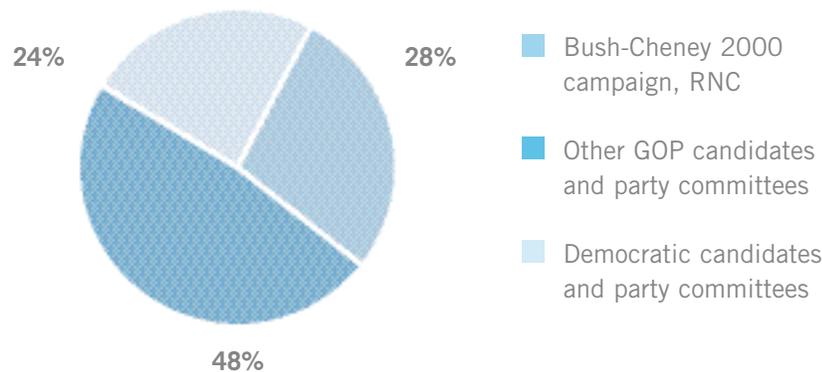
In June 2002, EPA released its recommendations for New Source Review, and the package was tailor-made for industry. The Bush administration asserted that changes were justified because New Source Review “has impeded or resulted in the cancellation of projects which would maintain and improve reliability, efficiency, and safety of existing energy capacity.”²² Yet the EPA’s own findings, published the year before, found the opposite, that in fact New Source Review requirements had not affected energy production or capacity.²³

The EPA's recommendations for New Source Review save money for industries that would otherwise have to invest more in pollution control, but increase costs imposed on communities forced to breathe dirtier air.

- The Bush proposal would redefine key legal terms to allow facilities to spend tens of millions of dollars on major projects that significantly increase pollution without having to install new pollution controls.
- The Bush proposal would allow facilities to increase their emissions as long as they do not exceed the level of pollution emitted during their dirtiest two years out of the last decade, making their worst air quality performances the status quo.
- Under the Bush plan, if units install pollution controls known as “best available control technology,” they receive immunity from New Source Review for 15 years. Once acquired, this immunity would stay in place, even if a facility later significantly increased its pollution output.

Absent from the Bush administration’s proposal was any analysis of the public health impacts that would result from weakening the Clean Air Act.

COAL-BURNING UTILITIES INVESTMENT PORTFOLIO (2000-2002 Election Cycles)



“[Bush campaign fundraisers] have stressed the importance of having our industry incorporate the [electric utility] tracking number in your fundraising efforts...IT DOES ENSURE THAT OUR INDUSTRY IS CREDITED, AND THAT YOUR PROGRESS IS LISTED AMONG THE OTHER BUSINESS/INDUSTRY SECTORS.”—Edison Electric Institute president Thomas Kuhn, in a 1999 letter to potential contributors to the Bush campaign.²⁶ A Bush pioneer, Kuhn promised to raise at least \$100,000 for the campaign.

FOLLOW THE MONEY

Like many other big polluters, oil interests and electric utilities have been generous investors in the Bush-Cheney campaign and the RNC. Oil refineries, a subset of the oil and gas industry, have also made major campaign contributions.

COAL BURNING ELECTRIC UTILITIES CAMPAIGN CONTRIBUTIONS						
Bush-Cheney Campaign & Republican National Committee (2000-2002 Election Cycles)						
INDUSTRY	CYCLE	Individual (\$200+) Bush Campaign	PAC Contributions Bush Campaign	Republican National Committee, hard money	Republican National Committee, soft money	Total
COAL BURNING ELECTRIC UTILITIES	2000	\$113,860	\$12,500	\$17,350	\$1,047,585	\$1,191,295
	2002			\$12,951	\$493,632	\$506,583
TOTAL		\$113,860	\$12,500	\$30,301	\$1,541,217	\$1,697,878

Under the Bush plan, oil refiners could increase their emissions without installing new pollution controls. Some of the largest contributions to the Bush campaign and the RNC from oil companies with refineries include:*

BP Amoco	\$269,948
Conoco	\$258,670
Exxon Mobil Corp.	\$216,085
TOTAL	\$744,703

BP Amoco and Exxon Mobil each contributed **\$100,000** to the Bush Inaugural fund; Conoco contributed **\$105,000**

* Amounts include individual (\$200+) and PAC contributions to the 2000 Bush-Cheney campaign, plus hard and soft money contributions to the RNC.

FirstEnergy Corp., a major electric utility with subsidiaries involved in ongoing New Source Review enforcement actions, gave generously to Bush-Cheney and the RNC:

Anthony J. Alexander, president and chair of FirstEnergy Corp., promised to raise at least \$100,000 for the Bush-Cheney campaign as a Bush Pioneer. FirstEnergy has given \$705,516 to the Bush-Cheney presidential campaign and the Republican National Committee since 1999, and gave \$100,000 to the Bush Inaugural fund.

CORPORATE CONNECTIONS

EPA's Assistant Administrator for the Office of Air and Radiation, Jeffrey Holmstead, formerly represented the Alliance for Constructive Air Policy, a 16-member industry coalition, four members of which are defendants in New Source Review enforcement actions.²⁴ One of these, Ohio utilities giant American Electric Power, is the biggest polluter in the industry.²⁵ The company has given \$17,950 to the Bush campaign and the RNC since 1999.



Jeffrey Holmstead

Members of the Alliance for Constructive Air Policy:

- Allegheny Power
- American Electric Power*
- Baltimore Gas & Electric Co.
- Center for Energy and Economic Development
- Cinergy Corp.*
- Dayton Power & Light Co.
- Illinois Power Co.*
- Kentucky Utilities Company
- Louisville Gas & Electric Co.
- National Mining Association
- Northern Indiana Public Service Co.
- Southern Indiana Gas & Electric*
- United Mine Workers of America
- Virginia Power Co.
- Wisconsin Electric Co.
- Wisconsin Power & Light

**subject of at least one New Source Review enforcement action*

OPEN SEASON ON PUBLIC LANDS INDUSTRY INVESTMENT: \$17.0 MILLION

The Bush administration describes its *National Energy Policy* as a plan “designed to help bring together business, government, local communities and citizens to promote dependable, affordable and environmentally sound energy for the future.”²⁷

However, documents released by the government show that the administration’s policy is almost exclusively the product of close collaboration between the energy industry and high-ranking government officials. Major oil and gas interests played an extensive role in developing the plan, which promotes increased drilling on public lands including the Arctic National Wildlife Refuge and the Rocky Mountain Front and increased off-shore drilling.²⁸



OIL AND GAS INDUSTRY CAMPAIGN CONTRIBUTIONS	
Bush-Cheney 2000 Campaign (PAC & Indiv (\$200+))	\$1,928,956
Bush-Cheney Recount Donors	\$112,050
Bush-Cheney Inaugural Donors	\$1,387,975
Republican National Committee (hard & soft, 2000-2002 Election Cycles)	\$13,543,479
TOTAL	\$16,972,460

Three oil and gas companies that want to drill in the Arctic Refuge gave \$1.1 million to the Bush-Cheney campaign:^{*}

BPAmoco	\$269,948
Chevron Texaco	\$617,450
ExxonMobil	\$216,085
TOTAL	\$1,103,483

In addition, these three companies also contributed \$100,000 each to the Bush Inaugural fund.

^{*} Amounts include individual (\$200+) and PAC contributions to the 2000 Bush-Cheney campaign, plus hard and soft money contributions to the RNC.

DRILLING THE ARCTIC

The coastal plain of the Arctic National Wildlife Refuge has been called the crown jewel of the refuge system and contains the greatest diversity of wildlife of any conservation area in the circumpolar region. It is the calving ground for one of the largest caribou herds in North America. The Gwichin’ people have relied on this herd for both material and spiritual sustenance for more than 10,000 years, referring to the coastal plain as “the place where life begins.”

Oil industry interests and Bush administration officials say that the oil reserves believed to lie beneath the coastal plain are needed to lessen the country’s dependence on foreign energy sources. However, it is estimated that the oil in the Arctic Refuge would satisfy less than six months’ demand, yet the effects on the environment would be permanent and irreparable.

Fortunately, the Bush administration’s efforts to open the refuge to its friends have been halted by Congress, at least temporarily.



LEASING ONSLAUGHT IN THE LOWER-48

Opening up areas in the lower forty-eight states to drilling and exploration is another key part of the Bush administration's policy payback to oil and gas interests. Primary targets include the Greater Yellowstone area and the majestic Rocky Mountain Front. Some examples include:

- In May 2001, the Bush administration approved six new oil and gas leases totaling 2,080 acres on prime wildlife habitat near Yellowstone National Park without considering the impacts on imperiled species. They are being challenged by environmental groups represented by Earthjustice for violating the Endangered Species Act.²⁹
- In February 2002, the administration planned to open red rock country near two Utah parks – Arches and Canyonlands national parks – to oil and gas drilling over the objections of park rangers and government scientists.³⁰ An Interior Department appeals officer halted the project because it could cause irreparable harm.³¹
- In April 2002, the Bush administration approved three leases to drill for coalbed methane on 2,500 acres in Wyoming's Powder River Basin. An appeals board ruled that Interior granted the leases illegally, failing to properly study potential environmental effects.³² Marathon Oil and the Bush administration are still attempting to move ahead with the plan.
- In August 2002, the Bush administration approved plans to explore for oil and gas inside Colorado's Canyons of the Ancients National Monument, an area established to protect historical values and threatened wildlife. The exploration would endanger the very resources that the monument was established to protect. Earthjustice is challenging this decision on behalf of environmental groups. In September, a federal court ordered a temporary halt to the administration's plans to allow huge 30-ton trucks into the area to begin exploration.

“Utah needs to ensure that existing staff understand that when an oil and gas lease parcel or when an application for permission to drill comes in the door, that this work is their No. 1 priority.”— January 2002 Bureau of Land Management memo, as reported in *the New York Times*, February 26, 2002.

—HONOR ROLL—

Oil & gas executives who are BUSH “PIONEER” FUNDRAISERS, pledging to raise at least \$100,000 for the campaign:

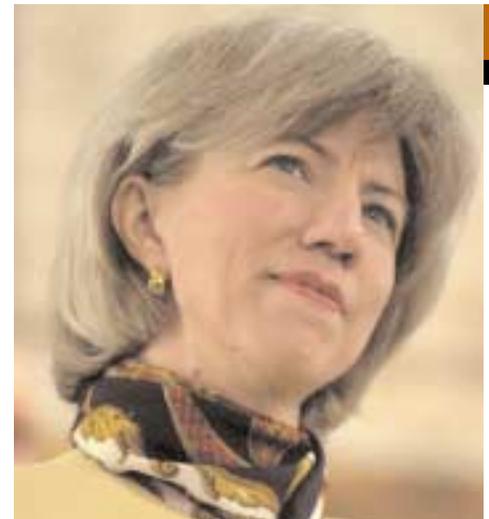
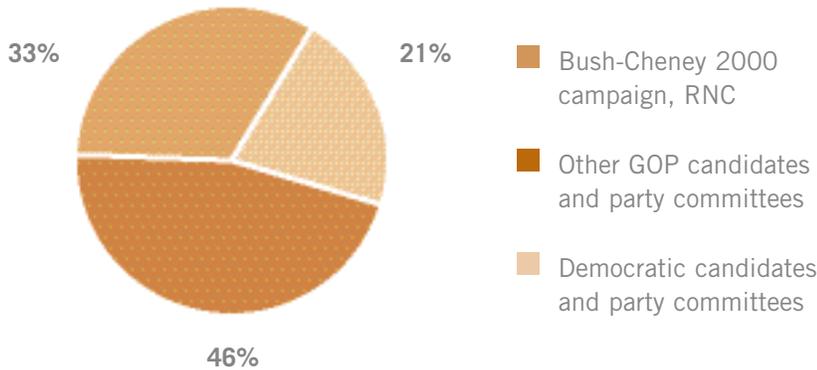
Kenneth Lay, Enron
 Steve Ledbetter, Reliant Energy
 Dan Jordan, Reliant Energy
 Robert B. Holland, III, Triton Energy
 R. “Tony” Sanchez, Sanchez Oil and Gas
 Richard & Nancy Kinder,
 Kinder Morgan Energy Partners
 Colin Riley McMillan,
 Periman Exploration
 Robert Madison Murphy, Murphy Oil
 Robert H. Pickens, Pickens Companies
 Jack C. Vaughn, Jr.,
 Vaughn Petroleum Inc.

FOLLOW THE MONEY

Oil and gas companies have long coveted the country's public lands as potential drilling sites, and the Bush administration is granting new leases and permits at a dizzying pace.

OIL & GAS INDUSTRY CAMPAIGN CONTRIBUTIONS						
Bush-Cheney Campaign & Republican National Committee (2000-2002 Election Cycles)						
INDUSTRY	CYCLE	Individual (\$200+) Bush Campaign	PAC Contributions Bush Campaign	Republican National Committee, hard money	Republican National Committee, soft money	Total
OIL & GAS	2000 2002	\$1,831,721	\$97,235	\$2,059,828 \$704,471	\$7,797,899 \$2,981,281	\$11,786,683 \$3,685,752
TOTAL		\$1,831,721	\$97,235	\$2,764,299	\$10,779,180	\$15,472,435

OIL & GAS INVESTMENT PORTFOLIO (2000-2002 ELECTION CYCLES)



Gale Norton

CORPORATE CONNECTIONS

Interior Secretary **Gale Norton** was a lead attorney for the Mountain States Legal Foundation, an anti-environmental nonprofit law firm that often represents drilling interests. Oil and gas companies that have funded Mountain States Legal Foundation include Amoco, Chevron, Exxon, Marathon Oil Co., Phillips 66 Petroleum, and Texaco.³³

- In the 2003 budget, Norton requested funds for streamlining the permitting process for oil and gas companies and to study even more sites for drilling on public lands.³⁴
- Norton came under fire for giving misleading answers to a Senate committee in response to questions about wildlife in the Arctic Refuge.³⁵
- Norton also sparked controversy when her agency posted a propaganda piece developed by Arctic Power, a group that lobbies for oil drilling in the Arctic Refuge, on the agency's website and distributed it to network television anchors.³⁶

OIL AND GAS COMPANIES THAT HAVE RETAINED STEVEN GRILES

American Petroleum Institute
Chevron Corporation
Coalbed Methane Ad Hoc Committee
Devon Energy Corporation
Dominion Resources
Mariner Energy Inc.
Occidental Petroleum Corporation
Redstone Gas Partners
Shell Oil Company
Sunoco Corporation
Texaco Inc.
Unocal Corporation
Western Gas Resources
Yates Petroleum Corporation

Steven Griles, Deputy Secretary of the Interior, is a former lobbyist for gas and oil companies, including Shell Oil, Texaco, and Chevron. He continues to receive compensation from his former lobbying firm – National Environmental Strategies – in payments of \$284,000 a year for two years “in recognition of the client base” he developed while there. Not only is Griles involved in decisions that affect the interests of his former clients, he is getting paid by the lobbying firm that still represents them.

- When EPA raised environmental concerns over a proposal to drill up to 39,000 coalbed methane wells in the Powder River Basin, Griles sent a memo to EPA complaining that the agency's criticism of the plan could “impede the ability to move forward in a constructive manner.”³⁷

Griles had formerly represented the Coalbed Methane Ad Hoc Committee, Devon Energy Company, Redstone Gas Partners, and Western Gas Resources, all of which have vested interests in coalbed methane leasing.

When conflict of interest charges were raised in the media, Griles withdrew from the Powder River Basin debate.³⁸ Interior Department lawyers had Griles sign an ethics agreement specifically excluding him from participating in *future* coalbed methane issues, but nonetheless maintained that he had not violated his original agreement not to involve himself in matters affecting his former clients.³⁹

PROTECTING TOXIC POLLUTERS, NOT PEOPLE

INDUSTRY INVESTMENT: \$18.6 MILLION

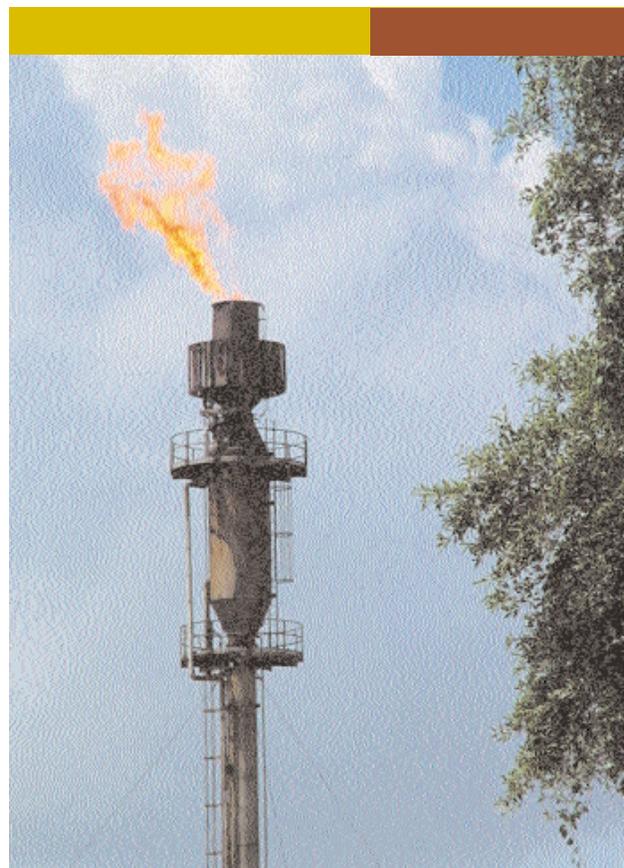
The Bush administration is undermining two key programs that protect communities and the environment from the harmful effects of exposure to toxic substances: the Clean Air Act's air toxics program and the Superfund hazardous waste cleanup law.

CHEMICAL & MISC. MANUFACTURING INDUSTRY CAMPAIGN CONTRIBUTIONS	
Bush-Cheney 2000 Campaign (PAC & Indiv (\$200+))	\$2,013,745
Bush-Cheney Recount Donors	\$106,825
Bush-Cheney Inaugural Donors	\$2,120,000
Republican National Committee (hard & soft, 2000-2002 Election Cycles)	\$14,366,285
TOTAL	\$18,606,855

RISKY BUSINESS

In 1990, Congress amended the Clean Air Act to require industries to reduce toxic air pollution as much as possible, then assess and eliminate remaining health risks to protect the public from exposure to these chemicals. To date, EPA has missed almost every deadline for issuing regulations to control toxic air pollution. As a result, many industrial categories have been emitting unregulated amounts of air toxics, which can cause a range of health effects including cancer, birth defects, reproductive disorders, damage to the brain and nervous system, and respiratory damage.

Rather than prioritizing the need to set standards for toxic emissions, the Bush administration has begun proposing exemptions for facilities if they meet "residual risk standards." That is, an industrial sector could be granted an exemption from having to comply with pollution control requirements if EPA concludes that the emissions fall under some yet undefined risk threshold.⁴⁰ This risk-based approach failed in the past, which is why Congress amended the Act in 1990 to require available pollution controls to be installed first, then assess remaining health risks.

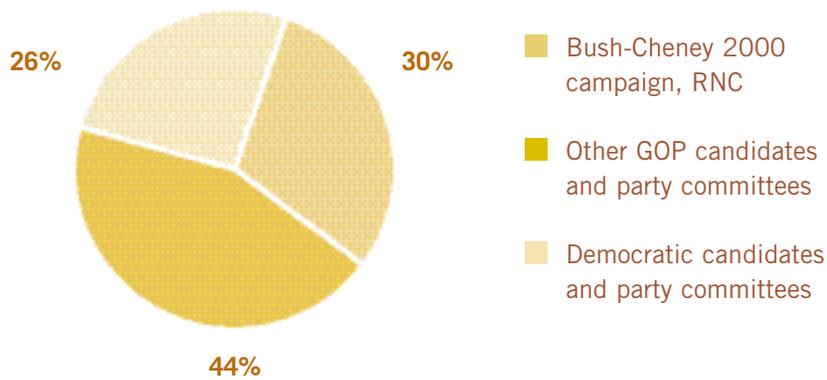


The exemptions being considered by the Bush administration would set air toxics protections back more than a decade, leaving the public to suffer from continued exposure to toxic emissions while industry gets a free pass to pollute.

- The risk exemptions are based on highly questionable science and do not account for the nature and scope of public health risks, including cumulative risks associated with exposure to multiple toxic pollutants, including carcinogens.⁴¹
- EPA has not provided a procedural or technical basis for granting risk-based exemptions.⁴²
- To date, EPA has considered risk exemptions for at least two industries, brick kilns and chlorine manufacturers; in both cases they decided there was no risk and no need to regulate the hazardous emissions.

Even as the Bush administration moves to grant exemptions to industry, its own recent study of the risks posed by air toxics demonstrates the need to curtail hazardous air emissions. EPA's National Air Toxics Assessment indicates that the risk for cancer and non-cancer effects, including respiratory disease, from toxic air pollution is much too high.⁴³ According to the EPA, "millions of people live in areas where air toxics may pose potentially significant health concerns."⁴⁴ Yet, the Bush administration is still choosing to protect polluters instead of people.

CHEMICAL & MISC. MANUFACTURING INVESTMENT PORTFOLIO (2000-2002 Election Cycles)



"BUSH PIONEERS" FROM THE CHEMICAL INDUSTRY*

Frederick Webber, CEO, American Chemistry Council
 J. Roger Hirl, president, Occidental Chemical Company
 James B. Nicholson, PVS Chemicals

*Pioneers are individuals who promised to raise at least \$100,000 for the Bush-Cheney campaign.

STARVING SUPERFUND

Superfund was passed by Congress in 1980 to clean up the nation's most dangerous toxic waste sites. The program is based on two fundamental ideas: contaminated sites should be cleaned up quickly, and these expensive cleanups should be paid for by polluting industries and those most directly responsible for site contamination.

Industry has long wanted to abolish the taxes on big corporations, dangerous chemicals, and polluting petroleum products that make the "polluter pays" principle work. The Superfund tax expired in 1995, and Congress has not renewed it.

George W. Bush is the first president not to back reauthorization of corporate polluter taxes since the Superfund law was passed. Presidents Reagan, Clinton, and George H.W. Bush all supported renewing the Superfund tax.⁴⁵ Now, the Superfund trust fund is shrinking, threatening the pace of cleanup at many of the country's most toxic sites. According to a report by the EPA Inspector General, 33 Superfund sites had not received needed funds to begin cleanup activities this year.⁴⁶ While EPA insists that this report is only a "snapshot in time," many sites still had not received funding by

early September, including the Chemical Insecticide Corporation site in Edison Township, New Jersey, that once manufactured highly toxic chemicals, including the components of Agent Orange.

Instead of supporting the tax that ensures that polluters pay, the Bush administration wants to shift the burden to American taxpayers. The administration already called for taxpayers to pick up over half the tab for polluters in 2003, about \$700 million.⁴⁷ In 2004 it is expected that the Superfund trust fund will hold only \$28 million.⁴⁸ While EPA will continue to collect recovery funds from specific polluters, taxpayers will be forced to bear a growing portion of the cost of cleanups – hundreds of millions of dollars – if the “polluter pays” tax is not reauthorized.

FOLLOW THE MONEY

Manufacturers’ desires to evade strong controls on toxic pollution are being fulfilled. With their generous monetary support of the Bush-Cheney presidential campaign, industrial chemical and other manufacturing companies laid the groundwork for these environmental policy payoffs.



Superfund cleanup completions have dropped by more than 50 percent under the Bush administration, from 87 cleanup completions in FY 2000 to only 40 projected cleanups in FY 2002.⁵¹

CHEMICAL & MISC. MANUFACTURING INDUSTRY CONTRIBUTIONS

Bush-Cheney Campaign & Republican National Committee (2000-2002 Election Cycles)						
INDUSTRY	CYCLE	Individual (\$200+) Bush Campaign	PAC Contributions Bush Campaign	Republican National Committee, hard money	Republican National Committee, soft money	Total
CHEMICAL & RELATED MANUFACTURING	2000 2002	\$538,635	\$31,751	\$707,847 \$254,902	\$3,198,395 \$736,094	\$4,476,628 \$990,996
CHEMICAL & RELATED MANUFACTURING TOTAL		\$538,635	\$31,751	\$962,749	\$3,934,489	\$5,467,624
MISC MANUFACTURING & DISTRIBUTING	2000 2002	\$1,381,744	\$61,615	\$2,273,132 \$487,179	\$4,976,013 \$1,732,723	\$8,692,504 \$2,219,902
MISC MANUFACTURING & DISTRIBUTING TOTAL		\$1,381,744	\$61,615	\$2,760,311	\$6,708,736	\$10,912,406
TOTAL		\$1,920,379	\$93,366	\$3,723,060	\$10,643,225	\$16,380,030

CORPORATE CONNECTIONS

The Bush administration's policy payoffs to chemical and other manufacturing interests are facilitated by political appointees now running EPA offices that oversee the air toxics and Superfund programs who have strong connections to the industries they now regulate:

Jeffrey Holmstead heads EPA's Office of Air and Radiation. As Assistant Administrator, he is directly responsible for the agency's air pollution control regulations, including the air toxics program.

While at the Latham & Watkins law firm, Holmstead's clients included nearly all the big names in chemical manufacturing, including the Chemical Manufacturers Association (now called the American Chemistry Council), the largest trade group for chemical manufacturers. Holmstead represented chemical manufacturers in air toxics litigation and regulatory matters.

EPA's ethics office reports that Holmstead has recused himself from decisions regarding two specific air toxics rules dealing with pesticides and pharmaceuticals. But many other industries, including many other past clients, also have a stake in the air toxics debate, raising conflict of interest concerns. Holmstead is involved in decision-making for the air toxics program in general and has publicly stated his support for exempting certain industries from the pollution control requirements.⁴⁹

Marianne Lamont Horinko, Assistant Administrator for EPA's Office of Solid Waste, is responsible for EPA's solid waste and emergency response programs, including Superfund. Horinko's former clients at Don Clay Associates, a national environmental policy consulting firm, include several companies and a trade association currently enjoying a Superfund tax-free existence, including the Chemical Manufacturers Association and Koch Petroleum Group.

Horinko recently was the center of controversy for withholding information about which site cleanups would be slowed as the Superfund ran out of money. When members of Congress, the public and the media sought the list of sites, Horinko sent a message to EPA staff requesting that no information be released about which sites would not be funded.⁵⁰ Only after repeated requests from members of Congress did EPA finally release the list of Superfund sites and their funding status.

FORMER HOLMSTEAD CLIENTS WITH AN INTEREST IN AIR TOXICS REGULATION

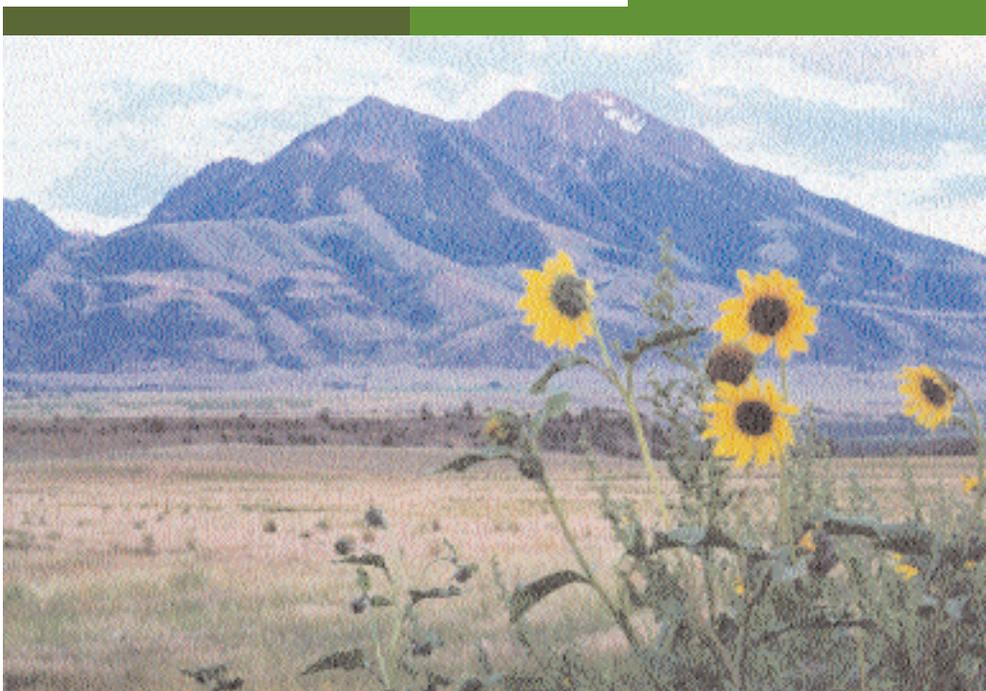
Chemical Manufacturers Association
Monsanto
Lyonell Chemical Company
BASF Corporation
Rohm & Haas Company
Uniroyal Chemical Company
FMC Corporation

FORMER HORINKO CLIENTS WITH AN INTEREST IN SUPERFUND

Chemical Manufacturers Association
Aluminum Company Of America
Koch Petroleum Group
Koch Industries, Inc.

CONCLUSION

Some things – like the water we drink, the air we breathe, and the country's natural treasures – should not carry a “For Sale” sign. Unfortunately, an examination of the Bush administration's record reveals a pattern of weakening environmental protections at the behest of large campaign contributors that is unprecedented in any administration, Republican or Democrat. The Bush administration's anti-environmental, anti-public health agenda threatens to undo over 30 years of progress in addressing environmental problems – progress spurred by public servants and private individuals of all political persuasions.



Earthjustice is a nonprofit law firm dedicated to strengthening and enforcing environmental laws to protect the environment for present and future generations. We believe that the Bush administration's weakening of environmental safeguards is so pervasive that it can only be accounted for by a conscious administration-wide intent to enrich corporations at the expense of ordinary citizens and the environment.

Public Campaign supports comprehensive campaign finance reform that would reduce the influence of special interests and create a level playing field so qualified candidates without connections to wealth can run for office without entering the money chase. Under a Clean Money/Clean Elections system, candidates who agree to forego private contributions – including money from their own pockets – and accept strict spending limits receive an equal and limited amount to run their campaigns from a publicly financed clean elections fund. Clean Money/Clean Elections is already law in four states: Arizona, Maine, Massachusetts, and Vermont. Grassroots organizations in nearly forty states are working to advance Clean Money/Clean Elections Campaign Reform.

Under such a system, perhaps we would not see our most precious and irreplaceable resources squandered for what is, comparatively speaking, so little.

METHODOLOGY

HARD MONEY, SOFT MONEY – WHAT’S THE DIFFERENCE?

Many are the ways to invest in political campaigns. **Hard money** refers to contributions regulated under the Federal Election Campaign Act. Under current rules, individuals may give \$1,000 to a candidate for a primary election and another \$1,000 for the general election, a total of \$2,000. In addition, individuals may give up to \$5,000 to a Political Action Committee (PAC) and \$20,000 to a national party committee, although the person is limited to a total of \$25,000 per calendar year to all these entities. PACs may give \$5,000 to a candidate per election, a total of \$10,000.

In 2002, in passing the Bipartisan Campaign Finance Reform Act (BCRA), often referred to as “McCain-Feingold,” Congress altered these limits. As of January 1, 2003, individuals may give up to \$2,000 per election (primary and general) per candidate, or \$4,000 total, and \$95,000 per election cycle, of which \$37,500 can be distributed to candidates, and up to \$57,500 per cycle to all national party committees and PACs. These new limits will be adjusted periodically for inflation.

Soft money to political parties describes unlimited contributions to a national party committee made by individuals, corporations, or unions. The party may use this money for state and local campaigns, party building, and voter drives. Technically, soft money may not be used to advocate for or against a particular candidate. Both major political parties, however, have become adept at skirting this restriction and find ways to use the money that in fact benefit particular candidates. Under BCRA, party soft money contributions are eliminated after the November 2002 elections.

In the case of the Bush-Cheney campaign, in addition to hard and soft money contributions, there were several other avenues through which donors could show their generosity. One was the Vote Recount Fund, an organization set up to cover legal costs when Al Gore and George W. Bush were contesting the results of the Florida elections. Another was the Bush-Cheney inaugural fund, set up to receive contributions to cover costs of inaugural festivities. Finally, there were the Bush “pioneers,” who promised to raise \$100,000 each for the Bush-Cheney campaign. Pioneers asked work colleagues, friends, and family to contribute to the Bush campaign, largely \$1,000 hard money contributions that cannot be tracked back to the pioneer who did the asking, since Federal Election Commission (FEC) records show only who gives money, not who organized the giving.

WHAT IS INCLUDED HERE

Industry campaign contributions cited in this report are based on Federal Election Commission (FEC) contribution data coded by industry by the Center for Responsive Politics (CRP), a nonprofit, nonpartisan research organization, and analyzed by Public Campaign. Included are PAC contributions, individual contributions of \$200 or more (the law does not require contributions under \$200 to be itemized in reports to the FEC), and soft money contributions. Also included are contributions to the Bush-Cheney Vote Recount fund and the Bush-Cheney Inaugural fund. Contributions for the 2002 cycle were downloaded from the FEC by CRP in July 2002.

In *PAYBACKS*, each industry’s contributions were taken from sector totals with the exception of the totals for coal-burning electric utilities. Since the electric utilities sector includes all energy production, not just coal-burning sources, we narrowed our field by restricting the contributor pool to the subsidiaries and parent companies of coal-burning electric utilities that are currently involved in ongoing New Source Review enforcement actions according to the Department of Justice’s January 2002 report, “New Source Review: An Analysis of the Consistency of Enforcement Actions with the Clean Air Act and Implementing Regulations.”

ENDNOTES

- 1 Michael Isikoff, "The Money Machine," *Newsweek*, January 24, 2000.
- 2 "Healthy Forests: An Initiative for Wildfire Prevention and Stronger Communities," August 22, 2002, p. 3.
- 3 *The Wilderness Society v. Mark Rey*, Plaintiffs' Brief in Support of Motion for TRO/Preliminary Injunction, at 1,2 (December 18, 2001).
- 4 66 *Fed. Reg.* 8899, February 5, 2001.
- 5 66 *Fed. Reg.* 35918, July 10, 2001.
- 6 *Kootenai Tribe of Idaho v. Veneman* (Case No. CV 01-10-N-EJL).
- 7 Judy Sarasohn, "Timber Industry Seeks New Allies in Fight Over Spotted Owl Habitat," *Legal Times*, July 30, 1990.
- 8 See Mark Rey, in remarks presented at the S.J. Hall Lectureship in Industrial Forestry, University of California, Berkeley, October 13, 2000; and "Rewrite of Forest laws rouses environmentalists," *Associated Press*, February 2, 1997.
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Washington, D.C. 20036

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