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### Policy News - March 8, 2006

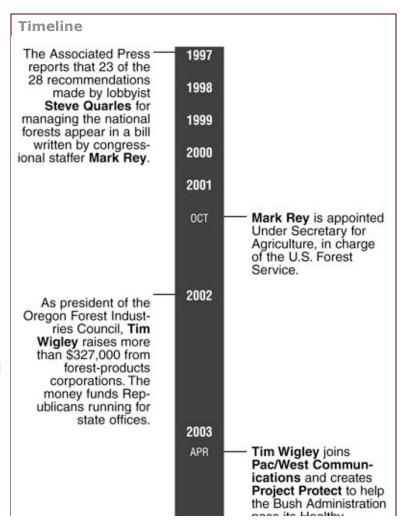
# Hidden ties: Big environmental changes backed by big industry

Lobbyists and industry officials who once pushed for the president's Healthy Forests legislation now collaborate with Rep. Pombo to alter the Endangered Species Act.

Since President Bush took office, Republicans have successfully pushed through major reforms that target regulations for power-plant emissions and the management of federal forests. During his 2004 campaign for reelection, the president <u>praised</u> his Healthy Forests initiative as "a good, common-sense policy." This year, the Republican-led Congress is gearing up for yet another "common-sense" reform to a major piece of environmental legislation—the Endangered Species Act (ESA).

Critics of these reforms charge that they are little more than giveaways to the affected industries and note that the changes enacted with the Healthy Forests legislation limit citizens' ability to appeal logging sales on federal lands and emphasize cutting trees to prevent fires. However, the reformers point to support by "grassroots" groups as a sign that these changes are popular with citizens and not just industry.

ES&T has examined in detail one short-lived "grassroots" environmental organization that was based in Oregon—a state with vast forests and species-rich ecosystems. The leading figures in this group played a key role in passing President Bush's Healthy Forests legislation





GREEN CHEMISTRY INSTITUTE and are now promoting changes to ESA. From dozens of interviews and reviews of thousands of pages of documents, *ES&T* has found clear evidence that this "grassroots" organization has clear ties to timber corporations—an industry likely to benefit financially from legislative reforms.

# Change—with help from your friends

The movement to alter ESA is being led in Congress by Rep. Richard Pombo (R-CA), a rancher from California and the powerful chair of the House of Representatives' Committee on Natural Resources. The effort to change ESA cleared its first hurdle in September 2005 when the House approved Pombo's bill (H.R. 3824). Major provisions in the bill would remove requirements to designate critical habitat to protect endangered and threatened species and would also add a new requirement for the government to compensate landowners when the law impedes them from developing their land.

To write the bill, Pombo called on the help of <u>Steve</u> <u>Quarles</u>, a lobbyist who works for the timber industry. "I spent a great deal of time with Pombo's staff," Quarles told *ES&T*, and during that time he helped write the bill.

But Pombo, Quarles, and other reformers face an important obstacle. For

Forests legislation. Project Protect is run from the office of MAY the American Forest At the Forest Resource Council. Resources Assoc. meeting, industry officials praise Project Protect as a means to pass Bush's Healthy Forests legislation. Project Protect takes out two full-page ads in The Oregonian, the largest newspaper in the state. Each ad costs more than \$10,000. Steve Quarles lobbies 2004 for passage of the Healthy Forests legislation on behalf of the American Forest & Paper Assoc. Two full-page ads for Project Protect run in The Oregonian (total cost over \$20,000), and ads run on radio stations KEZI (\$70,000) and KDRV (\$25,370). Project Protect operates for 2 years and raises \$2.9 million. After the 2004 presidential election, it is shut down. Congressman Richard NOV Pombo (R-CA) recommends Tim Wigley for an award sponsored by the Forest Resources Assoc, for his work to pass the Healthy Forests legislation. DEC Steve Quarles incorporates the Save Our Species Alliance (SOSA), which will work to change the Endangered Species Act. Tim Wigley is listed as the campaign director. 2005 Republicans, lobbyists, JAN and members of the property-rights movement meet in Washington, DC, to discuss legislation to change the Endangered Species Act. As campaign director for SOSA, Tim Wigley presents results from alling data and focus

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well over a decade, public opinion has run strongly against changes viewed as weakening environmental laws. An October 2005 Harris Poll found that 74% of Americans believe that "protecting the environment is so important that requirements and standards cannot be too high, and continuing environmental improvements must be made regardless of cost."

To counter possible negative opinion and shape a message that is palatable to political moderates, Pombo and other ESA reformers have drawn on a new form of grassroots environmentalism that sides with corporate causes. One example is the Save Our Species

politiu uata attu locus groups. Also at the meeting are members from conservative think tanks, including Myron Ebell of the Competitive Enterprise Institute and David Ridenour of the National Center for **Public Policy** Research. Afterwards, Richard Pombo addresses the participants and answers questions. SOSA sends out multiple press releases. The point of contact is Tom Randall, a former employee of the National Center for Public Policy Research. Pac/West AUG Communications helps sponsor a fundraiser for Richard Pombo in Wilsonville, OR. Paul Phillips, the president of Pac/West, donates \$1000 to Pombo's political action committee, RichPAC. Directors of Project Protect donate an additional \$3000.

Alliance (SOSA), which has become a prominent voice in convincing voters that change to ESA is needed.

On its website, SOSA carries this message: "The Endangered Species Act is a good law with good intentions. The Save Our Species Alliance will work across the country to promote common sense, balanced, and scientifically supported changes to the ESA." Pictured next to the statement is an endangered reptile.

SOSA's campaign director is <u>Tim Wigley</u> [MS Word], who is also the executive director of <u>Pac/West Communications</u>, a public-relations (PR) firm with offices in Oregon, Alaska, and Washington, D.C. In an interview with *ES&T*, Wigley stated that SOSA is a grassroots group of farmers, labor groups, and others "who all care about modernizing the Endangered Species Act."

In January 2005, Wigley traveled to Washington, D.C., to address a group of property-rights activists who also wanted to reform ESA. The gathering took place in a committee meeting room at the House of Representatives. Democrats contacted by *ES&T* said that they were not invited, but the participants included staffers working for a number of republicans including Pombo and Sen. James Inhofe (R-OK), chair of the Senate Committee on Environment and Public Works.

Wigley's presentation discussed how to best sell changes in ESA to the American public and included results from focus groups and polls, said <a href="Chuck Cushman">Chuck Cushman</a>, executive director of the American Land Rights Assoc., a private-property-rights group, and a participant at in the meeting. Of Wigley's talents at delivering a message, Cushman said, "He's very skilled, more skilled than I am. He has the

grassroots at heart." Cushman added that he had even employed Wigley to help with various political causes.

### Hidden roots, hidden money

Federal <u>records show</u> that SOSA's lobbyist is Steve Quarles, who told *ES&T* that he filed the paperwork to incorporate the organization. Practically a Washington, D.C., institution, Quarles has long worked to shape environmental laws to favor corporations. During the debate over the president's Healthy Forests legislation, <u>Quarles lobbied</u> for its passage on behalf of the <u>American Forest and Paper Assoc.</u>, the largest trade group for the forest products industry. Previously, he represented the <u>American Forest Resource Council</u> (AFRC), a group that lobbies for management of public lands to favor industry.

Wigley, too, has a long history with the timber industry. Before joining Pac/West, he worked for the Oregon Forest Industries Council (OFIC), a trade organization that represents forest-products companies. Internal Revenue Service (IRS) records show that his work for OFIC included raising large sums of cash. For the 2002 elections, Wigley raised \$327,100 from timber companies, such as Weyerhaueser and Boise Cascade. This money was then handed out to Republicans running for state offices in Oregon. Before joining OFIC, Wigley worked as a press officer for Georgia Pacific, one of the world's largest forest-products corporations. His biography also states that he is a graduate of the American Campaign Academy, a group created by advisers to former Rep. Newt Gingrich to train Republican political operatives.

Wigley and Pac/West are no strangers to environmental reform movements. Several years ago, Wigley led Project Protect, which helped pass the Healthy Forests legislation by lobbying Congress and running advertisements and opinion pieces to influence the public in timber-rich states.

One example of this work was an opinion piece that ran in July 2003 in the *Reno Gazette*, a Nevada newspaper. Pac/West's community outreach associate, Liz Arnold, wrote, "[M]anaging our forests and rangelands instead of spending . . . time responding to litigation and special interest politics is now an environmental necessity." She encouraged residents to support "scientific management" of our forests, adding, "Passage of the Healthy Forests Restoration Act is critical." The piece describes her as a "Project Protect grassroots coordinator."

When asked, Wigley shied away from disclosing who financially backs SOSA and who funded Project Protect, saying Project Protect "was a grassroots organization." He added, "I am not a lobbyist. I think this line of questioning is misleading."

Project Protect was registered as a nonprofit in April 2003 by Wigley at Pac/West Communications. According to federal records, Wigley became the group's lobbyist and coordinated his work with the Bush Administration until the project disbanded in 2004, after the 2004 presidential race. In 2003, the address for Project Protect was a MailBoxes Etc. store in Portland, Ore., but the following year, the address changed to the offices of American Forest Resource Council (AFRC).

AFRC's president, Tom Partin, said the council's members weren't really involved in Project Protect, which he said was just a PR campaign coordinated by Wigley to pass the Healthy Forests legislation.

Project Protect's now-defunct website (www.landsense.us) <u>billed the organization</u> as a "grassroots coalition of western communities, natural resource groups, labor organizations, and conservationists" whose mission was "to protect our over-

populated, dense forests from catastrophic wildfire and disease."

Until now, Project Protect has hidden its ties to industry and sources of funding. The first public mention of Project Protect was in the industry magazine *International Wood Fiber Report* [184KB PDF] in May 2003. In an article that month, Jim Peterson of the industry-funded Evergreen Foundation was quoted calling Project Protect a "hardball approach" to get the president's bill signed. "It's not a warm, fuzzy PR campaign," he said. "It's a fight to the finish. We intend to work behind the scenes with industry associations with much of the PR off the radar screen by design."

In an email obtained by *ES&T* that Wigley wrote in February 2005, he revealed his own views on Project Protect. "When I directed the healthy forests battle two years ago, I had to change the way the forest products industry talked," he wrote. "We didn't change our goals—just the way we communicated."

Critics say that the tactics detailed in this email sent by Wigley are now commonly employed to persuade the public to support laws that favor large corporations.

View the email [168KB PDF]

The Annenberg Public Policy Center at the University of Pennsylvania estimated that Project Protect bought \$10,000 in advertising in 2004. However, *ES&T* has learned that the organization actually spent \$2.9 million on media and lobbying during its 2-year existence before evaporating after the 2004 elections, according to copies of Project Protect's 2003 and 2004 tax statements. The documents do not list the donors.

From newspapers and radio stations in Oregon, *ES&T* learned how some of this money was spent. In 2004, two full-page ads for Project Protect ran in The Oregonian; a salesperson with the newspaper said they cost more than \$10,000 each. And a salesperson at Oregon radio

#### **IRS Forms**

Secretly funded and staffed by industry, Project Protect was a \$2.9 million media campaign to persuade the public to support President Bush's Healthy Forests legislation.

2003 IRS form [2.4MB PDF] 2004 IRS form [1MB PDF]

station KEZI said that ads for Project Protect totaled more than \$70,000 between August and November of 2004. "They made a real statement," said the salesperson. Tax forms for SOSA are not yet available.

In November 2004, Pombo recognized Wigley's work with Project Protect by sending a <u>letter</u> [117KB PDF] to the Forest Resources Assoc. recommending Wigley for an award. "Tim's efforts in leading the grassroots campaign 'Project Protect' without question helped position the Healthy Forests Restoration Act for successful passage in the U.S. Congress," Pombo wrote. Wigley <u>received the award</u> and a cash prize from the association a few months later.

In August 2005, Pac/West returned the favor by hosting a fund-raiser [1.2MB PDF] for Pombo in Wilsonville, Ore., where the firm is headquartered. Around this time, the Pac/West CEO Paul

#### Think tank or lobby shop?

The January 2005 meeting in Washington, D.C., at which Tim Wigley spoke to activists in the property-rights movement about changing the Endangered Species Act was attended by

Phillips, a former Oregon state senator, donated \$1000 to Pombo's campaign. Members listed on IRS documents as directors for Project Protect donated an additional \$3000.

ES&T contacted Pombo's office on numerous occasions seeking comment about his ties to SOSA and to various officials who created the group. After a brief exchange, Pombo's office stopped returning calls and would no longer respond to inquiries.

## Creating a synthetic movement

Larry Noble at the <u>Center for</u> Responsive Politics, a nonpartisan group that tracks money in politics, said this type of corporate-funded countermovement only came to fruition in the 1990s after businesses suffered decades of poor public perception and lost numerous political battles to environmental groups.

In the sixties, people heard the corporate message, "Better living through chemistry" but then discovered that this same industry was making napalm. The widespread disillusionment of the era led to a cynical attitude toward large companies. "People just began to discount them," Noble said. Industry responded, he added, by putting more resources into PR and lobbying groups that know how to get an industry message out to the media and to the public in an appealing way.

"There is this issue of balance in the media," he said. "So, a representatives from several libertarian think tanks, including Myron Ebell of the Competitive Enterprise Institute (CEI) and David Ridenour of the National Center for Public Policy Research (NCPPR). Ebell, Ridenour, and other "scholars" from these think tanks have been central to the advance of conservative policy and efforts at deregulation, say many observers.

For example, Chuck Cushman, executive director of the American Land Rights Assoc., told ES&T that he had employed both Wigley and Ebell to help with various political causes in the propertyrights movement. And when Wigley's Save Our Species Alliance sent out press releases in the summer of 2005, journalists were asked to contact Tom Randall with the consulting firm Winningreen. Before he started Winningreen, Randall and his wife Gretchen were employed by NCPPR, where they wrote environmental policy papers that supported corporate positions on topics such as forest policy and global warming.

Ebell, in particular, has emerged as a major force in shaping public opinion. At CEI, Ebell refashioned himself from a property rights adovocate to become a leading global-warming skeptic. He is now often quoted by media outlets such as the *Washington Post* as a counter to researchers whose studies point out the need to reduce greenhouse-gas emissions.

Larry Noble of the Center on Responsive Politics said he wasn't too surprised to hear that a network of lobbyists, industry officials, and scholars from libertarian think tanks jump from one issue to the next in an effort to change environmental laws. "It's known that this is going on, just not all the exact details," he said. "It makes me think of the early 70s in rock, where all these music groups formed and then quickly died. But when you really looked at it, it was just the same musicians moving from band to band."

NCPPR's current senior fellow on environmental policy is Bonner R. Cohen. A check of Internal Revenue Service documents showed that Cohen is also the director of TASSC, a science lobbying group which was started in 1993 by the communications firm APCO Associates to promote "sound science" on behalf of tobacco companies. As reported by ES&T in May 2005, TASSC is now run from the home of Steven Milloy, a FoxNews.com columnist, climate-change skeptic, self-described basher of "junk science", and an adjunct "scholar" at CEI. —PDT

journalist will go out and interview someone from an environmental group and then someone from an industry [funded] environmental group."

And another payoff exists, Noble said, when it comes to advertising and shaping public perception. "When one of these groups takes out an ad, most people will not look to see who's behind it" or whether the sponsoring group is funded by industry or

by a public-interest group, he said.

Noble said that it is shocking that Project Protect spent \$2.9 million in advertising to pass Bush's Healthy Forests legislation. "It gives you some sense of what the real grassroots [organizations] are up against."

"Some people call it Astroturf," said <u>Ken Gross</u>, a lawyer who specializes in ethics and campaign-finance cases. Unlike traditional grassroots groups that may consist of local activists meeting in someone's living room, these new operations are backed by corporate money and run like professional political campaigns. "It's not mom-and-pop; it's highly sophisticated, with well-compensated people. [But] there's nothing unholy about it."

With a grant from the National Science Foundation, Drexel University associate professor of sociology Robert Brulle is analyzing the nearly 8000 U.S. environmental organizations that operated between 1900 and 2000. He found that while some groups prospered with large memberships, broad community support, and elected leaders, some of the newer groups consisted of an appointed board and had unknown financial sources. The new groups labeled themselves as grassroots, but they also had strong financial ties to corporations and leaders drawn from industry groups or PR firms.

The word grassroots "implies broad representation, but when you ask questions, you'll find that some groups get [mad]," said Brulle, especially when you ask them where they get their money. "I have yet to find one of these industry groups that was authentic. They are mostly top-down, short-term groups."

<u>Douglas G. Pinkham</u>, president of the Public Affairs Council, an educational group for lobbyists, said that current scandals in the U.S. involving disgraced Republican lobbyist Jack Abramoff, may lead to greater transparency in politics and lobbying.

"Most companies I talk with shy away from these tactics," he says, referring to PR firms creating industry-funded environmental advocacy groups. "They realize in the long run that it hurts their reputation." —PAUL D. THACKER

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