

Democracy North Carolina

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“Toxics Lobby” Pours \$9 Million into NC Politics, Ten Times As Much As Environmental Groups House Speaker Thom Tillis Leads List of Recipients

A new analysis of the political clout of leading producers of toxic chemical pollution in North Carolina reveals they have spent \$8.9 million to lobby state officials and support their political campaigns since 2009.

By contrast, the analysis shows that 12 conservation organizations (including the Sierra Club, League of Conservation Voters and Southern Environment Law Center) have spent only one tenth this amount or a total of \$885,650 on lobbying and campaign donations to North Carolina legislative and state officials.

The analysis by the watchdog group Democracy North Carolina focuses on 27 companies and trade associations that would benefit from a bill (H-952) passed by the state House this week to change the regulation of toxic chemicals released into the air.

Industry groups say the legislation would save money and reduce overlapping state and federal regulations, but critics say the bill would replace state standards that evaluate the impact of toxic emissions on human health with weaker federal rules that exempt many chemicals and focus on the technology available to control pollution.

Spearheading the push for change are the NC Chamber, Duke Energy, and the Manufacturers & Chemical Industry Council of NC. MCIC is a trade group composed of paper mills, drug makers, chemical producers such as DuPont, two subsidiaries of Koch Industries, and major companies that generate substantial pollution, including Nucor Steel and General Electric.

Democracy North Carolina labels this collection of business interests the “Toxics Lobby” because of their significant release of toxic materials into North Carolina’s atmosphere.

In 2011, the 27 companies and trade groups spent a total of \$2.8 million to lobby state officials, compared to the \$398,000 spent by the 12 conservation groups, according to records filed with the Secretary of State’s office. Much of the lobbying on both sides was devoted to issues other than air toxics – including a successful effort by business last year to restrict environmental rulemaking – but the totals illustrate the scope of their political resources.

Adding in 2009 and 2010, the spending gap widens – a three-year total of \$7.2 million for the “Toxics Lobby,” compared to \$823,000 spent by the environmental groups for lobbying.

The gap is much larger for campaign donations, the analysis shows. The business PACs, led by Duke and Progress Energy, have given a total of \$1.7 million since 2009 to NC legislative and executive branch candidates and party committees – or 27 times the \$62,655 donated by the environmental PACs.

“When you see the Toxics Lobby throw so much money at lawmakers, you have to wonder if their pet legislation will be evaluated fairly, based on its merits rather than the industry’s political clout,” said Bob Hall, executive director of Democracy North Carolina.

“The government has a duty to protect the public’s health, but there’s a danger that duty can get shortchanged in a political marketplace dominated by big money,” Hall said. “Unfortunately, it looks like the General Assembly is cutting the regulators’ budget, taking cops off the beat, and also changing the rules to make it harder for them to protect the public’s health and safety.”

He pointed out that dozens of Republican and Democratic lawmakers, as well as their political parties and gubernatorial candidates, have received large amounts of campaign money from the business lobby.

The top recipient is House Speaker **Thom Tillis**; he has received \$68,500 since 2009 from the 19 PACs related to the companies and trade groups (several do not have PACs.) Next comes Senate President Pro Tem **Phil Berger** at \$61,250; then Senate Rules Chair **Tom Apodaca** at \$49,000 and House Appropriations Committee Senior Chair (and former House Speaker) **Harold Brubaker** at \$45,750 – all Republicans.

The chief sponsor of H-952, **Rep. Mitch Gillespie** (R-McDowell) received \$25,750 from the industry donors. **Gov. Bev Perdue** collected \$21,000 for a reelection bid she has abandoned. Democratic gubernatorial nominee **Walter Dalton** received \$16,000 while his Republican rival, **Pat McCrory**, has taken in \$14,000 from this group of business PACs.

Hall said his analysis only includes PAC donations, not contributions from employees of the businesses, nor corporate money given to national committees that winds up impacting North Carolina elections. For example, he said:

- 18 executives of Duke and Progress Energy donated a total of \$23,750 to Senate leader Phil Berger just in the month of April 2012; those donations are not included in the analysis.
- Koch Industries gave \$2 million to the Republican Governors Association, making it the largest donor to the RGA so far for 2011-12. The RGA recently allocated \$1.4 million to begin attack ads against Democrat Walter Dalton, and it sent the State Board of Elections a list of the donors giving that \$1.4 million; the list includes \$100,000 from Weyerhaeuser.
- The smaller Democratic Governors Association recently sent \$1 million to a 527 group in NC that is attacking Republican Pat McCrory. Duke Energy is the second largest donor to the DGA, with a donation of \$405,500 for 2011-12. Duke has given \$125,450 to the RGA this cycle.

Hall also pointed out that several of the companies have interests in the debate over legalizing fracking, another debate now heating up in the General Assembly. For example, he said:

- Koch Industries owns extensive oil and gas operations in the US, as well as Georgia-Pacific’s paper mill in Northampton County and Invista chemical facility in New Hanover Co.
- Duke and Progress Energy’s coal plants are major sources of air toxins and they anticipate increasing their use of natural gas as fuel for electric power generation.
- Weyerhaeuser, like other paper firms, is a large chemical pollutant; it also holds leases for shale oil exploration. Evergreen Packaging in Canton and Domtar Corp in Plymouth are two more paper mills in MCIC and NC Forestry Association that pushed for relief on air toxics.
- General Electric has plants in Wilmington and West Jefferson, NC, that produce significant air pollution; it also markets machinery designed to help natural gas driller recycle water and it has extensive holdings of shale oil property.

NOTE: A report last week by NC Voters for Clean Elections compared donations from fracking-related companies to the voting record of state legislators on the Energy Jobs Act (S-709) which included a pro-fracking section; the bill passed in 2011 but was vetoed by Gov. Bev Perdue. Among the findings, the report showed that House members who voted for the bill received, on average, twice as much as those who voted against S-709. See www.ncvce.org for the full report.

**SPENDING ON LOBBYING AND CAMPAIGN DONATIONS BY PACs OF
TOXICS LOBBY vs. ENVIRONMENTAL LOBBY, SINCE JANUARY 2009**

COMPANY OR GROUP	NC Lobbying Expense	NC Political Donations	TOTAL
<i>Toxic Lobby Firms & Trade Groups</i>			
NC Chamber	\$ 331,413	\$ 157,429	\$ 488,842
Duke Energy	820,427	353,000	1,173,427
Progress Energy	702,119	492,500	1,194,619
Manufacturers & Chemical Industry Council	66,988	19,500	86,488
Alcoa Inc*	1,576,334	0	1,576,334
American Chemistry Council	70,699	0	70,699
American Petroleum Institute	128,500	0	128,500
Baxter Healthcare Corporation	148,839	12,500	161,339
Corning Incorporated*	228,578	32,000	260,578
E I DuPont & Company*	119,035	4,000	123,035
FMC Corporation*	92,400	500	92,900
General Electric Company*	328,677	50,500	379,177
GlaxoSmithKline Inc*	607,155	65,500	672,655
Goodyear Tire & Rubber	180,000	0	180,000
International Paper*	78,972	5,500	84,472
Koch Companies*	135,790	10,357	146,147
Merck Sharp & Dohme Corp	113,959	73,750	187,709
NC Forestry Association	44,483	59,100	103,583
NC Petroleum & Convenience Marketers	86,325	114,250	200,575
Novartis Pharmaceuticals Corp	132,101	34,500	166,601
Novozymes/Novo Nordisk*	99,213	0	99,213
Nucor Corporation*	223,351	13,500	236,851
PCS Phosphate*	36,541	0	36,541
Pharmaceutical Res. & Manuf. of America	212,756	0	212,756
Reynolds American*	437,131	186,000	623,131
Talecris Biotherapeutics	114,952	0	114,952
Weyerhaeuser Company*	101,874	20,500	122,374
TOTALS	\$7,218,612	\$1,704,886	\$8,923,498
<i>* Member of MCIC</i>			
<i>Environmental Groups</i>			
Clean Water for NC	\$ 1,548	\$ 0	\$ 1,548
Environment NC	96,250	155	96,405
Environmental Defense Fund	205,813	0	205,813
NC Chapter of the Sierra Club	27,695	7,750	35,445
NC Coastal Federation Inc	159,202	0	159,202
NC Conservation Network	51,283	0	51,283
NC League of Conservation Voters	60,284	54,750	115,034
NC Public Interest Research Group	1,274	0	1,274
NC WARN	3,390	0	3,390
NC Wildlife Federation	19,090	0	19,090
Southern Environmental Law Center	196,621	0	196,621
Toxic Free NC	545	0	545
TOTALS	\$822,995	\$62,655	\$885,650