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Green Watch

Green Bullies

How Environmental Groups Use the Tactics of Intimidation

By Amanda Carey

Bob Edgar, president of Common Cause, criticizes the Supreme Court's *Citizens United* ruling

***Summary**: The pressure tactics of extremist environmental groups are forcing corporations to turn against the political candidates, nonprofits and issue campaigns that support their own best interests. Green groups have learned how to target the customers, investors and suppliers of corporations so they will put pressure on corporate management to cut off financial contributions to business-friendly causes and candidates. Greens also seek to circumvent "Citizens United," the recent U.S. Supreme Court decision that says laws that put limits on corporate (and union) political giving violate the First Amendment right of free speech.*

In the summer of 2010, certain shareholder groups submitted a proposal to the Target Corporation, the big box retailing giant. Walden Asset Management, the Trillium Asset Management Corporation and Calvert Asset Management Company, three firms dedicated to "sustainable and responsible investing," demanded that Target's board of directors review the company's recent donations and amend its contributions policy. At issue was a $150,000 donation Target made in July 2010 to Minnesota Forward, a business-backed political fundraising group that focuses on the issues of job creation and economic opportunity.

Minnesota Forward is an "independent expenditure political committee," a type of group that is permitted to raise unlimited funds for voter mobilization and issue advocacy on the condition that it not coordinate its activities with the candidate, party or campaign it supports. The group actively supported state legislator Tom Emmer, the Republican nominee for governor, against the Democrat, former U.S. senator (and eventual winner) Mark Dayton, to succeed incumbent governor Tim Pawlenty. Minnesota Forward's business sponsors favored Emmer over Dayton because he had voted against raising taxes and for cutting government spending.

But Emmer was also an opponent of gay marriage, and that put Target and its CEO Greg Steinhafel on the spot with the investor groups. Target is known to have gay-friendly employment policies. But its internal policies were ignored by the shareholder activists who were determined to stop Target's support for Emmer. Not only did the shareholder groups oppose Emmer's position on same-sex marriage, but they were also outraged that a 2010 U.S. Supreme Court decision allowed Minnesota Forward to give Emmer unlimited financial support. In the case *FEC vs. Citizens United* the Supreme Court ruled 5-4 that laws limiting political giving by corporations and unions violate the First Amendment protection of free speech.

Target's shareholder activists went to work. "[W]e believe it would have been prudent to undertake a comprehensive review of the implications of such contributions for our company's reputation and business competitiveness before donating $150,000," they wrote. "We are concerned that management may use the open door of the Citizens United decision to intervene in numerous controversial political contests that could harm the Target brand." Other activist groups went even further and called for an all-out boycott of the retailer. "Our democracy is not for sale" blared a Target attack ad by the liberal group MoveOn.org.

Confronted by this storm of controversy, Steinhafel, Target's CEO, issued an abject public apology:

"The intent of our political contribution to MN Forward was to support economic growth and job creation. While I firmly believe that a business climate conducive to growth is critical to our future, I realize our decision affected many of you in a way I did not anticipate, and for that I am genuinely sorry."

It was an embarrassing public admission. The company had legally contributed funds to a politically-active group that supported a pro-business candidate for governor, but it found itself pilloried as a bigot. Target's actions were legal and ethical and its internal policies prohibit workplace discrimination. But these were not enough. Target was targeted, and it capitulated. The investor groups'outrage against the company was all too political.

After Citizens United

Target's predicament is one that will likely be repeated over and over again as the 2012 election draws closer. As corporations become involved in political elections, their contributions will be closely scrutinized by leftist organizations that fear corporate involvement in politics. The environmentalist movement has gladly signed on to this campaign.

No doubt groups like the Sierra Club and Greenpeace want to elect politicians sympathetic to their cause. But they also are adopting strategies designed to circumvent the Supreme Court's ruling: they are using intimidation to stop corporations from making political contributions.

"It sucks," says Gene Karpinski in Sierra Magazine, the bimonthly magazine of the Sierra Club. Karpinski, president of the League of Conservations Voters, laments that oil companies like Exxon can now spend "directly on campaigns."

Robert Weissman, president of Public Citizen, the Ralph Nader-founded advocacy group that pushes for public control over private economic decision-making, called the Citizens United decision "really bad" for environmental concerns.

"The Supreme Court has just invited Exxon and Chevron and International Paper to spend unlimited amounts of money to

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affect elections outcomes, and there's every reason to believe they'll accept the invitation," said Weissman.

A blog post at the liberal Center for American Progress observes, "Ultimately, however, today's decision does far more than simply provide Fortune 500 companies with a massive megaphone to blast their political views to the masses; it also empowers them to drown out any voices that disagree with them." Ironically, the anti-corporate think-tank is funded by George Soros and other wealthy donors.

The progressive Grit TV, which focuses on environmental issues, has produced a four-minute video portraying the Supreme Court decision as bestowing personhood on inhuman objects. Like Mary Shelley's classic horror tale, "now suddenly the Supreme Court has turned it [a corporation] into a Frankenstein monster and said that this creature of the people, this creature of the state, can intervene in our politics and spend its money as it pleases," says the video's narrator.

Green groups typically denounce corporate money in politics, but now they feel a real sense of urgency. Citizens United has set off alarms throughout the organized Left, and Democrats in Congress are rushing to introduce legislation to limit corporate political giving. One proposal, the Shareholder Protection Act, offered by Democratic Rep. Michael Capuano of Massachusetts, would amend the 1934 Securities Exchange Act to require a public corporation to obtain the consent of its shareholders for political donations. If passed, Capuano's bill would make corporate officers personally liable if they do not obtain written approval from a majority of shareholders for corporate political contributions in excess of $10,000.

Curbing Corporate Spending in the States

Nowhere is the fight against corporate spending fiercer than in California. In 2006 Gov. Arnold Schwarzenegger signed AB 32, the Global Warming Solutions Act, imposing limits on carbon emissions. AB 32 is more stringent than the Waxman-Markey cap-and-trade bill that passed the House but failed in the Senate. Conservatives responded with Proposition 23, the California Jobs Initiative, a 2010 ballot measure that would have suspended implementation of AB 32 until the state's economy improved and unemployment fell to 5.5%. Oil companies spent a little over $10 million attempting to secure Prop 23's passage, according to campaign finance filings released after the election. Major donors were Valero Services ($5 million), Tesoro Companies ($2 million), Flint Hill Resources ($1 million), Marathon Petroleum ($500,000), Occidental Petroleum ($300,000) and the Missouri-based 501(c)(4)Adam Smith Foundation ($500,000).

By comparison, environmental groups and high-tech venture capital investors spent more than $36 million to guarantee the measure's defeat. The biggest contributors to the "No on 23" campaign were hedge fund billionaire Thomas Steyer ($5.1 million), the National Wildlife Federation ($3 million), venture capitalist John Doerr ($2.1 million), League of Conservation Voters ($1.2 million), and venture capitalist Vinod Khosla, Intel co-founder Gordon Moore, "Titanic" producer James Cameron and Gap founder Robert Fisher ($1 million each). Prop 23 was defeated by a margin of 39 percent in favor to 61 percent opposed.

Corporate Campaigns

Ask any environmental activist about how to fight business—and win, and the Rainforest Action Network's three-year battle against Citigroup is sure to come up. The Rainforest Action Network (RAN) may seem like little more than a group of scruffy activists but its coordinated attacks on the financial giant culminated in 2004 settlement that required Citigroup to establish a comprehensive environmental impact policy for all the projects it finances. RAN (2009 revenue: $3.8 million) is tiny compared to Greenpeace and the Sierra Club. But by being persistent it has created the template for targeting businesses and pressuring them into heeding its demands.

RAN's very public, prominent, and progressively extreme campaign against

Citigroup put it on the map. The activists' tactics included TV commercials showing celebrities urging Citigroup credit card holders to cut up their cards.

One RAN enthusiast rappelled down the side of the bank's Midtown Manhattan headquarters and unfurled a 60-ft banner that read "Forest destruction and global warming? We're banking on it!" The campaign worked. In 2004, at RAN's headquarters, Citigroup executives announced a set of environmental policies that was more far-reaching than any other financial institution. The bank pledged to stop financing logging operations in tropical rainforests and agreed to apply strict guidelines on mining in "sensitive ecosystems." On global warming, it promised to curb its own and its clients' carbon emissions by financing green energy projects. Perhaps most importantly, Citigroup agreed to let RAN look over its shoulder. It agreed to publish greenhouse gas emissions data from all the projects in its portfolio. To prevent comparable RAN attacks, Bank of America, JP Morgan Chase and Goldman Sachs quickly announced similar policies in 2004 and 2005.

Since its successful campaign against Citigroup, RAN has continued to target the financial industry. On October 10, 2010, for example, RAN staged "clean-ups" at all Chevron gas stations in San Francisco to protest a Chevron oil spill in Ecuador. "Clean-up crews" blocked entrances to the pumps and posted banners that read "Closed for cleaning due to oil spills and climate pollution."

This March RAN sent letters to Bank of America, Citi, JP Morgan Chase, Wells Fargo, PJC and Morgan Stanley calling on them to purge their portfolios of financing for the coal industry. RAN threatened to launch a "long-term public pressure campaign" if the banks did not begin shifting their investments from coal to renewable energy financing.

RAN also announced that it would issue a "report card" rating bank financing policies toward companies engaged in mountaintop removal mining. A RAN web video narrated by Susan Sarandon called mountain top removal an "American tragedy" that has "no place in our clean energy future." RAN activists staged a sit-in at the EPA after the agency gave the green light on a mountaintop removal mining permit for Arch Coal Inc. in Logan County, West Virginia.

The upshot? "Wall Street Backs Away from Mountaintop Removal Coal Mining," read the headline of a press release after Bank of America, Citi, JP Morgan Chase, Wells Fargo, Credit Suisse and Morgan Stanley all "recalibrated" their financial relationships with coal companies that use the mountaintop removal method. And in January 2011, the EPA revoked the mountaintop removal permit.

Exxon: The Brainwashed Corporation

The Supreme Court's 2010 Citizens United decision has spurred environmental groups to imagine doomsday scenarios in which companies buy legislators who ban oil company regulation and permit a cataclysm of global warming. "You're either with the people, or you're with Exxon, Goldman Sachs, and General Electric," declared Public Citizen's Robert Weissman. Former Federal Elections Commission member Karl Sandstrom warned, "If Exxon's CEO decided to use one week's worth of profits to spend on political campaigns, he would have more than $800 million to spend."

ExxonMobil, the world's largest oil company, is an easy target for green groups. Lee Raymond, its former chairman and chief executive officer, often expressed doubts about man-made global warming, which made him a favorite foil. "Our view is it's yet to be shown how much of this is really related to the activities of man," Raymond said in a 2005 interview. "The world has gone through many cycles of climate change that man had nothing to do with, because man didn't exist."

In this interview, Raymond said Exxon refused to pretend to research "alternative" energy to forestall green group criticism. "I get this question a lot of times: 'Why don't you just go spend $50 million on solar cells?' Charge it off to the public-affairs budget and just say it's like another dry hole?' The answer is: That's not the way we do things."

Such outspoken honesty made Exxon a perfect target. At one London banquet, Greenpeace protestors poured red wine on the tables and labeled Raymond the "No. 1 climate criminal." In some respects ExxonMobil was a gift to the environmental movement. When New York Times columnist Paul Krugman devoted a 2006 column to the "Enemy of the Planet," he singled out Lee Raymond for "special excoriation."

Greenpeace activists launched a website blog ("Exxon Secrets") to disclose the "campaign Exxon has run for more than a decade to deny the urgency of the scientific consensus on global warming and delay action to fix the problem." The Greenepeace blog was nothing compared to the "Exxpose Exxon" website created by a coalition including the Sierra Club, Natural Resources Defense Council, and Friends of the Earth. Its pressure tactics included rallies at Exxon gas stations and protests at shareholder meetings. Activists stalked Exxon's CEO during his appearances on Capitol Hill and inundated members of Congress with letters calling on them to stop Big Oil.

It worked. Raymond resigned and in January 2007 Rex Tillerson became Exxon CEO. He announced that Exxon would stop funding non-profit groups that question the threat of global warming. A company spokesman claimed Exxon always supported greenhouse gas regulation. The company's position on global warming had been "widely misunderstood and as a result of that, we have been clarifying and talking more about what our position is."

The spokesman noted that Exxon had stopped funding the Competitive Enterprise Institute (CEI), a well-known Washington D.C.-based free market think tank critical of government regulatory policies. Exxon's vice president for public affairs, Kenneth Cohen, further announced that the company would withdraw funding for "five or six" similar groups. (Editor's note: These groups included Capital Research Center.) Thus, a for-profit oil company, attacked by environmental groups opposed to oil exploration and development, withdrew its support for free market-oriented nonprofits that defend the company's right to make a profit from oil exploration and development.

Latest Target: Koch Industries

On December 10, 2010, on the last day of the Cancun climate conference, a number of media outlets received what purported to be a Koch Industries corporate press release. Its subject line: "Koch Industries Announces New Environmental Commitments." The phony statement said "Based on recent internal evaluations of Koch Industries priorities, the company will be restructuring its support of climate change research and advocacy initiatives and will discontinue contributions to groups whose positions on climate change no longer match those of the company's leadership, beginning in January 2011."

The press release was soon recognized as a hoax created by unknown individuals who call themselves Youth for Climate Truth. Koch Industries did not find anything funny about the anonymous use of its company logo. In December it filed a complaint with a district court in Utah, where the domain companies hosting the website are located. The anonymous impersonators are defended by Deepak Gupta, an attorney for the Naderite Public Citizen Litigation Group. Gupta claims his clients' actions are political speech. But a Koch Industries statement denies that the impersonators enjoy First Amendment protection: "It was publicity and fundraising stunt perpetrated with the intent to deceive and confuse the public, and disrupt and harm Koch Industries' business and reputation."

Two months after the press release incident, brothers David and Charles Koch were targeted by between 800 and 1,000 demonstrators who protested a Koch Industries meeting for conservative leaders and donors in Rancho Mirage, California.

The protest was organized by Common Cause, the political lobby group. Demonstrators waved signs that said

"David and Charles Koch: Your corporate greed is making us broke" and "Keep corporations out of elections." Scheduled speakers at a companion panel discussion included former White House "green jobs czar" Van Jones, now a senior fellow at the Center for American Progress; former Labor Secretary Robert Reich; and UC Irvine law school dean Erwin Chemerinsky.

During the past year, the Koch brothers, their philanthropic foundation and Koch Industries has become public enemy number one for the Left, particularly for environmental groups that are determined to cut off the sources of funding for candidates, organizations, and issue campaigns opposed to alarmist global warming legislation. In September 2010, Van Jones attacked supporters of Proposition 23, telling one audience that Koch Industries was literally "poisoning rivers, poisoning streams, and making money off of that." He added, "And now they're promoting bad politics by backing, I think, extreme movements in the United States…They're bad on the environment in terms of their practices, they're bad in terms of their economic philosophy they're trying to shove down the throats of California, and they're bad in their politics in terms of their supporting extreme political ideas in America."

Clearly, those attacking the Koch brothers and Koch Industries want to demonize them. They want to project onto the company false images of conspiracy and secrecy, suggesting that Koch uses untold wealth to promote a hidden agenda, when in fact Koch contributions to free market groups are open and transparent. Last February the Sierra Club – America's largest environmental advocacy organization – launched a social media campaign to attack Koch Industries ("the biggest scariest company you've never heard of"). Predictably, the group's Grassroots Media Coordinator, Rachele Huennekens, lambasted Koch's "dirty money." Huennekens previous job: communications specialist for SEIU and the AFL-CIO.

The 2012 Playbook

Environmental groups are using an array of tactics to challenge companies that resist their demands. If RAN created the model for pressuring shareholder-owned companies into satisfying their opponents' demands, the green campaign against Koch Industries illustrates how environmentalists will harass a privately-owned company that is impervious to social pressure and unwilling to appease its enemies. These varying strategies are increasingly formalized so that they can be taught and replicated.

The attack on Target in Minnesota, the "No on 23" campaign in California, and the systematic attack on the Koch brothers are parts of a playbook that environmental and other special interest groups will use in 2012. Their goal: Cut off the money flow from corporations to political candidates and causes.

Take for instance, a February 2011 report from Institutional Shareholder Services, an organization that advises institutional shareholders on proxy voting. The report previews upcoming 2011 proxy votes and finds that because of the Citizens United case more shareholder resolutions are being offered on corporate political giving, and that the environment is the principal topic of many shareholder resolutions.

"In the wake of last year's Supreme Court Citizens United decision permitting unlimited corporate contributions, activist investor concerns have led to a noticeably higher number of resolutions on political contributions, which now reaches about 75," the report's authors wrote. They found that the most prominent issues were 60 pending resolutions on political giving and 34 on climate change, many more than the resolutions concerning health, labor practices, and human rights. Of 16 resolution categories, seven concerned energy and the environment. A company's position on environmental issues has become a priority issue for shareholders.

Pull away the veil of shareholder proxies and you discover that a network of environmental advocacy groups promotes many of them. The groups are collaborating to intimidate corporations into embracing an "alternative" and "renewable" energy agenda and to stop corporations from making political contributions to candidates who don't endorse it.

Remember Walden Asset Management, one of the three shareholder groups that filed a proposal against Target? For decades, it also has managed the investment portfolio of the Tides Foundation, which uses anonymous donations to fund progressive causes. Recipients of Tides money have included Greenpeace, the Natural Resources Defense Council (NRDC) and the Environmental Working Group, among others. During the Prop 23 battle, Tides also spent $40,000 to defeat the proposal.

Conclusion

In 2012 environmental groups will share a short-term goal of cutting off political contributions to candidates who oppose their agenda. But their long-term goal is conversion, not coercion. Green groups want their business adversaries to become their partners.

This strategy once seemed absurd but it is fast becoming a political reality. Tom Borelli, a shareholder activist and fellow at the Free Enterprise Project, sums it up. "If you get a company, you win. The left knows you have to triangulate the business community in order to win…You either get companies on your side, or you neutralize them."

Jeffery Immelt, CEO of General Electric; and Jim Rogers, CEO of Duke Energy, are prime examples of business executives co-opted by the environmental movement. Both lobby for cap and trade policies that would harm their businesses. They also pursue government energy department grants to manufacture clean technology products like electric cars and solar panels. Environmental groups, it seems, have found ways to get businesses on their side. Threaten to beat them up, then offer to be their friend.

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GreenNotes

Both supporters and adversaries of the **Environmental Protection Agency** (EPA) have been dismayed by the budget negotiations between **President Obama** and House Republicans which produced a deal to cut some $38 billion in spending for the remainder of fiscal year 2011. Writing in an analysis for *Forbes*, **James Taylor** observes, "By leaving intact Environmental Protection Agency funds to devise, implement, and enforce carbon dioxide restrictions, the House Republican leadership sowed the seeds of economic catastrophe in last week's federal budget deal, regardless of how much spending they pared from the federal budget." On the other hand, *The New York Times* laments that, "…the deal goes after the agency's own efforts by taking money from EPA scientists and the offices that design the agency's regulations. Scientific programs would get $815 million, down $42 million from fiscal 2010, and environmental programs would end up with $2.76 billion, down 8.8 percent from last year."

On April 12th, California Gov. **Jerry Brown** signed a mandate into law requiring the Golden State to draw 33 percent of its electricity by 2020 from "renewable" energy sources. Not surprisingly, companies specializing in renewable energy apparatuses are rejoicing that the state will virtually require citizens to purchase these products. The *Los Angeles Times* quotes **Mike Hall**, chief executive of solar installer **Borrego Solar**: "This is tremendous…. A legislative solution provides a lot more clarity and firepower for regulators and proponents." Even though the new law is billed as the most "aggressive" of its kind in any state, California green activists still want more. **Bernadette Del Chiaro**, clean energy advocate with **Environment California**, claims, "California can power itself entirely on clean energy resources," and that Brown's new law is a mere "down payment toward that ultimate goal." And thus the once-great Golden State sinks itself further into economic stagnation and fiscal fantasy.

Another example of the inexhaustible rage of environmentalists, again from California: Musician **Dave Evans**, better known as **U2** guitarist **The Edge**, has come under fire for his plans to develop five environmentally friendly homes in breezy Malibu. *The Daily Mail* reports: "The homes would be LEED-approved (**Leadership in Energy and Environmental Design**), which refers to an internationally recognised green building certification system." Nevertheless, Edge's erstwhile new neighbors are upset, fearing "developing the site could in fact be bad for the environment and threaten rare and endangered animal and plant species." U2 is a band well-known for its liberal activism and support for a variety of green causes, a history which apparently has granted it exactly zero good will from Malibu's clucking enviros. Lesson to The Edge – greens cannot be appeased, so don't bother trying.

Environmentalists claim they have collected and delivered to the **Delaware River Basin Commission** (DRBC) some 30,000 "comments" from residents of New Jersey, New York, Pennsylvania and Delaware who oppose natural gas drilling near the Delaware River. Of specific concern is the process known as "hydrofracking" whereby a mixture of water and various chemicals is injected into oil shale to extract natural gas. *The Associated Press* reports: "The DRBC imposed a moratorium on drilling in its part of the massive underground Marcellus Shale formation while it establishes regulations for the natural gas drilling industry. Energy companies have leased thousands of acres of land in the Delaware River basin hoping to tap vast stores of natural gas in the rock formation." How many comments have been collected from supporters of drilling, who may benefit from the increased economic activity and new job opportunities, has not been revealed.

A new study titled "Energy up in Smoke, the Carbon Footprint of Cannabis Production" by **Dr. Evan Mills,** of the **Lawrence Berkeley National Laboratory**, makes a startling claim: Marijuana causes global warming. Specifically, Dr. Mills estimates that energy used to grow "wacky tabacky" indoors in the United States generates as much carbon emissions as 3 million automobiles. As the *Tucson Citizen* puts it, "If you believe that carbon dioxide is responsible for global warming, then potheads are partly responsible for our hot heads." **Cheech and Chong** were unavailable for comment….