Big Buck Awards

Recognizing Corporations that Use Their Influence to Exploit Public Lands and Resources for Private Profit

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Notes
America’s public lands are truly spectacular. They are comprised of national forests, national parks, national monuments, wildlife refuges, lands managed by the Bureau of Land Management (BLM), oceans and streams, and more. From the Umpqua National Forest in Oregon to Yellowstone National Park in Wyoming to Ironwood National Monument in Arizona to the mountain streams of West Virginia, these lands are an important part of America’s heritage. They provide clean drinking water for communities across the country, habitat for wildlife like eagle, elk, bear, and salmon, and endless opportunities for recreation and solitude. They are important for our economy and for our overall quality of life.

Unfortunately, all too many of our public lands and other wild places have been developed or destroyed by decades of logging, mining, drilling, and other damaging activities. These destructive activities have resulted in fragmented ecosystems, polluted rivers and streams, destruction of wildlife habitat, and devastation to communities. To make matters worse, in many cases taxpayers have been forced to foot the bill for extractive industries to exploit our lands for personal profit.

In the wake of Enron, Worldcom, Tyco, and other corporate malfeasance, the public eye is on corporate irresponsibility like never before. However, corporate irresponsibility goes far beyond cooking the books, CEO greed, and sham energy trades. As this report shows, there are corporations across the country that continue to engage in destructive, inappropriate and irresponsible activities on our public lands. Their habitual and seemingly limitless exploitation of our public lands shows that these companies are anything but good corporate citizens.

This report presents deserving corporations with the “Big Buck” Award, honoring those corporations that have done the most to log, drill, mine and otherwise pollute public lands, national forests and our last remaining wild places.

The Big Buck Awards are named in honor of James H. “Buck” Harless, a union-battling patriarch of West Virginia’s coal and timber industry and a “Pioneer” fundraiser for the 2000 Bush presidential campaign. The awards also are named in honor of the many corporations that contribute large sums of money to elect officials sympathetic to their bottom line and gain access to the highest levels of government.

The Big Buck Awards go to one or more companies in the following industries for having had a particularly devastating impact on our public lands: logging, on-shore oil and gas drilling, offshore oil and gas drilling, coal bed methane, mountaintop mining, hardrock mining, and off-road vehicle manufacturing. In addition to highlighting the direct destruction these companies cause on our public lands, this report looks at the anti-environmental policies they pursue, their campaign contributions and political connections, and any other notably damaging activities. In making the awards, we call on the award “winners” to take specific steps in order to avoid being honored next year.

And the Award Goes to...

Although America’s national forests provide clean drinking water to more than 60 million Americans, habitat for more than one quarter of America’s nation’s endangered species, and endless recreational opportunities, Boise clearly values them more for the resources they can extract. Boise was the largest logger of U.S. public lands from 1994 to 1998 and is one of few logging companies that still logs old-growth trees (although it made an inadequate pledge to phase out this practice by 2004). In an effort to ensure that it can continue to log even our last wild forests, Boise has sued to prevent the Roadless Area Conservation Rule from taking effect. For the immeasurable damage it has done to America’s national forests, both through logging them and through its efforts to defeat the Roadless Area Conservation Rule, the Big Buck Timber Terror Award goes to Boise Corporation.
The award for the Crudest Crude Oil Company goes to the Yates family of petroleum companies, namely Harvey E. Yates Petroleum Corporation (HEYCO) and Yates Petroleum Company. For decades, these irresponsible companies have pushed for access to some of our wildest and most sensitive public lands. In the early 1980s, Yates Petroleum Corporation attempted to bulldoze its way into the Salt Creek Wilderness in a wildlife refuge in New Mexico, was stopped by court order, and continued development only after it won a change in national wilderness policy. Today, HEYCO continues the Yates family tradition of reckless disregard for our public lands treasures, as it seeks to drill in New Mexico’s Otero Mesa, an incredible desert grassland, 520,000 acres of which might qualify for wilderness protection.

Offshore oil and gas drilling threatens fragile coastal ecosystems and the marine environment by destroying coastal wetlands and polluting habitat for fish and other marine life. ChevronTexaco is a California based multinational corporation with a dirty and dangerous track record that includes a long history of spills, leaks, accidents, violations, and explosions. It has paid more than $70 million in fines, settlements, and penalties since 1980. For years, it pushed to build the first ever production drilling rig off of Florida’s panhandle, despite immense public opposition and potential damage to Florida’s delicate coastal environment. For its efforts, the Big Buck Ocean Ogre Award goes to ChevronTexaco.

In the Powder River Basin of Montana and Wyoming, nearly 100 oil and gas companies are rushing to develop federally-owned methane gas contained in coal seams on a mix of public and private land. Among these, Marathon Oil Corporation has distinguished itself for its willingness to develop coalbed methane at any cost to public health or the environment. Today, the company exceeds the federal limits on the number of leases that can be held by any single entity. The Marathon Oil Company has benefited from the efforts of Bush administration officials to skirt environmental protections as it seeks to develop tens of thousands of wells that will scar this rural ranching area forever. For its efforts, the Big Buck Methane Monster goes to Marathon Oil Corporation.

Arch Coal’s mountaintop removal coal mining operations have devastated entire towns in West Virginia and have obliterated hundreds of miles of waterways used by West Virginians for drinking water, fishing and recreation. For its mountaintop removal coal mining in Appalachia and its efforts to legalize the practice of dumping mining waste—literally entire mountaintops—into rivers and streams, the Big Buck Mountain Mangler Award goes to Arch Coal. The Runner-Up in this category, and deserving dishonorable mention, is Massey Energy, which also operates numerous mountaintop removal coal mines throughout Appalachia and is infamous in the region for its terrible safety record.
More than 100 years of mining, ore operations, and smelting by Asarco and other mining companies have left the Silver Valley and Coeur d’Alene region and the headwaters of the Spokane River filled with cadmium, lead, and other toxic substances. Although the operations of Asarco and its Mexican parent, Grupo Mexico S.A. de C.V., have resulted in environmental and public health disasters, they have refused to pay to cleanup the sites; instead, taxpay-ers are bearing the costs. For repeatedly ruining both public and private lands in the United States and endangering public health, the Big Buck Mining Menace Award goes to Asarco.

Off-road vehicles degrade air quality, create trail ero-sion, and are responsible for the harassment and killing of wildlife. Furthermore, the noise pollution they create interferes with public enjoyment of some of America’s most treasured places. The National Park Service, recognizing the threats caused by snowmobiles, enacted a widely popular rule to phase-out snowmobiles in Yellowstone and Grand Teton National Parks. In 2001, Polaris sued to prevent this phase-out and convinced the Bush administration to reconsider. As one of the world’s leading manufacturers and distributors of off-road vehicles and a key proponent of off-road vehicle use on America’s public lands, the Big Buck Vicious Vehicle Award goes to Polaris Industries.

Special Recognition to the Bush Administration

These extractive industries are not acting alone. On the contrary, they are aided and abetted by government officials in the Bush administration, many of whom are former corporate executives or lobbyists, who have chosen to ignore their responsibility to act as stewards and instead work with industry to drill, log, mine and otherwise pollute our public lands, na-tional forests and other wild places. As such, a few members of the Bush administration earned Big Buck Awards for their seemingly endless efforts to sell out our public lands and wild places to companies that want to log, mine, and drill. This year’s recipients are:

The Big Buck Logging Loyalist Award goes to Mark Rey, Undersecretary of Agriculture for Natural Resources and the Environment. Rey has spent his career working to undermine protections for our na-tional forests, first as a top timber industry lobbyist, then as a staffer for the Senate Energy and Natural Resources Committee, and now in his current position.

The Big Buck Industry Ally Award goes to J. Ste-ven Griles, Deputy Secretary of the Interior. During his tenure with the Reagan administration, as a lobby-ist for the National Mining Association, Arch Coal, Devon Energy Corporation, and Yates Petroleum Corporation, and now in his current position, Griles has proven an unwavering friend of the oil and gas, coal, and hardrock mining industries.

The James Watt Lifetime Achievement Award: Named after James Watt, Reagan’s infamous Interior Secretary, this award goes to Gale Norton, current Secretary of the Interior and a former protégé of James Watt. Since entering office, Norton has demonstrated again and again her commitment to allowing industry to drill and mine on our public lands, in our national forests and in other wild places. She also has withheld important scientific information from her own agencies and misled the public in several statements about drilling in the Arctic Refuge. Her overall devotion to anti-environmental policies has earned her this lifetime achievement award.
The “Big Buck” Award earned its name in honor of a top Bush campaign fundraiser and in honor of the way many of the corporations in this report exercise their political muscle: by electing officials sympathetic to their bottom line and buying access to the highest levels of government.

“Big Buck” Harless

James H. “Buck” Harless is the union-battling patriarch of West Virginia’s coal and timber industry who backed George W. Bush early on in his candidacy for president and urged the campaign not to cede traditionally-Democratic West Virginia to Al Gore. In April 1999, Harless flew to Austin, Texas, to meet then-Governor Bush. At a luncheon for two dozen prospective fundraisers, Governor Bush and Harless hit it off immediately, with Bush dubbing his new friend “Big Buck.”

Harless signed up as a Bush “pioneer,” pledging to raise $100,000 for the presidential campaign. Because of his prominence in business, Harless holds considerable political sway in West Virginia. In the words of Ken Hechler, a former West Virginia Congressman, “Buck Harless controls the thought processes of the people in the coal fields.” In total, Harless raised more than $275,000 -- five times Mr. Gore’s statewide take. In contrast, the entire state of West Virginia had contributed just $22,154 to Bob Dole’s 1996 primary campaign. Harless has personally contributed more than $100,000 to federal candidates and political action committees (PACs) since the beginning of the 2000 election cycle. In addition to contributions to Bush’s regular campaign account, Harless also wrote a $100,000 check to the Bush-Cheney Inaugural Fund in January 2001, matching a $100,000 contribution from the Peabody Group and $2,500 from Gold & Silver, two other mining companies.

In return, President Bush appointed Harless to his transition task force on energy. Harless attended an invitation-only briefing on the president’s energy plan. Harless, as a coal man himself, certainly acted as a staunch advocate for increasing energy production from coal and for mountaintop removal coal mining, a widespread and environmentally devastating practice in Appalachia.

Big Bucks

Wealthy donors determine who runs for public office, who wins elections and, ultimately, who controls the political process. The Bush administration entered office after the most expensive presidential campaign in history, raising more than $191 million, including a never-before-seen $101 million from individuals. Congressional candidates raised more than a billion dollars for the 2000 elections. Extractive industries, including the oil and gas, mining, and timber industries, gave more than $48 million to federal candidates in the 2000 elections and have given $21 million thus far in the 2002 election cycle. Many of these politicians have returned the favor with tax-breaks, special exemptions, and legislation that puts the interests of big money over the interests of the public. Big money has squeezed out the voice of ordinary citizens.

Criteria

We used three primary factors to select the winners of each award:

1. **Impact on public lands, forests and other wild places.** We selected the corporations that, through their standard operations, have some of the most deleterious effects on the environment.

2. **Political influence.** We chose corporations that use their financial resources to help elect like-minded politicians and use campaign contributions, well-heeled lobbyists and other means to gain access to the Bush administration and elected officials.

3. **Efforts to sway public policy.** We selected corporations that have used their financial and political might to convince Congress and/or the Bush administration to weaken or gut environmental regulations designed to protect public lands, forests and other wild places.
Public Lands, Private Gain

Many Americans would assume that when lands and resources belong to the public, that land is protected and managed in the public’s interest. Unfortunately, that is not always the case, and too often federal managers charged with defending the public’s land and resources turn a blind eye—or actively work to promote—destructive practices and sweetheart deals for corporations. Millions of acres of public land have been auctioned off to corporations so they can drill for oil and gas, mine coal and minerals, and log timber. These companies earn revenues to the tune of billions of dollars, seldom paying market value for the resources they extract while leaving behind a legacy of damaged landscapes and polluted air and water. In the end, the American taxpayer loses out from the destruction of our natural heritage. In addition, it is often the American people who are stuck footing the bill to clean up the damage once these companies close shop and move on.

Our Natural Heritage

The Federal government owns and manages nearly one third of the public lands of the United States—655 million acres—on behalf of the American people. The majority of these lands are managed by four agencies: the Forest Service, the Bureau of Land Management, the Fish and Wildlife Service, and the National Park Service. Congress has given each of these agencies a unique mandate under the laws that govern the management of these lands. The particular balance between preservation and resource development on any given parcel depends on the nature of the land itself, its jurisdiction, and any special designations. But all of these lands are to be managed for the long-term benefit of the American people and are to be protected from abuse.

In addition to these lands, our natural heritage includes the billions of acres of the continental shelf off our coasts and the countless rivers and streams that flow to them.

A Heritage at Risk

Unfortunately, the history of land management in the U.S. has been typified more by outdated laws, bungled administration, and giveaways to industry than by a long-term commitment to the preservation of this rich natural heritage. With such an immense resource up for grabs, it is no surprise that commercial interests have worked hard to gain and maintain open and royalty-free access to the public’s lands and resources wherever and whenever they can.

Corporate Giveaways

The granddaddy of all public land giveaways is the 1872 mining law. For more than 130 years, this law has allowed private companies and individuals to extract gold, silver, and other valuable hardrock miner-
als from public lands without paying a cent. Since the mining law was enacted, $245 billion dollars worth of minerals have been given away, resulting in huge corporate profits at taxpayer expense and in massive damage to our natural resources.8

The oil and gas industry, on the other hand, must pay royalties on the resources it extracts from public lands. However, oil and gas corporations have lobbied to relieve the industry of this burden. For example, the House version of the energy legislation currently in conference in Congress contains a provision suspending the payment of royalties for certain offshore oil and gas leases in the Gulf of Mexico, which could cost taxpayers $7.4 billion. The petroleum and pipeline industry already enjoys an effective tax rate of 12.3 percent—the lowest of all major U.S. economic sectors.9

Corporate giveaways do not always take the form of royalty rebates. The U.S. Forest Service—which the General Accounting Office (GAO) estimates to have lost $2 billion from timber sales from 1992 to 199710—subsidizes the timber industry with management and operational support. At the heart of this is the Forest Service road-building program, which threatens to waste $311.5 million dollars of taxpayer dollars over the next five years on unnecessary and environmentally harmful roads.11

In other instances, our public lands are literally being given over to private hands. The 1872 mining law, besides providing for no royalties, allows mining companies to “patent” or buy public lands for $5 an acre or less, paying 1872 prices for land worth billions of dollars. Congress has enforced a moratorium on patenting, which was renewed in 2001, but mining industry allies continue to block real reform of mining law. Land exchanges between the federal government and private landholders have proven a boondoggle as well. A GAO report released in June 2000 concluded that the BLM and Forest Service’s land exchange programs have shortchanged federal taxpayers by millions of dollars by often undervaluing public land and overvaluing private land.12

The Costs

When extractive industries move onto public lands, the American taxpayer too often loses out not only financially but also in countless, less tangible ways. Outdoor enthusiasts may lose recreational opportunities as scenic vistas and wild forests are developed and logged. Species that depend on old growth forests or pristine wilderness face extinction as their habitat is logged, mined or drilled. These costs are difficult to measure quantitatively. However, we can put a price on the amount it will take to clean up the sites that industry leaves behind, costs that are often born by the taxpayer when companies go bankrupt, dissolve, or otherwise evade paying to clean up their messes. Nationwide, more than 550,000 abandoned hardrock mining sites scar the landscape, leaving a legacy of acid mine drainage and other pollution. The Mineral Policy Center estimates the cleanup costs to be between $32 and $72 billion dollars.
Boise has earned the Big Buck Timber Terror Award for its continued logging in publicly-owned national forests and for its lawsuits to prevent implementation of the Roadless Area Conservation Rule to protect 58.5 million acres of wild forests. Despite the myriad values of our national forests, Boise Corporation clearly values them only for the resources they can extract—regardless of the destruction.

Company Background
Boise Cascade Corporation started primarily as a timber company in 1957 when Boise Payette and Cascade Lumber merged to form Boise Cascade. Today, Boise Corporation is one of the largest logging companies in the United States. The company owns 2.3 million acres of timberland in the U.S. and 35,000 acres in Brazil. In the U.S., 1.3 million acres are in the Northwest, 308,000 are in the Midwest, and 726,000 are in the South. Boise also is an international manufacturer and distributor of paper, packaging, office supplies and building material such as lumber, plywood, particle panels, specialty wood products and engineered wood. Boise employs 24,000 people worldwide and ranks 241st on the Fortune 500 list of largest U.S. companies. In 2001, Boise recorded $7.4 billion in revenues; the CEO and Chairman, George Harad, earned $4.3 million in salary and options.14

In March of 2002, Boise unveiled a new green and orange logo and dropped Cascade from its trade name as part of a re-branding strategy. The new name for the Timber & Wood Products and Building Materials Distribution is now called Boise Building Solutions, but Boise Cascade is still the company’s official name for legal purposes and for trading on the stock market.15

Our National Forests
From the rainforests of the Pacific Northwest to the misty groves of the Southern Appalachians, America’s national forests are home to some of the most striking beauty on earth. They also provide clean drinking water to more than 60 million Americans and habitat for more than one quarter of our nation’s endangered species. In addition, they provide endless opportunities for recreation and solitude.

Unfortunately, threats to our national forests abound. Logging, mining, road-building and other development activities in our national forests have destroyed more than half of our national forests. There are approximately 400,000 miles of roads crisscrossing our national forests—enough to circle the planet 17 times—to help logging trucks gain access to even more remote areas of our national forests. Logging and road-building cause erosion, fragment important wildlife habitat, harm water quality, and ruin some of our last and most pristine wild places.

A Long History of Destroying our Forests
Boise has been wreaking havoc in our national forests and pushing destructive policies for how to manage them for decades. In a 1982 speech at Gonzaga University in Spokane, Washington, the former Boise chairman and CEO outlined a disturbing vision for managing our forests: “The United States can be to world wood supply what Saudi Arabia is to world oil supply, only better. We can grow more wood forever, but they can’t grow more oil...We need to implement the techniques of intensive forest management on all working forestlands. We can follow the lead of agriculture and elevate the management of this basic resource to the level of a high technology sector of the economy.” The company further stated: “In addition, the huge inventory of the national forests’ mature and dying timber should be harvested. Rapidly growing young forests should replace them.” In the last two decades, Boise has continued to treat trees—even old-growth trees in our national forests that are hundreds of years old—like a crop whose primary value is timber.

Boise owns or leases 2.4 million acres of forestlands in the United States, but it also has relied heavily upon logging on public lands—a likely indication that it has badly over-cut its own lands. Between 1991 and 2000, Boise was the top purchaser of timber sale contracts on the national forest system. During this time, Boise bought 237 timber sales that resulted in logging 807 million board feet of trees, the equivalent of about 161,400 log trucks full of trees. Boise was also the largest logger of U.S. public lands from 1994 to 1998 and is one of few logging companies that still log old-growth trees.
Examples of Destruction

Even though commercial logging has caused immeasurable damage to our public lands, Boise continues to push for more logging – even in pristine areas of our national forests. Boise has a long history of logging old-growth trees, both in the United States and abroad, despite the fact that 96 percent of old-growth in the United States has already been logged. Boise has even moved ahead with controversial logging in areas that provide critical wildlife habitat. For example, Boise:

- logged in the Payette National Forest in Idaho in 2000-2001. Boise starting logging there in 1998 but was stopped by a court injunction that said that “the Forest Service had failed to demonstrate that the Payette National Forest would have enough old-growth habitat left to protect old-growth dependent species” after logging. However, the injunction was lifted in 2000 and logging resumed, even though the Idaho Department of Fish and Game called the forest “the best undeveloped wildlife habitat in southwest Idaho.” Old-growth habitat in the Payette now comprises less than 1 percent of the total forest;
- logged in the Umpqua National Forest in Oregon in 2000, even though it is home to woodpecker, elk, spotted owls, eagles, falcons, lynx and wolverines; and
- logged in the Siskiyou National Forest in Oregon in 1995, even though it was to be set aside as an Ancient Forest Reserve and Key Watershed.

Boise and Old Growth

In March of 2002, around the same time that it changed its name and logo, Boise announced that it would phase out old-growth logging in the United States over the next two years. However, this pledge is too little and too late. Among other problems, Boise’s definition of an old-growth forest is unacceptable: “A watershed-level forest of 5,000 acres or more in size, that has been left undisturbed, and predominately has trees that are 200 to 1,000 years old.” In addition, Boise’s pledge only pertains to old-growth forests in the United States; the company logs far more old-growth in other parts of the world.

Boise not only is destroying our national forests, it is doing so at taxpayer expense. Between 1991 and 1997, Boise received $18,894,511 in timber road construction subsidies from the U.S. Forest Service. This means that taxpayers have literally been paying for Boise to cut down our publicly owned forests.

Policy Objectives: Opposing the Roadless Rule and More

In addition to doing direct harm to our national forests by logging them, Boise is the lead plaintiff in a lawsuit to delay implementation of the Roadless Area Conservation Rule to protect 58.5 million acres of national forests. Together with the state of Idaho, Boise sued to prevent the roadless rule from taking effect. On May 10, 2001, the Federal District Court for the State of Idaho issued a preliminary injunction to prevent the Forest Service from implementing the roadless rule. In response to that ruling, Boise’s press release stated, “We are pleased that the court has reaffirmed its April 5 finding that ‘...the comment period was grossly inadequate and thus deprived the public of any meaningful dialogue or input into the process...’” This statement is absurd given that more people commented during creation of the roadless rule than in any other rulemaking process in the history of the country.

The roadless rule is a balanced rule that protects the last 31 percent of our national forests from most road-building and logging. During the multi-year process to create the rule, the Forest Service conducted 600 public hearings all across the country and received a record-breaking 1.6 million public comments, the vast majority of which called for the strongest support possible for our last wild forests. The rule has a truly negligible impact on logging in our national forests. Just 5 percent of all logging takes place in our national forests, and the roadless rule would preclude just 5 percent of that, or about 2/10 of 1 percent. Nevertheless, Boise has been the sole timber company to sue to prevent the rule from taking effect.

Boise has enjoyed the support of the Bush administration in its legal campaign against the roadless rule. The Bush administration has failed to defend the roadless rule in court. In Idaho, this failure to defend the rule contributed to the judge’s decision to
grant a preliminary injunction that has prevented the rule from taking effect. A number of environmental groups appealed that decision to the 9th Circuit Court of Appeals, but it has not yet ruled. Regardless, there are numerous other court cases lined up behind the Idaho case, so the rule could be tied up in litigation for years. In the meantime, the Bush administration has moved to significantly weaken national forest protections by issuing interim directives that eliminate required environmental reviews before entering roadless areas; eliminate protections for more than a dozen national forests, including the Tongass in Alaska; and eliminate a moratorium on logging, mining, and drilling in millions of acres of national forests critical to wildlife habitat protection.

Stifling Opposition
Not surprisingly, Boise’s continued destruction of old-growth trees in our national forests has generated overwhelming opposition from the public, celebrities, environmental groups, and others. The Rainforest Action Network and others have dubbed Boise “America’s Worst Logging Company” for being one of the largest loggers and distributors of old-growth products around the world. In order to stifle this opposition, Boise has joined forces with “wise use” groups such as the Center for the Defense of Free Enterprise and Frontiers of Freedom Institute; this coalition has harassed the Rainforest Action Network’s funders, attempted to link the organization to acts of eco-sabotage, and attacked the tax status of non-profit organizations that participate in non-violent civil disobedience.24 Boise went so far as to harass Maria Gilfillan, a Chicago school teacher, after her classroom wrote letters to the company, urging them to protect ancient rainforests in Chile that were threatened by a Boise plant.

Boise’s Political Power and Influence
Boise Corporation has its own PAC, Boise Cascade Political Fund, which contributed $49,700 to federal candidates in the 2000 election cycle and has contributed $36,900 to federal candidates thus far in the 2002 election cycle. In the 2002 cycle, Boise has given its biggest contribution—$7,000—to Senator Craig of Idaho, a longtime ally who has worked to overturn the Roadless Rule and is currently proposing legislation to waive environmental laws so that the timber industry can log more big trees under the guise of fighting forest fire. For the 2000 election cycle, Boise contributed $24,000 in soft money and has given $5,000 so far for 2002. Many of Boise Cascade’s contributions go to federal candidates in states where they have traditionally done a lot of logging, including Washington and Idaho.25 In addition, since 1998, Boise has spent more than $521,000 on lobbying.26

Long before it changed its name and logo to improve its image, Boise also was spending money to influence public opinion and put a good face on its destructive activities. In 1990, after the spotted owl was placed on the threatened species list, Boise and Weyerhauser began a major ad campaign to combat a growing anti-timber sentiment. At the time, Boise Cascade’s communications manager, Doug Bartels, said, “Most everything people are hearing makes the spotted owl controversy sound like an either-or situation. We don’t believe it’s that. We think you can manage a forest and be careful about it.”27

Old-Growth parts of the Umpqua National Forest after logging by Boise in 2000.
Photo Courtesy Rainforest Action Network
Boise’s commercials so closely resembled newscasts that a “paid advertisement” disclaimer was added. Phil Hess, a region forester for Boise Cascade in Yakima, described the ads that were intended to improve Boise’s image: “We want the public to know that it’s people, not an inanimate, corporate object, that is out there managing forests. We’re not trying to mislead. We want to give the forester a chance to deal with the frustration about what’s happening in the forest and tell his side of the story.”

Not coincidentally, there were various policies and initiatives being proposed at the time to limit the timber industry’s activities.

**Other Evidence of Boise’s Corporate Irresponsibility**

Boise earned its Big Buck Award for logging in our national forests; however, Boise’s overall environmental track record reinforces Boise’s place on this list of corporate bad actors.

In addition to destroying our national forests, Boise is the largest single private landowner with holdings in the Cascade-Siskiyou National Monument in Southern Oregon. Unfortunately, instead of embracing plans to protect the incredible biological diversity of the area, Boise has worked to have its lands removed from within the monument boundaries. Similar proposals have gone so far as to shrink the monument from 52,947 to 16,580 acres based on the misconception that the new focus of the surrounding federal lands would have a negative impact on private landowners. The reality is that federal land managers responsible for the monument have no authority on private lands within the monument, and private landowners’ entitlement to reasonable access to their land still holds.

Boise also is polluting our air. For example, in 2000, the U.S. Environmental Protection Agency (EPA) issued Boise a notice of violations, claiming that over the past two decades it had updated eight manufacturing facilities without installing proper air pollution control equipment as required by the Clean Air Act under new source review provisions. In March 2002, EPA and Boise announced an agreement to reduce harmful emissions by up to 95 percent from Boise’s eight plywood and particle board plants, and the company will pay $4.35 million in civil penalties as part of the agreement.

Although Boise earned its Big Buck Award for exploitation of public lands in the United States, it is worth noting that the company has been a terrible player in international logging issues. For example, Boise has refused to provide restitution for massive environmental damage in Mexico. It also distributes wood and paper products derived from endangered forests in the Amazon Basin and throughout Southeast Asia. From more information on Boise’s international environmental malfeasance, see www.ran.org.

**Recommendations**

If Boise wants to avoid the dishonor of receiving the Big Buck Timber Terror Award again next year, it should immediately take three simple actions that will benefit our national forests.

1. Boise should drop its lawsuit against implementation of the roadless rule and allow the last one third of our national forests to be given the protection that the public has said they deserve.

2. Boise should stop destroying our national forests at taxpayer expense by immediately ending all commercial logging in our national forests.

3. Rather than phasing out old-growth logging over the next two years using an unacceptable definition of old-growth forests, Boise should immediately stop logging all old-growth forests.
Crudest Crude Oil Company: Yates Petroleum

The award for the Crudest Crude Oil Company goes to the Yates family of petroleum companies, namely Harvey E. Yates Petroleum Corporation (HEYCO) and Yates Petroleum Company. For decades, these irresponsible companies have pushed for access to some of our wildest and most sensitive public lands. In the early 1980s, Yates Petroleum Corporation attempted to bulldoze its way into the Salt Creek Wilderness in a wildlife refuge in New Mexico, was stopped by court order, and continued development only after it won a change in national wilderness policy. Today, HEYCO continues the Yates family tradition of reckless disregard for our public lands treasures, as it seeks to drill in New Mexico’s Otero Mesa, an incredible desert grassland, 520,000 acres of which might qualify for wilderness protection.

Company Background

In 1921, Martin Yates Jr. was the recipient of New Mexico’s first oil and gas lease. Today, his sons and their descendants continue the family tradition of public land oil and gas leasing that has made the family one of the richest in New Mexico. The Yates family owns several independent oil and gas production companies, or companies that specialize in finding and drilling for oil and gas that they then market to other companies. Yates Petroleum of Artesia, New Mexico is a privately-held company owned by Martin Yates’ sons and their heirs and is the largest independent oil and gas production company in the state of New Mexico. The company maintains operations in New Mexico, Utah, Wyoming, Nevada, Texas and Louisiana. Today, John Yates heads the company. Harvey E. Yates Company is another privately-held independent oil and gas production company started by one of Martin Yates’ sons and is headed today by president, CEO, and managing partner George Yates.

Bulldozing Their Way into Wilderness

On November 1st, 1982, Yates Petroleum entered the Salt Creek Wilderness Area without a permit from the U.S. Fish and Wildlife Service. In order to access the site, Yates constructed a nearly mile-long road through public lands managed by the U.S. Fish and Wildlife Service and Bureau of Land Management, despite the agencies refusal of a right-of-way permit. The company continued to drill, despite a trespass citation by the Fish and Wildlife Service, erected a drill rig and brought approximately a dozen pieces of heavy equipment onto the Bitter Lake Wildlife Refuge, where the wilderness area was located. The company was in a hurry to develop leases issued by the State of New Mexico, which held the mineral rights beneath the federally-owned surface lands to avoid forfeiture of the state lease that was due to expire on midnight the day drilling began. The leases had been issued by the state before Congress acted to prohibit the issuance of drilling permits in federal wilderness areas.

A federal judge issued an injunction to stop drilling in the Bitter Lake Wildlife Refuge hours after environmental groups had attempted to stop Yates’ bulldozer with a blockade. In the media storm that followed Yates’ actions, one of the few voices to speak on behalf of the company was Wyoming’s then-Representative, Dick Cheney, who stated “I don’t condone what happened but we should be careful not to make sweeping judgments.”

The Department of the Interior Solicitor’s office eventually ruled that Interior could grant an access permit due to a last minute provision in the 1983 Interior Appropriations Bill—despite a funding ban designed to prevent Interior from processing applications for exploration permits in Wilderness. This language, which grandfathered in leases like those held by Yates, came in a rider to Interior’s 1983 budget sponsored by Sen. James A. McClure (R-Idaho), addressing the unusual land ownership pattern of the Salt Creek Wilderness and other areas in the West. The company was set to be prosecuted for trespass until the U.S. 10th Circuit Court of Appeals ordered...
the U.S. District Court of New Mexico to dissolve all litigation. 44,45

**Fighting Protections in Wyoming**

Twenty years later, the Yates family continues its efforts to drill in wild places. In 2000, the Yates Petroleum Corporation brought suit against the Bureau of Land Management (BLM) over the agency’s attempt to control the impact of the company’s drilling operation on public lands in the upper Green River Basin (Pinedale Anticline) of southwestern Wyoming. 46 This area, which serves as the winter range for much of Yellowstone’s wildlife, has been the site of intense oil and gas development that has left the once-open country crisscrossed with roads and pipelines and littered with oil and gas drills. The company argued that restrictions on its activities, designed to protect the historic Lander Trail, would interfere with its development. 47 Local environmental groups, including the Wyoming Outdoor Council, intervened in the lawsuit on behalf of BLM in order to ensure a strong defense. Yates’s appeal of the BLM’s decision was recently dismissed in U.S. Federal Court. 48

**Working to Destroy Otero Mesa**

Today, the Harvey E. Yates Company (HEYCO) is leading the charge for oil and gas development on the Otero Mesa, in New Mexico’s OroGrande Basin. The Otero Mesa is spectacular Chihuahua Desert grassland that provides habitat for the endangered Aplomado falcon and one of the few remaining native herds of pronghorn antelope. The New Mexico Wilderness Alliance has suggested that 520,000 acres of the Otero Mesa are so pristine that they qualify for protection as designated wilderness. Unfortunately, oil and gas development would bring with it an industrial infrastructure of roads, pipelines, and 24-hour drilling operations that would disqualify the area from wilderness protection and threaten one of the most important biological regions of the state. Former Energy Secretary Bill Richardson, recognizing the devastating impact of drilling, stated that drilling would “forever destroy the wild character of this biologically rich area, and negatively impact the independent cattle ranchers, air quality and water supply.” 49

Already, 51,000 acres have been leased to a group of oil companies led by Yates, which drilled the first exploratory well in the Otero Mesa in 1997. 50 In 2000, BLM presented a plan to limit oil and gas development to within 150 meters of existing roads, leaving 11 percent of the area protected from drilling and development. 51 In turn, Yates argued that any restrictions, including surface occupancy restrictions that would require directional drilling techniques, are too restrictive and expensive. 52 After complaining to BLM, the Cheney energy task force and the President’s Energy Project Streamlining Task Force, Yates has been given a new development plan more to its liking: a roving 5 percent surface occupancy that would allow full development of the area 5 percent at a time. Yates also can construct new roads under the new plan. 53

**The Yates Family and Public Policy**

George Yates has consistently railed against environmental restriction at his oil and gas operations. Yates, for instance, cited the restriction of operations on lands in the OroGrande Basin due to the presence of the endangered Aplomado falcon as an example of what’s wrong with federal policy. 54 George Yates is a politically active executive, having served as President of the Independent Petroleum Association of New Mexico, Chairman of the Independent Petroleum Association of America and the Natural

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Otero Mesa in New Mexico, an area that HEYCO is seeking to drill.  
*Photo Courtesy Steve Capra*
Gas Council, Chairman of the Board of Directors of Mountain States Legal Foundation and the Environmental Issues Council, member of National Petroleum Council, and President of the New Mexico Landmen’s Association. In particular, George Yates has played an active leadership role in the Independent Petroleum Association of America (IPAA). IPAA is a national trade association for the independent exploration and production segment of the petroleum industry, which drills 85 percent of the wells in the country. Headquartered in Washington, D.C., it advocates its members’ views in the U.S. Congress, before the administration and federal agencies and through its Political Action Committee. IPAA has advocated for:

- reduced royalty payments on oil and gas taken from public lands;
- faster processing of permits and applications to operate on public lands;
- streamlined processes related to the National Environment Policy Act (NEPA);
- delegation of authority for federal oil and gas leasing to state bodies (ignoring the fact that many state oil and gas commissions have no mandate to protect the numerous resources found on our public lands); and
- weakening the Roadless Area Conservation Rule to protect 58.5 million acres of national forests.

The IPAA also has enjoyed ready access to the Bush administration and met with Vice President Dick Cheney’s energy task force at least twice, likely to discuss many of its policy objectives above.

The IPAA also fought efforts to expand the Toxic Release Inventory, which forces companies to report their discharge of toxic chemicals, to include oil and gas exploration and production activities. In addition, IPAA has recently teamed up with the Mountain States Legal Foundation (MSLF) to challenge Clinton-era protections of the Lewis and Clark National Forest in north central Montana that would prohibit oil and gas development in this spectacular area. MSLF is a radical anti-environmental legal group that has attempted to derail policy to protect our public lands, including the roadless rule and national monument designations. As a former Chairman of the MSLF Board of Directors, George Yates helped to set this anti-environmental agenda.

**Political Influence**

Yates Petroleum has spent considerable sums of money to gain access to key decision-makers, including more than $78,000 in soft money since the beginning of the 2000 election cycle. George Yates himself gave almost $55,000 in soft and hard money for the 2000 and 2002 election cycles (to date), including $2,000 to President George W. Bush.

Yates Petroleum had been a client of J. Steven Griles, now Deputy Secretary of the Department of Interior and Gale Norton’s right hand man. Prior to joining the Interior Department, Steven Griles was Vice President and Principal for National Environmental Strategies (NES) and President of J. Steven Griles and Associates, lobby firms which represent numerous companies and trade associations. Yates Petroleum retained Griles to seek funds for oil and gas permitting in Wyoming, where the company has an interest in methane development in the Powder River Basin. Recently, EPA found that a proposed drilling project in the Powder River Basin was environmentally unsatisfactory, potentially delaying plans by companies such as Yates to pursue coalbed methane development in the basin. Despite having recused himself from policy affecting former clients, Griles intervened, sending a letter to the EPA administrator encouraging her to pursue a different course, stating, “I hope you will consider the best means of addressing EPA’s concerns together versus sending a letter that will create, at best, misimpressions and possibly impede the ability to move forward in a constructive manner.”

**Recommendations**

The Yates family of petroleum companies should take steps to correct their long history of abusing our most sensitive public lands. They should:

- Delay any oil and gas development in areas, particularly in the Otero Mesa, that have been identified by citizen groups as qualifying for wilderness protection until the BLM can complete a full wilderness inventory.
Each year, tens of thousands of antelope and mule deer make the longest migration in the lower forty-eight states as they travel up to 140 miles south from as far North as Grand Teton National Park and the Greater Yellowstone Ecosystem to the vast open landscape of Wyoming’s Upper Green River Basin. As the largest publicly owned block of winter range in the Greater Yellowstone Ecosystem, the preservation of this area is crucial to the survival of these majestic species through the harsh Wyoming winter. The basin is also home to numerous other species, including the Sage Grouse, eagles, and vast elk populations.

Unfortunately, the Bureau of Land Management (BLM) has allowed rapid and dense energy development in the Upper Green River Basin under an outdated management plan that does not evaluate the full impacts of the scale of the development that has occurred. At the heart of the development is the Jonah Field, a massive 59,600 acre project on predominantly public lands on which 497 oil and gas wells have been approved. When this project was originally approved -- already on shaky environmental grounds -- one well per 80 acres of land was stipulated in order to offer some protection to the natural resources of the region. However, project proponents, including Amoco Production Company (now part of BP Amoco) and McMurray Oil Company (Encana), went back to the BLM in 2000 to request that they be allowed to drill at twice that density— one well for every forty acres. BLM granted their request even though it had not completed a comprehensive analysis of the impacts of development on the environment and wildlife of the basin. This has left public lands in the basin scarred with an incredible density of wells and a vast network of roads and pipelines that are still spreading.

Today, the Jonah Field is a rallying point for those challenging reckless development of oil and gas throughout the Rocky Mountain West.
In the Powder River Basin of Montana and Wyoming, nearly 100 oil and gas companies are rushing to develop federally owned methane gas contained in coal seams on a mix of public and private land. Among these, Marathon Oil Company holds the honor of being the largest oil and gas leaseholder in the basin. Today, the company exceeds the federal limits on the number of leases that can be held by any single entity. The Marathon Oil Company has benefited from the efforts of Bush administration officials to skirt environmental protections as it seeks to develop tens of thousands of wells that will scar this rural ranching area forever. For its efforts, the Methane Monster Award goes to Marathon Oil Company.

Company Background

Headquartered in Houston, Texas, Marathon Oil Company traces its oil roots back to the oil fields of Ohio and the Standard Oil monopoly. Through the 1980s, Marathon was joined with US Steel, later under the USX corporate banner. Today, the company once again operates independently as the Marathon Oil Corporation. Marathon ranks as a top-five US oil company specializing in exploration, development, and production in North America, Africa, and Europe. As majority (62 percent) partner in the Marathon Ashland Petroleum joint venture, Marathon controls the sixth largest oil refining company in the nation.68

Coalbed Methane and the Powder River Basin

Energy companies want to capture the natural gas, or methane, that lies trapped in coal seams, and federal land managers are responding by considering proposals to drill tens of thousands of these coalbed methane wells. One proposal would result in more than 80,000 wells in the Powder River Basin in a rural corner of Wyoming and Montana. To get to the gas, operators first pump off the water that holds it trapped in the coal—water that is often loaded with salts and may contain toxins like arsenic. In the Powder River Basin, an estimated 1.5 trillion gallons of water would flood the land, eroding soils and polluted streams, and wasting water that, in some cases, could be put to better use. At the same time, 17,000 miles of new roads would be built and more than 200,000 acres scraped clear of vegetation, turning a piece of the west into an industrial development zone on a massive scale.69

A Marathon of Lease Acquisitions

In early 2001, Marathon acquired Pennaco Energy (a company that was created in 1998 to take advantage of the gas boom in the Powder River Basin70), one of the largest leaseholders in the Powder River Basin, with more than 400,000 leased acres.71 In 2002, Marathon "strengthened its position in the Powder River Basin, enhancing the company’s competitive position in this core area through an asset trade with XTO Energy Inc.", a trade that established the company as the largest leaseholder and the second largest producer in the basin.72

Today, Marathon Oil Corporation cannot determine for sure how much public land it leases for oil and gas development in the state of Wyoming, but is certain that it is currently in violation of a federal statute that limits the amount of lease acreage held by any one entity in any one state to 246,080 acres. The statute was designed to encourage competition and to prevent any one company from dominating our public lands. With more than 680,000 acres—private, federal, state and otherwise—held by the company for coalbed methane development in the Powder River Basin, the company is far and away the largest coalbed methane player in the state and is likely over the federal limit by tens if not hundreds of thousands of acres.73 Legally, upon exceeding the federal limit—which Marathon notified the BLM it had done in March 2001—the offending party is required to bring itself into compliance with the cap within 180 days. Marathon has been granted an extension by BLM that gives it until October 2003 to address the issue.
At the same time Marathon should be working to cut its holdings, the company is vigorously challenging a ruling by the Interior Board of Land Appeals (IBLA), the Department of Interior’s independent legal body, which invalidated three oil and gas leases totaling 2500 acres. In this precedent-setting case, Interior’s own review board found that the leases were invalid because the unique environmental impact of coalbed methane drilling had not been considered. In the April 26, 2002 decision, Bruce Harris, IBLA Deputy Chief Administrative Judge, concluded that “BLM’s failure to conduct further environmental analyses violated its duties under (National Environmental Policy Act) ...” BLM had granted the leases under a resource management plan and EIS dating from 1985 that did not consider the unique impacts of coalbed methane drilling.

The outcome of the IBLA case could have reverberations across the basin and the country. Ninety-eight percent of the federal minerals in the Powder River Basin already has been leased, all with no environmental analysis specific to the planned coalbed methane development. Marathon has appealed the decision to a U.S. District Court. Interior will now have to defend its decision before the court. However, at the same time Interior will be defending the IBLA decision, its Division of Mineral Resources filed a petition for reconsideration and asked that the effectiveness of the order be halted.

In yet another problem for Marathon, a Wyoming couple is currently suing CMS and Pennaco energy for nonpayment of royalties. Both companies are now operated by Marathon in its bid to become the largest leaseholder in the basin.

**Policy Objectives**

Beyond its attempt to push through oil and gas leases where the environmental impacts have not been fully evaluated, Marathon also has worked for broader policy change that would allow it to continue its rapid expansion at the expense of our public lands. Foremost, the company requested that BLM rescind current wilderness inventory and study procedures. These procedures—recognizing the inadequacy of BLM’s wilderness inventory under section 603 of the Federal Land Policy and Management Act—allows for the consideration of newly identified areas that might qualify for wilderness protection, including areas that have been identified by citizen groups.

Marathon’s suggestion for this sweeping change in federal wilderness policy came in response to a proposal by a Wyoming environmental group, Biodiversity Associates (now Biodiversity Conservation Alliance), to expand the existing Adobe Town Wilderness Study Area in Wyoming. In a 1991 recommendation, the Wyoming State BLM office recommended that out of 85,710 acres of potential wilderness lands only 10,920 be protected as wilderness. In contrast, Biodiversity Conservation Alliance has identified nearly 100,000 acres that might qualify for wilderness protection.

Marathon Oil’s Rocky Mountain Manager, W.L. Browne, in a letter to a Bush administration task force that is working to expedite energy projects, states that the “BLM’s Washington office should immediately rescind the revised [Wilderness]... handbook...” In the letter, Marathon’s manager offers no evidence concerning the wilderness quality of the land in question. This sweeping policy change would disqualify from protections wilderness quality lands identified after October 21, 1991—the date on which BLM’s original wilderness survey under Section 603 of the Federal Lands Policy and Management Act was completed. In his letter, the Marathon manager asserts that the “DOI should instruct BLM that...the time in which to identify new lands for wilderness lapsed on October 21, 1991.” It has been
widely acknowledged that this initial survey was woefully inadequate. This shortcoming resulted in the formulation of the Wilderness Inventory and Study Procedures Handbook (H-6310-1), which allowed for the identification of additional wilderness areas, including land identified through survey work by citizen groups. 80

Political Influence

Marathon ranks among the top campaign contributors in the oil and gas sector. In the 2002 election cycle, Marathon's political action committee (PAC) has made more than $120,000 in contributions, making $161,000 in the 2000 election cycle. In addition, Marathon has contributed more than $400,000 in soft money in the 2002 election cycle alone. 81 Over a three-year period, from 1999 to 2001, Marathon spent approximately $16 million on lobbying activities, in addition to the amount spent to retain the services of professional lobby firms. 82

As described above, Marathon has been able to use President Bush's Energy Streamlining Task Force in order to push for a change in national wilderness policy that would slam the door on new wilderness protections. The Energy Streamlining Task Force is a product of Vice President Cheney's energy task force, which received extensive industry input. For example, the American Gas Association, a gas industry trade group, in its recommendations suggested a task force to "streamline regulation of exploration and production on federal lands." 83 Two months after receiving that recommendation, President Bush issued an executive order creating just such a task force—the task force to which Marathon submitted a request that the administration cease new wilderness protections.

Like Yates Petroleum, Marathon Oil also stands to benefit from the actions of J. Steven Griles, now Deputy Secretary of the Department of Interior and Gale Norton's right hand man, to push through the massive proposal for oil and gas drilling in the Powder River Basin over the objections of EPA. According to lobby disclosure records, Marathon has been a client of National Environmental Strategies. 84 Steven Griles was a Vice President and Principal with NES, which was founded by former Republican National Committee Chairman Haley Barbour. 85 In fact, upon his confirmation to his position at Interior, Griles sold his clients to NES Inc. for annual payments of $284,000 over a period of four years. This continual financial interest in a lobby firm that represents industries affected by Griles decisions at Interior has led some to raise questions about conflict of interest. These clients have included other companies and groups with a financial stake, such as the Coalbed Methane Ad Hoc Committee, Western Gas Resources, Devon Energy and Redstone, all of which have a major interest in coalbed methane development. 86

Recommendations

As the largest leaseholder in the Powder River basin, Marathon has a key role to play in the oil and gas development that may occur in the region. It should work with citizens and environmental groups in order to ensure that any development will have limited impacts on the land and people of the Powder River basin, specifically:

1. Marathon must be especially sensitive to the needs of landowners and ranchers. Most of the land in the Powder River Basin slated for development consists of so-called split estates, where the federal government has leased federal minerals that underlie private surface lands. Surface owner consent and surface use agreements should be secured before development.

2. Marathon must work to limit the environmental impacts of development through careful monitoring, the application of aquifer recharge techniques, the use of clustered and phased development, and the full reclamation of disturbed areas.

Powder River Basin, Wyoming
Photo Courtesy the Powder River Basin Resource Council
ChevronTexaco Corporation has earned the Big Buck Ocean Ogre Award for its efforts to drill in sensitive coastal areas, while at the same time polluting our air, land and water.

Company Background
ChevronTexaco Corporation, the product of a 2001 merger between oil giants Chevron and Texaco, is the fourth largest oil and gas exploration, production and distribution company in the world and ranks 8th on the Fortune 500 list. Worldwide in 2001, ChevronTexaco produced an average of 1.9 million barrels a day of crude oil and natural gas liquids and 4.4 million cubic feet a day of natural gas, with reserves of 8.5 million barrels of oil and natural gas liquids and 19.4 billion cubic feet of natural gas. ChevronTexaco is the largest oil and gas producer in the lower 48 states and the largest oil and gas producer, in terms of gross production, in the Gulf of Mexico. Total revenue for 2001 was $106.25 billion with a net income of $3.2 billion. David O'Reilly, ChevronTexaco’s Chairman and CEO, earned a $7.3 million salary the same year.

Drilling in the Gulf of Mexico
Long before Chevron and Texaco merged, Chevron fought to open up the western coast of Florida to oil and gas drilling. In 1998, following the state of Florida’s 1990 ban on new oil drilling in state waters in the Gulf of Mexico, an executive order from President Bush in 1990 banning new drilling in federal waters in the area, and a subsequent 1995 executive order from President Clinton confirming the earlier one, Chevron announced plans to build Florida’s first offshore production rig just off of the panhandle coast in the Gulf of Mexico. Chevron’s proposed rig, only 25 miles offshore of Pensacola Beach, would have dumped thousands of barrels of water laced with arsenic, benzene, lead, naphthalene, zinc and even radioactive pollutants into the water, soiling the air and littering Florida’s beaches. The rig would have had devastating consequences for both Florida’s tourism and commercial fishing industries in addition to destructive environmental impacts; 90 percent of the Gulf of Mexico’s sea life starts off on the coast of the Florida panhandle.

Due to public outrage at Chevron’s proposal, the state of Florida turned down the request to build the rig. But the company, not satisfied with the decision, appealed the state’s ruling to the U.S. Department of Commerce and was turned down again. In 2000, Chevron brought suit against the government, claiming it was illegally being blocked from drilling for oil and gas. The company spent more than $100 million on exploration costs and a public relations campaign to convince Floridians of the virtues of building the rig.

In May 2002, recognizing the intense opposition to Chevron’s plan, the Bush administration bought

## Impacts of Offshore Oil Drilling

- Offshore oil and gas drilling threatens fragile coastal ecosystems and the marine environment in several ways.
- Offshore drilling activities lead to the destruction of coastal wetlands. In Louisiana, where oil and gas development has been conducted for 50 years, close to 62 square miles of wetlands are lost each year.
- The pollution from offshore rigs causes a wide range of health and reproductive problems for fish and other marine life.
- "Routine" offshore drilling operations dump thousands of pounds of drilling muds, which contain toxic heavy metals such as lead, chromium and mercury.
- A single production platform, which can drill 50-100 wells, discharges more than 90,000 metric tons of drilling fluid and metal cuttings into the ocean.
- A single exploratory rig dumps approximately 25,000 pounds of toxic metals into the ocean.
- A single offshore rig emits the same quantity of air pollution as 7,000 cars driving 50 miles per day.
- Offshore drilling in the Gulf of Mexico has resulted in the destruction of more onshore salt marshes than can be found from New Jersey all the way to Maine and the destruction of numerous wetlands from pipeline construction. Oil spills have resulted in the killing of marine birds, mammals, and commercially important fish.
back the company’s leases where it had planned to build, paying Chevron $46 million. 96

**Polluting Offshore**

ChevronTexaco has a spotty environmental track record in its offshore operations. Consider:

- Between 1990 and 2001, Chevron reported 1,550 chemical or oil spills occurring on offshore platforms that affected the surrounding water. Texaco reported 215 similar incidents over the same time period. 97

- In June 2002, the country of Angola fined ChevronTexaco $2 million for environmental damage from offshore drilling spills. The Ministry for the Environment and Fisheries said that a spill from the company’s offshore platforms in northwest Angola polluted beaches and forced fishermen to stop work. A government investigation found that the spills were the result of leaks from decayed pipes used to transport crude oil from the platforms. 98

- In March 1997, Chevron was assessed a $1.2 million fine for operating a well off the coast of Ventura, California with a broken anti-blowout valve, a key environmental protection on an offshore oil well. In May 1992, the president of Chevron U.S.A. pled guilty to 65 violations of the Clean Water Act and agreed to pay $8 million in fines for illegal discharges from the company’s production platform off the California coast. 99

- Between 1956 and 1990, Chevron offshore rigs in the Gulf of Mexico experienced: 40 “major accidents” as defined by the federal government resulting in 19 fatalities; 14 gas or oil and gas blowouts; 65 fires and explosions; and a blowout that took more than 40 days to bring under control and released 30,000 barrels of oil into the Gulf. 99

**Other Environmentally Harmful Activities**

In addition to its offshore pollution, ChevronTexaco has degraded the environment in other ways that reinforce its merits as recipients of this award.

- In April 2002, the *Washington Post* revealed that Chevron Corp. waited 13 years to inform a neighborhood in Northeast Washington DC about a fuel spill that seeped under and near houses, an elementary school and a church. The U.S. EPA has stepped in to ensure that ChevronTexaco removes the fuel from the District’s groundwater and soil. EPA officials say tests show that levels of benzene are unacceptably high in a few spots. 100

- In November 2001, Chevron agreed to pay $750,000 in fines and make $3 million worth of improvements to its oil facilities in northwestern Colorado to settle a major water pollution complaint. EPA alleged in a case dating to 1995 that Chevron USA spilled the equivalent of nearly 90,000 barrels of brine and more than 1,200 barrels of oil at its 27,000-acre oil field in Rio Blanco County. 101

- In July 2001, Chevron agreed to pay $300,000 in fines for failing to meet air quality standards at its Richmond refinery, including infractions that contributed to a fiery explosion in 1999. The 52 violations span from 1998 until May 2001 and account for some of the factors that led to the blaze, which sent hundreds of people to the hospital complaining of breathing difficulty and eye irritation. 102

- In March 2001, a Texaco subsidiary was fined $4 million for discharging millions of gallons of polluted waste water into the Dominguez Channel near its Wilmington, California refinery and into a creek in San Luis Obispo, California. 103

- In August 2000, Chevron agreed to pay a $6 million fine and spend $1 million on environmental improvements to settle a federal lawsuit over Clean Air Act violations at a California offshore oil terminal. 104

- In 1991, a Federal judge fined Texaco $1.5 million, finding that the company had violated the Clean Water Act for 3,360 days while polluting the Delaware River. The river had been renowned as a recreation and fishing area, but citizens said it was so polluted they could no longer use it. In 2000, in a subsequent lawsuit, the Natural Resources Defense Council announced that while the company had paid the 1991 fine, it had failed to stop polluting the river. Scientists found “evidence from Texaco’s own internal reports showing that the company had been knowingly and illegally discharging tons of oil, grease and other highly toxic pollutants into the river since 1983.” 105
Policy Objectives

Over the last year, ChevronTexaco has spent millions lobbying to ensure that any legislation that comes out of Congress or policy from the White House includes broad incentives for increasing domestic oil and gas production. In its 2001 lobbying report, ChevronTexaco listed the following as some of its priority policy objectives:

- Defeating Congressional efforts to permanently prohibit offshore drilling on the outer Continental Shelf off the state of Florida, such as S. 771 and H.R. 1631.

- H.R. 4: The House energy legislation contains more than $21 billion in tax breaks and subsidies for the oil and gas industry. The House bill also opens up the Arctic National Wildlife Refuge to oil and gas drilling; ChevronTexaco is one of the corporations pushing hardest to drill in this pristine wilderness.

- Lease Sale 181: Lease Sale 181 refers to approximately 6 million acres of oil and gas leases offered for bidding by the Interior Department in 2001. In July 2002, Interior Secretary Gale Norton announced that Lease Sale 181 would be limited to 1.5 million acres and would exclude acreage off the coast of Florida and within 100 miles of the Alabama coast.

- Hydraulic fracturing: Hydraulic fracturing involves breaking oil and gas bearing rock with high pressure injection of water, sand, and toxic chemicals including benzene, xylene and toluene, which pollute underground sources of drinking water. The Senate energy bill blocks regulation of coalbed methane wells for the duration of new studies and potentially suspends existing drinking water regulation of all other oil and gas wells at the end of the studies, despite the fact that courts already have ruled that hydraulic fracturing should be regulated.

In addition, ChevronTexaco has consistently fought against government regulation designed to protect the environment and the public interest during onshore and offshore drilling. Chevron U.S.A Production Company president Peter Robertson questioned “the move to impose… stricter air quality standards,” and condemned efforts to include petroleum wastes under laws that govern hazardous waste disposal.

Political Influence

ChevronTexaco’s political and financial might has helped the company win policy friendly to oil and gas drilling offshore. The company is the largest soft money donor in the oil and gas industry and one of the largest overall, having pumped more than $950,000 to politicians so far in the 2002 election; Chevron and Texaco contributed a combined $1.1 million in soft money in the 2000 election cycle. Its Political Action Committee also has given more than $626,000 to federal candidates since the beginning of the 2000 election cycle. In 2001 ChevronTexaco spent more than $2.9 million on lobbying.

The company is especially close with the Bush administration, as National Security Advisor Condoleezza Rice, a top advisor to the president, is a former Chevron board member. Rice served ten years on the board before her appointment, and the company even had an oil tanker named after her.

ChevronTexaco also had considerable input into Vice President Cheney’s energy task force. ChevronTexaco’s CEO David O’Reilly made four short-term recommendations to President Bush and Energy Secretary Spencer Abraham in a February 5, 2002 letter designed to “eliminate federal barriers to increased energy supplies.” All four of the company’s requests the task force included in its report to President Bush on May 17, 2001. For example, O’Reilly asked “the Environmental Protection Agency Administrator to identify and address federal barriers to permitting energy projects.” The Task Force then recommended that “the President issue an Executive Order to… expedite permits and other federal actions necessary for energy related project approvals on a national basis.”

Recommendations

If ChevronTexaco wants to avoid the dishonor for receiving the Big Buck Ocean Ogre Award for Excellence in Offshore Drilling again next year, it should immediately take these two steps:

- Get the message about offshore drilling. Americans do not want any company drilling off of our precious coasts and beaches.

- Stop cheating taxpayers. ChevronTexaco needs to stop lobbying for increased tax breaks and subsidies for the oil and gas industry.
Asarco Inc, a subsidiary of Grupo Mexico S.A. de C. V., is the winner of the Big Buck Mining Menace Award for Achievement in Hardrock Mining. Asarco continues to ruin both public and private lands in the U.S. and to endanger public health through its hardrock mining operations.

Company Background
When Grupo Mexico acquired Asarco for $2.2 billion in 1999, one of the international mining industry’s largest operations was born. Together, Grupo Mexico and its U.S. subsidiary control one of the world’s largest holdings of mineral reserves and, with $3.5 billion in sales in 2000, stand as the world’s third largest copper producer, fourth largest silver producer and fifth largest zinc producer. Asarco owns, or has major interest in, four copper mines, five copper plants, one lead plant, three zinc mines, and one specialty mine. In addition, Grupo Mexico has a 20 percent stake in the Coeur d’Alene Mines Corporation, owner of two U.S. silver mines. German Larrea Mota-Velasco, the company’s Chief Executive Officer and a Mexican business titan, is CEO not only of Grupo Mexico and Asarco, but also of Southern Peru Copper Corporation, one of the world’s top ten largest private sector mining companies.

Widespread Pollution
Asarco continues to not only pollute and destroy public and private lands but also to shirk responsibility for its pollution—shuffling massive clean-up costs onto the shoulders of taxpayers.

In Idaho
The worst example of Asarco’s dig-and-run mentality, and one of the largest cases of its kind among any company, is occurring in Idaho’s Silver Valley and Coeur d’Alene Basin. More than 100 years of mining, ore operations, and smelting by Asarco and other mining companies have left the Silver Valley and Coeur d’Alene region, and the headwaters of the Spokane River, filled with cadmium, lead, and other toxic substances.

The Bunker Hill Superfund site is considered one of the largest and most complex hazardous waste sites in the nation, spanning 21 square miles in the Silver Valley of Idaho and affecting thousands of people across state borders. In addition, the Bunker Hill complex has released huge amounts of airborne lead, with public health testing revealing the highest blood lead levels ever previously recorded. A 1974 survey found that 98 percent of one- to nine-year old children living within one mile of the site’s smelter had blood lead levels above 40 g/d. Operations at Bunker Hill mostly ceased in 1981 with neither Asarco nor other involved mining companies making major efforts to clean up after themselves, despite the fact that many people still lived there.

Not surprisingly, in 1983 EPA listed the Bunker Hill complex as one of the first Superfund sites and Asarco as a Potentially Responsible Party (PRP) for activities that caused its listing. However, Asarco made no effort to clean up Bunker Hill for ten more years. Finally, in 1994, Asarco, Coeur d’Alene Mining Corporation and four other companies agreed to pay about $40 million to dig up more than 1,300 contaminated residential yards on the site where more than 6,000 people still lived and worked, cleaning about 200 acres a year and giving priority to areas where children and pregnant women lived. Later realizing that that agreement was grossly inadequate, in 2001 EPA took Asarco and its partner, Hecla, to court as part of a ten-year-old lawsuit demanding they pay more of the $3 billion that officials now estimate they need to clean up the site and surrounding parts of the Coeur d’Alene Basin. As part of the ongoing EPA lawsuit, in late 2001 a judge overruled government objections and ruled that Asarco did not have to meet its requirements to clean up homes under the 1994 agreement until a settlement could be reached. Asarco officials immediately announced cleanup would stop after the company finished remediating eight residential yards where work was in progress, making an exception for only three others that year—where pregnant women and young children resided. With more than 700 acres currently inhabited and needing remediation, EPA announced in 2002 that it would have to temporarily take over Asarco’s work. State and federal agencies—and therefore the taxpayer—already had footed a significant portion of the bill. In 2000, Asarco and the other PRPs combined contributed only $33.3 million towards cleaning up the site while state and fed-
eral agencies paid $127 million. As the ten-year-old EPA court case drags on, Asarco is one of only two companies still resisting paying for more cleanup; all other companies originally named in the suit have settled and agreed to pay. As people are still living on the highly contaminated land, it is no surprise that in January 2002, citizens of the Coeur d’Alene Basin sued Asarco asking for long-term medical monitoring and compensation for health problems and low property values. “While the Environmental Protection Agency looks at the long-range cleanup, we need to find ways to help stop the damage of the lead contamination now… [w]e must help parents identify kids in danger of reduced intelligence, delayed development and a myriad of other health problems caused by the contamination,” said the citizens’ lawyer, Steve Berman.

In Washington

Meanwhile in April 2002, a few hundred miles away in Washington state, the Washington Department of Ecology had to order Asarco to clean up 700 acres of land at the site of its former smelter in Everett, where homes had been built after Asarco sold the site. The order follows a four-year old lawsuit that Asarco filed to resist paying for the cleanup, and which the State Supreme Court finally dismissed in 2002. During the mid-1990s, Asarco had repurchased some homes built on the site and fenced in the area after a study found soil samples containing up to 25,000 parts per million of arsenic with some pockets containing up to 76 percent pure arsenic. In addition to land already repurchased and fenced in by Asarco, state officials say 600 additional homes still need cleanup.

In Montana

In March 2002, Asarco was one of six companies that settled with EPA and agreed to pay $87 million to control billions of gallons of acidic drainage coming from the company’s Superfund site in Butte, Montana. The mining companies had abandoned the Berkeley Pit mine, a 23 square mile site near Butte, 22 years ago. With the draining pumps shut off, groundwater collected and absorbed arsenic, aluminum, cadmium, lead, copper, iron, zinc and sulfate, threatening Butte’s drinking water supply. Officials estimate the cost of the mine cleanup to be much higher than the $87 million that the companies, Asarco included, are paying.

Asarco’s Mounting Cleanup Bill

As Asarco’s cleanup tab keeps mounting, the company has started to claim that it can no longer foot the bill. In March 2002, reclamation work at the company’s Ruston, Washington Superfund site stopped because Asarco reported to EPA it could no longer pay the $60 million cost. EPA officials estimate Asarco to be responsible for 40 Superfund sites nationally, or more than 3 percent of all Superfund sites that exist, with a total cleanup cost of $1 billion. Most are skeptical, however, of Asarco’s claim that it lacks sufficient financial resources to cover itself. What the company appears to be doing is shifting assets to its Mexican parent so in the event of bankruptcy they cannot be touched by U.S. regulators. For example, Asarco recently announced a proposal to sell its interest in two valuable Peruvian copper mines to Grupo Mexico. Some speculate that the company is rearranging its corporate structure so it can walk away from costly remediation efforts, throwing the enormous costs onto U.S. taxpayers and jeopardizing the operations timely completion. The activities, according to the Mineral Policy Center, “suggest Grupo Mexico is bleeding Asarco of its profitable assets and then will declare bankruptcy and walk away from its costly

Asarco has worked to shrink Ironwood National Monument in Arizona. Photo Matt Hollamby, US PIRG
A bankruptcy by Asarco would be bad news for the thousands of people and hundreds of communities across the nation that are counting on the company to clean up its disasters near them.

Access to Public Lands

Despite this horrible track record and efforts to avoid liability, Asarco continues to gain access to our public lands. In 2001, the Bureau of Land Management approved a land exchange, giving Asarco almost 11,000 acres of public land near Phoenix, Arizona, in exchange for only 7,300 acres of company land. The grant of public land will allow the company to expand its Ray open-pit copper mine, a facility that reported 45 illegal spills between 1988 and 1996 and forced the company to pay a $3 million fine in 1997 for the discharges. Furthermore, the land Asarco is taking to expand its mine is home to endangered species including the cactus ferruginous pygmy owl and the southwestern willow flycatcher and is directly adjacent to the Gila River critical habitat area. It even includes 2,500 acres of Area of Critical Environmental Concern adjacent to the White Canyon Wilderness area.

Using its friends in high places, Asarco now has its sights set on spoiling some of our most treasured public land. Asarco has asked the Bureau of Land Management to change the boundaries of Ironwood National Monument in Arizona to allow the company to mine for copper within 100 acres of prime Bighorn Sheep habitat currently included within the monument borders. Five of those acres are already illegal trespass sites where Asarco’s operations have encroached on the monument without permission. In July of 2002, the BLM issued a trespass notice to Asarco ordering it to put up a $1.1 million bond and notifying the company that its trespass may involve violations of the Endangered Species Act, Clean Water Act and National Historic Preservation Act. Still, however, negotiations continue on Asarco’s proposal to take more of the monument’s land for mining operations.

Policy Objectives

Asarco, through the Northwest Mining Association, has advocated for changes to the bonding requirements that force a company to guarantee, either through a surety bond or through cash, that it will be able to pay reclamation costs before starting mining. The cash or surety bonds are crucial to ensure that taxpayers do not have to foot the cleanup and reclamation bill in case the company goes bankrupt or cannot afford to pay. Asarco advocates the use of corporate guarantees instead of bonds, where a company merely signs a promissory note saying it can pay while putting up no insurance or proof. These are worthless if the company goes bankrupt.

Asarco and the Northwest Mining Association, lobbying in 2001 for the rollback of strict BLM regulations that would prohibit mining if it caused "substantial irreparable harm" to resources and make mining companies responsible for civil penalties, also had supported the tougher bonding regulations saying that even if environmental standards were lowered, companies would still have to put up bonds to ensure cleanup. Now that they won the rollback of the stricter environmental standards, they have changed course on the bonding requirements, trying to do away with them as well.

Asarco also is vigorously advocating the repeal of the overwhelmingly popular Roadless Area Conservation Rule, protecting the last pristine and roadless areas in our national forests from new logging and mining. Through the Northwest Mining Association, for which Asarco executive Robert Quick serves on the board, the company has called for "complete rejection of the rule."

Political Access

Asarco has not been able to get away with so many of its pollute-and-run tactics by luck or by chance. In the 2000 and 2002 election cycles (to date), Asarco’s political action committee contributed almost $23,000 to federal candidates. In addition, Asarco spent $370,000 to hire lobbyists in 2000 and $110,000 during the first half of 2001. The company has especially close ties to the Bush administration, as former Asarco lobbyist James L. Connaughton is now the chair of President Bush’s Council on Environmental Quality (CEQ). As a lobbyist, Connaughton received thousands of dollars from Asarco; in 1997 the company paid him up to $40,000. As chair of the CEQ, Connaughton is responsible for advising President Bush on national and international environmental issues and developing broad environmental policies.
One example of Asarco’s clout with Connaughton is in its advocacy for an outdated 1942 standard for arsenic in drinking water. The policy would benefit Asarco because the company would be able to dump more arsenic in water near its mines and not have to clean up more arsenic it has already dumped. In 2001, EPA announced plans to reverse a Clinton-era rule toughening arsenic drinking water standards to 10 parts per billion in favor of 50 parts per billion. The Clinton standard would have brought the U.S. in line with World Health Organization recommendations. In a letter to EPA Administrator Whitman, Congressmen John Dingell and Frank Pallone, Jr. cited Connaughton’s past representing Asarco and said that he may have “provided a back door opportunity for special interests to influence public policy and rulemakings such as the new standard for arsenic.” Only after public outrage was the plan to relax arsenic standards dropped.

**Recommendations**

If Asarco and Grupo Mexico want to avoid the dishonor of receiving the Big Buck Mining Menace Award for Achievement in Hardrock Mining next year, the company should take the following three steps:

1. **Pay for its mistakes.** Grupo Mexico needs to settle the Coeur d’Alene lawsuit and pay to clean up the homes of the thousands of people who live with increased risks of lead-poisoning and cancer and learning disabilities because Asarco failed to clean up its old mines and smelters. Asarco immediately should stop shuffling assets to Grupo Mexico and claiming it cannot afford to pay.

2. **Stop taking public lands.** Asarco needs to drop its quest to mine inside precious Ironwood National Monument and stop swapping less valuable company lands for more valuable government lands.

3. **Stop lobbying to relax government regulations and bonding requirements.**

**Company Background**

As of December 31, 2001, Arch Coal had 25 operating mines and controlled approximately 3.43 billion tons of proven and probable coal reserves. Arch Coal operates numerous surface and underground mines in Central Appalachia, in West Virginia, Kentucky and Virginia. Arch Coal also produces more than 65 million tons of coal annually from its Black Thunder Mine near Gillette, Wyoming in the Powder River Basin. Other western coal operations include the West Elk Mine in Gunnison County, Colorado, two small surface mines in southern Wyoming and a majority interest in the Canyon Fuel Company, which operates three underground mines in Utah.

For the fiscal year ending December 31, 2001, Arch Coal recorded $1.5 billion in revenues. CEO Steven Leer earned $882,000 in 2001, with individual vice presidents receiving up to $520,000 in salary and options.

**Mountaintop Removal in Appalachia**

“There’s just a great preservation of the quality of water. In some cases the water quality comes back to be more consistent and more reliable, and even better than it was before we mined.”—Bill Raney, president of the West Virginia Coal Association, on NPR in April 2002

Blasting off the tops of mountains to reach coal seams is known as “mountaintop removal” coal mining and is widespread in Appalachia. Instead of digging the coal out of the mountains in subterranean shafts, as miners used to do, workers today—with the help of enormous machines called draglines that scoop 100 tons of earth and rock at a time—simply remove the mountains from the coal.
removal mining all too literally describes this devastating practice, in which mining companies blow off hundreds of feet from the tops of mountains to reach the coal beneath, creating millions of tons of waste that is then dumped into nearby valleys and streams. One mine can strip up to 10 square miles and dump waste into as many as 12 valley fills that can be 1,000 feet wide and one mile long. According to a draft Environmental Impact Statement obtained by the Charleston Gazette through a Freedom of Information Act request, mountaintop removal mining could eventually destroy much of the Appalachian environment. The study, which was supposed to be officially released in December 2000, found that without better regulation, future mountaintop removal coal mining could obliterate 230,000 acres of ecologically diverse hills and hollows in West Virginia, western Virginia, eastern Kentucky and Tennessee. The report concluded that the most serious effect of mountaintop mining is the elimination and pollution of streams buried by valley fills. From 1985 to 1999, at least 562 miles of Appalachian streams were buried under mining waste from mountaintop removal.

In addition, the West Virginia Highlands Conservancy released a report in September 2002 showing that the massive flooding that has hit parts of West Virginia “was not caused by large rivers rising up and out, but by water running off steep slopes and ravines below cleared logging and mining sites,” such as those created by mountaintop removal. The conclusions lent support to a recent study by the West Virginia Department of Environmental Protection that showed timbering and coal mining contributed to the severity of flooding.

Arch Coal is one of the most notorious operators of mountaintop removal mines in West Virginia, operating six separate mining sites in West Virginia alone. Almost half the coal Arch digs in Appalachia is obtained through mountaintop removal. Arch Coal’s operations have flattened the state’s trademark mountains, obliterated streams and devastated entire communities. The following case studies exemplify the type and extent of damage wrought by Arch Coal’s mountaintop removal.

Pigeonroost Hollow, WV

Since 1997, Arch Coal, through its subsidiary Hobet Mining, has been fighting to expand its Dal-Tex mountaintop removal operation near Blair across into Pigeonroost Hollow and the Spruce Valley in Logan County, covering 3,100 acres. Originally, Hobet Mining proposed to dump nearly 150 million cubic yards of rock and earth into 8 miles of Logan County streams. In April 2002, the U.S. Army Corps of Engineers released a draft study of the environmental and economic impacts of the proposed expansion. The study includes a lengthy discussion of the mine’s potential economic benefits in ... Boone County. Unfortunately for Arch Coal and the Corps, the study was supposed to examine the potential costs and benefits to Logan County. Corps officials blamed the problem on Michael Baker Jr., the consulting firm hired to write the environmental impact study. Technically, the Corps hired Baker. But the company was picked from a list of consultants submitted by Arch Coal and is being paid by Arch Coal. Baker promoted itself to the Corps as being able to “lawsuit-proof” the study.

When Arch Coal first moved to Logan County to set up a mountaintop removal mine, the company almost immediately began buying out residents in the area who complained about the company’s round-the-clock blasting and dust release, giving them a take-it-or-leave-it offer that included the promise to never again protest a strip-mine. Today, Arch Coal has turned the community of Blair into a ghost town. In the words of David Todd, vice president and press spokesman for Arch Coal, “Our philosophy is not to impact people, and if there are no people to impact, that is consistent with our philosophy.”

Kayford Mountain and Cabin Creek, WV

At a little more than 3,000 feet above sea level, Kayford Mountain once towered over wooded valleys and hollows in the rugged terrain of southern West Virginia. Today, its landscape resembles the moon, and the top of it is 800 feet lower than it was a few years ago. Only a few miles from the Hobet 21 mine, which was responsible for the shearing of Kayford Mountain, Arch Coal opened an 18-hole golf course where a mountaintop was removed at the Mingo-Logan mine. It has opened an industrial park where Hobet 07 was mined.
Ironically, in September 2002 the Director of the Department of the Interior’s Office of Surface Mining, Jeff Jarrett, honored two Arch Coal mines—including the Mingo Logan mine—for demonstrating the best reclamation practices by developing the 18-hole Twisted Gun Golf Course on what used to be mountainous terrain. The 2002 Excellence in Surface Mining Awards were presented to Arch’s Mingo Logan mining complex in Secretary of the Interior Gale Norton, in announcing the winners, called their reclamation a “true testament to the great strides and achievement the coal industry has made toward stewardship and protection of the environment.”

Earlier this year, the West Virginia Department of Environmental Protection awarded Arch Coal with the state’s top reclamation honor for the development of Twisted Gun. 153

Now, Arch Coal has proposed expanding its Samples mountaintop removal mine in eastern Kanawha County in the Kayford Mountain area of Cabin Creek. Arch Coal subsidiary Catenary Coal Co. has applied for two permits to strip another 1,400 acres. As part of its proposal, Catenary wants to bury 3.5 miles of streams with waste rock and dirt. Over the last decade, Catenary has stripped more than 10,000 acres of hills and hollows at the head of Cabin Creek, near the intersection of Kanawha, Boone, Raleigh and Fayette counties. As of 2000, Catenary Coal had received permits for about 6,300 acres of surface mines in the Kayford area authorizing the company to bury about 9.5 miles of streams under 15 valley fills. 154 In November 2001, the state Department of Environmental Protection approved the expansion of Catenary Coal’s Samples Mine, despite assertions from the federal Office of Surface Mining that DEP did not properly study the operation’s potential to damage water quality. 155

**Policy Objectives**

In addition to polluting West Virginia’s environment and ruining the quality of life for several mountain communities, Arch Coal has aggressively lobbied to win policy changes to make it easier for it to do so.

**Mountaintop Removal Mining:** Arch Coal, in partnership with other coal companies, the National Mining Association and the West Virginia Coal Association, have been fighting for the better part of a decade to “streamline” the permit process by which it obtains permission to dump mountaintop mining waste into valleys and waterways. The company has faced several lawsuits over the years filed by citizens concerned about blasting damage to their property, air pollution, water pollution and overall environmental degradation to the mountain environment. As such, Arch Coal, using its economic might in Appalachia, has pushed the Bush administration and West Virginia Congressional delegation to legitimize mountaintop removal mining and valley fills.

In May 2002, the Bush administration announced its intentions to change a rule that defines the scope of the Army Corps of Engineers’ ability to issue permits under the part of the Clean Water Act that regulates filling wetlands, streams and all other waters. Remarkably, the Army Corps of Engineers has been permitting coal companies to dispose of mountaintop removal waste into streams for years, even though the agency has had no legal authority to do so. The Corps can issue permits to allow companies to fill streams, wetlands and other waters for development purposes but forbids the Corps from allowing the use of waste material to fill waterways. The Bush administration wants to delete the language excluding waste as fill in order to let mining companies dump their wastes into streams.

Two years ago, the Clinton administration originally proposed changing the definition of “fill” to eliminate the waste exclusion. At that time, the public weighed

**Pigeon Creek, West Virginia**

In February 2002, Arch Coal agreed to pay an undisclosed amount of money to a group of Mingo County residents who lost their well water to the company’s underground mining operation. In 1995, dozens of area drinking water wells dried up because of the operations at the Mountaineer Mine, operated by Mingo Logan Mining Co., an Arch Coal subsidiary. Under federal law, coal companies are required to replace water supplies that underground mining ruins. But in Pigeon Creek, company officials and state regulators repeatedly questioned whether mining was the cause of well-water problems. In 1999, state officials issued Mingo Logan a new permit that the agency conceded would ruin Pigeon Creek wells all over again. In February 2000, the residents sued, demanding that Mingo Logan compensate the residents whose wells went dry and seeking punitive damages to punish Mingo Logan for its actions. 156
in with more than 17,000 comments opposing such a change. The administration never finalized the rule. Now, the Bush administration, having proposed many of the same changes, has said that it will not initiate a new public comment process, arguing that this requirement was satisfied during the Clinton Administration.

This new rule is a major departure in policy that could significantly weaken pending lawsuits filed by environmentalists regarding mountaintop removal mining operations in West Virginia and Kentucky. Moreover, the new rule could have implications beyond Appalachia, possibly allowing the dumping of waste from Western mines or even construction sites into waterways.

As with many of the Bush administration’s environmental policies, the polluters—in this case, the mining industry—helped to craft the proposed rule change. Bush administration officials met privately with the National Mining Association (NMA), of which Arch Coal is an active member as the second largest coal company in the country, on April 6, 2002 to discuss the proposed rule changes. In that meeting, NMA lobbyists stressed the importance of developing a unified definition of what kind of waste is permitted and getting rid of any exceptions that would complicate coal companies’ permit applications.  

In a temporary victory for the environment, a federal judge in May 2002 ordered the U.S. Army Corps of Engineers to stop allowing coal companies to deposit tons of dirt and rock from their mountaintop-removal mining operations into streams and valleys. U.S. District Judge Charles Haden II in Charleston, W.Va., said that the Bush Administration’s proposal to make the “valley fills” legal violated the Clean Water Act. He wrote in his decision, “The agencies’ attempt to legalize their long-standing illegal regulatory practice must fail. ... The regulators’ practice is illegal because it is contrary to the spirit and the letter of the Clean Water Act.”

Roadless Area Conservation Rule: In April 2001, Greg Schaeffer, Director of External Affairs for Arch Coal, testified on behalf of the National Mining Association before the Senate Subcommittee on Forests and Public Land Management about the U.S. Forest Service’s Roadless Area Conservation Rule, enacted in January 2001. He stated that “authors of the rule went to great pains first to dismiss then, when confronted, understate the impacts this rule will have on the Nation’s ability to meet its energy needs.”

Underlying his ire is Arch Coal’s fight to expand the West Elk Mine in Colorado. In the summer of 2001, the U.S. Forest Service approved a 300-acre expansion of the West Elk coal mine underneath the West Elk Roadless Area. Located on the Gunnison National Forest adjacent to West Elk Wilderness and just a few miles southeast of Somerset, Colorado, this roadless area is winter headquarters for myriad wildlife, from mule deer and elk to mountain lions and black bears. Its streamside zones are crucial to many species and may provide habitat for the southwest willow flycatcher (listed as endangered by the federal government), and the area’s higher elevations are likely habitat for the rare lynx. Arch Coal would be permitted to reopen or plow trails into roadless hills to drill exploratory and gas vent wells. Western Slope Environmental Resource Council and the High Country Citizens Alliance filed an administrative appeal in August 2001, citing concerns that the activity would irreparably harm the roadless area.

Political Influence and the Bush Administration

"Bless his heart... We have been something of the whipping child for some time now. This is kind of like your dad when he compliments you when you were growing up. We’ve got people in Washington talking to us now."  —Bill Raney, president of the West Virginia Coal Association, about Vice President Cheney, August 2001.

William Raney, President of the West Virginia Coal Association (WVCA), opened the organization’s 2001 annual meeting by congratulating the group for helping George W. Bush win West Virginia, a traditionally Democratic state, in the 2000 elections. He told the group that now “you are already seeing in his actions the payback, if you will, his gratitude for what we did.”

Arch Coal played an important role in electing a coal-friendly administration. Arch Coal’s political action committee (PAC) has contributed $187,500 to federal candidates and an additional $75,000 in soft money since the beginning of the 2000 election cycle (beginning January 1, 1999.) These campaign contributions not only helped to elect a coal-friendly administration, but secured important positions within the administration. Terry O’Connor, Vice-President of

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Arch Coal, was named to the Bush Administration’s Interior Transition Team. Thomas Sansonetti, who was named Assistant Attorney General for Environment and Natural Resources, used to lobby on behalf of Arch Coal while working at the law firm Holland and Hart in the 1990s. The Assistant Attorney General for the Environment and Natural Resources Division is responsible for defending the nation’s environmental laws and defending legal challenges to the government’s environmental programs and activities.

Arch Coal also is an active member of several trade associations that do its bidding for it, both in West Virginia and at the federal level. The National Mining Association, of which Arch Coal is an active member as the second largest coal company in the country, has given an additional $740,000 in PAC contributions and $138,000 in soft money since the beginning of the 2000 election cycle. These massive contributions likely helped to buy considerable access to the Bush administration. J. Steven Griles, Deputy Secretary of the Interior, met at least three times with Harold P. Quinn Jr. and other senior officials of the National Mining Association between August 16, 2001 and January 8, 2002 while the industry group—a former client of Griles—was lobbying the administration to loosen standards for mountaintop mining operations and preserve a hardrock mining law highly favorable to the industry. In addition, according to an Interior Department routing slip, Quinn sent Interior Secretary Gale Norton a “courtesy copy” of his analysis of the administration’s draft mountaintop mining rule changes on December 3, 2001, highlighting his group’s concerns and criticisms and recommending deletions.

In addition, Arch Coal plays a prominent role in the powerful West Virginia Coal Association (WVCA). Arch Coal’s Ken Woodring is the Chairman of the Board of WVCA. The President of WVCA, William Raney, played a pivotal role in helping President Bush carry West Virginia in the 2000 election—giving coal a significant leg-up in this year’s energy debate. His partner in the effort was James H. “Buck” Harless, the union-battling patriarch of West Virginia’s coal industry, who encouraged Mr. Raney and the state’s coal establishment to back Mr. Bush early on and urged the campaign not to cede West Virginia to Al Gore.

**Recommendations**

In order for Arch Coal to lose the award for Mountaintop Mangler, it needs to:

- Stop lobbying the Bush administration to violate the letter and spirit of the Clean Water Act by dumping mountaintops into rivers and streams.
- End all mountaintop removal coal mining operations until rigorous, peer-reviewed environmental impact analyses have been completed at each of the mining sites and communities have the opportunity to offer public comment.

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**Massey Energy**

Massey Energy, a notoriously anti-union firm, operates 37 underground mines and 14 surface mines in West Virginia, Kentucky and Virginia. In the fiscal year 2000, Massey Energy operations produced more than 40 million tons of coal. Massey also engages in the sale of certain non-strategic assets such as timber, gas and oil rights. For the comparable three months ended 3/31/02, total revenue rose 6 percent to $341.8 million. Don Blankenship is Massey’s Chairman, President and CEO.

Massey Energy employs the same devastating mountaintop removal mining practices as Arch Coal throughout Appalachia and in Kentucky and West Virginia in particular. Marfork, West Virginia, a community that had existed for a century in West Virginia’s Big Coal River Valley, is now desolate. Massey mined in Marfork around the clock, blasting mountains, loading more than 100 railroad cars at a time, blanketing the town with black coal dust and discharging blackwater coal residue into the stream that fed the water supply. Towering above Marfork is a dam holding billions of gallons of coal waste; should the Marfork dam break, the wave of sludge would stand roughly 25 feet tall when it reached Whitesville, five miles away. Families fleeing Marfork to nearby towns, such as Rock Creek hollow, could not escape Massey. The company was right behind them, doing preliminary drilling. The company has already blasted the top off Montcoal Mountain. In fact, it plans to march down the entire Coal River Valley.

In Sylvester, the Elk Run mining site lies just a few hundred yards away from the center of town. Heavy dust from a coal preparation plant blankets Sylvester homes inside and out. Homeowners in Sylvester won a state
ruling against Massey on the dust issue, but they say the company did little about the problem for years. Now, under state pressure, it is building a 105-foot-high dome to cover the coal stockpile. The company has bought the homes of most people there. In neighboring Whitesville, many buildings are shuttered and the rest of the town is in disrepair because of the nearby Montcoal mine, other Massey operation.  

In August 2001, Kentuckians For The Commonwealth filed suit against the U.S. Army Corps of Engineers to stop the permitting of a massive valley fill project in Martin County, Kentucky. The Corps granted Martin County Coal Company a "nationwide" permit, allowing the company to bury six miles of stream with waste from a 2,934-acre mining operation in Martin County. Under a nationwide permit, the Corps assumes that the environmental impact will be minimal. In January 2001, the U.S. EPA agreed that the mining operation "would have more than minimal adverse environmental impacts" and objected to the general permit issued by the Corps. However, EPA has not exercised its power to veto the permit.  

Massey Energy also is infamous in the region for its terrible safety and compliance record. A review of five years of environmental enforcements actions against West Virginia coal companies shows Massey has a history of violating water pollution laws. In raw numbers, Massey leads with 531 violations over the last five years.  

In October 2000, near Inez, Kentucky, a portion of a coal waste pond operated by Massey subsidiary Martin County Coal Company collapsed spilling between 250-300 million gallons of lava-like black sludge; in comparison, the Exxon Valdez oil tanker spill was about eleven million gallons of oil. The coal waste rushed in torrents off the mountainside, covering residential property along Coldwater Creek in up to 10 feet of sludge. The spill killed fish and other aquatic life along Coldwater and Wolf creeks and cut off drinking water supplies to residents along about 60 miles of the Big Sandy River and its tributaries in Kentucky and West Virginia. The state ordered Martin County Coal to clean up the affected areas and replace all the fish and other wildlife smothered under the weight of the material. The cleanup cost, not counting lawsuits filed by Martin County residents seeking restitution for damages, is expected to reach $50 million. The U.S. Mine Safety and Health Administration has fined the Massey Energy subsidiary $110,000, the legal maximum, for the spill.  

This was not an isolated incident. Two Massey subsidiaries in Boone and Logan counties dumped about 65,000 gallons of coal slurry into the state's waters in August 2001. In June 2001, another Massey subsidiary, Elk Run Coal Co. of Sylvester, was ordered to close its refuse operation after DEP inspectors discovered the company's 40-acre sludge pond contained 22 feet more sludge than its permit allowed. In April 2002, nearly 135,000 gallons of coal wastes spilled into streams along the West Virginia-Kentucky border after a pipe ruptured at a Sidney Coal (a Massey subsidiary) coal processing plant. The spill created a plume of black water seven to eight miles long that killed fish on Long Fork and Big Creek and forced cities along the Tug Fork of the Big Sandy River to close water intakes for a night. In fact, later in April the state Department of Environmental Protection suspended the permits of three operations at Independence Coal Company's (a Massey subsidiary) mining complex in Boone County because of violations that showed "high levels of negligence."  

Most recently, in July 2002, an incident involving a sediment pond at a mountaintop removal site flooded the tiny community of Lyburn, West Virginia. After a three hour storm, huge, rain-saturated chunks of a valley fill at Massey subsidiary Bandmill Coal Corp. cleaved away from the valley fill and crashed into a sediment pond below. The falling debris filled the sediment pond, causing it to overflow and flooding Winding Shoals Hollow in Logan County. The flooding destroyed two homes, damaged about ten others and tossed numerous vehicles downstream. The sediment pond that overflowed had exceeded the 60 percent fill capacity the Department of Environmental Protection allows; in fact, in the last two years, the state Department of Environmental Protection had cited Bandmill several times for not cleaning out sediment ponds at the foot of a valley fill. At the Lyburn site, Bandmill operates a 1,600-acre mountaintop removal mine called Tower Mountain. The operation is along Winding Shoals Branch of the Guyandotte River, near Rum Creek.  

Despite Massey's track record on environmental issues as well as worker safety, the Bush administration nominated a Massey Energy executive, Stanley Suboleski, to the Federal Mine Safety and Health Review Commission. This body makes key decisions that impact miners' safety and health across the country.
Polaris Industries, one of the world’s leading manufacturers and distributors of off-road vehicles, is the recipient of the Big Buck Vicious Vehicle Award for Destruction with Off-Road Vehicles. Polaris’ off-road vehicles have destroyed public lands, degraded air quality, eroded trails, harassed and killed wildlife, soiled water and created noise pollution that interferes with many Americans’ enjoyment of our nation’s most treasured places.

Company Background
Polaris Industries is the largest manufacturer of snowmobiles in the world and one of the biggest manufacturers of All-Terrain Vehicles (ATVs) and personal watercrafts (jet skis) in the United States. More than 1.6 million Americans currently own Polaris equipment. The company started manufacturing and distributing snowmobiles in 1954, ATVs in 1985 and jet skis in 1992. Polaris recorded total sales of $1.5 billion with a net income of more than $91 million in 2001; 56 percent of those sales, or $840 million, were from ATVs, 25 percent, or $380 million, were from snowmobiles and 4 percent, or $62 million, were from jet skis. The company’s CEO, Thomas Tiller, earned $3.7 million in salary in 2001.

ATVs and the Environment
Jet skis, ATVs and snowmobiles destroy land, air, water, and the outdoor experience in general. Gas released from jet skis, which can dump six gallons in two hours, is nearly impossible to remove from lakes that retain water for long periods of time. Two-stroke engines, like those found in most ATVs, jet skis and snowmobiles, are some of the most egregiously polluting machines, releasing 25-30 percent of their oil/gas fuel mixture unburned into the air, water or soil. Spending just one hour on a two-stroke snowmobile will likely emit more air pollution than driving a car for an entire year. Air pollution from two-stroke engines includes benzene and other carcinogens in addition to chemicals that inhibit plant growth. Each year, off-road motorcycles and ATVs emit 118 times as much smog-forming pollutants as modern automobiles on a per-mile basis, 90 percent of which comes from two-stroke engines. In Yellowstone, air pollution from snowmobiles has been so severe that gatekeepers at the park’s Western entrance have had to wear gas masks to avoid the headaches that the snowmobiles’ toxic fumes caused them.

ATVs and snowmobiles also compact soil more than six times as much as standard recreational activities, reducing water filtration and seriously harming soil microorganisms that plants depend on for nutrient cycling and soil fertility. For example, in 2000, the Maine Land Use Regulation Commission concluded that ATV and snowmobile use was harming the already imperiled Atlantic salmon, citing erosion of riverbanks and increased sedimentation from off-road vehicle use.

ATVs and Wildlife
Along with their impact on the physical state of the land, jet skis, ATVs and snowmobiles destroy wildlife. Jet skis “menace shorebirds, migrating fish, humpback whales, seals and manatees, and they drive wildlife into hiding.” Wildlife exposure to the noise and sight of ATVs can result in disturbance of feeding and mating patterns and physiological stress.

ATV tires also physically maim animals and crush their burrows; this has resulted in the direct mortality of many desert tortoises and a reduction in the population of desert lizards. Small mammal populations are significantly reduced in areas where ATVs are commonly used. In addition, ATVs often displace big game animals from their preferred habitats; off-road activity has resulted in reduced use of grasslands by elk as they are forced to move to less desirable areas to avoid the machines. Noise from off-road vehicles causes birds to flee, often forcing them to travel 0.8 to 3.2 miles to escape the sounds.

Off-road vehicle trails also divide wildlife habitat. More than 30 percent of all snowmobile trails, or
40,000 miles, are in national forests, with many more in state forests and national parks. Off-road vehicle routes “carve large tracts of forest into smaller isolated parcels… [They] can impede or prevent dispersal of species and otherwise reduce habitat quality and reproductive potential, and provide increased access for predators and brood parasites.”

Policy Objectives

As the largest manufacturer of snowmobiles in the world and one of the biggest manufacturers of ATVs and jet skis in the United States, Polaris is contributing to immeasurable damage on our public lands. Polaris has continuously fought against government restrictions on off-road vehicle use, both on its own and in concert with the Blue Ribbon Coalition, a special interest off-road vehicle group. In the process, the company has demonstrated a disregard for the overwhelming public support for measures to restrict ATV use in our national parks.

A Damaging Agenda for our National Parks

Acknowledging that jet ski use runs to contrary to principles of national park governance, the National Park Service announced a ban on personal watercraft in all but 21 national parks in March of 2000. Due to widespread popular support for tighter regulations, the National Park Service soon announced that all but eight parks would be immediately closed to personal watercraft, with those eight subject to more review and temporary closure.

In 2001, Polaris and the International Snowmobile Manufacturers Association also sued to stop the National Park Service from phasing out snowmobiles in Yellowstone and Grand Teton National Parks. The Clinton-era rule banning snowmobiles in these parks followed a decision to ban snowmobile use in all other national parks and was supported four-to-one by the 350,000 people who commented on the proposed rule. Instead of waiting for the final outcome of the lawsuit, the Bush administration settled with Polaris’ lawyers and agreed to reconsider the very popular rule. In June 2002, Polaris and its industry allies won out over the huge majority of people favoring the eventual snowmobile ban in Yellowstone and Grand Teton as the Bush administration overturned the ban, claiming that cleaner four-stroke engines will make snowmobiles more environmentally friendly.

The Bush administration’s decision contradicted a May 2002 Environmental Protection Agency letter saying that snowmobiles should be banned from Yellowstone and Grand Teton because they could violate air quality laws, hurt wildlife and threaten human health. Interior Secretary Norton challenged EPA Administrator Christie Whitman “as to how could this happen, how she could affirm the same thing that the Clinton administration had said.” As to Polaris’ claim of cleaner, four-stroke engines on snowmobiles, former Assistant Agriculture Secretary for Parks Donald Barry has stated that “to date, there are no definitive, comprehensive studies which document the degree to which four stroke engines will mitigate the adverse impact that snowmobiles have on our parks.”

Opposing the Roadless Rule

The Blue Ribbon Coalition, which works closely with Polaris, opposes the Roadless Area Conservation Rule, claiming it would restrict recreational opportunities in roadless areas. This claim is false, as almost all recreational activity, including hiking, walking, horseback riding, rock climbing, kayaking, hunting, fishing and motorized recreation, including use of the ATVs and snowmobiles Polaris manufactures, is permitted under the rule. Contrary to Polaris’ claim that the roadless rule represents a “totalitarian lock-up of our public lands,” it has no impact on off-road vehicles access.

Political Influence

Polaris, the Blue Ribbon Coalition and the International Snowmobile Manufacturers Association use
their political and financial clout to push for policies to undermine government protection of public lands and the environment.

Since the beginning of the 2000 election cycle, Polaris has given $44,000 in political action committee (PAC) contributions to federal candidates. The International Snowmobile Manufacturers Association spent $385,000 on lobbying in 2000.

Recommendations

If Polaris wants to avoid the dishonor of receiving the Big Buck Vicious Vehicle Award for Destruction with Off-Road Vehicles again next year, the company should take these three steps:

1. Polaris should stop pushing to open up public lands and waterways to its ATVs, snowmobiles and jet skis and should stop fighting attempts to keep them out of environmentally sensitive areas.

2. Polaris itself has said that the new four-stroke off-road vehicles are cleaner than the two-stroke ones, so the company should commit to equipping all of its machines with four-stroke engines.

3. Polaris should urge its customers to use their machines in a sound manner that complies with government regulations and does not menace wildlife or other people. (A current Polaris jet ski ad reads, “‘Thumb your throttle at the world!’ Soar like giving wildlife ‘the bird!’”)

Special Recognition to the Bush Administration

The extractive industries are not acting alone. On the contrary, they are aided and abetted by government officials in the Bush administration, many of whom are former corporate executives or lobbyists. The close ties between industry and the White House are resulting in countless threats to our public lands, including eliminating, weakening, and failing to enforce laws that are critical to protecting our last wild places. Although there are many members of the Bush administration who have chosen to ignore their responsibility to act as stewards for our public lands, this report (dis)honors three individuals who have gone above and beyond the call of duty to drill, log, mine and other-

Logging Loyalist: Mark Rey

For his tireless efforts on behalf of the timber industry, Mark Rey, a former top timber industry lobbyist and current Undersecretary of Agriculture for Natural Resources and the Environment, receives the Big Buck Logging Loyalist Award.

A Career of National Forest Destruction

From 1976 through 1994, Rey worked for various timber trade associations and organizations, including the National Forest Products Association, the American Paper Institute, and the American Forest Resources Alliance. He also served as vice president of forest resources for the American Forest & Paper Association (an advocate for logging in our national forests that has sued to overturn the roadless rule). During that time, he opposed “Option 9”, a plan to designate habitat in the Pacific Northwest for the endangered spotted owl.

After nearly twenty years working directly for the timber industry, Rey became a professional staff member to the Senate Energy and Natural Resources committee. During his years with the committee, he successfully engineered several harmful policies. For example, Rey was the author of the infamous “salvage rider” of 1995, which enacted a suspension of all environmental laws to give logging interests the green light to clear-cut old growth forests in the Pacific Northwest. He also authored and defended Senator Craig’s version of the National Forest Management Act, which did away with citizen oversight committees and other environmental safeguards.
Recent Pro-Logging Decisions

In his current role as Undersecretary for Natural Resources and the Environment, Rey is responsible for the management of the 191 million acres of national forest lands. Since assuming that position, Rey appears to be working on behalf of the timber industry at the expense of the American people who want to protect our national forests.

On Rey’s watch, the Bush administration has failed to defend the roadless rule in court cases brought by Boise and several western states. Moreover, the administration reopened the rule, claiming that there had been insufficient public input even though 1.6 million people commented during the rulemaking process. Although the administration has yet to propose a new rule, it has proposed four separate interim directives, all aimed at weakening protections for our national forests. For example, the Forest Service has eliminated protections for more than a dozen national forests, including the Tongass National Forest in Alaska, where the Forest Service already has begun approving timber sales in areas that would be protected by the roadless rule.

In addition to undermining the roadless rule, the Forest Service has taken numerous other anti-environmental actions during Rey’s tenure. It threw out new National Forest Management Act regulations that could have helped return a more balanced approach to the management of our national forests. At the beginning of July 2002, a leaked memo revealed that the Forest Service intended to make changes to the Northwest Forest Plan in order to increase logging there. Rey indicated that he wanted to see more logging, saying, “We want to redeem the commitments that the Clinton administration made, and that includes the sustainable level of volume that was promised in the plan.”

Most recently, Rey has taken political advantage of this summer’s forest fires by calling for more logging under the guise of fighting forest fires. On August 22, 2002, President Bush went to Oregon to promote his “Healthy Forests Initiative,” which would waive environmental laws to allow more logging in our national forests while failing to protect lives and communities at risk. “At Rey’s request, federal land managers are preparing to streamline Bush’s recent initiative to thin flammable forests by excusing logging projects from citizen appeals and, in some cases, environmental reviews.”

If Rey wants to avoid receiving the Logging Loyalist award in the future, he must reverse his present course. Rather than working to gut protections for the national forests that he is charged with managing, Rey must start living up to the duty of his office. He must become a true steward of our national forests.

Industry Ally: Steven Griles

“He’s an ally of the industry,” said National Mining Association spokesman John Grasser. “This hopefully will be a breath of fresh air. We just hope there’s a return to balance.” [Denver Post, March 9, 2001]

Deputy Secretary of the Interior, J. Steven Griles, has proven an unwavering friend of the oil and gas, coal, and hardrock mining industries. During his years with the Reagan administration, Griles helped to slash enforcement of mining regulations and actively promoted offshore oil and gas leasing. He called efforts by California and Florida to gain moratoria on leasing of their shores “misguided” and worked to downplay the risks of oil spills. He also supported the sale of public lands to private industry at a cut-rate prices that resulted in huge profits for industry and huge losses for taxpayers.

Upon his return to the private sector, Griles worked as a lobbyist for several firms including his own, J. Steven Griles and Associates, on behalf of clients that include the National Mining Association, Arch Coal, Devon Energy Corporation, and Yates Petroleum Corporation. Now, back in the public sector, Griles again has worked to clear the way for expedited and intensified gas drilling in the Powder River Basin, which will greatly benefit former clients such as Devon and Yates.
Griles's Foray into Interior: Watt a Ride

Early in his career, Griles served in the Reagan Administration Interior Department as Assistant Secretary of Interior for Land and Resources. His early tenure at Interior was marked by controversy and conflict with Congress, environmental groups, and others.

In his first few years in the Interior Department—he was at the time led by James Watt—Griles was closely involved with the gutting of the Office of Surface Mining. The office's budget was slashed, its staff cut and reorganized, and staff morale plummeted. Enforcement actions by the office fell sharply. Griles himself told the Washington Post, "We tore this agency to hell. Now we have to build it back up." When questioned about his work at OSM during his 1985 confirmation hearings, Griles denied any responsibility for the damage done to the agency, which was extensively described in—and condemned by—a bipartisan report from the House Government Operations Committee.

Griles—who was, as Assistant Secretary, responsible for the Bureau of Land Management—aggressively defended that agency's mine-closure bonding practices, maintaining that they were adequately protective of the environment and that more stringent bond requirements could hinder mineral development. A 1986 General Accounting Office (GAO) study found that BLM's bonding requirements for hardrock mine operators were insufficient to ensure safe mine closures, leaving the federal government potentially liable for expensive mine reclamation. This issue is particularly significant at the moment, given the Bush administration's current effort to roll back Clinton administration revisions to the regulations governing mining on federal lands. Some states, most notably Nevada and Montana, are now facing major mine cleanup liabilities as a result of inadequate bonding and mining-firm bankruptcies, as recent reports from the National Wildlife Federation and Mineral Policy Center have documented.

As Assistant Secretary, Griles strongly supported the Interior Department's 1986 choice not to appeal a federal district court decision on patenting of oil-shale lands under the 1872 mining law. The decision resulted in the virtual giveaway of more than 82,000 acres of land for $2.50/acre, a total of about $200,000. A House Appropriations Committee investigation found that the government could have received as much as $250 billion in revenue in the event the lands were developed under a leasing arrangement, as is customary for oil resources on federal lands, rather than allowing the land to be patented. One of the claimholders patented 17,000 acres of the land in question for $42,500, and then sold the same land for $37 million.

Griles also aggressively promoted offshore oil leasing, especially in California and Florida. In 1987, he described those states' congressional delegations' efforts to obtain moratoria on drilling off their coasts as "misguided," adding that they were "cutting their own throats" by doing so. And, most notably, in 1989 it surfaced that Griles was the central figure in a Reagan administration effort to downplay the risk of oil spills associated with proposed drilling off the California coast. Several California legislators, led by Rep. Mel Levine (D-CA), uncovered internal Interior Department documents that showed that Griles forced Minerals Management Service officials to delete oil-spill risk warnings from a report on several proposed offshore lease sales.

Griles the Lobbyist

After having proved himself a loyal friend of industry while at the Interior Department, Griles went on to pursue a more direct and lucrative relationship with industry. Most recently, Steven Griles was Vice President and Principal for National Environmental Strategies (NES) and President of J. Steven Griles and Associates, lobby firms which represent numerous companies, trade associations with an interest in environmental and natural resource policy. These high-flying lobby operations provided strategy, advice, and advocated for numerous oil, gas, and mining companies and trade organizations.
Griles Back at Interior: Still a Lobbyist at Heart

Now, back in government service as the Deputy Secretary of the Interior, Griles attempted to influence the Environmental Protection Agency’s determinations on a massive oil and gas drilling project in Wyoming’s Powder River basin, in which numerous former clients have a financial stake. EPA’s assessment had granted the project its lowest rating, environmentally unacceptable, potentially delaying plans by companies such as Yates to pursue development plans by sending the project back to the drawing board. Griles, although he had previously recused himself from issues involving former clients upon taking office, intervened, sending a letter to the EPA administrator encouraging her to pursue a different course, stating, “I hope you will consider the best means of addressing EPA’s concerns together versus sending a letter that will create, at best, misimpressions and possibly impede the ability to move forward in a constructive manner.” After the letter was made public, Griles was forced to remove himself from the issue and was asked to sign a second recusal statement, reiterating his intention to not involve himself in issues affecting former clients.

However, Griles maintains financial ties to his former lobbying firm, National Environmental Strategies, which represents numerous industries with an interest in decisions made at DOI, to the tune of $284,000 annually for four years. Griles also has met frequently with energy industry representatives who were former clients. For instance, he met with National Mining Association representatives at the end of 2001 at the same time the industry was lobbying for relaxed mountaintop mining standards.

The James Watt Lifetime Achievement Award

James Watt was the United States Secretary of the Interior under the Reagan Administration from 1981-1983. Secretary Watt led efforts to restrict use of the federal Land and Water Conservation Fund (LWCF), a 35-year-old trust account that generates $900 million annually from royalties collected on off-shore oil and natural gas development. The fund was created to underwrite the purchase of wildlife habitat and creation of urban parks. In response, ten environmental groups joined together to seek his removal from office, garnering more than one million signatures on a petition urging Reagan to remove Watt from office. In 1983, after he made some controversial remarks, Watt was forced by the White House to tender his resignation.

Gale Norton, Secretary of Interior

“We might even go so far as to recognize a homesteading right to pollute or make noise in an area.” –Gale Norton on private property rights in an analysis of takings regulations, Harvard Journal of Law & Public Policy, Vol. 15, No 1

Gale Norton is America’s current Secretary of the Interior for the Bush Administration. This position makes her responsible for all operations and activities. Gale Norton, interestingly, was Watt’s protégé; in fact, she has been described by many as “James Watt in a skirt.”

Norton began her career litigating on behalf of cattlemen, miners and oil companies at James Watt’s Mountain States Legal Foundation. She followed Watt to the Department of Interior, where she advocated policies such as opening the Arctic National Wildlife Refuge to oil drilling. In the late 1980s, at the conservative Pacific Research Institute, she helped plan litigation strategy to enhance individual property rights at the expense of community interests. As Colorado’s attor-
nery general, Norton implemented a "self-auditing" procedure that allows polluters to evade environmental fines and promoted legislation that would have enshrined an extreme view of the "takings" clause of the U.S. Constitution. Even among conservative scholars, Norton's views of the Constitution and limits on federal authority are "far outside the mainstream."

Record Since Becoming Secretary of the Interior

With Gale Norton at the helm, the Interior Department has championed some of the Bush administration's worst assaults on the environment. The Department of Interior, which directs several agencies including the Bureau of Land Management, Office of Surface Mining, and U.S. Fish and Wildlife Service, has acted publicly and behind the scenes to encourage new drilling on national monuments and on public lands; promote intensified coalbed methane development in the Rocky Mountain West, despite numerous concerns about impacts on the environment and water quality and quantity; weakened new rules designed to mitigate the effects of hardrock mining; and supported new rules to legalize mountaintop removal mining—and the dumping of mining waste in streams—in Appalachia.

In addition, Norton has publicly misrepresented information and withheld scientific findings from her own agency. For example:

**Changing Science.** In January 2002, despite earlier government studies indicating that oil drilling in the Arctic National Wildlife Refuge would harm polar bears, the Interior Department reversed its position. The agency determined that the bears can be adequately protected thanks to improvements in oil drilling technology. Two reports -- in 1995 and 1997 -- by Interior's Fish and Wildlife Service concluded that drilling for oil might violate America's obligations under a 1973 international treaty to protect the world's largest land predators and their habitat. 214

**Withholding Information from the U.S. Fish and Wildlife Service.** In January 2002, it was revealed that Gale Norton failed to submit comments from the U.S. Fish and Wildlife Service criticizing a proposed Army Corps of Engineers plan to relax wetlands protection rules. As a result, the Army Corps announced its final version of the plan without any input from the wildlife service, which claimed the proposal lacked any scientific basis and would "result in tremendous destruction of aquatic and terrestrial habitats." Norton's suppression of the comments is consistent with her record of neglect of environmental concerns and efforts to curry favor with industry. 216

**Distorting Government Data.** In October 2001, news surfaced that Gale Norton had distorted government data about the impact of drilling on caribou populations. In a July 2001 letter to the Senate committee that had requested the data, Norton left out some statistics suggesting that caribou could be adversely affected, while including information that could be used to support drilling in the Arctic refuge. Furthermore, Norton inaccurately stated that caribou calving has been concentrated outside of the proposed drilling area for 11 of the last 18 years, when the opposite is true. 216
Notes

4- Based on data obtained from the Center for Responsive Politics, www.opensecrets.org, on July 15, 2002.
6- Downloaded from www.opensecrets.org on September 24, 2002.
17- http://www.endgame.org/boise-timbersales.html#Table1
21- Rainforest Action Network, 3/15/02 statement on Boise's announce-
25- Downloaded from www.opensecrets.org on September 24, 2002.
35- “Lacking Permits, New Mexico Independent Begins Drilling in Wilder-
50- "First commercial find made on Otero platform, N.M." Oil & Gas Journal. August 17, 1998.
52- "Land access issues simmer in California, Utah, New Mexico." Oil & Gas Journal. March 18, 2002.
58- Based on a Natural Resources Defense Council analysis of records released pursuant to court order.
62- Downloaded from www.opensecrets.org on September 25, 2002.
65- Federal Register, Volume 65, Number 67, Page 18122.
66- Amoco Production Company was once a unit of Amoco Corporation and now a part of the energy industry giant, BP Amoco PLC. Alberta Energy Company’s AEC Oil and Gas Inc. unit agreed to buy the McMurry Oil Company in 2000; Alberta Energy is itself now part of EnCana Corp., Canada’s largest oil and gas company and continent’s largest independent natural gas producer.
67- Federal Register, Volume 65, Number 67, Page 18122.
134- Northwest Mining Association supplemental comments on BLMs 3809 regulations. Laura Skaker February 15, 2002. Available at http://
42 - Big Buck Awards


137- Downloaded from www.opensecrets.org on September 25, 2002.


162- Data generated from the Center for Responsive Politics, www.opensecrets.org, on September 25, 2002.


182- “Program Update for Off-Road Motorcycles and ATVs,” California Air Resources Board, October 22, 1998.


204- Downloaded from www.opensecrets.org September 24, 2002.
205- Downloaded from www.opensecrets.org September 24, 2002.
