



# Friends of the Earth

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## The Bush Green Agenda



# Congress Recycles the Dirty Energy Bill

**A**mid fears of unpredictable energy prices and continued economic woes, Congress continues to deliberate an energy bill that will increase our dependence on oil while leaving taxpayers at the mercy of big energy companies. And in one of the biggest fiascos I've witnessed in Washington, the Senate actually greased the skids for passage of this backward-looking legislation with a maneuver that sent a bill into a House-Senate conference with no debate.

Hours before adjourning for its August recess, the Senate was unable to advance its version of the energy bill past concerns about its pricetag and a host of other controversial provisions. So in an abrupt about-face, senators cut a deal to revive the flagging legislation: scrap this year's anti-environmental bill, and replace it with an equally unbalanced proposal that the Senate passed last year. Friends of the Earth called this compromise what it was: a bad deal for the environment, and a clear attempt to jump-start negotiations on a House-Senate conference report.

Unfortunately, industry and its congressional allies will dominate these negotiations, and Senate Energy Chairman Pete Domenici (R-N.M.) has already signaled he plans to make the bill even worse in conference. We expect him to advocate the inclusion of anti-environmental giveaways to dangerous, polluting energy sources. As one of Washington's biggest recipients of nuclear industry campaign contributions, Domenici is likely to push for



**Brent Blackwelder**

schemes that would help the flagging industry underwrite its cost of doing business at the expense of taxpayers and public health and safety.

Friends of the Earth will fight on several fronts to stop Congress from passing a bad energy bill. This month, we submitted over 20,000 petitions to the White House signed by members and supporters of Friends of the Earth. I want to express my thanks to all of you who took the time to send your petition. Your activism does make a difference, and we will get your voice heard. We're already hard at work exposing nuclear handouts and other outrageous subsidies in the bills proposed by the House and Senate. Our new project called *Power Politics* links the tax breaks and subsidies included in these bills to well-heeled industry lobbies and their allies in Congress.

You can read them on our Web site: [www.foe.org/powerpolitics](http://www.foe.org/powerpolitics).

At the same time that Congress gears up to debate an energy conference report, the Senate has another seminal environmental vote in its future: the decision whether to replace EPA administrator Christie Whitman with Utah Governor Mike Leavitt. Whitman stepped down this summer after overseeing two and-a-half years worth of assaults on clean water, clean air and public health laws. One of her most disastrous decisions was to sign off on a rule allowing industry to dump waste directly into waterways across the nation. Leavitt won't be much different. From wilderness to wetlands, Leavitt has consistently

fought for corporate interests at the expense of our environment. Examples include his recent backroom deals to open millions of acres of wilderness to drilling, mining and off-road vehicle use, and his longstanding support for the destructive 120-mile Legacy Highway to be built through Utah's farms and wetlands.

Luckily, debate over her successor will give senators a prime opportunity to publicize the Bush administration's anti-environmental record. The closer to next year's elections that this debate takes place, the more opportunities it will offer environmental groups and members of Congress who are ready for a change of leadership in Washington.

*Brent Blackwelder*



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# Dirty Secrets

By Osha Gray Davidson

In the early 1980s you didn't need to be a member of EarthFirst! to know that Ronald Reagan was bad for the environment. You didn't even have to be especially politically aware. Here was a man who had, after all, publicly stated that most air pollution was caused by plants. And then there was Reagan's secretary of the Interior, James Watt, who saw no need to protect the environment because Jesus was returning any day, and who, in a pique of reactionary feng shui, suggested that the buffalo on Interior's seal be flipped to face right instead of left.

By contrast, while George W. Bush gets low marks on the environment from a majority of Americans, few fully appreciate the scope and fury of this administration's anti-environmental agenda. The Bush administration has been gutting key sections of the Clean Water and Clean Air acts, laws that have traditionally had bipartisan support and have done more to protect the health of Americans than any other environmental legislation. It has crippled the Superfund program, which is charged with cleaning up millions of pounds of toxic industrial wastes such as arsenic, lead, mercury and vinyl chloride in more than 1,000 neighborhoods in 48 states. It has sought to cut the EPA's enforcement division by nearly one-fifth, to its lowest level on record; fines assessed for environmental violations dropped by nearly two-thirds in the administration's first two years; and criminal prosecutions – the government's

weapon of last resort against the worst polluters – are down by nearly one-third.

The administration has abdicated the decades-old federal responsibility to protect native animals and plants from extinction, becoming the first not to voluntarily add a single species to the endangered species list. It has opened millions of acres of wilderness – including some of the nation's most environmentally sensitive public lands – to logging, mining, and oil and gas drilling. Under one plan, loggers could take 10 percent of the trees in California's Giant Sequoia National Monument; many of the Monument's old-growth sequoias, 200 years old and more, could be felled to make roof shingles. Other national treasures that have been opened for development include the million-acre Grand Canyon-Parashant

National Monument in Arizona, the 2,000-foot red-rock spires at Fisher Towers, Utah, and dozens of others.

And then, of course, the White House has all but denied the existence of what may be the most serious environmental problem of our time, global warming. After campaigning on a promise to reduce emissions of the greenhouse gas carbon dioxide, Bush made an abrupt about-face once elected, calling his earlier pledge "a mistake" and announcing that he would not regulate CO<sub>2</sub> emissions from power plants—even though the United States accounts for a fourth of the world's total industrial CO<sub>2</sub> emissions. Since then, the White House has censored scientific reports that mentioned the subject, walked away from the Kyoto agreement to reduce greenhouse-gas emissions, and even, at the behest of



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ExxonMobil, engineered the ouster of the scientist who chaired the United Nations Intergovernmental Panel on Climate Change.

So why aren't more people aware that George W. Bush is compiling what is arguably the worst environmental record of any president in recent history? The easy explanations – that environmental issues are complex, that war and terrorism push most other concerns off the front pages – are only part of the story. The real reason may be far simpler: Few people know the magnitude of the administration's attacks on the environment because the administration has been working very hard to keep it that way.

Like any successful commander in chief, Bush knows that putting the right person in the right place is the key to winning any war. This isn't just a matter of choosing business-

friendly appointees for top positions. That's pretty much standard operating procedure for Republican administrations. What makes this administration different is the fact that it is filled with anti-regulatory zealots deep into its rank and file – and these bureaucrats, unlike James Watt, are politically savvy and come from the very industries they're charged with regulating. The result is an administration uniquely effective at implementing its ambitious pro-industry agenda – with a minimum of public notice.

Take the case of mountaintop-removal coal mining. As the name



Actress Heather Thomas (center) co-hosted an educational lunch highlighting Friends of the Earth's work to expose corruption at the Interior Department. She is seen here with Friends of the Earth staff Kristen Sykes (left) and Diane Minor (right).

implies, this method – the predominant form of strip mining in much of Appalachia – involves blasting away entire mountaintops to get at coal seams below and dumping the result-

## Friends of the Earth vs. the Bush Administration

- **Convinced** the board of directors at the U.S. Export-Import Bank of the United States to reject \$213 million in financing for a controversial \$1.6 billion gas project in the Peruvian Amazon, a venture led by Hunt Oil and PlusPetrol. Ray Hunt, chairman of Hunt Oil, is a Bush "Pioneer" who raised \$100,000 in the 2000 elections.
- **Exposed** ethics violations, conflicts of interest and financial links between administration officials, lobbyists and industry executives. Our work led the Department of Interior to launch its own investigation of possible ethics violations

by J. Steven Griles, the #2 person at the Interior Department.

- **Opposed** the passage of a multi-billion dollar energy bill by leading the environmental community in drawing attention to new subsidies for the coal, oil, nuclear and gas industries.
- **Led** the fight to protect the food supply from genetically engineered crops grown to produce industrial chemicals or pharmaceutical drugs. Responding to our groundbreaking report on "Biopharm" food crops and to a documented case of contamination, the U.S. Department of

Agriculture is planning to tighten regulations on the biopharmaceutical industry.

- **Saved** your tax dollars by convincing Congress to cut funding in half for an arm of the World Bank that underwrites environmentally damaging projects.
- **Launched** an unprecedented lawsuit, one of the most important in our 33-year history, to try to force the Bush administration to obey the law and consider global warming when the government helps finance international oil, gas and coal projects.

ing rubble, called “spoil,” into adjacent valleys. In some cases, valleys two miles long have been completely filled with spoil. Opponents had hoped that a court-ordered Environmental Impact Statement (EIS) would crack down on the practice, which has buried at least 1,000 miles of Appalachian streams and destroyed tens of thousands of acres of woodland that the EPA describes as “unique in the world” for their biological diversity. But when the Bush administration released the EIS this spring, it not only gave mountaintop removal a clean bill of health; it also relaxed what few meaningful environmental protections existed and focused on how to help mining companies obtain permits more easily.

So how did a process mandated by a federal judge “to minimize, to the maximum extent practicable, the adverse environmental effects” from mountaintop removal become a vehicle for industry? Two words: Steven Griles. Never heard of him? You’re not supposed to. Steven Griles is one of industry’s moles within the Bush administration. Before coming to work as deputy secretary of the Interior, Griles was one of the most powerful lobbyists in Washington, with a long list of energy-industry clients, including the National Mining Association and several of the country’s largest coal companies. On August 1, 2001, Griles signed a “statement of disqualification,” promising to stay clear of issues involving his former clients. Despite that promise, according to his own appointment calendar (obtained by environmental groups through the Freedom of Information Act), Griles met repeatedly with coal companies while the administration worked on the mountaintop-removal issue. Griles has denied discussing the “fill rule” in any of those meetings. But on August 4, 2001 – three days after signing his recusal letter – he gave a



We mailed over 20,000 petitions to Bush, which Friends of the Earth members and supporters returned to us. Thank you for helping us tell Bush not to turn his back on the environment.

speech before the West Virginia Coal Association, reassuring members that “we will fix the federal rules very soon on water and spoil placement.” Two months later, Griles sent a letter to the EPA and other agencies drafting the EIS, complaining that they were not doing enough to safeguard the future of mountaintop removal and instructing them to “focus on centralizing and streamlining coal mine permitting.” Griles is now the subject of an Interior Department investigation for possible ethics violations.

With key positions in the hands of industry veterans, the administration has been able to pursue one of its most effective stealth tactics – steering clear of legislative battles and working instead within the difficult-to-understand, yawn-producing realm of agency regulations. It’s a strategy that has served Bush well, especially in his push to give the energy industry – which donated \$2.8

million to the 2000 Bush campaign – access to some of the nation’s last wildlands. In Congress, where the administration’s agenda must endure full public scrutiny, Bush’s effort to allow drilling in the Arctic National Wildlife Refuge has failed repeatedly.

*The preceding text is excerpted with permission from a longer article that introduces Mother Jones magazine’s September/October cover package on the Bush administration’s stealth attack on environmental regulations and may not be reprinted. To read the rest of Osha Gray Davidson’s “Dirty Secrets” and the other articles in this special issue, pick up a copy of Mother Jones or visit the magazine’s Web site at [www.motherjones.com](http://www.motherjones.com). ■*

# Want to Improve Oil Security, the Economy and the Environment? Tax Waste Not Work!

By June Taylor

**W**hile the government rewards the polluting energy industry with generous subsidies, hardworking Americans are punished with high payroll taxes. For nearly 90 years, the federal taxpayer has been bankrolling the oil and coal industries, and getting paid back with polluted air, water and a dangerous dependence on fossil fuel. Why should hardworking Americans have to give up so much for so little?

If we shifted taxes – lowered the payroll tax and instituted new taxes on energy production, raw materials and toxic pollution – we would send the right signal to American business and industry: employ people, conserve energy and reduce waste. And we would boost the economy by putting more people to work. A leading economist estimates that a 10 percent reduction in payroll taxes would create a 3 percent boost in employment levels in the short run and 10 percent in the long-term. Substituting other taxes for payroll taxes would also help to diversify and, ultimately, strengthen the funding base for Social Security and Medicare.

Payroll taxes for employees and employers, combined, now total 15 percent of wages – 12 percent allotted to Social Security and 3 percent to Medicare Hospital Insurance. The Social Security tax is our most regressive federal tax – it's a flat tax rate that applies to the first



The Congressional Budget Office projects that payroll tax revenue will be \$766 billion, or 37 percent of the total federal revenues. This money goes towards subsidizing dirty energy.

\$80,400 of wages, so lower-wage workers pay on every dollar they earn. Today, 80 percent of Americans pay more in payroll taxes than income taxes. Historically payroll taxes have been a small part of federal revenues – starting at 2 percent and rising this year to 37 percent. With the recent reductions for income and dividend taxes, payroll taxes could easily jump to 40 percent of federal revenues. And, as we have learned, there is no “lock box” on payroll tax revenues; so the taxes of workers earning under \$80,400 are going to subsidize coal companies, oil companies and our excess energy consumption.

At a time when we need job creation we should not be taxing those businesses that provide jobs and bring on new workers. Small business managers (the ones that create the most jobs) say that payroll taxes are their number one obstacle to new hiring. As impressive (or depressive) as the official unemployment statistics are, they fail to show the true picture of unemployment in America. Folks who are not actively looking – the people who have given up, the young minorities who've never had a job, the moms who might like to work part-time but can't find flexible work – are not even counted. Nor are the 70 percent of disabled who are able to work, but still unemployed more than a decade after passage of the Americans with Disabilities Act.

Environmentalists alone may not have the power in Congress to “tax waste, not work,” but working in concert with other groups who are concerned about health, national security, jobs, a strong economy and protecting Social Security we might just get what we need.

*June Taylor is a long-time environmental writer and a consultant to the non-partisan full employment group Get America Working! Friends of the Earth President Brent Blackwelder is a member of Get America Working's advisory council.* ■

# A \$400 Million Pipe Dream: The West African Gas Pipeline Project

By Leslie Fields

“We pray to God on this holy morn that no petroleum oil will be discovered in our communities. Indeed, Lord, let the oil underneath our houses and farms drift away from us. Lord, spare us the pains and the misfortunes and diseases that petroleum oil brings to our people and to our farms and rivers. Lord, protect us from further harm in the hands of those who want our properties. Amen,” prayed a Pastor before a Christian congregation in Nigeria’s Niger Delta.

I traveled through Nigeria and witnessed the human and environmental devastation powerful multinational oil corporations have caused in the Niger Delta. Communities living in poverty coexist with numerous one-story high furnace-like gas flares, the equivalent of a smokestack shooting out a giant flame. Leaky and exploding pipelines crisscross neighborhoods.

Communities deal with persistent air and water pollution, along with countless trucks and tankers. These communities live with the oily muck and detrimental health effects yet are subject to frequent periods where no gas is available domestically due to the country’s lack of refining capacity.

The West Africa Gas Pipeline (WAGP) had its genesis 21 years ago when the Economic Community of West African States proposed a natural gas pipeline through West Africa as one of its key economic policies. The World Bank prepared a feasibility report 11 years ago and determined that a natural gas pipeline originating from Nigeria to Benin, Togo to Ghana



This smoke is from a 3-week-old pipeline fire. Existing oil pipelines, which weave through villages, often catch fire from poor maintenance and vandalism.

would be commercially feasible. And just now, the consortium of oil corporations and World Bank are deciding to “consult” with the local communities that will be impacted by this 620-mile long pipeline.

The four countries involved, Benin, Togo, Ghana and Nigeria, have already signed an Inter Governmental Agreement to align their laws. The oil consortium – comprised of Chevron, Shell, Nigerian National Petroleum Corporation, Ghana National Petroleum Corporation, Société Beninoise de Gaz and Société Togolaise de Gaz – has all the agreements and contracts signed and is ready to complete the project by 2005.

“Agreements have been negotiated and signed, contracts for the sale of gas have been sealed (or are about sealed), yet the local people through whose communities the pipeline will traverse know nothing about the proj-

ect,” said *Pipe Dreams*, a report on the project jointly published by the Environmental Rights Action of Nigeria, Oilwatch and Friends of the Earth. “And against local and international laws, the consortium is yet to conduct an environmental impact assessment study for the project.”

Under the principles of the Rio Declaration agreed to at the 1992 World Summit on the Environment in Brazil, impact assessments are required for all projects likely to have adverse effects on ecosystems. The provisions of the Rio Declaration were incorporated in the Nigerian Environmental Impact Assessment Law of 1992, the Ghanaian Environmental Protection Agency Act of 1994, the Lois Cadre Sur l’Environnement en Republic du Benin enacted in 1999 and the Code de l’Environnement en Republic du Togo of 1998. They have not been implemented for this pipeline.



Communities have to live with gas flares – the burning of excess gas - in the middle of their villages. Gas flares lead to acid rain, global warming, water pollution and cause respiratory problems.

A further impediment to community participation is the Nigerian Land Use Decree of 1979, which gives legal ownership of all land to the government. In other words, oil and gas industry can take the land without consulting local communities as long as it is in partnership with the Nigerian government. Industry would only be required by law to pay compensation for crops and buildings but not for the use of the land.

According to the World Bank in 1995, Nigeria flares more gas than any other country in the world. Locally the excessive gas flaring – a process of burning off excess gas – causes acid rain (which contributes to decreasing crop yields), corroded structures and health effects such as respiratory problems. Globally, gas flaring contributes to global warming due to the carbon dioxide, methane and other greenhouse gases, which are emitted on a continuous basis.

It is simply not clear how the consortium intends to utilize the gas via the available information and through (at time of press) meetings with the World Bank and Chevron. The few communities that have heard about WAGP are under the impression the gas will be utilized for domestic use, when instead it is alleged that the end-

users will be Ghanaian gold mining corporations. And the Bush administration has touted the \$400 million WAGP as one of the projects that will contribute to West Africa becoming a major alternative source for oil and gas to the volatile Middle East region in the near future.

The WAGP has a myriad of issues. The consortium companies have disturbing human rights records and project details are shrouded in secrecy. In March 2000, Friends of the Earth-Nigeria held a consultation with communities, experts and media from Nigeria, Ghana and Togo. Chevron was invited and confirmed they would send representatives but they did not. Nigerian National Petroleum Corporation was invited to talk to community members and also did not attend.

“The wetlands and the mangroves that the pipeline will traverse are universally registered as fragile ecosystems,” the *Pipe Dream* report says. “For it to contribute to sustainable development in the sub region, the diverse ecological zones through which the project will pass deserve to be protected. This does not seem to be on the agenda of the West African Gas Pipeline consortium.”

Friends of the Earth-U.S. filed a Freedom of Information Act request to the U.S. Agency for International Development for information regarding the Intergovernmental Agreements and International Project Agreement. We are working closely with Friends of the Earth-Nigeria, Friends of the Earth-Ghana and other allies to address the many issues surrounding the WAGP. In addition, we recently hosted Oronto Douglas, the co-director of Friends of the Earth-Nigeria and conducted meetings with the World Bank, Chevron, the U.S. State Department, the Congressional Black Caucus and the media.

The World Bank should not support or promote this project until it addresses the fears of local communities and potential environmental devastation.

*Leslie Fields is the director of our new Global Sustainability Initiative Program, which addresses issues regarding the intersection of environmental justice and globalization.*



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# Biotech Companies Misleading the World, Not Feeding the World

By Larry Bohlen

**T**he biotech companies' current rallying cry for genetically engineering our food is, "It will feed the world."

Unfortunately, this is a manipulation of the facts. Hunger experts have long said that there is more than enough food in the world and that the problem really is one of distribution. However, the Bush administration is trying to convince leaders of African nations that genetically engineered (GE) foods will increase crop yields and feed their people.

A World Health Organization report, *Determinants of Malnutrition*, states, "Hunger is a question of maldistribution and inequality – not lack of food." Furthermore, critics respond that even if higher yields were needed, the track record of engineered crops is poor. Soy, the most prevalent engineered crop actually yields less per acre. And, according to the U.S. Agency for International Development Web site, engineered corn "...provided in food aid shipments would be expected to perform poorly in African growing conditions..." (*Africa Humanitarian Crisis Overview*, 2003). Thus, farmers in famine-stricken areas who plant U.S. biotech food aid can expect lower yields and less food in the future.

Given the contradiction between the Bush administration and most hunger experts, what is the real motivation for the president to wade into the GE foods debate? The answer may be explained by the floundering stock prices of the largest biotech companies – like Monsanto and



Dr. Drinah Nyirenda, the executive director of the largest hunger relief organization in Zambia, talks to *Oakland Tribune* reporter, Douglas Fischer about hunger in Africa. "We can produce enough food. The problem is some of the international issues that relate to support."

ConAgra. They have failed to commercialize any new GE crop species in the last three years in the face of consumer opposition. With the chips down, these companies are likely calling in a favor for campaign contributions provided to the president and his party. According to the Center for Responsive Politics, the biotech industry as a whole donated \$7.7 million between 1998 and 2002 to federal candidates.

In a speech to the Biotechnology Industry Organization in June, President Bush paid back these contributions by calling for investments in biotechnology to increase crop yields in Africa rather than funding ways to improve the distribution of food. Bush also went on to blame

Europeans for African rejection of genetically engineered food aid, saying, "Acting on unfounded, unscientific fears, many European governments have blocked the import of all new biotech crops."

But was it European preferences that led to African decisions to turn away engineered food aid last year, or African skepticism that happens to mirror the opposition shared by a majority of Americans? When Friends of the Earth asked Dr. Drinah Nyirenda, the executive director of the largest hunger relief organization in Zambia, she said, "For us in the developing countries, we feel with biotechnology, we should take our time and build the capacity to be able

to understand what we're dealing with."

"In the meantime, we would like to continue with the conventional methods of producing foods," said Dr. Nyirenda, who has a PhD in nutrition from the University of California, Davis and runs a program that serves 200,000 small farms.

Last year, international lending institutions eliminated technical and economic assistance for Zambian farmers under strict structural adjustment guidelines, which resulted in lower crop yields. But this year, when Zambian officials restored the assistance, farmers reported a grain surplus.

From June 23 to 25, Secretary of Agriculture Ann Veneman convened agriculture officials from around the world in Sacramento at the United State Department of Agriculture's "Ministerial Conference and Expo on Agricultural Science and Technology." Veneman attempted to convince the officials to open their markets to American biotechnology



This Friends of the Earth International report describes the United States' attempts to dump unwanted GE corn in Southern Africa.

with Bush's message: GE foods are needed to feed the world.

Thousands of protestors, including organic farmers, professors, college students and local social justice and environmental advocates

descended on the Sacramento meeting. Friends of the Earth staff members traveled to Sacramento and succeeded in getting an op-ed on GE foods, co-authored with Nnimmo Bassey of Friends of the Earth - Nigeria, placed in the *Sacramento Bee* on the first full day of the gathering (see [www.foe.org/foodaid](http://www.foe.org/foodaid) for a link).

We also met with African delegates who have been under enormous U.S. pressure. We shared copies of a new Friends of the Earth International booklet entitled *Playing with Hunger* and statements from religious and hunger relief groups concluding that GE foods will only aggravate the hunger crises (see [www.foe.org/foodaid](http://www.foe.org/foodaid)). The delegates found our materials helpful and concluded the meeting saying, "Friends of the Earth is a true friend of Africa."

Friends of the Earth along with our international affiliates will continue our advocacy efforts and remain vigilant to the biotech industry's underhanded attempts to slip more GE foods into the food supply. ■

## Save the Date: Kraft Week of Action Oct. 25 – Nov. 1

Please join thousands of people in hundreds of cities across the continent in demanding safe, non-genetically engineered food during our upcoming "Week of Action for Safe Food."

This is our fourth week of action since the February 2002 launch of the campaign demanding Kraft to stop using genetically engineered (GE) ingredients in its products and we expect it to make a huge impact. But we need your support to make it happen and show the largest food company that its customers want safe food now!

We will be sending out more information about this upcoming groundswell of action via e-mail and on our Web site [www.krafty.org](http://www.krafty.org) as we get closer to October. In the meantime, if you are interested in joining us in this fight for safe, sustainable, GE-free food, please contact [larcher@foe.org](mailto:larcher@foe.org) or call 202-783-7400 x190 and we will send you an action kit with everything you'll need to take action locally and make a difference globally!

Kraft Foods is the largest food company in the country, and the sec-

ond largest in the world. Its products are found in 99 percent of U.S. households, and many of them, such as Taco Bell taco shells, Boca Burgers, Lunchables and Post cereals have been found to contain genetically engineered ingredients. Kraft refuses to label these foods, taking away our right to know what we are eating, despite the fact that between 85 and 95 percent of Americans want labeling of foods containing GE ingredients. ■

# Stop Congress from Running Over Environmental Laws and Derailing Amtrak

By Greg Smith

**T**he Bush administration and some members of Congress continue to support road-building projects and reduced funding for Amtrak, no matter what the cost to the environment, communities or public health. By the end of September, Congress is required to reauthorize the next six years of transportation funding. The administration, its congressional allies and the road lobby are using the reauthorization process to intensify their broad assaults on common-sense environmental and public health laws.

The House has approved \$900 million for Amtrak, a cut from its 2003 budget and only half of what Amtrak has requested and needs to continue providing safe and reliable transit. The House also cut funding for new transit projects, innovative community planning and job access programs for people moving from welfare to work. Meanwhile, it increased highway funding to \$33 billion – nearly 40 times more than Amtrak's piece of the budget. If these funding levels are signed into law, Amtrak could be forced to shut down within months, new transit projects will be delayed and other beneficial programs – and the millions of people who depend on them – will suffer.

Along with these severe budget cuts, the Bush administration and members of Congress are trying to pave over some of America's most fundamental environmental and public health laws. Provisions weakening the National Environmental Policy Act would greatly diminish citizens'



The Appropriations Committee increased highway funding to \$33.3 billion – nearly 40 times more than it approved for Amtrak.

rights to demand fair and thorough environmental impact studies, and would shift even more decision-making power away from environmental agencies and the public to the U.S. secretary of transportation and state transportation agencies. The administration and its congressional allies are also seeking to gut strong protections for parks and historic sites, and to severely weaken Clean Air Act requirements.



To find out what you can do to stop these assaults on the nation's environmental laws, people's rights and sensible transportation programs, or to learn more about these issues, please visit Friends of the Earth's Web site at [www.foe.org/action](http://www.foe.org/action). You can also contact Friends of the Earth's Transportation Coordinator Greg Smith at [Gsmith@foe.org](mailto:Gsmith@foe.org) or (202) 783-7400 x 198.

# Cooking the Books and Scorching the Planet

By Michelle Chan-Fishel

**F**or decades corporations have been leaving a trail of environmental destruction and human rights violations around the globe. Shareholders and investment banks are finally noticing the financial consequences of these greedy and careless operations.

## Investors Demand Disclosure of All Financial Risks

In accounting deceptions worthy of the Enron scandals, corporations are leaving a host of issues off the books that have great environmental, social and financial consequences. Corporate leaders disregard climate change warnings, under-estimate their toxic waste clean-up costs, gloss over important human rights and ethics controversies and paint rosy pictures of their management-labor relations.

To address this issue, Friends of the Earth helped organize a July 2003 symposium, which was hosted by Sen. Jon Corzine (D-N.J.) and 11 other members of Congress on corporate environmental and social disclosure and the SEC. Over 90 participants attended the symposium, which featured remarks from Sens. Corzine and Bill Nelson (D-Fla.), SEC Commissioner Harvey Goldschmid, Connecticut State Treasurer Denise Nappier and others. Friends of the Earth hopes that the SEC will heed the call voiced by many speakers at the event to create a Blue Ribbon Commission to make recommenda-



Sen. Jon Corzine (D-N.J.) hosted an unprecedented symposium organized by Friends of the Earth to address the need for corporations to disclose environmental liabilities. The symposium featured SEC Commissioner Harvey Goldschmid, 11 members of Congress and others.

tions to the SEC on how it can ensure proper disclosure of important social and environmental information. Getting environmental and social issues on the books will not only help address environmental problems like climate change, but will also help restore public confidence in our markets. Visit [www.corporatesunshine.org](http://www.corporatesunshine.org) for a summary of the symposium.

## Welcoming the Act But Holding the Applause

A coalition of investment banks made headlines when they launched the Equator Principles (EPs), a set of voluntary project finance standards based on the social and environmental safeguard policies of the private finance arm of the World Bank. While we welcome the fact that private banks are beginning to recognize their responsibility for the social and environmental impacts of their

transactions, several loopholes could make the principles pointless.

The EPs represent an industry approach, in which several banks are working together. This collaboration helps level the playing field among banks, and reduces the ability for corporate clients to shop around for a bank that has lower environmental and social standards.

However, the EPs only apply to direct lending for project finance. Many sensitive transactions, such as mining and forestry activities, are more likely to be funded through lines of credit or corporate loans, and thus are exempt from the EPs. Most importantly, the EPs' limited scope and lack of transparency requirements could potentially prove to be fatal flaws.

The EPs also do not require endorsing banks to hire staff or take other steps to oversee their implementation. Endorsing banks must prove that they are serious about implementation by taking actions such as rejecting projects that do not meet IFC environmental and social standards, dedicating adequate resources to implementation, disclosing how they implement and monitor the EPs and making social and environmental loan covenants public.

All the banks that drafted the EPs have been targets of NGO advocacy. Continued and increasing public scrutiny will certainly spur banks to develop similar collective initiatives.

Friends of the Earth hopes that the EPs can be strengthened and serve as a helpful springboard from which private financial institutions can examine and confront their role in destructive projects. ■

# In Appreciation: Planning Ahead to Conserve the Environment

By Diane Minor

**A** “small town girl” who once performed before over 11 million people has made commitments to protect the land she has loved so well long after she passes away.

Virginia Durso is a self-described “loner” of 84 who still hikes, bikes and swims in the Adirondack mountains of Northern New York where she has lived for decades. The vast and diverse system of state-owned lands there, known as the Adirondack Forest Preserve, was created in 1885 as one of the earliest acts of large-scale public land protection in the nation.

Ginny, as she has been known for most of her life, grew up in Hackensack, N.J., back when it had a single grocer who wrapped each person’s purchase in brown paper and string. She became a conservationist in her 20s, when she joined a local environmental group on nature hikes that changed the way she looked at the world.

Soon young Ginny Schoonmaker was a star of the “Aquacade,” which was a water ballet performed at the 1939 World’s Fair before a crowd of 10,000 people four times a day, rain or shine. “I wasn’t shy about being around people back then,” she jokes.

Ginny worked with early film industry stars Johnny Weismueller and Buster Crabbe. And she joined in brawling union battles by the American Federation of Actors that made headlines.

After the Acquacade’s female lead, Ginny was the female performer most frequently featured in news arti-



We would like to thank Virginia Durso, pictured above when she was star of the “Aquacade” at the 1939 World’s Fair, who has made a lasting contribution to Friends of the Earth.

cles and in advertisements for the cosmetics and fashions of the day.

While Ginny was being jetted off as one of four performers to star at the Caribbean Hilton in Puerto Rico, she also fell in love with and eventually married a trombone player in the Acquacade’s large orchestra, Michael Durso.


She went on to become a government food inspector and eventually requested a transfer to the Adirondacks, convincing her husband it was her turn to get back to her small town roots and love of nature.

Ginny retains a keen interest not only in nature but in Friends of the Earth’s campaign for safe foods and our work to cut wasteful government

spending on projects that damage the environment.

In recent years Ginny has put her retirement and estate planning strategies to work on behalf of these causes. She has set up several charitable gift annuities, which guarantee her a fixed income and tax deduction while helping Friends of the Earth out at the same time.

And she has included Friends of the Earth in her will and estate plans. “I treat conservation groups as my heirs,” she says.

 To find out more about planned giving contact Diane Minor at 202-783-7400 ext. 287. ■

## “Getting More From Less” T-Shirts

\$15 members, \$18 non-members

This v-neck tee reminds us, “the less we need, the less we use, the less damage we cause.” It is made from fairly traded Indian organic cotton that feels like silk. Available in sizes medium and x-large.



## Anti-SUV Bumper Stickers



\$2 each, \$5 for three

Show the world how you feel about high-polluting sport utility vehicles. The slogans came from a contest held at [www.suv.org](http://www.suv.org).

## Large Tote Bags

\$10 members, \$15 non-members

Friends of the Earth’s roomy, organic cotton canvas bag features a large Friends of the Earth logo. It is a perfect alternative to paper or plastic.



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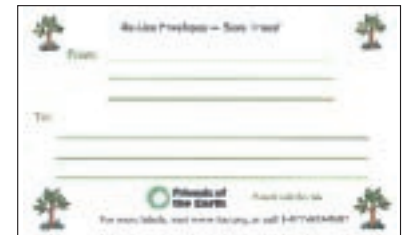


## NEW!

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# More Ways You Can Be a Good Friend of the Earth...

By Rosemary Greenaway

**F**riends of the Earth remains on the forefront of environmental advocacy through the continued support of our members, key foundations and others who share our mission. Each gift, no matter what size, is appreciated. Your generosity helps us get the job done.

## Giving at the Workplace: Earth Share



Friends of the Earth is a founding member of Earth Share, a national federation of environmental and conservation organizations working to promote environmental education and charitable giving through workplace giving campaigns. Many private companies, states and cities sponsor payroll deduction giving campaigns in the workplace. If your workplace has such a giving campaign you can select Friends of the Earth as the recipient of your donation. Federal employees can donate through the Combined Federal Campaign and support us by marking #0908 on their pledge forms.

## Matching Gifts – A Little Extra that Goes a Long Way



Whether you support Friends of the Earth directly or through payroll deduction at your workplace, you may be able to double or triple the amount by having your employer match your gift! Many employers support matching gift programs as an employee benefit. Even if you've already made your gift for this year, your employer may still match your gift. Check with your Human Resources department.

## Automatic Giving – Less Mail, Easier Payments



Join the paperless generation – save your time and effort and make monthly payments by credit card. No more appeals or renewal notices. Automatic giving saves us printing and mailing costs, so more of your donation can be put to work directly on our advocacy efforts.

## Bequests: Securing the Future



You can make a lasting contribution toward safeguarding the environment by considering a special gift to Friends of the Earth of cash, securities or by means of a gift through your will. Friends of the Earth is extremely grateful to those members who have included us in their estate plans. This legacy will help ensure the future of our work. If you are interested in naming Friends of the Earth as a beneficiary, we suggest your attorney consider the following language:

*I hereby bequeath \_\_\_\_\_ to Friends of the Earth, nonprofit charitable organization incorporated under the laws of the District of Columbia and having its principal address: 1717 Massachusetts Avenue NW, Suite 600 Washington, D.C. 20036 (our new location as of Nov. 17, 2003)*



For more information about any of these options please call us at 1-877-843-8687. Or donate online at [www.foe.org](http://www.foe.org)



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