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For Immediate Release Common Cause/NY Report Details Entergy's Lobbying and Public Relations Effort on Indian Point

Written by 212-691-6421 on May 30, 2013

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For Immediate Release:

Contact: Susan Lerner

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Common Cause/NY Report Details Entergy's Lobbying and Public Relations Effort on Indian Point

From 2005 through 2012, Entergy spent over \$4.5M in New York State and \$35.6M in Washington on political contributions and lobbying.

The Indian Point Energy Center is a nuclear power plant in northern Westchester County, which provides roughly 20% of the electrical power used by New York City and its environs. Indian Point is owned by Entergy, a Louisiana based company which also owns the James A. FitzPatrick plant in Oswego, NY. In 2013 and 2015 Entergy's licenses to operate Indian Point's two reactors will expire, which is why it needs approval from the Nuclear Regulatory Commission (NRC) for two more 20 year licenses. The public comment period ends on June 3, 2013.

Indian Point has been a source of debate for years, but opposition has increased since the nuclear disaster at the Fukushima power plant in 2011, with longtime critics like Governor Cuomo lining up against re-licensing.

In an effort to secure Indian Point's future, Entergy has employed strategic political spending and a sophisticated public relations campaign coordinated by Burson Marsteller. One of Entergy's key strategies is a grassroots "astroturfing" campaign designed to create the appearance of public support. Astroturfing is the act of establishing shill front-group organizations which don't disclose their connection to their corporate sponsor while attempting to exert influence on the sponsor's behalf. In the case of Indian Point, Entergy has established two such organizations, NY AREA and SHARE. NY AREA creates a seemingly independent voice at the grasstops level, making policy arguments to the media and public, and coordinating support among powerful business lobbies. SHARE is used by Entergy to cynically adopt the rhetoric of the environmental justice movement to target support among communities of color by framing nuclear energy as a "green" alternative to polluting fossil fuel plants.

Common Cause/NY's report, "Generating Influence: Entergy's Spending and the Battle over the Indian Point Nuclear Power Plant" analyzes all aspects of Entergy's efforts to manipulate the debate.

"Entergy is manipulating the public debate on nuclear energy through the side-door and the cellar. As a result, it's nearly impossible for average people to grasp the full scope of actors advocating on behalf of Entergy, from lawmakers, to community groups, to seemingly independent experts. The disturbing lack of transparency raises real questions about the decision making process around such a controversial and important issue," said Susan Lerner, Executive Director of Common Cause/NY.

Key Findings -- New York State

In the eight year period from 2005 to 2012, Entergy and its associated coalitions (SHARE and NY AREA), spent just over \$4 million on lobbying at the New York state level and made \$573,225 in state and local campaign contributions. New York contributions are highly targeted, rewarding nuclear energy supporters and representatives in the geographical areas of Entergy's plants, regardless of party.

As the expiration of Indian Point's operating licenses approaches, Entergy's New York state lobbying expenditures and campaign contributions have steadily increased, growing by roughly 33% each election cycle since 2005-2006.

Total spending increased from \$706,403 in the 2006 cycle, to \$960,903 in the 2008 cycle, \$1,249,018 in the 2010 cycle, and \$1,666,747 in the 2012 cycle.

Entergy's contributions are concentrated at the state legislature (\$308,164) and the local level (\$129,940). Only \$35,661 in contributions have gone to statewide candidates, with ZERO for Governor Andrew Cuomo, by far the state's top overall fundraiser during this period but an opponent of Indian Point.

Chairs of the State Senate Energy Committee, Kevin Parker (D) and George Maziarz (R), both nuclear supporters, received \$20,300 and \$11,250 from Entergy respectively, while the Chair of the State Assembly Energy Committee, Kevin Cahill (D), an opponent of nuclear energy, received ZERO.

Entergy has provided significant support to Westchester County Republicans, contributing a total of \$57,250 to party candidates, committees, and PACs. County Executive Rob Astorino is a strong backer of the plant. Westchester County Democrats, comparatively less supportive of Indian Point than Republicans, have received far less from Entergy - \$11,100.

Entergy has won powerful allies through its coalition building and astroturfing efforts. Overall, the business organizations and labor unions supporting Entergy's position on Indian Point have spent nearly three times as much in total lobbying (\$11.2 M) and campaign contributions (\$6.05M) than the environmental and civic organizations that have advocated for the plant's closure (\$4.4 M on lobbying, \$1.49 M in campaign contributions from affiliated individuals).

Key Findings - Federal

Entergy spent a total of \$31.4 million lobbying the federal government from 2005 through 2012, retaining a total of eighteen lobbying firms and donating roughly \$4.17 million to candidates, PACS, and committees. Entergy's combined lobbying and campaign contributions increased by 57% for the 2008 cycle compared to the 2006 cycle. Spending continued to increase another 17% for the 2010 cycle before decreasing by 10% in the 2012 cycle. Since 2005, Entergy and its executives have contributed a total of \$158,170 to New York Senators and Congress members.

Lobbyists include heavy hitters such as the Breaux Lott Leadership Group, Daryl Owen Associates, McGlotten & Jarvis, Patton Boggs LLP, and Quinn Gillespie.

Nearly one million dollars in contributions to the parties' Senate and Congressional campaign committees - roughly a quarter million to each party in each chamber.

Entergy's surge in political spending on the federal level after the 2006 is likely connected to three ongoing politically challenging license renewals in the Northeast US; the Pilgrim Nuclear Plant in Massachusetts, the Vermont Yankee Plant, and most significantly, Indian Point in New York.

Of the thirteen senators or congress members who have received at least \$5,000 from Entergy, eleven are on the record as supporters of nuclear energy, while nuclear opponents such as Nita Lowey, Eliot Engel, and John Hall received ZERO.

The top recipient of Entergy contributions, former Representative Nan Hayworth (R), received \$23,200 from Entergy entirely during the 2012 election cycle. Hayworth was a freshman incumbent who was vocal in her support for the renewal of Indian Point's license.

"Astroturfing": NY AREA & SHARE

Entergy has formed two "front groups" - SHARE (Safe Healthy Affordable Reliable Energy) and NY AREA (Affordable Reliable Electricity Alliance) - to engage in "astroturf" grassroots lobbying and coalition building. While appearing to be independent organizations, Entergy executives, consultants, and lobbyists are listed as officers in the Form 990 IRS filings of both groups. At SHARE, New York lobbyist Alfredo Vidal (The Vidal Group, retained by Entergy) is listed as President, Darren Peters (Entergy's Director of Federal Policy Initiatives) is listed as Treasurer, and Joanne Fernandez (Entergy's head of government affairs in New York) is listed as secretary. SHARE also retains The Parkside Group as its New York lobbyist, a firm that also represents Entergy. At NY AREA, Ken Theobalds, Energy Nuclear Northeast's VP of Government Relations is a director. Both groups are registered as 501c 6 organizations, a status reserved for membership trade organizations. The 501c 6 status effectively veils the role of Entergy in each group because funding can be attributed to "membership dues" without specifying what specific members are contributing.

SHARE allows Entergy to adopt the rhetoric of the environmental justice movement to attempt to build support among communities of color. In so doing, Entergy frames nuclear energy as the only alternative to dirty fossil fuels, which exacerbate air pollution and related illnesses, endemic to urban areas. However, this frame presupposes that fossil fuels are the only energy alternative as opposed to hydropower from Canada or other renewable energy sources. Although Entergy has built relationships with organizations like the New York State NAACP, 100 Black Men, and the Bronx Hispanic Chamber of Commerce the company realizes that an environmental justice argument may be less than convincing coming directly from the corporation itself. This is where the SHARE coalition helps by creating the appearance of a movement originating from within the community.

In addition to testifying and organizing turnout at public hearings, SHARE has repeatedly organized tours of Indian Point for minority community leaders. A reporter for Colorlines, Brian Palmer, attended one such tour and observed that the relationship between SHARE and Entergy was never disclosed to the guests NY AREA creates a seemingly independent voice at the grasstops level, making policy arguments to the media and public and helping bring together powerful business lobbies and labor unions in support of Indian Point.

NY AREA's Chairman is former Assemblyman Arthur "Jerry" Kremer, a constant presence in the media, writing op-eds, speaking on panels, and issuing policy briefs in support of Indian Point. Like SHARE, NY AREA's press releases and other materials are overwhelmingly focused on support for nuclear power and Indian Point, and NY AREA spokespeople do not typically disclose their group's connection with Entergy.

Conclusions/Recommendations

While Common Cause/NY takes no position on the re-licensing of Indian Point, we strongly believe that the final decision should be based in objective analysis and not unduly shaped by the well-funded lobbying and publicity efforts, as well as political spending of Entergy Corporation. To that end, Common Cause would urge JCOPE to investigate what appears to be a violation of the Source of Funding regulations regarding SHARE. The Source of Funding regulations, enacted as part of the New York's 2011 ethics reforms, require lobbyists or lobbying clients that spend over \$50,000 on lobbying "to make publicly available each source of funding over \$5,000 for such lobbying".

Although NY AREA spent nearly \$200,000 on lobbying in 2011, it only spent \$12,000 in 2012, a far cry from the \$50,000 threshold for disclosure. Since the Source of Funding regulations did not go into effect until 2012, NY AREA does not yet have to disclose. However, if NY AREA increases spending forthwith over \$50,000, it would be subject to the disclosure rules.

Common Cause/NY supports strengthening disclosure laws to require funders of grassroots lobbying or advertising campaigns to disclose on all materials distributed to the public. Common Cause/NY further supports a system of Fair Elections to reduce the influence of big dollar special interests in politics and restore accountability in government. Common Cause/NY is part of the coalition for Fair Election in New York State. The campaign for Fair Elections is focused on four key goals, enumerated by Governor Cuomo in his State of the State Address:

Public Financing of Elections - establishing a voluntary system to empower small donors by matching their contributions with public money, similar to NYC's successful system.

Lower Contribution Limits - bringing New York State's sky-high contribution limits down to reasonable levels.

Ending Pay-to-Play - saving public dollars by preventing contributions and bundling by contractors and lobbyists from influencing decisions about state business.

Stronger Enforcement and Transparency - ensuring that our laws are enforced in a fair, effective and timely manner, and that public matching funds are appropriately disbursed.

The full report is available here: www.commoncause.org/ny/IndianPoint/

Office: Common Cause New York (http://www.commoncause.org/democracy-wire/? spstate_or_national=504594432)

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80 Broad Street, Suite 2703 New York, NY 10004

212.691.6421