

Who does Governor-elect Ted Strickland owe?
And what do they want from him?

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Ted Strickland just won the governor's race by orchestrating a careful campaign whose message was essentially "I'm Not Ken Blackwell." While the campaign was successful in taking him to the governor's office, it does not give voters much information about what his agenda may be.

The contributors to the governor's race, however, do have an agenda. In fact, an analysis of Governor-elect Strickland's contributor base in Congress and the 2006 governor's race, his record in Congress, and his gubernatorial platform show a candidate whose commitment to the interests of the coal mining and coal-fired electric utility industry is unmatched since Jim Rhodes. If carried out, this agenda will harm everyone who pays taxes, pays electric bills, or breathes.

See also [Ohio Citizen Action Executive Director Sandy Buchanan letter to Governor-elect Ted Strickland](#), November 8, 2006.

1. Does Governor-elect Ted Strickland have a mandate?

When a candidate makes clear to voters what it is he or she wants to accomplish, and the voters use the ballot to give them the authority to do it, this is called a *mandate*.

A big victory margin is not enough. To have a mandate, the candidate must have made prominent their program of action on a specific issue, and the voters' choice must have been clearly related to that program.

In Ohio this year, after hundreds of speeches and millions of TV dollars, if voters were asked to name one action Governor-elect Ted Strickland plans to take on any issue, they would be hard-pressed to answer. Voters chose Strickland because they were weary of an incumbent party that had slid into corruption after sixteen years in power. The only thing

voters can be sure of is that Strickland will not switch parties.

Ted Strickland may not have a clear mandate but the voters sent a message to all public officials: it is time to clean up government and end quid pro quo. It is clear that voters expect Ted Strickland to distance himself from contributors who want special privileges.

2. Who holds Strickland's IOUs?

Not surprisingly, the most money has come to Strickland from the [Ohio Democratic Party](#), which gave him a net \$946,218 in 2005-2006. Also prominent are liberal unions, such as the United Food and Commercial Workers and the Service Employees International Union, both of which gave enough to be included in [Strickland's top dozen 2005-06 non-party organizational contributors](#).

What the Democratic Party and Democratic unions want from Strickland is the usual: state jobs, state contracts, and an Ohio victory for the 2008 Democratic presidential candidate.

Looking more closely at the top dozen non-party contributors, however, we find that Strickland's fundraising strategy was built around a core in one industry.

3. Strickland's core support: coal mining companies and coal-fired electric utilities

On the list of the top dozen 2005-06 non-party organizational contributors, Strickland's core support comes from utility companies and associated unions and law firms: FirstEnergy, American Electric Power, International Brotherhood of Electrical Workers, Laborers International Union, Sheet Metal Workers Union, and [Roetzel & Andress](#).

Combined, these six account for 61% of the money from the top dozen organizational contributors.

Further, in valuing their IOUs, politicians give extra weight to "early money."

Early money: Top pre-primary organizational contributors to Strickland	
Laborers International Union	\$164,135
Independence Excavating	\$33,000
Ohio Civil Service Employees Ass/AFSCME	\$31,110
Visconsi Companies	\$30,000

Int'l Brotherhood of Electric Workers	\$29,825
Multi-Care Management	\$28,500
Woda Group LLC	\$27,500
GPD Associates	\$26,350
Carington Health Systems	\$25,000
Boich Companies	\$25,000
<u>Roetzel & Andress</u>	\$23,925
<u>Porter Wright Morris & Arthur</u>	\$23,450
<p>Organizations listed in bold are either coal mining interests or associated with coal and electric utility interests. Further down the early-money list come the Sheet Metal Workers union (\$19,050), American Electric Power (\$17,500), Cinergy (\$16,000), and FirstEnergy (\$15,000).</p> <p>Full top early-money list (xls).</p> <p>Organizational contribution figures include both PACs and employee contributions, monetary and in-kind.</p>	

This contributor profile follows the pattern of Strickland's Congressional fundraising.

In the last five Congressional races -- [1996](#), [1998](#), [2000](#), [2002](#), and [2004](#) -- Strickland's top contributors list was built around the same core of coal interests. In each race, approximately a quarter of the total contributions from the top twenty contributors came from these sources.

Consider the following ranking of Ohio House members by the amount of money they received from the utility, oil and gas sectors:

Ohio Congressional delegation members receiving PAC contributions from the profiled trade associations and select member companies in the utility/oil/gas sectors, 1997-2002		
Member Name	Party	Amount received
Michael Oxley	Rep	\$188,954
Ted Strickland	Dem	\$89,206

Paul Gillmor	Rep	\$84,752
John Boehner	Rep	\$80,730
Pat Tiberi	Rep	\$76,656
Bob Ney	Rep	\$71,967
David Hobson	Rep	\$58,965
Sherrod Brown	Dem	\$56,308
Steve Chabot	Rep	\$50,000
Deborah Pryce	Rep	\$40,110
Steve LaTourette	Rep	\$39,850
Mike Turner	Rep	\$18,000
Marcy Kaptur	Dem	\$8,300
Timothy Ryan	Dem	\$7,500
Stephanie Tubbs Jones	Dem	\$7,000
Dennis Kucinich	Dem	\$6,541
Members who do not appear in this table accepted no money from the identified contributors. Source: U.S. Public Interest Research Group Education Fund, Paying to Pollute , April 2004.		

What is remarkable about Strickland's standing on this list is that throughout this period, he was a member of the House minority party. All top legislative offices, including all Committee chairs, were held by Republicans. Nevertheless, contributors from this sector rewarded Strickland more generously than, for example, John Boehner, House Republican Conference Chairman from 1995-1998, who would become House Majority Leader in 2006, or than Bob Ney, who at the time had considerable influence in Washington.

When coal and electric utility interests make political contributions, they are selective. For example, in 1998, not a single coal company, electric utility, or associated union contributed enough to gubernatorial candidate Bob Taft to make it into his top 100 organizational contributors list.

These interests must be backing Strickland for a reason.

4. What do coal interests want?

Ohio coal companies and coal-fired electric utilities are looking for two things from the Strickland Administration:

A. Continued subsidies from taxpayers and ratepayers

In [a recent analysis](#), Tom Suddes observed that "According to state Budget Office data, the General Assembly has so far authorized Ohio to issue \$165 million in coal-development bonds, which are supposed to finance the creation, somehow, of nonpolluting coal. The bonds are general obligations of the state, and 'GO' bonds are a first lien on the taxes that Ohio collects. Then there's a fabled tax credit for Ohio electric companies that burn Ohio coal. The credit, devised in the 1990s, has been pruned somewhat and is set to expire late in 2007."

The biggest subsidy is the "rate stabilization charge" of \$15-20 a month on a typical FirstEnergy residential customer's bill. This multi-billion dollar giveaway, imposed by the Public Utilities Commission of Ohio, is pure profit for FirstEnergy, unrelated to any current costs the utility is incurring.

B. Continued feeble environmental regulation

Ohio coal companies and coal-fired electric utilities also want the Strickland Administration to continue the State's weak pollution regulation, despite the [well-documented damage](#):

Power plant smokestacks are public health enemy number one for their contribution to deadly particulate pollution across the eastern United States," said Dr. John Balbus, a physician and head of the Environmental Defense health program. "Particulate pollution is inhaled deep into the lungs and contributes to tens of thousands of premature deaths annually, heart attacks, strokes and asthma attacks." . . . Power plants are the nation's leading contributor to harmful particulate pollution, discharging more than 60% of all soot-forming sulfur dioxide released from all pollution sources nationwide.

[Margaret Newkirk and Bob Downing](#) of the *Akron Beacon Journal* sum it up this way:

The role of Ohio's power plants in its pollution problems is almost impossible to overestimate. Name the high-profile air-pollution issues of the past 30 years and coal smoke lies behind all of them. Acid rain. Smog. Summertime ozone air alerts. Mercury warnings for fish.

Dirty power plants are even hiding in the shadows of the E-Check controversy. The ozone problems that saddled Northeast Ohio with the hated car-emissions testing could have been better addressed by forcing power plant cleanups, scientists say. Nitrogen oxide, produced by coal smoke, is one of the two components of ozone. It's one of four key pollutants found in coal plant emissions. The others are sulfur dioxide, mercury, and carbon dioxide. The four pollutants are linked to acid rain, smog, mercury contamination, and global warming.

Unfortunately, by the evidence of Strickland's record and platform, he is ready to give the coal interests everything they want.

5. Strickland's Congressional record

Ted Strickland's current tenure in Congress began in January 1997. That same year, he [co-sponsored](#) a bill to institute a four-year moratorium on implementation of the new Clean Air Act standards for ozone smog and small particulate air pollution. Fortunately, the bill was never reported out of the House Commerce Committee.

In 1997, he also began a series of votes protecting taxpayer subsidies for the coal industry, such as the following:

[Against an amendment](#) to cut \$292 million from mismanaged "clean coal" projects, a large portion of which had either been terminated within a few years of being funded, experienced substantial cost increases, or funded technologies which were less effective than those already available, according to a General Accounting Office study (July 11, 1997).

[Against an amendment](#) to transfer \$29 million in coal and oil company subsidies to the Land and Water Conservation Fund (July 13, 1999).

[Against an amendment](#) to transfer \$52 million in coal and oil company subsidies to energy efficiency measures (June 21, 2001).

By 2002, Ted Strickland's record on power plant pollution had earned him the "Clean Air Villain" award by the non-profit [Clean Air Trust](#).

Strickland earned this dubious distinction by becoming the "go-to-guy in the House of Representatives for the dirty-air lobby," according to Frank O'Donnell, executive director of the Trust.

O'Donnell explained that Strickland, who hails from Southeastern Ohio, has become a

reliable conduit for the anti-clean air lobbying by the National Association of Manufacturers (NAM). NAM has ghostwritten a letter, under Strickland's signature, urging President Bush to press the Environmental Protection Agency to "reform" the New Source Review program, which is designed to make sure that refineries, electric power plants, and factories don't increase emissions -- and cause added public health damage -- when they undergo major modifications. NAM wants to weaken the program so its member companies can avoid pollution cleanup.

In a February 1 [2002] memo obtained by the Clean Air Trust, NAM urged its member companies to "identify those House members" who might co-sign the letter. "Please have your contacts in those House offices contact" Strickland's legislative director, notes the NAM memo. "A quick turnaround is needed, so please try to identify signatories by COB [close of business] Thursday, February 7." NAM notes there were several previous "Strickland letters" on this topic, including an August 2001 letter posted on NAM's Web site.

Maybe it's not surprising that Strickland would allow himself to be used as a lobbying tool by those opposed to clean air. According to Federal Electric Commission records, his recent campaign contributors include American Electric Power, Cinergy, First Energy, Duke Energy, and Dominion Resources -- all sued by the Justice Department for alleged violations of New Source Review.

On July 28, 2005, [Strickland voted for the Energy Policy Act of 2005](#), a bill the [Washington Post](#) called "a piñata of perks for energy industries." Among the bills provisions are exemptions for oil and gas industries from some clean-water laws, and tens of billions of dollars of subsidies and tax breaks for oil and gas companies, "clean coal" research, Gulf of Mexico oil drilling, and nuclear power plant construction. Energy expert [Amory Lovins estimates](#) that the nuclear subsidies in this one bill "are equal to the entire capital cost of the next six reactors."

In late 2005, Boich Coal Companies executive vice president Matt Evans told the [Toledo Blade](#) why individuals attached to the Boich Company were contributing to Strickland's gubernatorial campaign:

I think overall as a member of Congress, he's supportive of the business we're in, which is tough to find in the Democratic Party these days. In terms of clear skies, we get zero support in terms of reasonable solutions. I think Congressman Strickland over the years has been a good listener on this stuff. Trying to keep energy prices low and stable is important for jobs. If you have a governor who wants to go the environmentalist route, that's fine and dandy, but you're not going to have a whole lot left here.

6. The 2006 Strickland platform

It might be argued that Strickland's record in Congress "reflects his district. After all, he represents coal country." There are two problems with this view:

First, the coal plants in Strickland's district don't just pollute New England and Eastern Canada. In fact, five counties in his district are ozone "non-attainment" areas, and a major ozone precursor is the nitrogen oxide pouring out of coal plants. One of these counties, Washington (Marietta), ranks number one in the country for potential health risks from industrial air pollution, according to a 2005 *Associated Press* analysis of government records. It would be more accurate to say that Strickland's record in Congress "reflects the interests of a handful of people in his district."

Second, if all Strickland was doing in Congress was "voting his district," one would expect to see him change when he began to run for governor, whose "district" is eighteen times bigger and much more diverse. Instead, Strickland's 2006 platform continues the themes of his Congressional career, proposing to add more coal industry subsidies to those already in place.

His platform contains, for example, the jarring announcement that [he intends to double Ohio coal production](#): "By creating incentives for coal and clean coal production, we should double [Ohio] coal production from 23 million short tons to 46 million short tons a year."

Strickland doesn't reveal the cost of this initiative, either in public subsidy or in environmental damage.

There is a reason why Ohio mines are running at 50% of capacity. It is the coal market, which is subject to factors including "energy prices, competition from out-of-state coal suppliers, relative costs (and risks) of power generation from the many fuel and technological options that are available, coal transportation constraints, coal mining limitations, the availability of skilled personnel to mine, transport and utilize coal, and most importantly, federal and state regulatory requirements, especially those related to deregulation of the electric power industry and environmental protection," according to a [State-commissioned study](#).

How big would Strickland's incentives have to be to distort the market enough to double Ohio coal production? Who would pay for them? Does Strickland understand the environmental damage that would result?

[More subsidies:](#)

A Strickland administration will work to ensure that Ohio's regulatory climate provides incentives for investment in a wide range of clean coal technologies. It will also encourage the development and implementation of advanced coal gasification technologies for a variety of purposes including electricity, liquid fuels and fertilizers.

There is no reason to believe that all these subsidies will work when past ones have backfired. The Newkirk and Downing analysis discusses the rationale for the 1991 coal tax break:

Enticed by the tax breaks, utilities would clean up and modernize the aging fleet of power plants that had made Ohio's air emissions among the worst in the nation and earned the state the lasting ire of its downwind neighbors and the federal government.

The power companies did nothing of the kind.

Instead, they launched expensive programs to keep their old plants up and running, while claiming to have implicit permission to break federal clean-air laws. They also lavished money on lobbyists and politicians. Those politicians just as lavishly helped them. Citing the need to save coal jobs, Ohio politicians lobbied Washington to lay off the state's power plants. They sank millions of tax dollars into developing technology that would allow utilities to burn Ohio's high-sulfur coal cleanly -- technologies the utilities never brought into commercial use.

As Suddes concludes, "That Ohio needs and consumes coal isn't in question. What is in question are the kind of gubernatorial campaigns that pretend they're raising 'issues' -- in a state that's at a crossroads -- when they're really just trying to raise donations."

What about state pollution regulations?

[Strickland's platform](#) is as terse as it can be: "Ted will enforce environmental rules fully to protect our air, water, and land for all Ohioans."

This sounds good, until you realize that on January 8, 2007, Ted Strickland will have to take an oath of office before becoming governor. That oath will include a commitment to enforce the Ohio Constitution and the laws of the state. His platform just promises to do the bare minimum.

His view of pollution regulation is also reflected in his support for "reauthorization and additional funding" of the [Clean Ohio Fund](#).

This fund is a Bob Taft initiative. It cleans up old factory sites (brownfields) and sends taxpayers the bill, rather than requiring polluters to pay for their mess. "Polluter pays" is the foundation of responsible regulation, and by reversing it, Taft created another taxpayer subsidy for polluters -- one that Strickland wants to expand.

7. Jim Rhodes snake-oil again?

Ted Strickland has a commitment to coal interests that is [unparalleled](#) since Jim Rhodes, who began running for governor in 1950.

Rhodes was born in Coalton, in Jackson County, in 1909, when there were 50,000 working coal miners in Ohio. His father was a coal miner who died in a mining accident when Jim was seven years old. As governor (1963-1971, 1975-1983), Rhodes did the bidding for coal companies and coal-fired utilities in Columbus and Washington. He ferociously defended their pollution record and made himself the primary obstacle to solving the acid rain problem in North America.

Rhodes justified his indulgence to the coal companies by saying he was saving coal miners jobs. Meanwhile, the same companies were mechanizing their operations and laying off miners as fast as they could, so that there are now only [2,510](#) Ohio coal jobs left.

At least when Jim Rhodes catered to coal interests, there were jobs he could falsely claim to be saving. Now it's too late to save them, so Strickland wants us to believe that by doing what Rhodes did, he will make the jobs magically reappear.

Notes

Ohio Democratic Party: The Ohio Democratic Party contribution is a net figure. Strickland emptied his federal campaign fund after reelection to Congress in 2004. At the end of December 2004, he had [\\$443,610 cash on hand](#). Since then [he has raised \\$115,180 for his federal fund, and spent \\$557,699](#). He reported \$1,089 cash on hand in the federal account as of October 27, 2006. (If you do the arithmetic, you'll find a \$2 discrepancy in the reported figures).

Most of [Strickland's federal fund](#) -- \$395,000 -- went to the Ohio Democratic Party. During the 2005 - 2006 campaign, the Ohio Democratic Party reported giving

Strickland [\\$1,341,918](#) as of October 4, 2006, so the net transfer to Strickland is \$946,218. Most of the rest of his federal fund went to county parties and candidate funds.

Strickland top dozen 2005-06 non-party organizational contributors: Ohio Citizen Action, [Follow the Money: Ted Strickland](#), data as of October 4, 2006. [Full top organization list](#) (xls). The list also includes companies like Cleveland-based Independence Excavating. This firm has already had contract with the Ohio Department of Transportation, Ohio Department of Natural Resources, and the Ohio Turnpike Commission, and wants an open door to future contracts.

Roetzel & Andress: Based in Akron, Roetzel & Andress frequently represents FirstEnergy in legal matters.

Porter Wright Morris and Arthur: This firm represents American Electric Power in many legal matters. For example, the firm serves as outside counsel to AEP in [Ohio Citizen Action, et al, v. American Electric Power Service Corporation, et al](#) for Clean Air Act violations.

Unparalleled: U.S. Senator George Voinovich has been consistently loyal to FirstEnergy, to be sure, but he is from Cleveland, not Scioto county, and he is not as focused on coal interests as is Strickland.

Coal jobs: The current figure of [2,510 coal jobs](#) includes coal miners and all other employees now engaged in production, processing, development, maintenance, repair, shop or yard work at mining operations, including office workers. Compare the employment of the whole Ohio coal industry to the number of [Ohio employees of single companies](#): Wal-Mart (37,000 employees), Kroger (29,000 employees), and the Cleveland Clinic (23,700 employees).