

Super PACs and climate change denial

*Nino Rusidze*¹

Abstract

The purpose of this paper is to illustrate the influential role of Political Action Committees (PACs) and more specifically the so-called “Super PACs” in climate change denial within the United States. The decision of the US Supreme Court in the case *Citizens United v. Federal Election Commission* in 2010, followed by a lower court ruling over the case *SpeechNow.org v. FEC*, created the foundations for the emergence of Super PACs. Their large-scale involvement, asserting a corporate agenda, is reflected in the political decision-making process and its outcomes. Within the United States, politics is the main arena shaping people’s beliefs about the effects of climate change, with roughly 38% of Americans expressing some interest in the issue of global climate change even as 26% say they care not too much or not at all about the issue. By analyzing empirical data (including public opinion polls) and industry/issue related expenditures made by PACs and Super PACs, the paper attempts to show the effect of these corporate-financed Political Action Committees not just on policy development and decision-making, but also on public perceptions and opinions.

Keywords: climate change, Political Action Committees, PACs, advocacy, climate change denial

Introduction

Research shows the importance of political identity regarding beliefs about the effects of climate change, suggesting that shifting political cues have a major impact on public opinion and climate change denial (Mildenberger & Leiserowitz, 2017). The decline in the US in the belief that climate change exists and has adverse effects on the world started in 2008. The change was evenly distributed and in relatively equal measure including in

¹ Nino Rusidze is a PhD student at the International Relations Multidisciplinary Doctoral School at Corvinus University of Budapest.

terms of age, race, gender, and education level. However, the decline was most prevalent among Republican and Conservative voters (Mildenberger & Leiserowitz, 2017). A recent study published by Gallup shows larger partisan gaps concerning as compared to the year before. Currently, 69% of Republican voters believe that global warming is generally exaggerated, compared to 34% among independent voters and 4% among Democrats. Roughly one third of Republicans and 91% of Democrats worry a great deal or fair amount about the consequences of global warming. When it comes to considering global warming a serious threat in their lifetime, 18% of Republicans and 91% of Democrats share this opinion (Brenan & Saad, 2018).

The decision of the US Supreme Court in 2010 over the case *Citizens United v FEC*, revolutionized the law of campaign financing and opened up space for big corporations to influence political decision making. Super Political Action Committees (PACs) emerged with near-unlimited resources. Corporations now spend about \$2.6 billion annually on reported lobbying. In the 2016 election cycle, Super PACs reported a total of \$1.8 million in receipts (of donations) and total independent expenditures of \$1.1 million. Additionally, \$49 million was spent by PACs (Center for Responsive Politics, 2018).

The purpose of this paper is to illustrate the influential role of conservative Political Action Committees in creating climate change denial. The paper outlines two major strategies used by corporations to avoid strict environmental regulations. Firstly, efforts to influence public opinion and shape the general understanding of the issue, and secondly, efforts to safeguard the support of policymakers friendly to corporate interests.

Climate change and other environmental issues are subject to a high degree of political polarization. Multiple independent groups spend heavily to shape climate change beliefs in line with their political interests. One prominent environmentalist is billionaire hedge-fund manager Tom Steyer, who established the NextGen Climate Action super PAC. In 2014 NextGen Climate Action spent around \$74 million to battle climate change denial, and in the 2016 election cycle, its spending reached almost \$100 million. Another environmentalist group is the Super PAC League of Conservation Voters, which spent \$9.7 million in 2014 and \$20.1 million during the 2016 elections. A third group is the Environment America Action Fund, spending \$1 million in 2014 and \$6.1 million in 2016. However, it seems that the above-mentioned expenditures were not enough to offset the significantly higher expenditures of the oil and gas industry.

PACs & Super PACs

The decision of the Supreme Court in the case *Citizens United v FEC* (2010) made it legal for corporations and unions to invest in campaign financing, as long as their activities were independent and not coordinated with the political candidates. The ruling of the US Supreme Court created a legal ground for the Court of Appeals of the District of Columbia Circuit Court to conclude that limiting the contributions by independent Political Action Committees was a violation of free speech, and, with the ruling in *Speechnow.org v FEC* (20101), allowed raising unlimited contributions for the purposes of spending it on political expression. These two decisions together created a solid foundation for Super PACs (Christenson & Smidt, 2014). In the United States, there is currently no limitation on how much money can be contributed by individuals, corporations, and unions. Nor is there any restriction on how much can be spent on campaigns, as long as PACs remain independent of candidates and their campaigns. Uncoordinated activities with campaigns and candidates remain crucial for PACs and Super PACs in their freedom to maneuver. Given the mandatory independence from political candidates, corporations and unions may be assumed to be political actors themselves. Super PACs are authorized to fund advertisements or direct voter contacts. In the majority of cases, Super PACs fund the costlier forms of mass communication.

The degree of independence is one of the most debated topics concerning PACs and Super PACs. There are numerous cases where former campaign staff and trusted advisors moved to work for PACs and Super PACs (Confessore, 2011; McIntire & Luo, 2012). Even without a direct link between the PAC and a given political candidate, Super PACs have the potential to shape the whole campaign process, its outcome, and the public perceptions, by strategically advocating for certain candidates or policies.

The above-mentioned decision of the US Supreme Court sparked debates and speculations regarding the role of the rich in the political process. However, the practice of Super PACs started long before 2010. In 1972, Randolph Phillips raised \$100,000 from like-minded friends and financed a two-page advertisement in the *New York Times*. Since Phillips was a prominent critic of the Vietnam War, the ad negatively portrayed President Nixon. The headline read “A Resolution to Impeach Richard M. Nixon as President of the United States”, thereby portraying Nixon as “war criminal” and it urged for his impeachment (Dunlap, 2017). The group, called the National Committee for Impeachment, pledged to “devote its resources in funds and publicity” (Dunlap, 2017) to candidates supporting the impeachment effort. At the time, the government responded by

invoking the recently adopted Federal Election Campaign Act of 1971 and charged the Committee with violating this act, claiming that this was a campaign ad with the purpose of influencing the elections. The court then proscribed the Committee's activities until it had provided financial reports. For the National Committee for Impeachment this meant that they had to disclose a list of all the contributors donating more than \$100, and the committee could no longer engage in political speech without providing information about its staff, receipts, and expenditures. On October 20, 1971, the United States Court of Appeals for the Second Circuit ruled there has to be proper balance between campaign finance regulations and First Amendment rights, explaining that "issue advocacy" could not be regulated by the FECA. The Court ruled in favour of the committee and found that Mr. Phillips's group was not a political committee under the Federal Election Campaign Act (Gora, 2013). "More speech, not less" was one of the main arguments behind the decision of the court. Individuals, as well as groups and corporations, share the same First Amendment rights, and Super PACs have all the necessary means to generate interest and fuel debates concerning policy issues.

Super PACs are also referred to as "Independent Expenditure-Only Committees", and are allowed to have unlimited fundraising for independent expenditures and unlimited non-coordinated spending. However, it is important to outline that these committees are registered with the Federal Election Commission and are obliged to file reports identifying all contributions greater than \$200 and need to detail all of their expenditures. They are also obliged to report any broadcast ads that constitute "electioneering communications".

501(c) (4)

Unlike Super PACs, Social Welfare Organizations, which are non-profit groups (including civic leagues), are not obliged to disclose their donor information. 501(c)(4) is the tax code issued by the Internal Revenue Service (IRS) for non-profit organizations. According to its definition, organizations under 501(c)(4) should operate exclusively to promote social welfare: "an organization must operate primarily to further the common good and general welfare of the people of the community a section 501(c)(4) social welfare organization may engage in some political activities, so long as that is not its primary activity" (Internal Revenue Service , 2017). In practice, the definition gives welfare organizations the space to allocate up to 50% of their total income to political activities. According to the Center for Responsive Politics, conservative-oriented non-

profits spent 7.5 times more than Democrats did, amounting to \$263 million, during the 2012 election campaign (Center for Responsive Politics, 2012). The Center for Public Integrity found that in 2010 non-profit organizations outspent Super PACs by a 3 to 2 margin, allocating \$95 million to political expenditures, compared with the \$65 million spent by Super PACs (Center for Public Integrity, 2012). The funds were mainly spent on independent expenditures and electioneering communications.

Climate change and political polarization

Climate change once had the potential to become a bipartisan issue. In the 2008 presidential race, both party nominees, Barack Obama and John McCain, believed that climate change is a man-made and urgent problem. The advertisement “We Can Solve It” by Nancy Pelosi, life-long Democrat, and Newt Gingrich, life-long Republican, focused on tackling the adverse effects of climate change: “We do agree our country must take actions to address climate change” (Nancy Pelosi and Newt Gingrich Commercial on Climate Change, 2008).

However, since 2010, the Republican stance towards the issue of climate change has gone through a marked shift. Few, if any, prominent members of the Tea Party movement that arose in 2009 openly supported state regulations concerning climate change. Not a full decade later, President Donald Trump’s move to withdraw from the Paris Agreement on climate change made the United States the only country rejecting the global climate pact. As of January 2018, the Environmental Protection Agency (EPA), under the Trump Administration, overturned 33 environmental regulations, with an additional 24 rollbacks in progress, while also planning to lower carbon emission standards on automobiles (Columbia Law School, Sabin Center for Climate Change Law, 2018; Popovich, et al., 2018).

According to a recent survey by the Pew Research Center, Americans are closely divided (52% to 48%) on the effects state regulations can have to protect the quality of air and water (if these are sufficient or not). However, the gap widens based on political affiliation, as 74% of Republicans (including independents leaning towards Republicans) believe that it is possible to effectively protect air and water quality and simultaneously cut back on regulations, while 64% of Democrats are convinced of the opposite (Funk, et al., 2018).

There are more dividing lines when it comes to the perception of whether climate change is happening and to what extent this is an urgent issue. According to a survey

conducted in Spring 2018, up to 17% of Americans are convinced that there is no solid evidence of climate change, 29% believe that climate change is the result of natural patterns in the Earth's environment, and 53% think climate change is caused mainly due to human activity. The results look different when they are corrected for political affiliation: while the majority of Liberal and moderate Democrats (83% and 69%, respectively) are convinced that climate change is man-made, only 18% of conservative Republicans and 39% of moderate Republicans share this view. According to a 2018 survey, only 26% of Republicans believed in the role of human activity in climate change while a decade earlier, in 2006-2007, this number was 36%.² Political orientation plays a major role in people's perception of the scientific consensus on climate change. While most liberal Democrats think that climate scientists assume human activity to be the main reason for global warming, only 40% of conservative Republicans think the same and as few as 18% of them agree with climate scientists (all poll data cited from Funk, et al., 2018).

The ways that global warming is and should be addressed is another visible dimension of political polarization. According to the polls cited above, while 49% of Americans see policies aimed at reducing climate change doing more good than harm for the environment, another 49% think that policies make no difference or do more harm than good for the environment (72% of Republicans are in the latter category, and only 34% of Democrats). (*Ibid.*)

Assessing spending in favour of climate change denial

During the 2016 presidential elections, independent groups (PACs and 501(c) organizations) altogether spent \$1.4 billion, up from \$1 billion spent in 2012, and only \$338 million spent in 2008 (Maguire, 2016). The total cost of the 2016 federal elections reached \$6.9 billion, which includes spending by both the parties and independent groups (for the Presidential, House and Senate elections) (The Center for Responsive Politics, 2016).

Major organizations involved in anti-environmentalist issue advocacy that are backed by the Koch brothers,³ who support rolling back environmental regulations,

² The lowest percentage of Republicans believing in the role of human activity in climate change were during 2009-2014 when the percentage fell to as low as 18%, and amongst Democrats the lowest support reached 51% during 2009-2012 (Funk, et al., 2018).

³ The Koch family runs Koch Industries, a multibillion-dollar privately held conglomerate with interests in the energy industry, as well as in building supplies and other products.

include Americans for Prosperity (which spent \$13,309,199 during the 2016 elections) and Freedom Partners (its top donor is the Koch Industries, and it spent \$7 million during the 2014 election cycle) (Center for Responsive Politics, 2015). However, the overall sum spent by interest groups is even higher. For example, in 2015 Koch brothers announced that they were planning to spend \$900 million in the next two years collecting funds from a network of 450 donors themselves (Schouten, 2015). It is interesting to observe the pattern of how the Koch-backed groups operated during the 2016 campaigns. As long as neither presidential candidate was acceptable to donors, they decided to focus on the Senate races. Koch groups spent about \$42 million on TV, radio and digital advertising. Using door-to-door advocacy, Americans for Prosperity employed more than 1,200 people in 36 states and focused mainly on Pennsylvania, North Carolina, Florida, and Ohio, and used a voter database to target 700,000 voters related to this (The Associated Press, 2016).

According to Kantar Media/CMAG, \$593.3 million was spent on advertisement campaigns for the Senate race, and an additional \$276.6 million on the House of Representatives during the 2016 election cycle. A total of 790,226 ads were run to promote Senate candidates, and 507,983 ads for representatives in the House of Representatives. Among the top advertisers were: the Senate Leadership Fund (a conservative Super PAC), with 37,002 ads released related to the Senate race alone, Freedom Partners Action Fund (also a conservative Super PAC) with 25,243 ads only in the Senate race, One Nation with 20,216 ads in the Senate race (as a 501(c)(4) organization it does not disclose its donors), the US Chamber of Commerce with 16,181 ads in the Senate race and 2,193 in the House race (falling under different regulations, it also does not disclose its donors), American Future Fund (a 501(c)(4) organization) with 3,756 ads in the Senate race (does not disclose donors), Granite State Solutions (a conservative Super PAC) with 7,039 ads solely in the Senate race, and Americans for Prosperity (another 501(c)(4) organization) with 5,427 ads in the Senate race (Kantar Media/CMAG with analysis by the Wesleyan Media Project, 2016).

One of the most effective ways to influence the policy-making process is to seek to persuade those people and groups which help to elect candidates of relevance to one's interests. Climate change counter-movement (CCCM) organizations have a long history of crafting public understanding concerning climate change. The data provided by IRS shows that between 2003 and 2010 the overall income of 91 CCCMs reached more than \$7 billion. The annual budget of CCCMs exceeded \$900 million, with only \$64 million

in identifiable foundation support (Brulle, 2014). Unidentified donors (altogether) are the biggest contributors to CCCM organizations, followed by the Scaife and Koch Foundations, as well as the Bradley, Pope, and Searle Foundations. Main recipients include the Hoover Institute, the American Enterprise Institute, Heritage Foundation, Cato Institute (Greenpeace, n.d.), and the Americans for Prosperity Foundation.

With a view to the above presented data, some, e.g. Brulle, see nothing less than a well-organized, deliberate effort to create a strong counter-movement against action related to climate change – one that played a major role in shaping the public understanding and considerably affected the policy-making process (Brulle, 2014).

A smart move by the CCCM was to shift the framing of climate change from an environmental issue to an economic one. They helped foster a mass attitude according to which climate change policies and regulations would make “very little difference in the future on what the temperature or the weather will be” (Koch, 2016), and that there would be at the same time a negative effect on the economy, leading to high unemployment for blue collar workers. This opinion was strengthened by many statements by President Trump himself, including when he stated that there would be a loss of 6.6 million industrial jobs and \$3 trillion in economic output by 2040 if environmental policies are maintained (Trump, 2017). To support his claim, he used a study published by the National Economic Research Associates, Inc., which was conducted for the U.S. Chamber of Commerce and prominent CCCMs (Landler, et al., 2017).

The results of this can be seen in a recent survey by Pew Research Center which found that 31% of Americans believe that government policies focused on reducing climate change generally harm the U.S. economy. While a somewhat bigger segment – 36% – expects that these policies would make no difference for the economy, a majority of conservative Republicans (66%) are of the view that these policies generally hurt the U.S. economy (Funk, et al., 2018).

Obviously, not all Republicans think that climate change is a hoax but putting it on their political agenda is quite another issue. Until the 2010 elections, climate change had a chance to become a bipartisan issue. Some Republicans running for the House of Representatives and the Senate were running ads declaring their support for green energy. However, financial support for their campaigns dried up. Tim Phillips, President of Americans for Prosperity, mentions that they made it obvious for Republican candidates who were supporting climate change regulations that “we would spend some serious money against them” (Davenport & Lipton, 2017). In 2010, as many as 83 of the 92 new

members of Congress signed the “No Climate Tax” pledge (Americans for Prosperity, 2010). In a sign of the changing times in 2012, one of Senate’s longest-serving members, Richard G. Lugar, a six-term senator from Indiana, lost his Republican primary to his challenger for Congressional candidacy, Richard E. Mourdock, a candidate supported by conservative Super PACs. “In my own campaign, there were people who felt strongly enough about my views on climate change to use it to help defeat me, and other Republicans are very sensitive to that possibility,” Lugar commented after his defeat (quoted in Davey, 2012).

Conclusion

The US Supreme Court decision in 2010 revolutionized the law of campaign financing, and opened up major space for big corporations to apply their massive resources to influencing outcomes in politics. Their large-scale involvement, in order to push a corporate agenda, has an impact on the political decision-making process, and has transformed the position of the United States on climate change. In the meantime, for a considerable segment of the US public, the idea of irreversible environmental change remains an abstract threat.

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