HB

452

Alaska Forest Association, Inc.

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March 5, 1998

The Honorable Joe Green
House of Representatives
State Capitol
Juneau, AK 99801

Dear Representative Green:

The Alaska Forest Association supports the concept of House Bill 452, "An Act relating to disclosures and reports by certain nonprofit corporations." Alaskans have a right to know about the unseen hand providing money to organizations in Alaska, especially those that primarily exist for political purposes. Many of these organizations work to influence public policies that affect the lives of working Alaskans. Disclosure is especially important for money directed to those organizations which hide their political activities under the guise of disseminating "educational" information, thereby retaining the full benefit of their 501(c)(3) tax status.

It is entirely reasonable for the state to require non-Alaska based organizations to report grants given to groups in Alaska. The public needs a mechanism which allows it to stay abreast of Outside forces working to change the conditions under which they live and work.

Thank you for introducing this legislation. We will be carefully monitoring its progress.

Sincerely,

Jack Phelps
Executive Director

organization and internal affairs differ from the laws of the state. Nothing in this chapter authorizes the state to regulate the organization or the internal affairs of a foreign corporation. (§ 1 ch 99 SLA 1968)

Collateral references. — 36 Am. Jur. 2d, Foreign Corporations, § 1 et seq.
20 C.J.S., Corporations, § 1810 et seq.

Sec. 10.20.460. Activities excluded from regulations. Without excluding other activities which may not constitute transacting business in the state, a foreign corporation does not transact business in the state by carrying on any of the following activities:

(1) maintaining or defending any action or suit of an administrative or arbitration proceeding, or effecting its settlement or the settlement of claims or disputes;

(2) holding meetings of its directors, shareholders, or members or carrying on other activities concerning its internal affairs;

(3) maintaining bank accounts;

(4) securing or collecting debts, or enforcing rights in property securing debts;

(5) transacting business in interstate commerce;

(6) granting funds;

(7) distributing information to members;

(8) conducting an isolated transaction completed within a period of 30 days not in the course of a number of repeated transactions of like nature. (§ 1 ch 99 SLA 1968)

Revisor's notes. — In 1989 the words "or members" were inserted in (2) of this section to correct a manifest error of omission in ch. 99, SLA 1968.

Sec. 10.20.465. Powers of a foreign corporation. A foreign corporation which has received a certificate of authority enjoys the same, but no greater, rights and privileges as a domestic corporation organized for the purposes set out in the application under which the certificate of authority is issued and, except as otherwise provided in this chapter, is subject to the duties, restrictions, penalties and liabilities imposed upon a domestic corporation of like character. (§ 1 ch 99 SLA 1968)

Sec. 10.20.470. Corporate name of foreign corporation. A certificate of authority may not be issued to a foreign corporation unless the corporate name of the corporation

(1) does not contain a word or phrase which indicates or implies that it is organized for any purpose other than the purpose contained in its articles of incorporation;

(2) is not the same as, or deceptively similar to, the name of a corporation, whether for profit or not for profit, existing under the laws of this state, or a foreign corporation, whether for profit or not for profit, authorized to transact business or conduct affairs in this state, or a corporate or business name reserved or registered as permitted by the laws of this state. (§ 1 ch 99 SLA 1968; am § 42 ch 170 SLA 1976)

Collateral references. — 36 Am. Jur. 2d, Foreign Corporations, §§ 185 — 192.
Right to protection of corporate name, as between domestic corporation and foreign corporation not qualified to do business in state. 26 ALR3d 994.

Sec. 10.20.471. Assumed corporate name. When a foreign corporation, applying for a certificate of authority, has a name the same as or deceptively similar to that of a corporation operating under this chapter, it shall

(1) select a name under which it elects to do business in the state;

(2) clearly identify on all advertising, contracts and other legal documents its true corporate name as well as its assumed name. (§ 43 ch 170 SLA 1976)

Sec. 10.20.475. Change of name by foreign corporation. When a foreign corporation authorized to transact business in the state changes its name to one under which

a certificate of authority would not be granted to it, the certificate of authority of the corporation is suspended and it may not transact business in the state until it has changed its name to a name available to it under the laws of the state. (§ 1 ch 99 SLA 1968)

Sec. 10.20.480. Application for certificate of authority. To procure a certificate of authority to transact business in the state, a foreign corporation shall file an application in duplicate with the commissioner. (§ 1 ch 99 SLA 1968)

Sec. 10.20.485. Contents of application. The application must set out

(1) the name of the corporation and the state or country under the laws of which it is incorporated;

(2) the date of incorporation and the period of duration of the corporation;

(3) the address of the principal office of the corporation in the state or country under the laws of which it is incorporated;

(4) the address of the proposed registered office of the corporation in this state, and the name of its proposed registered agent in this state at that address;

(5) the purpose or purposes of the corporation which it proposes to pursue in conducting its affairs in the state;

(6) the names and addresses of the directors and officers of the corporation;

(7) additional information which may be necessary or appropriate in order to enable the commissioner to determine whether the corporation is entitled to a certificate of authority to conduct affairs in the state;

(8) the name and address of a person owning at least five per cent of the shares, or five per cent of any class of shares, and the percentage of the shares or class of shares owned by that person. (§ 1 ch 99 SLA 1968; am § 44 ch 170 SLA 1976)

Sec. 10.20.490. Form of application. The application shall be on forms prescribed and furnished by the commissioner and shall be executed in duplicate by the corporation, by its president or vice president, and by its secretary or an assistant secretary, and verified by one of the officers signing the application. (§ 1 ch 99 SLA 1968)

Sec. 10.20.495. Filing of application for certificate of authority. (a) Upon finding that the application conforms to law, the commissioner shall, when all fees prescribed in this chapter have been paid

(1) endorse on each document the word "filed," and the date of the filing;

(2) file one duplicate original of the application in the commissioner's office;

(3) issue a certificate of authority to transact business in the state and affix the other duplicate original application to it.

(b) The certificate of authority, together with the duplicate original of the application affixed to it by the commissioner, shall be returned to the corporation or its representative. (§ 1 ch 99 SLA 1968)

Sec. 10.20.500. Effect of certificate of authority. Upon the issuance of a certificate of authority by the commissioner, the corporation may transact business in the state for the purpose set out in its application, subject, however, to the right of the state to suspend or revoke the authority as provided in this chapter. (§ 1 ch 99 SLA 1968)

Sec. 10.20.505. Registered office and registered agent of foreign corporation. Each foreign corporation authorized to transact business in the state shall have and continuously maintain in the state a registered

(1) office which may be, but need not be, the same as its place of business in the state;

Alaska State Legislature

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ALASKA COURT SYSTEM

Representative Joe Green
District 10

Sponsor Statement

HB 452 - Financial Disclosures of Non-profit Corporations

I believe that public policy formulation in Alaska should be just that -- public. Unfortunately, forces not apparent to most Alaskans are participating in some of the most important debates of our day.

Private, non-profit foundations, headquartered far from Alaska, are participating in the public policy process by directing large sums of money to organizations active in our state. While I support the right of foundations to donate money to organizations of their choice, and of their client organizations to participate in public, political discussions, I also believe Alaskans have a right to "follow the money."

HB 452 will allow the public to follow the flow of money from donors to recipients. It allows the public to observe the activities of various organizations with full knowledge of the source of financial support. Reporting and disclosure requirements also provide the public with the data necessary to detect irregularities in the process. In short, I agree with former Supreme Court Justice Louis Brandeis when he said "Sunlight is said to be the best of disinfectants; electric light the most efficient policeman."

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Bannister
3/4/98

CS FOR HOUSE BILL NO. 452(JUD)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE JUDICIARY COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVE GREEN

A BILL

FOR AN ACT ENTITLED

"An Act relating to disclosures and reports by certain nonprofit corporations."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 10.20 is amended by adding a new section to read:

Sec. 10.20.063. Additional requirements for certain corporations. (a) Notwithstanding AS 10.20.460, a foreign nonprofit corporation is considered to be transacting business in the state if the corporation provided an aggregate of $5,000 or more during the calendar year of the corporation to nonprofit corporations operating in the state.

(b) In addition to the biennial report required under AS 10.20.620, a corporation that is subject to (a) of this section shall file with the department by July 1 each year on forms provided by the department a report that contains the following information and that may be included in the biennial report when the corporation files its biennial report:

(1) the purpose for which the corporation was organized; and

(2) a list of all payments made by the foreign corporation to nonprofit

New Text Underlined [DELETED TEXT BRACKETED]

corporations in the state, or to a third person for transmittal to a nonprofit corporation in the state; the list must include the full name and address of the principal office of each nonprofit corporation that receives the payments, the amounts of the payments, and the purpose of the payments.

(c) In this section, "nonprofit corporation" means a corporation that is exempt from federal taxation under 26 U.S.C. 501(c)(3) (Internal Revenue Code).

* **Sec. 2.** AS 10.20.585 is amended to read:

Sec. 10.20.585. Revocation of certificate of authority. The certificate of authority of a foreign corporation to transact business in the state may be revoked by the commissioner when

(1) the corporation fails to file its biennial report within the time required by this chapter, **fails to file an annual report required by AS 10.20.063,** or fails to pay fees or penalties prescribed in this chapter when they are due and payable;

(2) the corporation fails to appoint and maintain a registered agent in this state;

(3) the corporation fails, after change of its registered office or registered agent, to file with the commissioner a statement of the change as required by this chapter;

(4) the corporation fails to file with the department an amendment to its articles of incorporation or articles of merger within the time prescribed by this chapter;

(5) a misrepresentation has been made of a material matter in an application, report, affidavit, or other document submitted under this chapter; or

(6) the corporation is 90 days delinquent in filing a notice of change of an officer or director as required by this chapter.

Sec. 10.20.720. Definitions. In this chapter, unless the context otherwise requires,

(1) "articles of incorporation" means the original or restated articles of incorporation or articles of consolidation and all amendments to them, including articles of merger;

(2) "board of directors" means the group of persons vested with the management of the affairs of the corporation irrespective of the name by which the group is designated;

(3) "bylaws" means the code or codes of rules adopted for the regulation or management of the affairs of the corporation irrespective of the name or names by which the rules are designated;

(4) "commissioner" means commissioner of commerce and economic development;

(5) "corporation" or "domestic corporation" means a nonprofit corporation subject to the provisions of this chapter, except a foreign corporation;

(6) "department" means the Department of Commerce and Economic Development;

(7) "foreign corporation" means a nonprofit corporation organized under laws other than the laws of this state;

(8) "insolvent" means inability of a corporation to pay its debts as they become due in the usual course of its business;

Foundations' growth may mean more grants

The Washington Post

The nation's biggest charitable foundations grew 22 percent richer last year as skyrocketing stock prices increased the value of their assets by more than $23 billion.

The growth means foundations will have more money to give away in 1998, according to the Chronicle of Philanthropy, a publication that surveyed 121 of the nation's largest private foundations.

The latest increases drive the total endowments of the top foundations to more than $126 billion, or more than 12 times as much as the U.S. government spent last year on welfare aid to the poor.

The soaring value of foundation assets might spur new discussion of how much foundations should give away each year. Foundations receive federal tax breaks and are required, in turn, to give away about 5 percent of investment assets annually to comply with the law.

While most foundations will increase their largess to meet the 5 percent requirements, some critics are suggesting that boom times should trigger even greater generosity in grant-making.

"I believe that 5 percent in recent years is on the low side" for grants, said Waldemar Nielsen, an author and foundation adviser. "The purpose of foundations is not to accumulate further wealth for some time in the future when there are not going to be any more philanthropists. This doesn't make any sense."

Seven of 10 foundations surveyed by the Chronicle reported plans to increase grants. The J.A. and Kathryn Albertson Foundation in Boise, Idaho, experienced the largest percentage increase in assets last year, growing from a $40 million to a $700 million institution with the gift of Albertson's grocery chain stock. The foundation plans to increase its grants from $2 million to about $35 million this year, primarily to improve public education in Idaho. While the actual dollar amount is significantly more, the percentage of assets is still about 5 percent.

The W.K. Kellogg Foundation, which saw its assets increase from $5.9 billion to $7.8 billion last year, intends to increase its giving this year, but "it is too early to say how much," according to Thomas Springer, staff editor at the foundation. Kellogg is the nation's fourth largest foundation, after the Lilly Endowment, the Ford Foundation and the David and Lucile Packard Foundation.

RECENT FOUNDATION GRANTS FOR GREEN GROUPS ACTIVE IN ALASKA

Brainerd Foundation

Alaska Center for the Environment (1996) $15,000
membership canvassing and outreach focusing on Chugach forest issues

Alaska Clean Water Alliance (1995) $15,000
for monitoring pulp mill pollution in Southeast Alaska

Alaska Conservation Foundation (1995) $35,000
for development of effective messages and communications training for Alaska environmental groups

Alaska Conservation Foundation (1996) $35,000
for development of effective messages and communications training for Alaska environmental groups

Alaska Conservation Foundation (1996) $12,000
for public education and outreach concerning Tongass forest issues

Alaska Forum for Environmental Responsibility (1996) $10,500
for general support and watchdog for Trans-Alaska Pipeline

Alaskans for Juneau $6,000
for organizing public participation in A-J permitting process

Lynn Canal Conservation $7,500
for organizing opposition to the Kensington mine

Northern Alaska Environmental Center (1995) $19,500
for protection of ANWR

Sitka Conservation Society (1996) $15,000
for GIS analysis of USFS data showing areas aggected by alternatives of draft Tongass Management plan

Southeast Alaska Conservation Society (1995) $14,500
for general support

Southeast Alaska Conservation Society (1996 - 2 grants) $37,750
for general support ($20,000) and computer equipment ($17,750)

RECENT FOUNDATION GRANTS FOR GREEN GROUPS ACTIVE IN ALASKA (Cont'd)

Brainerd Foundation (cont'd)

Tongass Conservation Society (1995) $10,000
for awareness of local discharges of hazardous substances

Tongass Conservation Society (1996) $15,000
for public health expert to address pollution problems caused by Ketchikan pulp mill

Trustees for Alaska (1996) $10,000
to research environmental threats to ANWR

The Wilderness Society (1995) $15,000
for national ANWR campaign

Bullitt Foundation

Alaskans for Juneau (1996) $8,000
for organizing public opposition to re-opening A-J mine and computer upgrade

Southeast Alaska Conservation Council (1994) $20,000
for training activists to appeal USFS timber sales

Compton Foundation

American Wildlands, Englewood CO (1994 or 1993) $10,000
for Tatshenshini Campaign

Energy Foundation

Alaska Center for the Environment (1994 - 2 years) $60,000
for promoting alternative and efficient transportation in Alaska

George Gund Foundation

Alaska Conservation Foundation (1997 - 2 years) $50,000
for general support

RECENT FOUNDATION GRANTS FOR GREEN GROUPS ACTIVE IN ALASKA (Cont'd)

Ben & Jerry's Foundation

Gwich'in Steering Committee (1996) $10,000
for campaign against oil development in ANWR

William & Flora Hewlett Foundation

Alaska Conservation Foundation (1997 - 2 years) $200,000
for the Community Development Grantmaking Fund

McIntosh Foundation

Southeast Alaska Conservation Council (1993) $50,000

Charles Stewart Mott Foundation

Alaska Conservation Foundation (1996 - 2 years) $200,000
for Alaska Rainforest Campaign

Alaska Conservation Foundation (1996 - 2 years) $100,000
for Rapid Response Fund

New-Land Foundation

Southeast Alaska Conservation Council (1993) $15,000

Patagonia

Alaska Boreal Forest Council (1996) $2,945
to fight timber industry proposals to log the state's pristine boreal forests

Alaskans for Juneau (1996) $7,500
to fight the Kensington and AJ mines.

Northern Alaska Environmental Center (1996) $10,000
to duplicate and distribute a video to combat oil exploration in ANWR.

Public Media Center (1996) $1,100
to fund printing of a brochure opposing oil development in ANWR

RECENT FOUNDATION GRANTS FOR GREEN GROUPS ACTIVE IN ALASKA (Cont'd)

Patagonia (cont'd)

Southeast Alaska Conservation Council (1996) $9,000
to fund opposition to logging in the Tongass National Forest.

David and Lucile Parkard Foundation

Alaska Conservation Foundation (1994) $20,000
for Alaska Marine Conservation Council's bycatch reduction program

The Pew Charitable Trusts

Alaska Conservation Foundation (1995 -- 15 months) $470,000

Rockefeller Family Fund

Alaska Conservation Foundation (1994) $40,000
support for its fourth biannual membership challenge campaign

Alaska Conservation Foundation (1995) $40,000
support for grassroots organizing and media activities in Washington, D.C., to increase level for concern among national organizations for Alaskan issues, especially clearcutting in Tongass and opening ANWR to oil exploration

Alaska Conservation Foundation (1996) $20,000
for Oilwatch Alaska

Alaska Conservation Foundation (1996) $20,000
funding for citizen participation initiatives to increase the capabilities and effectiveness of indigenous Alaskan groups

Alaskan Forun for Environmental Responsibility (1996) $25,000
to assist whistleblowers who work on the Alaska pipeline

Alaska Wilderness League (1996) $75,000
funding for an organizing and advocacy campaign on Alaska wilderness issues, particularly protection for ANWR

RECENT FOUNDATION GRANTS FOR GREEN GROUPS ACTIVE IN ALASKA (Cont'd)

Rockefeller Family Fund (cont'd)

Government Accountability Project (1994) $30,000
funding for the Alaska Project which will work with whistleblowers to promote reforms and increase accountability in the Alaska oil industry

Government Accountability Project (1995) $30,000
funding for Alaska Forum for Environmental Responmsibility to protect whistleblowers, address employee concerns about safety of the Alaskan pipeline, create a timber observer program, and promote reforms in the Alaska oil industry

Northern Alaska Environmental Center (1996) $20,000
assistance for ANWR protection efforts and defend it from "oil drilling assaults"

Southeast Alaska Conservation Council (1996) $20,000
support nationwide organizing drive to respond to attacks on the Tongass Timber Reform law and develop strategies for timber industry conversion

Trustees for Alaska (1995) $20,000
funding for its work as advisor and counsel to the Cook Inlet keeper project

Trustees for Alaska (1994) $25,000
for litigation and creation of a Cook Inlet keeper program, which will be largely supported by settlements paid by polluters

Rockefeller Brothers Fund

Alaska Conservation Foundation (1995 -- 2 years) $200,000

Florence and John Schumann Foundation

Alaska Wilderness League (1993) $75,000
for "protecting" ANWR

Strong Foundation for Environmental Values

Northern Alaska Environmental Center (1993) $1,900

RECENT FOUNDATION GRANTS FOR GREEN GROUPS ACTIVE IN ALASKA (Cont'd)

Surdna Foundation

Alaska Center for the Environment (1994 - 2 years) $60,000
for promoting alternative and efficient transportation in Alaska

Alaska Coastal Rain Forest Campaign (1994 - 2 years) $200,000

Alaska Conservation Foundation $50,000
help mobilize Alaskan environmental interests and citizens for a national public education initiative that will counter threats to the ANWR, the Tongass National Forest and other ecologically valuable public lands

Alaska Marine Conservation Council (1996) $40,000
to support fundamental fisheries management reform in the North Pacific at the regional and federal levels

Southeast Alaska Conservation Foundation (1996) $25,000
for an initiative to protect the Tongas National Forest

Town Creek Foundation

Alaska Wilderness League (1993) $15,000

Gwich'in Steering Committee (1993) $10,000

Turner Foundation

Gwich'in Steering Committee (amount unknown)

Weeden Foundation

Alaska Conservation Foundation (1994, 1995 -- 2 grants) $20,000

American Rivers (1994, 1995 -- 2 grants) $25,000

American Wildlands (1994) $10,000
for Tatshenshini River Campaign

RECENT FOUNDATION GRANTS FOR GREEN GROUPS ACTIVE IN ALASKA (Cont'd)

Wilburforce Foundation

Alaska Center for the Environment (1997) $30,000
for grassroots membership development

Alaska Center for the Environment (1996) $25,000
for Alaska message development project and Alaska reorganization project

Alaska Center for the Environment (1997) $31,000
for the Alaska Conservation Alliance start-up ($30,000) and travel expenses for Alaska Conservation Alliance planning meeting ($1,000)

Alaska Clean Water Alliance (1996) $5,000
for strategic planning retreat

Alaska Wilderness League (1997) $40,000
for ANWR Campaign

Forest Service Employees for Environmental Ethics (1997) $40,000
for the Tongass in transition program

Great Land Trust (1996) $7,000
for start-up funding and organizational development

Gwich'in Steering Committee (1997) $15,000
for press relations training

Kachemak Heritage Land Trust (1996) $15,000
for the Alaska Land Trust Computer Network

Kachemak Heritage Land Trust (1997) $15,000
for the Kenai Peninsula Riparian Corridor Protection Strategy

National Wildlife Federation (1997) $10,000
for the Alaska Women's Environmental Network

Northern Alaska Environmental Center (1996) $41,000
for capacity building and general support of work to protect ANWR

RECENT FOUNDATION GRANTS FOR GREEN GROUPS ACTIVE IN ALASKA (Cont'd)

Wilburforce Foundation (cont'd)

Southeast Alaska Conservation Council *for the Native Claims education project*	$10,000
Trustees for Alaska (1996) *for a strategic planning retreat*	$30,000
Trustee s for Alaska (1997) *for general support*	$30,000
Trust for Public Land *for development of Alaska programs*	$100,000

The Boston Globe boston.com

Nation | World

The greening of a movement

Big money is bankrolling select environmental causes

By Scott Allen, Globe Staff, 10/19/97

First of two parts

Oil baron Joseph N. Pew Jr. was an old-time Republican Party boss who despised government regulation and whose oil refinery in Marcus Hook, Pa., emitted noxious fumes that made the town's air almost unbreathable.

The senior executive of Sun Oil Company in Philadelphia in the 1940s and '50s was called many things in his life: humorless, corrupt, Roosevelt-hater. "Environmentalist" was not one of them.

But 35 years after his death, a family charity started by Pew is one of the leading funders of the American environmental movement, pumping an expected $22.5 million this year into causes that Pew himself might well have loathed. In particular, the Pew Charitable Trusts played a key role in convincing President Clinton to adopt tough air pollution regulations that the oil industry strenuously opposed.

"The founders of Pew would be rolling in their graves if they knew," said Robert Schaeffer, a Boston-based consultant to environmental groups.

In growing numbers, the heirs of yesterday's polluters are becoming the allies of today's environmentalism, one of the fastest growing causes in the United States over the past decade. And environmental coffers also are being swollen by newer fortunes built on modern technologies like computers and television.

This growing stream of "big money" support has buoyed the environmental movement even as grass-roots contributions have faltered, but in some eyes it raises a troubling question: Are the funders now calling the shots?

In one of history's ironies, a generational shift among wealthy families in the last 15 years has brought environmentally conscious leaders to

Low-graphics version

charities built on the profits of such historic targets of environmentalists as Sun Oil, The Wall Street Journal, and H.J. Heinz.

The shift has brought into power new philanthropists such as Joseph N. Pew's grandson, J. Howard "Howdy" Pew II, an avid outdoorsman who visits environmental hot spots like the Amazon rain forest. The result has been a windfall for groups such as the influential Conservation Law Foundation of Boston, which gets 60 percent of its income from foundations such as Pew.

Likewise, people who got rich in newer industries are increasingly targeting their largesse at environmental causes. A charity run by Cable News Network founder Ted Turner and wife Jane Fonda is on track to become one of the top two or three environmental funders by 1998, while Microsoft cofounder Paul Allen gave $5 million last year to the Nature Conservancy.

Including new money from corporate foundations such as Exxon's, which just pledged $5 million to protect tigers from extinction, charities invest at least $400 million a year in environmental advocacy and research.

But the rise of environmental philanthropists is creating a new - and controversial - class of powers behind the throne who are shaping the movement with their money. Some, such as Turner and Teresa Heinz, wife of Senator John F. Kerry, are well known; many more, such as Joshua Reichert at Pew, are obscure. But collectively they are putting an indelible stamp on the movement by picking which issues get the public's attention - and which don't.

For instance, foundations have pumped millions of dollars into Alaska in recent years to preserve wilderness, holding the annual meeting of the Environmental Grantmakers' Association near Anchorage last month to underscore the issues. Meanwhile, urban-based groups that work on issues like hazardous waste complain they can't get the attention of major funders.

Critics on the left, suspicious of the money's origins, believe that foundations are turning environmentalists into compromisers rather than principled battlers. While groups that espouse confrontation are starved for money, they say, millions flow toward organizations that preach market-based environmental solutions or collaboration with industry.

"The environmental movement is now accurately described as just another cynical, well-financed special interest group," sneers Jeff St. Clair, editor of the Wild Forest Review, who argues that the movement's stock portfolios give foundations a vested interest in environmental destruction.

But conservatives, too, are aghast that so much money from wealthy

families and corporations goes to a cause that often costs business money. The pro-business Capital Research Center released a report last year denouncing corporate giving to most environmental groups as "funding enemies, forsaking friends."

Conservative "wise use" activists have targeted foundations, too, accusing them of being a "cartel of eco-money." Two years ago, they picketed a Washington meeting of the Environmental Grantmakers.

And the growing importance of charity - highlighted by this year's national summit on voluntarism in Philadelphia - has put a critical spotlight on an enterprise that was thought of as do-gooder work, if it was thought of at all. The Philadelphia media has been rife with attacks on the Pew Trusts from people who didn't get grants or who disagree with its interventionist style.

"We expect to be treated very much like environmental groups are treated," says Reichert, shrugging off the criticism. "We are a foundation ... trying to effect powerful changes from the unique perspective of an American philanthropy."

Unlike traditional charities, whose trustees are more at home giving to museums and universities, the new philanthropists are sophisticated students of environmental issues. Teresa Heinz is vice chairman of the 300,000-member Environmental Defense Fund, while Ted Turner hired the former director of Greenpeace USA to run his charity.

Many of the new philanthropists see themselves as guiding - or even shoving - activists away from the polarized thinking that often framed issues as a choice between jobs and the environment. As wealthy people, the philanthropists are certainly not antibusiness, and many are Republicans, but they disagree profoundly with recent Congressional attempts to weaken or repeal environmental protections.

In New England, four leading foundations met with area groups in 1995 and concluded that the movement needed a less confrontational approach, moving away from attacking farmers, fishermen, and other "resource users" and instead working with them toward conservation goals.

"If environmental protection is imposed upon people, we will surely fail. But if it is accomplished with, for, and because of people, we may succeed," said the foundations' report, titled "New England's Environmental Futures."

The rise of the environmental philanthropists comes at a time when the movement is trying to recover from the disappointment that the 1990s did not turn out to be "the decade of the environment." Although author Gregg Easterbrook regards environmentalism as the most successful social movement in the United States since World War II, its growth

clearly has stalled.

Since the heady days of 1990, when the 20th anniversary of Earth Day drew 250,000 people to a celebration on the Charles River Esplanade, the proportion of households that make individual donations to environmental causes has dropped from 16.3 to 11.5 percent.

Greenpeace USA is the most prominent casualty so far. In August, Greenpeace laid off three-quarters of its 400 employees, closed its 10 regional offices, and canceled door-to-door fundraising after membership dropped from a high of 1.2 million in 1991 to only 400,000.

"I don't think it's a question of whether we are going to survive at this point. [But] if we hadn't taken such drastic measures ... that would be in question," said Deb Rephan, a Greenpeace spokeswoman.

In the face of this decline, environmental groups have turned to the wealthy. The Sierra Club began soliciting large individual donations from wealthy donors several years ago after falling membership forced the group to lay off 26 employees. Today, 15 percent of the group's $52.6 million in income comes from "major donors."

"We were one of the few that had not invested in a major donors program," says Sierra Club conservation director Bruce Hamilton, adding, "Strictly relying on our dues was not a way we could sustain ourselves."

In truth, wealthy Americans were among the earliest supporters of conservation. They were the hunters, fishermen, and backwoods hikers who saw firsthand the threat that unchecked development and industry posed to nature, and they had the resources to do something about it.

To this day, conservatives and corporations are major supporters of land preservation. The Nature Conservancy, a largely apolitical group focused on acquiring and preserving unspoiled land, collected more than $1 million each last year from General Motors, Dow Chemical, and power plant developer Enron Corp., all of whom have tangled with environmentalists.

But foundations only came to support a tougher brand of activism, such as suing polluters, as changes in the controlling families or professional staffs brought a new generation to power.

McGeorge Bundy, a former top aide to President John F. Kennedy, set the tone in the late 1960s when he took over the Ford Foundation and began underwriting environmental causes. Established by pioneer car maker Henry Ford, the foundation even put up $400,000 for the Natural Resources Defense Council to sue the US Environmental Protection Agency for not controlling smog - much of it caused by auto exhaust.

By the early 1980s, when President Reagan slashed environmental programs and scandal engulfed the EPA, foundations began steering big money toward the environment.

Charles H.W. Foster, former dean of the Yale School of Forestry, was invited to Charlottesville, Va., in 1982 to start one of the first of a new wave of environmental charities. The modest W. Alton Jones Foundation had suddenly been catapulted into the ranks of the top 100 charities when Occidental Petroleum bought out Cities Service Oil, sending the value of stock owned by the foundation through the roof.

Founder W. Alton "Pete" Jones, a former chief executive of Cities Service, was known for his big heart, but he was no environmentalist. "Mr. Jones himself had no perceived interest in such things," recalled Foster.

But Foster's widow, Nettie Marie Jones, and their two daughters had different ideas, and concentrated their giving in two areas: the environment and the nuclear arms race.

Today, the W. Alton Jones Foundation is a major thorn in the side of Pete Jones' former industry. Not only is it the sixth largest foundation supporter of environmental causes, but the charity gave $1 million in 1995 alone to promote automobiles that run on batteries and fuels other than gasoline.

The shift at Jones has been replicated around the country, including New England. In Massachusetts, the 1982 death of Jessie B. Cox, heir to the company that owns The Wall Street Journal, created a charity that gave more than $1 million to the environment last year. Similarly, Francis W. Hatch, a former Republican leader and candidate for governor, began directing money from the John Merck Fund toward the environment in 1987, following the death of his mother-in-law, Serena Merck.

But the biggest conversion of all came at the Pew Charitable Trusts. Long a conservative organization, the $3.8 billion Pew Trusts had helped create the Hoover Institution on War, Revolution, and Peace at Stanford University, where economist Milton Friedman argues that corporations should give nothing to charity except to gain tax breaks.

After the four founding family members died, reform-minded Pew trustees hired former nurse Rebecca Rimel as executive director to reorganize the grant programs. Rimel replaced her senior staff with knowledgeable activists, including Joshua Reichert, who created one of the largest and most influential environmental giving programs in the country.

Though Pew grants began paying for work that the oil industry

disagreed with, Reichert kept the support of Pew family members on the board, especially Howdy Pew. An avid hunter and fisherman, Pew traveled with Reichert and Rimel on environmental field trips to Madagascar and the Amazon.

And Reichert suggests that the founders of the Pew Charitable Trusts might also support the new direction had they lived to see it. "The Pew family members look at this institution evolving as American society evolves," he said.

In this decade, a wave of newly rich people, most of whom came of age after the first Earth Day in 1970, have begun paying for more controversial efforts. Ted Turner's foundation, for instance, will give away $18 million this year, mainly to new groups that include such hardliners as the Native Forest Council in Oregon, which opposes almost all logging on federal land.

Now, with philanthropy analysts predicting an unprecendented inter-generational transfer of wealth as an unusually large number of wealthy people die, environmentalists appear to stand on the brink of another leap in foundation support.

Already, the children of Hewlett-Packard founder David Packard, who died last year, have said that a chunk of the $4.6 billion he left to the family foundation will fund environmental causes, while Turner has pledged $1 billion to the United Nations and plans to leave much of his vast estate to fund environmental and youth concerns.

The looming question is what effect all this money, and influence that comes with it, will have. On the one hand, philanthropists have been a shot in the arm, allowing start-up groups to survive and funding new ideas such as a bank that loans only to environmentally friendly businesses. But, some wonder, can a wealthy elite really guide a popular movement?

"These are not people who have been to inner city Chicago or to `cancer alley' or on a Native American reservation in the southwest," says William Shutkin of Alternatives for Community and Environment in Roxbury. "That's where you run into the limits of foundations."

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Environmental donors set tone

Activists affected by quest for funds

By Scott Allen, Globe Staff, 10/20/97

Second of two parts

Not long ago, environmentalists didn't have to worry about the corrupting influence of money - they didn't have much.

In the 1970s, major groups such as the Environmental Defense Fund in New York and the Conservation Law Foundation in Boston were run by low-paid idealists, and grassroots groups had almost no budget at all. The joke about so-called "tainted money" from corporations was that there 'taint enough of it."

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Today, the environmental movement is far more diverse, sophisticated, and affluent. The 10 largest groups alone have 3,400 full-time employees, including leaders who often make $150,000 a year or more, as well as a small army of outside contractors such as scientists, lawyers, and public relations specialists.

"A lot of the environmental movement's message has been embedded in the society. In many ways, we've won," declares Doug Foy of the Conservation Law Foundation, whose $3.7 million budget is 40 times bigger than it was two decades ago.

But success has its price. Large donors increasingly shape the environmental agenda, pushing activists to the political center and away from hard-line positions that call for drastic changes in the economy or society. The quest for money, say critics, is poisoning the environmental movement.

movement.

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"It's like throwing a huge steak in among a bunch of starving lions. The lions will jump on it even if it is laced with arsenic," said Tim Hermach of the Oregon-based Native Forest Council, who blames big donors for undermining his campaign to end commercial logging on federal land.

Most of the environmentalists' $4 billion in annual revenue comes from average individuals in the form of membership dues, T-shirt sales, entry fees at sanctuaries and so on, but that's not the money that speaks the loudest.

Charitable foundations, which allow wealthy individuals, families, and corporations to give away money tax-exempt, may be the most influential income of all, even though it accounts for less than 20 percent of environment groups' income. Foundation grants are vital to centrist groups such as the Conservation Law Foundation in Boston (60 percent grant-funded) and the Environmental Defense Fund in New York (28 percent). Many new groups such as Alternatives for Community and Environment in Roxbury (70 percent grant-funded) would never get started without grants.

Even groups that get only a small portion of their income from foundations put special emphasis on their needs. Unlike membership drives, which are both labor-intensive and time-consuming, getting a grant is like winning the lottery. In 1995, the average Pew Charitable Trusts grant was $340,000.

As a result, foundations get up to 10 times as many requests for money as they can grant - and environmentalists willingly modify their agenda to please big funders.

"If a foundation had a large interest in Alaska and a lot of money, you definitely had a large interest in Alaska," joked former Wilderness Society director Bill Turnage to journalist Mark Dowie a few years ago.

But parroting a foundation's agenda is not enough to get its money. Faced with the deluge of applications, foundation officials often target the big bucks to environmentalists they know, creating an inner circle of "haves, " along with a bunch of outsiders looking in.

"It is an extraordinarily incestuous world out there," said Bob Schaeffer, a Boston-based consultant who represents several groups that are heavily funded by foundations.

The Heinz Endowments, for instance, gives large grants to people Teresa Heinz knows personally, such as environmental architect Bill McDonough, a family friend who once employed Heinz's son, or the Environmental Defense Fund, of which Heinz is vice chairwoman.

And when the Pew Charitable Trusts moved its marine fellowship

program to the New England Aquarium, it was only a matter of months before the Trusts gave a $150,000 fellowship to Greg Stone of the aquarium, to go with a $266,000 grant Stone had received a few months before.

While the grant recipients may be deserving, the "have-nots" complain that they tend to fit a narrow profile: political centrists who push scientific research or solutions that industry can support.

That may reflect the roots of the leading environmental foundations in heavy industry - two carmakers, two oil executives, real estate developers, and a bigtime logger founded six of the 10 largest environmental charities. The foundations are run separately from the people who founded them, generally by people who see themselves as committed environmentalists, but the founders' influence often continues on the board of directors or in the stock portfolio.

Bill Shutkin, director of Alternatives for Community and Environment in Roxbury, said urban-based groups such as his simply can't crack the inner circle of these elite foundations, forcing them to turn to smaller organizations, such as Echoing Green or the Nathan Cummings Fund of New York, for help.

The big funders, Shutkin said, "have got a ton of money, but if you're not right at the core of the mainstream organizations, it's really hard to break into that circle."

Inside the downtown Philadelphia offices of the nation's fourth largest charity, Pew Charitable Trusts, Joshua Reichert plays a subtle game of kingmaker. As the man in charge of doling out the single largest block of money earmarked for environmental causes, Reichert's ideas have a way of becoming reality.

When Reichert suggests two environmental groups should merge, they quickly meet to discuss the idea. When Reichert became frustrated that environmentalists are losing the public relations wars, Pew created a public relations firm to join the fray. If Reichert doesn't like the way a group is being run, he withholds its money.

Most importantly, Reichert consistently pushes environmentalists to be practical, even if that means bruising egos or accepting compromises that purists detest. Along the way, Pew has reshaped the debate on issues such as logging, air pollution and energy conservation - and made some enemies, too.

"They have been bullies .... They are arrogant," said Beth Daley, vice president of the National Center for Responsive Philanthropy in Washington, D.C., which monitors foundations.

The ascendance of Reichert, who has a doctorate in anthropology and a

deep background in international environmental issues, marks a dramatic change from the days when charities were staffed with men in green eyeshades who passively wrote checks to causes they dimly understood. Pew and other foundations are more like overseers of environmentalists, auditing their books, suggesting personnel changes, and specifying in great detail how the money should be spent.

The agendas of the funders are as varied as the people providing the money, who range from the ambitious Reichert to the more restrained Francis W. Hatch, the 1978 Republican candidate for governor in Massachusetts.

But philanthropists increasingly view their charity as "strategic investments" with a business-like demand for performance. "We are very product-oriented," said Reichert. "We need to demonstrate a return on these investments ... that is measurable."

The demand for performance can range from the trivial - Appalachian Mountain Club staffers had to dress up in costumes to help with a corporate-sponsored Halloween Party last year to please one funder - to profound issues such as how to balance the needs of industry and the environment.

And, if existing environmental groups can't do the job, foundations may set up new ones. This year, officials at the Heinz Endowments of Pittsburgh set up a $700,000 organization to scrutinize deregulation of the electric industry, complete with a "grassroots" coordinator to whip up support among groups such as the elderly and organized labor.

Pew Charitable Trusts has created several environmental organizations, including a strategy-plotting group, a Boston-based task force on air pollution and energy, and a public relations firm, the Environmental Information Center, which played a key role in pressuring President Clinton to approve new air pollution rules this year.

Taken together, these new activist foundations are reshaping the movement in controversial ways. Working largely out of the limelight, people such as Reichert, Rockefeller representative Donald Ross and Denis Hayes at Seattle's Bullitt Foundation are making the movement more pragmatic and, some say, less worthy. For example:

A growing emphasis on "winning" rather than being ideologically correct. Reichert has said his ideal strategist would be James Carville, the ultrapragmatic consultant behind Clinton's election in 1992. "I don't want someone who knows the facts, or can articulate them persuasively; I want someone who wants to win and knows how," he told one interviewer.

More emphasis on solutions that balance environmental and economic interests. The national environmental group that receives the greatest

share of its income from foundations, the Environmental Defense Fund, has pioneered partnerships with industry, including a highly touted waste-reduction program with the McDonald's restaurant chain.

And the largest environmental gift in US history, a $20 million donation from the Heinz Endowments, created a research center in Washington, D.C., to bring together industry, academics, and environmentalists to solve environmental problems.

More emphasis on national,rather than local, issues.

Though there have been efforts to shift the balance - several Massachusetts foundations set up a new fund for grassroots groups, and Ted Turner specializes in funding small upstarts - foundation money still flows overwhelmingly to big organizations working nationally. Half of all donations last year went to a handful of organizations with budgets above $5 million.

"We're kind of lost in the cracks," said Matt Wilson of the Toxic Action Center, a Boston-based group that assists 60 local groups on toxic-waste issues. "Our status in the funding world is not where it should be."

Some of these trends might have happened without foundation influence, of course. The Republican takeover of Congress in 1994 threw environmentalists onto the defensive as they fought off efforts to weaken or repeal environmental laws. Under the circumstances, winning and compromising became hot topics and the political focus was naturally on the national stage.

But there is little doubt that the foundations are getting more heavily involved in directing environmental activism - and opinion is sharply divided as to whether that is a good thing.

Armond Cohen, director of the Pew-backed Clean Air Task Force, believes leading environmental funders are bringing some order to a movement that has often been too decentralized for its own good. Pew, in particular, has relentlessly pushed environmental groups to work together in alliances.

"As a community, we are all tactics and no strategy," said Cohen, whose organization works behind the scenes to educate politicians about air pollution and energy issues.

At their best, say defenders, foundations can be the voices of reason, drawing attention to problems before they become a crisis. For instance, the Merck Fund of Boston helped short circuit the antienvironment "wise use" movement in New England by calling attention to their activities early and persuading activists to take a more conciliatory approach toward forest and river issues.

For those who have the funders' trust, there is sometimes an invigorating dialogue about where the environmental movement ought to go. In Alaska, environmentalists credit Reichert with devising the national strategy that helped bring an end to two subsidized logging contracts in the Tongass National Forest.

"I treat the relationship as honest partnering," said Jan Konigsberg of the Alaska Conservation Foundation. "I tell [Reichert] what I think, and he tells me what he thinks. That sort of dialogue is essential to any project."

And lawyers at the Conservation Law Foundation, the most successful New England environmental group at attracting grants, succeeded in turning around both Pew and the San Francisco-based Energy Foundation on the issue of energy deregulation.

Both foundations had invested heavily in energy conservation programs across the country that would be imperiled if the power industry were no longer required to do them. However, Conservation Law director Douglas Foy argued that deregulation was inevitable and could even be helpful to the environment if it encouraged the construction of less polluting power plants.

"You couldn't stop a freight train, but you could steer it," said Foy, describing his argument that environmental groups should encourage rather than fight deregulation. Now, Conservation Law Foundation has collected more than $1 million in grants from the Energy Foundation to push deregulation.

But Conservation Law's position is at odds with most other environmental groups in the region, which has prompted bitter fights and, recently, a decision by the Merck Fund to help other groups working to keep deregulation from proceeding too quickly.

It is precisely such conflicts that convinces some observers that the power of the charitable foundations will always be limited. Despite critics' theories that the foundations are coming together as an "eco-cartel," others say the foundations simply disagree too much to wield power collectively.

In fact, Denis Hayes of the Bullitt Foundation says that's exactly the problem: the environmental movement has always been decentralized and lacked a charismatic leader such as Ralph Nader or Jesse Jackson who could unify it, making it vulnerable to internal division.

Since the 1994 elections, he said, some environmentalists "started training their guns on one another rather than on people they have nothing in common with. It's time for us to step back a little bit from that confrontation."

But others argue that foundations such as Hayes' helped cause the internal fighting by giving compromisers the loudest voice in environmental debates and marginalizing the purists. For instance, the foundation-funded Northern Forest Alliance, the dominant environmental voice in New England's Northern Forest, stresses sustainable logging and alliances with businesses, leaving the messy business of protest to low budget groups such as the Native Forest Network, whose members chained themselves to logging equipment in August.

"Foundations think they are a moderating influence, but they are a stifling influence," said Mark Dowie, who is writing a book about the role of charity in social causes.

End of series

This story ran on page A01 of the Boston Globe on 10/20/97.

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TED TURNER

Media mogul on course to be one of movement's top funders

By Scott Allen, Globe Staff, 10/19/97

Ted Turner painted himself into a corner last year when he called rival billionaires "ol' skinflints" for giving so little to charity and suggested that someone make a list of the most generous among America's super-wealthy.

Imagine the embarrassment of the Cable News Network founder when Bill Gates' on-line magazine, Slate, took him up on it - and Turner didn't make the list. There, at No. 10, was the "skinflint" founder of Microsoft with $27 million in donations, much of it to Harvard University.

But Turner became one of the big guns of American charity last month with his promise to give the United Nations $1 billion for causes such as removing land mines and helping refugees. "What good is wealth sitting in the bank?" he asked.

With less fanfare, Turner also has set a course to become one of the top funders of the US environmental movement, handing out $18 million this year through his seven-year-old Turner Foundation. His 1998 goal of dishing out $25 million is likely to be exceeded by only two or three other philanthropies.

"It is not so much that he wants this foundation to be No. 1, but it is more a reflection that he would really like to see people measure their success by something positive," says Peter Bahouth, the former Greenpeace USA director who runs the Turner Foundation.

But Turner's links to the environmental scene go back much further, at least to the 1970s when he began reading about over-

population, resource depletion, and species extinction. In the early 1980s, he began airing National Geographic and National Audubon Society programs on his Turner Broadcasting System, along with "Captain Planet," an ecological cartoon that annoys conservatives.

Then came Jane Fonda, who met Turner in 1989 and married him two

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years later. A longtime activist, she quickly took a lead role at the foundation and helped focus it on environmental and youth issues.

Forest activist Jeff DeBonis, who obtained an early Turner grant, recalls the day in 1992 when Fonda took him on a tour of the CNN Center in Atlanta while they waited for Turner. After swinging through the news studio, she led DeBonis into a meeting room adorned with the politically incorrect heads of big game animals.

"This is from Ted's old days," said Fonda, suggesting, not too subtly, that Turner had changed since he met her. Turner quickly approved the grant to DeBonis's group and left it to Fonda to work out the details.

Unlike foundations that give mainly to established groups and institutions, Turner seeks out effective and sometimes scrappy grass-roots groups. He has funded protest groups, such as the Native Forest Network, whose members chained themselves to logging equipment in Vermont last August.

But Bahouth, who led flamboyant protests at Greenpeace in the 1980s, stressed that Turner is not on the political left. He noted that the foundation also funds hunters who want to help the environment.

But to get his money, environmentalists must put up with Turner's quirks. He gives preference to groups in Montana, New Mexico, and other states where he owns ranches. Bahouth defends the favoritism, suggesting that the states where Turner owns land need more activism.

Denis Hayes, an environmentalist in Turner-ranch-free Washington state, figures there is a way to capitalize on Turner's idiosyncracy:

"We're trying to convince Ted to buy a ranch in Washington."

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TERESA HEINZ

Senator's wife uses influence, donations to effect change

By Scott Allen, Globe Staff, 10/19/97

One day, she is having dinner with a Republican presidential candidate, urging him to call her friend, energy guru Amory Lovins, to learn about global warming.

On another, she is giving the Chinese ambassador a list of "environmentally friendly" companies that could help his country's economy and impress the United States at the same time.

On still another, she is approving the largest environmental grant in American history, $20 million for a research center named for her late husband, Senator John Heinz.

"Teresa is very well respected in the environmental community. This is very near and dear to her heart," says Anthony Cortese, president of a Heinz-financed company, Second Nature, which helps colleges teach about the environment. "She challenges people to think and act differently."

Heinz, a leading stockholder in the $10 billion H.J. Heinz Co., has been deeply involved in environmental causes for decades. In 1989, she helped stop a highway through the Amazon jungle, and in 1984 she and Sen. Heinz created a foundation that paid for causes such as a guide to socially responsible grocery shopping and a public relations firm that recruits Hollywood stars to support environmental efforts.

But she rose to new prominence after her husband's death, reorganizing the $1.1 billion Heinz Endowments in Pittsburgh and creating a program to aid environmental groups. Under Andrew McElwaine, Heinz' former Senate aide, the environmental program gave out $8.2 million last year, mainly in Pennsylvania. And, McElwaine says, "We're just hitting our stride."

But that hasn't kept her from coming under attack from some environmentalists because of her ties to the H.J. Heinz food company, whose tuna suppliers were once blamed for killing dolphins. Heinz says

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the attacks were untrue and unfair, noting that she pushed the company back in 1990 to reduce the number of dolphins caught in tuna nets. It was one of the first to go "dolphin-safe," losing $15 million in business in the process, according to company estimates.

In general, Heinz dismisses attacks from both left and right, arguing that their ideologies make them inflexible.

"All I want is for people to be practical," says Heinz, a native of Mozambique who speaks with a slight Portuguese accent. "It's not comfortable because you can't be pure .... You have to wallow in practicality, but to raise a child you have to change dirty diapers."

Like many of the new generation of environmental philanthropists, Heinz regards money as only one tool in her arsenal. As the wife of a US senator, a major corporate stockholder, and a top official at a big environmental group, she has extraordinary access to advance her causes.

For instance, when Heinz became concerned about a proposed Air Force bombing range in Idaho three years ago, she met with Air Force Secretary Sheila Widnall to object. The Air Force subsequently shelved the plan.

Yet Heinz believes that her initiatives are small steps toward profound changes that are needed to save the planet and the people on it.

"I don't think we will ever be able to turn our ways around unless we rethink what is really valuable for us," Heinz says. "Look at how we measure the gross national product. How do we value poetry reading? How do we value good marriages? .... We have been asking the wrong questions."

SCOTT ALLEN

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LOIS GIBBS

Bricklayer's daughter woos wealthy benefactors

By Scott Allen, Globe Staff, 10/20/97

Lois Gibbs was nervous when she pulled up to Abby Rockefeller's home in Cambridge last May - with good reason.

Gibbs, the self-described housewife made famous by her fight against the infamous Love Canal hazardous-waste site, had asked a member of America's most famous rich family to host a fundraiser for Gibbs' environmental group.

Though Gibbs was accustomed to giving rousing speeches to large crowds without notes, her brush with 20 members of society's upper crust was different. She had made her reputation as an environmentalist for the Big Mac crowd, helping community groups fight sludge dumps, incinerators and the like, and she was braced for a stiff, conservative crowd.

It turned out that Rockefeller, daughter of financier David Rockefeller, shared Gibbs' passion for sludge, even running a company that makes composting toilets. Dressed in a vest and with her long gray hair tied back, Rockefeller looked more like an activist than an heiress as she introduced Gibbs to affluent guests such as Pillsbury heir George Pillsbury.

"They were very much like people I work with, except they have more money," jokes Gibbs, director of the Virginia-based Center for Health, Environment and Justice.

Environmental causes can make for strange bedfellows, bringing together well-to-do funders with front-line activists who are often both less wealthy and more liberal than their benefactors. One survey of leaders of charitable foundations found that 53 percent regard themselves as Republicans, while environmental groups more often support Democrats.

"It's demographically, socially, culturally very different sets of people," said Ruth Hennig, environmental program officer at the Boston-based

Low-graphics version

John Merck Fund. "Our board wouldn't necessarily have cocktails with" the activists they fund. "They don't even see them, but they very much support the work they do."

In fact, protecting the environment, especially the land, appealed to some conservatives and wealthy people long before the Democratic party discovered the issue. Republican Teddy Roosevelt, after all, is the father of the national park system, while foundations controlled by the Rockefeller family are among the biggest funders of environmental causes.

The Merck Fund, a $102 million charity set up by Serena Merck, widow of the chief executive of Merck Pharmaceuticals, became the top funder of Massachusetts environmental groups under Francis W. Hatch, the 1978 Republican candidate for governor and author of one of the state's first wetland protection laws.

Hatch, derided during his 1978 campaign for a privileged lifestyle that included a Beverly Farms estate with horses, pool, and tennis court, has readily reached across economic and political lines to make grants, Hennig says. Among others, Merck funds the Massachusetts Public Interest Research Group, founded by consumer crusader Ralph Nader.

"Our board has been able to stretch and to understand where the best value for our resources lie," Hennig explains.

Meanwhile, activist Gibbs, the high school educated daughter of a bricklayer, is learning to woo upper income people who can help her fight to clean up Superfund sites and other hazards.

For years after she succeeded in pressing the federal government to evacuate the Love Canal neighborhood near Buffalo, she paid for her fights with grassroots support and small grants. But now, with an $800,000 budget, Gibbs needs affluent benefactors.

"The people we are working for don't have the resources to support us," concedes Gibbs. "We need to talk to people who do have the resources."

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ALASKA CONSERVATION FOUNDATION

*Jonathan Adler's book, **Environmentalism at the Crossroads: Green Activism in America**, prompted extensive curiosity about how the environmental movement in Alaska is financed. In order to answer this question, recent reports (1993) filed by the Alaska Conservation Foundation were examined.*

The Alaska Conservation Foundation (ACF), headquartered in Anchorage, is a tax-exempt, non-profit with the stated purpose of awarding grants to environmental groups and encouraging scientific efforts in support of the environment and conservation issues in the public interest. As a 501(c)(3), the Foundation cannot engage in lobbying, but as we shall see, it does finance groups who do engage in lobbying and political advocacy.

In 1993, ACF had revenues of $1,691,645. Over ninety percent of this was from foundation grants including grants from The Pew Charitable Trusts, Joyce Mertz-Gilmore Foundation, The Bullitt Foundation, Surdna Foundation and the American Conservation Association. The donors of two large grants are confidential. ACF also received about $145,000 in Federal grants from the Department of State, National Fish and Wildlife Foundation and the U.S. Agency for International Development. Membership dues make an insignificant contribution to revenues.

A generous portion of ACF's revenues ($324,299 plus an unknown confidential amount) is spent on grants to environmental organizations involved in the Alaska Rainforest Campaign. The Foundation has also given grants ($25,467) to the Thane Neighborhood Association for legal efforts to halt AJ mine and has given significant grants to advocacy groups involved in Alaska boreal forest issues. ACF also runs Alaska Community Share which collects and distributes money contributed by Federal and other public employees through payroll deductions to environmental groups.

ACF also plays a major role in the Arctic Network which tries to influence official positions adopted in the Arctic Council/Arctic Environmental Protection Strategy (an international diplomatic organization comprising the eight arctic nations) and raise the importance of the Arctic among policy-makers. Apparently, most of the Federal money ACF receives helps finance ACF's Arctic Network activities and ACF also made a confidential grant to the Network.

The following environmental groups have received grants totalling more than $10,000 from ACF: Trustees for Alaska ($104,020), Sierra Club Legal Foundation ($103,350), Southeast Alaska Conservation Council ($91,750), Alaska Center for the Environment ($89,355), Natural Resources Defense Council ($69,250), Northern Alaska Environmental Center ($38,420), Alaska Environmental Lobby ($25,810), Thane Neighborhood Association ($25,467), Alaska Wildlife Alliance ($14,000), American Rivers ($12,449), Alaska Environmental Assembly ($10,000) and the Amiq Institute ($10,000). ACF made confidential grants to the Alaska Marine Conservation Council, Wilderness Society and U.S.Arctic Network which were probably large.

BANKROLLING THE ALASKA CONSERVATION FOUNDATION -- WHO ARE THE PLAYERS?

The Alaska Conservation Foundation (ACF) and the foundations which support it are members of the **Environmental Grantmakers Association** (EGA) which was established in 1987 in order to promote recognition that the environment and its inhabitants are endangered by unsustainable human activities, develop collaboration among active and potential members, and increase the resources available to address environmental concerns. Grantmakers decide who gets the money; therefore, they have a powerful voice in setting the environmental agenda and influencing the programs carried out by the activists. The EGA coordinator is Donald Ross, also director of the Rockefeller Family Fund, who believes that foundations have a "major role to play" in determining environmental policies. At the beginning of 1995, EGA had 182 members from private, corporate and community foundations.

The Pew Charitable Trusts (bestowed $515,000 on ACF) consists of seven individual trusts established between 1948 and 1979 by the four sons and daughters of Joseph N. Pew, founder of the Sun Oil Company. The Pew Trusts are reportedly the largest environmental grantmakers, giving about $35 million annually to environmental groups. Assets exceed $2.3 billion.

Joyce Mertz-Gilmore Foundation (gave $175,000 to ACF) was established as the Mertz Foundation by the Mertz family of New York. The name was changed in 1974 when Joyce Mertz Gilmore died and left the Foundation a considerable bequest. The Foundation gives around $2.5 million annually in environmental groups. Assets exceed $66.6 million.

The Bullitt Foundation (granted $106,000 to ACF) was established in 1952 by Dorothy S. Bullitt, founder of King Broadcasting in Seattle. The primary goal of the Foundation is to protect and restore the natural physical environment of the Pacific Northwest. One of the Foundation's main interests is the Alaska Rainforest Campaign. The Bullitt Foundation distributed over $4.1 million in environmental grants in 1993. Assets are $88.3 million.

Surdna Foundation (dispensed $100,000 to ACF) is a family foundation, established in 1917 by John E. Andrus (Andrus spelled backwards is Surdna) whose businesses included gold, oil, timber, and real estate. Surdna disbursed nearly $5.3 million in environmental grants during 1993. Assets are more than $354.7 million.

American Conservation Association (granted $85,000 to ACF) was founded by Laurance S. Rockefeller in 1958. It usually receives a large annual contribution from the Jackson Hole Preserve, another environmental grantmaking entity supported by Rockefeller funds. In 1992, the American Conservation Association also gave $75,000 to the Sierra Club Legal Defense Fund for "protection of natural resources in Alaska." The American Conservation Association disburses about $1.5 million per year to environmental groups.

Gwich'in Steering Committee
P.O. Box 200798 • Anchorage, Alaska 99520 • (907) 258-8616 • Fax (907) 258-4580

"In no case may a people be deprived of their own means of subsistence."
International Covenants on Human Rights

November 25, 1997

Commissioner John Shively
Department of Natural Resources
3601 C Street, Suite 1210
Anchorage, Alaska 99503

[redacted]

PUBLIC RECORDS REQUEST

Dear Commissioner Shively,

This is a request for information pursuant to the Alaska Public Records Act, AS 09.25.110 and AS 09.25.120. Within ten working days of your receipt of this letter, please furnish us with a copy of the documents described below.

For the period from July 1, 1996 to the present, copies of:

1. Any and all budgets and/or plans for expending $600,000 fiscal year 1998 appropriation to the Governor's office to promote oil development in the Arctic National Wildlife Refuge and on Alaska's North Slope;

2. Any and all materials that address plans, efforts, budgets, expenditures, or possible future activities by Alaska Native corporations, labor unions, Arctic Power, North Slope Borough or others to promote oil development in the Arctic National Wildlife Refuge, or related activities, including cooperative or coordinated activities of the State of Alaska, if any;

3. Any and all materials (including notes, plans, budgets, phone messages or documentation thereof, email communications, and/or interoffice memoranda), including all communications between the Department of Natural Resources and the Office of the Governor (both in Alaska and in Washington, D.C.); Arctic Power, its officers, employees, or consultants; representatives from labor unions or related organizations; representatives of Alaska Native corporations; the Alaska legislature; North Slope Borough; and any others, which address the

promotion of oil leasing in the Arctic National Wildlife Refuge, including any of the following:

a. Education or advocacy efforts in Washington, D.C. aimed at Members of Congress, the White House, Department of the Interior, or Department of Energy, including any and all trip reports, records of direct contacts, and any information which identifies or prioritizes individuals as potential targets for education or advocacy efforts, as helping or supporting the State's and/or Arctic Power's efforts, or as points of contact; and/or

b. Information which identifies or prioritizes States, regions, or Congressional districts as potential target areas for educational or advocacy efforts, including any and all records of all past direct or indirect contacts, and any information which identifies or prioritizes individuals in those areas for education or advocacy efforts, as helping or supporting the State's and/or Arctic Power's efforts, or as points of contact; and/or

c. Information which identifies or prioritizes state or national labor unions or their subdivisions as potential targets for educational or advocacy efforts, including any and all records of all past direct or indirect contacts, and any information which identifies or prioritizes individuals for education or advocacy efforts, as helping or supporting the State's and/or Arctic Power's efforts, or as points of contact; and/or

d. Efforts aimed at getting print and electronic media coverage of the position of the State of Alaska, Arctic Slope Regional Corporation, North Slope Borough, Arctic Power, labor unions, or others regarding oil leasing in the Arctic National Wildlife Refuge or on Alaska's North Slope; and/or

e. V.I.P. tours to the North Slope for Members of Congress, their staffs, the press, or others, whether sponsored by the State of Alaska or its political subdivisions, Arctic Slope Regional Corporation, Arctic Power, ARCO, BP, or any other entity, including records of all past trips, including expense and narrative reports of trips and the reaction of visitors, and any information which identifies or prioritizes individuals for possible future trips; and/or

f. Discussions of a generic campaign that Alaska can do development right; and/or

g. Any and all correspondence to or from, any records of the meetings of, or any communications to or from the members of, the Governor's Oil and Gas Policy Council regarding oil leasing in the Arctic National Wildlife Refuge and/or the Gwich'in Steering Committee; and/or

h. Any and all discussion of Gwich'in efforts to oppose oil development in the Arctic National Wildlife Refuge, or of actions that could be taken to counter

support for the Gwich'in, or which identifies funders of the Gwich'in Steering Committee or any individual associated with the efforts of the Gwich'in people or the Gwich'in Steering Committee, or of efforts to seek support among Alaska Natives, Native American tribes or organizations outside Alaska, churches, or religious groups.

If you determine that any of the requested documents are exempt from release, please identify and describe the exempted materials and specify the grounds for that exemption.

If you determine that portions of the requested documents are exempt from release, please segregate those portions and release the remainder of the document. We encourage you to release any documents which may technically be shielded by exemptions if there is no purpose served by withholding the requested documents.

We also request that you waive any applicable fees since furnishing this material is in the public interest. The Gwich'in Steering Committee is a village-based Alaska Native organization representing Gwich'in speaking individuals across the State of Alaska. The Gwich'in Steering Committee, among other priorities, encourages the dissemination of public information and will make the requested information available to our members and the general public, upon request.

Thank you for your cooperation and prompt attention. Please direct your response to Bob Randall at Trustees for Alaska, 725 Christensen Dr., Suite 4, Anchorage, Alaska 99501, (907) 276-4244.

Sincerely,

Jonathon Solomon

Jonathon Solomon, Chair