



Friends of the Earth

Summer 2003 Newsmagazine

Volume 33, Number 2



America's Dependency Problem

Shining a Light on the Administration's Shady Tactics

The Bush administration has intensified its efforts to weaken environmental protections in the United States and around the world, but the Friends of the Earth global network is calling attention to the self-dealing of prominent administration officials.

On May 30, the PBS program *NOW* with Bill Moyers featured Kristen Sykes, our Interior Department watchdog, as she exposed how Deputy Secretary of Interior J. Steven Griles repeatedly violated his ethics agreement and has favored his former energy industry clients with deals worth billions. We are calling for Griles' resignation.

One of our greatest successes in the last Congress—thanks in part to those of you who wrote your legislators—was the defeat of the Bush energy plan. However, the new Congress is reviving the plan. The House has already approved this 19th century piece of legislation; however, there is some opposition in the Senate as we fight tax breaks for coalbed methane gas development in the Rockies and harmful taxpayer giveaways to the nuclear industry.

Around the world, Friends of the Earth is pointing out past and pending oil and gas catastrophes. In Peru, Vice President Cheney's former firm Halliburton Oil is pushing for construction of the Camisea gas



Brent Blackwelder

pipeline, through one of the most extraordinary tropical forests in the world. In an act of outrageous audacity, corporations are seeking U.S. taxpayer money to fund this human rights and environmental fiasco. In Nigeria, oil and gas development continues to fuel civil unrest while residents are beset with regular oil spills and the massive waste and pollution from natural gas flares. In the Caspian Sea region, the Baku-Ceyhan oil pipeline would jeopardize the flagship national park of Georgia and undermine the major economic asset of the area—the remarkable mineral water.

Our staff recently visited these latter two regions and reported in each case a repetition of the same

old theme: international oil companies like BP will make billions off local resources but invest almost nothing in the local economy. Instead, they leave behind a trail of human rights abuses, corruption, pollution and destruction of ecosystems.

The urgency of weaning the global economy off oil is amply demonstrated in the above examples. For these reasons, Friends of Earth in the fall of 2001 called for a bold new clean energy plan for the 21st century. If we don't implement such a plan by reducing our dependence on oil and promoting clean, efficient sources of energy, we will face another 50 years of worsening pollution, habitat destruction, civil unrest and instability.

Unfortunately, President Bush and his bureaucrats who were hand-picked from the oil, gas and coal industries are the single biggest impediment to implementing a new energy vision. That's why Friends of the Earth will be working harder than ever in the coming months to shine a light on the underhanded actions of Griles and other administration cronies, at the same time we'll be working to defeat the Bush energy plan in Congress for the second year in a row. With your help we can do both.



Friends of the Earth

Volume 33, Number 2

Summer 2003

Friends of the Earth (ISSN: 1054-1829) is published quarterly by Friends of the Earth, 1025 Vermont Avenue, NW, Suite 300, Washington, DC 20005-6303, phone 202-783-7400, 877-843-8687 (toll free), fax 202-783-0444, e-mail: foe@foe.org, Web site: www.foe.org. Annual membership dues are \$25, which includes a subscription to **Friends of the Earth**.

Northeast Office: 87 College Street, Burlington, VT 05401, phone 802-951-9094, fax 802-860-1208, e-mail: foene@foe.org.

The words "Friends of the Earth" and the FoE logo are exclusive trademarks of Friends of the Earth, all rights reserved. Unless otherwise noted, articles may be reprinted without charge or special permission. Please credit Friends of the Earth and the article author; send us a copy. **Friends of the Earth** is indexed in the Alternative Press Index. Periodicals postage paid at Washington, DC.

Board of Directors

Avis Ogilvy Moore, *Chair*; Dan Gabel, *Vice Chair*; Marion Hunt-Badiner, *Secretary*; David Zwick, *Treasurer*; Ed Begley, Jr.; Jayni Chase; Harriett Crosby; Clarence Ditlow; Alicia Gomer; Michael Herz; Ann Hoffman; Doug Legum; Patricia Matthews; Charles Moore; Edwardo Lao Rhodes; Arlie Shardt; Doria Steedman; Rick Taketa

Staff

Brent Blackwelder, *President*
Norman Dean, *Executive Director*
Sandra Adams-Morally, *Membership Associate*
Lisa Archer, *Safer Food, Safer Farms Grassroots Coordinator*
Larry Bohlen, *Director, Health and Environment Campaigns*
Michelle Chan-Fishel, *International Policy Analyst*
Hugh Cheatham, *Chief Financial Officer*
Keira Costic, *Publications Manager*
Leslie Fields, *Director, Global Sustainability Initiative*
Colleen Freeman, *International Programs Campaigner*
Rosemary Greenaway, *Director of Membership and Marketing*
Lisa Grob, *Executive Assistant*
Vonetta Harris, *Accountant*
David Hirsch, *Director, Economics for the Earth Program*
Yasmeen Hossain, *Program Assistant*
Cheryl Johnson, *Receptionist/Office Assistant*
Diane Minor, *Chief Development Officer*
Sherri Owens, *Office Manager*
Chris Pabon, *Director of Foundation Relations*
Erich Pica, *Economics Policy Analyst*
Jon Sohn, *International Policy Analyst*
Kristen Sykes, *Interior Department Watchdog*
David Waskow, *Trade and Investment Policy Coordinator*
Chris Weiss, *Director of D.C. Environmental Network*
Carol Welch, *Director, International Program*
Sara Zdeb, *Director, Legislative Program*

Publications Staff

Keira Costic, *Editor*
Design by JML Design

Interns

Ariana Hauck
Jenny Jones
Jamie Long
François Rodamar
Dain Roose-Snyder
Alison Yewdell

Fellows

Matthew Briggs
Joshua Low

Consultants/Advisors

Brian Dunkiel
Bill Freese
John W. Jensen
Dorothee Krahn

Member Groups

Argentina, Australia, Austria, Belgium, Benin, Bolivia, Brazil, Bulgaria, Cameroon, Canada, Chile, Colombia, Costa Rica, Croatia, Curacao, Cyprus, Czech Republic, Denmark, Ecuador, El Salvador, England, Wales-Northern Ireland, Estonia, Finland, France, Georgia, Germany, Ghana, Greece, Grenada, Haiti, Honduras, Hungary, Indonesia, Ireland, Italy, Japan, Latvia, Lithuania, Luxembourg, Macedonia, Malaysia, Mali, Malta, Mauritius, Nepal, Netherlands, New Zealand, Nicaragua, Nigeria, Norway, Papua New Guinea, Paraguay, Peru, Philippines, Poland, Scotland, Sierra Leone, Slovakia, South Africa, South Korea, Spain, Sri Lanka, Sweden, Switzerland, Togo, Tunisia, Ukraine, United States, Uruguay

Affiliates

Africa: Earthlife Africa; Australia: Mineral Policy Institute; Australia: Rainforest Information Centre; Brazil: Amigos da Terra Amazonia - Amazônia Brasileira; Brazil: Grupo de Trabalho Amazonico; Czech Republic: CEE Bankwatch; Japan: Peace Boat; Latin America: REJULADS; Middle East: Friends of the Earth (Israel, Jordan and Palestine); Netherlands: Action for Solidarity, Equality, Environment and Development Europe; Netherlands: Stichting De Noordzee (North Sea Foundation); Netherlands: Corporate Europe Observatory; United States: International Rivers Network; United States: Project Underground; United States: Rainforest Action Network



UNION
BUG

Friends of the Earth is printed with soy ink on 100% recycled paper, 30% post-consumer content. Bleached without chlorine.

Table of Contents

America's Dependency ProblemPg. 4

Questionable Conduct at the Interior Department . . .Pg. 7

Members of Congress Attach Environmental Assaults to Must-Pass Spending BillsPg. 8

Amazonian Indigenous Tribes Demand Rights at ProtestPg. 9

Food Regulations: Compromised and ThreatenedPg. 10

Kraft: It Shouldn't Be for Breakfast, Lunch or DinnerPg. 11

A Trip to Kazakhstan Offers a View of Big Oil's New FrontierPg. 12

Friends of the Earth's Nominations Win "Green Nobel Prizes"Pg. 14



Earth Share

EarthShare giving campaigns allow you to designate a donation to Friends of the Earth. To set up an EarthShare campaign at your workplace, contact Diane Minor at 202-783-7400 ext. 287.

America's Dependency Problem

By Keira Costic

Energy policy is an environmental and national security issue. Unfortunately, instead of trying to wean the nation off of oil, the Bush administration has waged a war that may embroil the United States in more international oil politics. It is reaching into unstable areas of the world, such as Iraq, Nigeria and the Caspian Sea region.

Not content with its 103 domestic nuclear power plants, the Bush administration is pushing to build more by 2010 – despite environmental and national security threats.

“Energy policy has everything to do with national security and environmental stewardship,” said Dr. Brent Blackwelder, president of Friends of the Earth. “If the administration would stop being a puppet for the oil, gas and nuclear industries, the United States would be less involved with Middle Eastern politics, and invest in cleaner, more affordable and safer energy production.”

America has the technology and knowledge to reduce our reliance on fossil fuels, but we lack the leadership to fight the multi-billion dollar oil and auto companies that defend the status quo. The Bush administration continues to push energy policies that threaten our national security and the environment.

A large part of the backward energy policy encourages the production and consumption of gas



The Energy Policy Act of 2003, and the accompanying Energy Tax Incentives Act of 2003, contain more than \$9.6 billion in new or expanded tax breaks and subsidies for oil and gas.

guzzling SUVs with tax incentives for consumers and tax breaks for the auto industry.

A 19th Century Energy Policy

This spring, the House of Representatives passed a multi-billion dollar energy bill that does little to conserve oil, and puts the environment and taxpayers at risk. The most harmful provisions include threats to natural resources, such as opening the Arctic National Wildlife Refuge to drilling; promoting nuclear energy and encouraging nuclear proliferation; providing billions in taxpayer handouts to polluters; and assaulting clean water protections.

“It’s time for the government to promote the renewable energy sector and break its pattern of decisions favoring campaign contributors over

public health and the environment,” said Sara Zdeb, legislative director for Friends of the Earth.

Why Wouldn't You Buy an SUV?

There is no better example of the Bush administration’s backward looking energy agenda than its abuse of federal tax laws to favor big auto companies. With petroleum products providing 96 percent of America’s energy for transportation, improving the fuel efficiency of our passenger vehicles is the single biggest step we could take to reduce our

dependence on oil. Instead of requiring auto manufacturers to make vehicles more efficient, the Bush administration used its recent tax cut bill to triple a tax deduction that small businesses can take in order to purchase massive SUVs like the Hummer.

“Right now, a ridiculous tax break lets small businesses take a \$25,000 tax deduction when they buy an SUV. The doctors and real estate agents taking advantage of this tax break would get nowhere near this sweetheart deal if they bought a car,” said David Hirsch, director of economic programs at Friends of the Earth. “Amazingly, President Bush just increased this deduction to \$100,000. So a new Hummer will cost just pocket change, while a gas-electric hybrid qualifies for only a \$4,000 tax deduction.”

Questionable Conduct at the Interior Department

By Keira Costic

Friends of the Earth partnered with national environmental and government ethics organizations to call for the appointment of a special counsel to conduct a criminal investigation of Deputy Secretary of Interior J. Steven Griles. In a separate but related action, Friends of the Earth, along with Defenders of Wildlife and Endangered Species Coalition, filed suit in U.S. District Court in Washington, D.C., to compel the government to surrender records concerning yearly payments totaling \$1.1 million that Griles is receiving from his former employer, an oil and gas industry lobbying firm.

A longtime lobbyist for the energy industry, Griles has met regularly with clients of his former employer, National Environmental Strategies (NES), during his tenure at Interior. At the same time, NES is paying Griles \$284,000 per year as part of a \$1.1 million payout for his “client base.”

Griles apparently has played a key role in decisions affecting the Clean Air Act, oil and gas leasing on the Outer Continental Shelf, coal bed methane development in Wyoming’s Powder River Basin and wetland permit rules. Griles represented oil, gas and coal clients with interests in these same issues when he was a lobbyist.

We are demanding that a grand jury investigates whether the payments Griles is receiving from NES violate government ethics laws; whether Griles has unlawfully used his public



The Bill Moyers’ *NOW* program featured Friends of the Earth Kristen Sykes. It profiled her work exposing conflicts of interest by Deputy Secretary of the Interior Department J. Steven Griles.

office to provide preferential treatment to his former clients; and whether Griles made false statements to Congress at his nomination hearing.

We are also demanding that the Department of the Interior turn over all records on the \$1.1 million in payments Griles is receiving from the oil, gas and mining lobbying firm. And we are requesting all records pertaining to the financial interests of Griles that relate to possible conflicts of interest. We are particularly seeking a copy of the financial agreement by which Griles claims to have sold his “client list” to his former colleagues in his lobbying ventures. It is in return for this sale that Griles is being paid at least \$1.1 million. The government has refused to turn over more than

300 pages of documents, which Friends of the Earth requested in September under the Freedom of Information Act.

“Griles took an oath to serve the American people,” said Kristen Sykes, who monitors the Interior Department for Friends of the Earth, “but his actions demonstrate he is really working for the oil, gas and mining industries.”

Bill Moyers’ *NOW* program, which airs on PBS, recently featured Sykes’ work exposing the conflicts of interest by Griles while at the Interior Department.



For more information visit
<http://www.interiorwatchdog.org>

Amazonian Indigenous Tribes Demand Rights at Protest

By Keira Costic

A \$2.8 billion natural gas pipeline is weaving its way through nomadic indigenous peoples' territory in the Peruvian Amazon in order to eventually supply energy markets for the West Coast of the United States. Indigenous and environmental leaders held a demonstration at the Inter-American Development Bank (IDB) to fight this U.S. taxpayer-backed project.

Over one hundred Amazonian indigenous leaders and non-governmental organizations delivered a letter to the IDB president, asking him to immediately adopt an indigenous peoples policy. The letter also asked the president to reconsider the \$75 million loan for the Camisea oil and gas-drilling project, given threats to the survival of isolated indigenous peoples and irreversible impacts to the region's biodiversity.

"It's not the way it was before, everything was tranquil, our fishing and hunting was normal. It's affecting us, all of the Urubamba River Basin is affected," said a Miyaria community member.

The Camisea project will extract gas from the Nahua-Kugapakori Reserve. Nomadic indigenous peoples live in the reserve and have had little to no contact with the outside world. The pipeline will also cut through one of the world's most pristine tropical rainforests, which is home to the Nahua, Kirineri, Nanti, Machiguenga and Yine indigenous groups.

As reported by the *The Washington Post*, the two major U.S.

Photo credit: Jon Sohn



Indigenous leaders from the Peruvian Amazon with Friends of the Earth, ask Inter-American Development Bank officials to stop financing the drilling in the Nahua-Kugapakori Reserve.

companies involved in the project are Hunt Oil Co. and Halliburton Co. Both companies have longstanding ties to the Bush-Cheney administration and the Republican Party.

"Hunt and Halliburton were involved in their campaign fundraising, in their transition policies and in Vice President Cheney's secret energy plan," said Jon Sohn, international analyst for Friends of the Earth.

The project is seeking public financing from the U.S. Export-Import Bank, the IDB, as well as export credit agencies in five other countries. The Overseas Private Investment Corporation's refusal to fund the project and Citigroup's recent withdrawal as financial advisor for the Camisea project is a further indication that the project is financially, environmentally and socially risky.

There are already reports that the project has caused massive erosion and pollution; has used divisive community relations tactics; and international expert Dr. Robert Goodland has suggested an investigation into allegations that contact initiated by the project is causing harm to isolated indigenous groups who lack immunity to common respiratory and gastrointestinal diseases.

In contrast to the World Bank, the IDB does not have an indigenous peoples policy—despite the large numbers of indigenous peoples in the Americas—and, therefore, frequently does not address indigenous community land rights and development goals in their financing decisions.



For more information about the Camisea project visit:

<http://www.foe.org/camps/intl>