



ANALYSIS: 2008 SPENDING BY OIL AND COAL INDUSTRIES

August 18, 2008

As the 2008 presidential election heads into the final stretch, it is clearer than ever before that American energy policy is at a crossroads. Experts agree that a shift in our energy and consumption is necessary to avert catastrophe brought on by global warming, yet there is strong resistance to a major move away from a coal-fired electricity and oil-based economy to one based on alternative sources of renewable energy. The stakes have never been higher.

The battle is raging, in particular, for public opinion as well as for the eyes, ears, and allegiances of our elected officials. With literally tens of billions of dollars of annual profits at stake – for example, ExxonMobil alone reported \$22.6 billion in profits in the first half of 2008 – the coal and oil industries are desperately spending hundreds of millions of dollars to shape and mobilize public and elite opinion.

Facing proposed changes in tax policy, regulation, and public accountability, it's no wonder the coal and oil industries are spending money so freely. Yet the question remains: exactly how much *are* they spending?

In this analysis, Public Campaign Action Fund has attempted to quantify how much coal and oil interests spent in the first six months of 2008. Below we've provided analysis in four different areas:

- **Political contributions** to Congress, the major political parties, federal Political Action Committees (PACs), and leadership PACs;
- **Lobbying expenditures** made in Washington to influence government decision-makers;
- **Paid advertising** by oil and coal industry companies, as well as by front groups funded by the oil and coal industries; and
- **Other political spending** by section 527 and 501(c)4 organizations clearly meant to influence elections on behalf of pro-oil and pro-coal candidates.

The spending in each of these areas is broken down below. In addition, each section includes a short description of methodology. An overall word of caution: We have provided our best, most conservative totals of spending based on the available data. It does not include, for example, spending by 501(c)3 "thinks tanks," educational "studies," and other nonprofits funded

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to promote pro-oil and pro-coal energy policies since that data is not currently publicly and/or consistently available.

We estimate that the coal and oil industries spent an astounding \$427.2 million over the first six months of 2008 to influence public opinion and public policy.

2008 SPENDING BY OIL AND COAL INTERESTS, BY CATEGORY

<i>Amounts in millions</i>	Coal/Electric Utilities	Oil/Gas	Total
Political Contributions	\$16.5	\$20.9	\$37.4
Lobbying Expenditures	73.7	55.3	129.0
Paid Media	7.4	201.2	208.6
Other Political Spending	40.0	12.2	52.2
Total	\$137.6	\$289.6	\$427.2

Political Contributions: \$37.4 million (from January 1 to June 30, 2008)

- Oil and gas industry. Federal candidates, PACs, political parties, and leadership PACs received \$20,917,422 from the oil and gas industry from January 2008 to June 2008. Of this total, 25% was given to Democrats and 75% was given to Republicans.
- Coal mining industry. Federal candidates, PACs, political parties, and leadership PACs received \$2,425,159 from the coal mining industry from January 2008 to June 2008. Of this total, 31% was given to Democrats and 69% was given to Republicans.
- Electric Utilities (without nuclear). Federal candidates, PACs, political parties, and leadership PACs received \$14,038,084 from the electric utilities industry (without nuclear) from January 2008 to June 2008. Of this total, 48% was given to Democrats and 52% was given to Republicans.
- In total, federal candidates, PACs, political parties, and leadership PACs received \$37,380,665 from these industries from January 2008 to June 2008. Of this total, 34% was given to Democrats and 66% was given to Republicans.

Methodology:

Public Campaign Action Fund analyzed campaign finance data provided by the nonpartisan Center for Responsive Politics (<http://www.opensecrets.org>). These figures, which

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are coded by industry, include contributions of \$200 or more made by individuals and political action committees to federal candidates, political action committees, leadership political action committees, and political parties.

The data analyzed includes donations coded by the Center as employees, their spouses, and PACs from employers within the oil and gas, coal mining, and electric utilities industries. It should be noted that contributions from the nuclear industry, a subcategory in the Center's totals for electric utilities, were held out of these totals.

Lobbying expenditures: \$129.0 million (from January 1 to June 30, 2008)

- The oil and gas industry spent \$55,339,015 lobbying Congress and the White House from January 2008 to June 2008.
- The coal mining industry spent \$8,374,919 lobbying Congress and the White House from January 2008 to June 2008.
- Electric utilities spent \$65,278,012 lobbying Congress and the White House from January 2008 to June 2008.
- In total, these three industries spent \$128,991,946 lobbying Congress and the White House from January 2008 to June 2008.

Methodology:

Public Campaign Action Fund reviewed industry-coded data for lobbying expenses available at the nonpartisan Center for Responsive Politics (<http://www.opensecrets.org>) for data filed for lobbying over the first six months of 2008. The data is not yet complete, so these figures are conservative in their estimate.

The data analyzed included lobbying expenses from the oil and gas, coal mining, and electric utilities industries. Public Campaign Action Fund withheld lobbying expenses, to the best of our ability, from known non-coal or gas-powered electric utility entities.

Paid Media: \$208.6 million (from January 1 to August 3, 2008)

Oil:

- In the first half of 2008, the major industry players, American Petroleum Institute, BP, Chevron Texaco, Conoco Phillips, Exxon Mobil, Hess Corporation, and Royal Dutch Shell, spent \$92.2 million on broadcast and cable advertising; \$14.9 million on radio advertising; \$57.5 million on print advertising in magazines and newspapers; \$5.3 million on Internet advertising; and \$4.0 million on other media.
- A conservative estimate of the oil industry's spending on paid advertising for the first half of 2008 is \$201.2 million.

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Coal/Electric Utilities:

- So far in 2008, the major industry players, Southern Company, Duke Energy, American Electric Power, the Edison Electric Institute, and American Coalition For Clean Coal Electricity spent \$4.0 million on broadcast and cable television advertising; \$0.4 million on radio advertising; \$2.4 million on print advertising in magazines and newspapers; \$0.1 million on internet advertising; and \$0.3 million on other types of advertising.
- A conservative estimate of the coal industry’s spending on paid advertising for the first half of 2008 is \$7.4 million.

Total:

- In the first half of 2008, the total spending between the coal and oil industries on paid media is \$208.6 million.
- Of this total, \$106.3 million was spent on broadcast and cable television advertising; \$17.5 million was spent on radio advertising; \$74.4 million was spent on print advertising; \$5.8 million was spent on Internet advertising; and \$4.5 million was spent on other types of advertising.

Summary of paid advertising:

COAL	Television	Radio	Print	Internet	Other	Total
Companies	\$3,129,634	\$419,971	\$1,939,932	\$36,057	\$278,056	\$5,803,650
Groups	\$961,307	\$19,707	\$426,365	\$93,650	\$45,479	\$1,546,508
<i>Subtotal</i>	<i>\$4,090,941</i>	<i>\$439,678</i>	<i>\$2,366,297</i>	<i>\$129,707</i>	<i>\$323,535</i>	<i>\$7,350,158</i>
OIL	Television	Radio	Print	Internet	Other	Total
Companies	\$92,151,703	\$14,864,117	\$57,462,132	\$5,336,564	\$4,021,471	\$173,835,987
Groups	\$10,050,056	\$2,183,231	\$14,609,615	\$361,859	\$204,510	\$27,409,271
<i>Subtotal</i>	<i>\$102,201,759</i>	<i>\$17,047,348</i>	<i>\$72,071,747</i>	<i>\$5,698,423</i>	<i>\$4,225,981</i>	<i>\$201,245,258</i>
TOTAL	\$106,292,700	\$17,487,026	\$74,438,044	\$5,828,130	\$4,549,516	\$208,595,416

Methodology:

These figures are from TNS Media Intelligence, the industry standard for tracking media spending.

Other Political Spending: \$52.2 million

The coal and gas industries have been aided in their efforts to shift public opinion by a number of front groups, many of which have spent lavishly on election-related activities. These groups are largely organized as nonprofits under section 527 or 501(c)4 of the Internal Revenue Code. They include:

- Newt Gingrich’s American Solutions for Winning the Future has pounded the oil industry’s drumbeat of “drill here, drill now” all year long. Organized as a section 527 committee, they spent \$12.2 million from January to June 2008. (Records filed with the Internal Revenue Service, accessed August 8, 2008.)
- Americans for Balanced Energy Choices, a coal industry front group, pledged to spend \$40 million in key primary and caucus states to promote “clean coal.” In April, once the majority of the primaries were concluded, it merged with the Center for Energy and Economic Development to form the American Coalition for Clean Coal Electricity. (Spencer Hunt, “\$40 Million Campaign: Energy companies plug coal’s clean benefits,” *Columbus Dispatch*, March 31, 2008.)
- There are a multitude of other groups, like the United States Chamber of Commerce, the National Association of Manufacturers, American Energy Alliance, and Americans for Prosperity, organized under sections of the Internal Revenue Code that do not require the public disclosure of their spending.

About Public Campaign Action Fund

Public Campaign Action Fund is a national nonpartisan nonprofit organization that works to advance comprehensive campaign finance reform and hold elected officials accountable. The group conducts research, outreach, advocacy, and public education in service to a deeper understanding of the role of money in politics, and mobilizes public opinion and decision-makers to support comprehensive change in the financing of our elections.