

LOBBY WATCH



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Corporate Raider Targets Lege:

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Simmons Would Make Billions, Sticking Texas With Nuke Liability

No. 3 Perry donor clamors for corporate welfare check

With the legislature's atomic clock ticking on a bill to let profiteers dump the nation's nuclear waste in West Texas, it's time for a background check on the man who would be king of Texas nuclear dumping.

Billionaire corporate raider Harold Simmons controls Contran and Valhi, holding companies that run an empire of sugar, manufacturing, metal, chemical, oil, real estate, insurance and other interests.

Simmons built part of this empire through hostile takeovers like the one he is now pursuing against third-generation managers of West Bend, a Wisconsin manufacturing firm.¹ Simmons' companies have been charged with raiding their workers' pension funds to finance such takeover deals.²

With 2000 sales exceeding \$1 billion, Simmons' empire depends on friendly government policies. Taxpayers subsidize Simmons' sugar prices, bankroll military purchases of his aerospace metals and ultimately pay for the limits that government officials place on his tax and pollution liabilities.³

Then-President Clinton used the line-item veto to narrowly avert a 1997 loophole for Simmons to dodge \$80 million in taxes.⁴

Simmons' NL Industries faces a slew of toxic lawsuits for the lead that it added to paint and spewed on a Dallas neighborhood.⁵ Regulators have named NL as a "potentially responsible party" for many toxic Superfund sites, including Dallas, Waller and Hardin Counties sites.⁶

Going nuclear

Simmons bought Waste Control Specialists in 1995, the year it lost a fight to get the state to let it ship low-level radioactive waste to its West Texas dump. Back then, Rep. Robert Talton accused company lobbyists Kent Hance and John Birdwell of trying to bribe him with a job and \$60,000 in donations, charges the lobbyists denied.⁷

"A key element of Waste Control Specialists' long-term strategy," Valhi tells investors, "includes obtaining additional regulatory authorizations for the disposal of a broad range of low-level and mixed radioactive wastes."⁸

Before Simmons arrived, rival Envirocare blocked Waste Control from getting this authority, thereby preventing competition with its dump in Utah. Simmons' clout has altered the political landscape.

Then-Governor Bush's Texas Natural Resource Conservation Commission halted plans to build a state-run nuclear dump in 1998 (Bush's gubernatorial campaigns received \$90,000 from Simmons). In January 2001, Waste Control settled the lawsuit that it had filed against Envirocare over alleged uncompetitive practices. Under the confidential terms of that deal, Envirocare apparently agreed to leave Texas to Waste Control.

With no competitors in sight, Waste Control is escalating its demands. Bills by Sen. Robert Duncan and Rep. Warren Chisum would allow Waste Control to get a 20-year license to bury the nation's low-level radioactive waste in West Texas.⁹ Once the license ends, the state inherits this waste for 100,000 years. In other words, Simmons gets the profits and Texas gets the nuclear liabilities.

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It takes Simmons-grade clout to get lawmakers to seriously consider such a scheme.

Political superfunds

Contran and Valhi contributed \$825,000 in unregulated corporate soft money over the last two election cycles—all to the GOP.

Simmons is a recidivist violator of federal election laws. In 1993, the Federal Election Commission fined him \$19,800 for exceeding federal contributions limits. Simmons admitted doing it again in 1997.¹⁰

Two of his daughters alleged in a 1997 lawsuit that their father put their names on hundreds of thousands of dollars in contributions. Simmons said he was “saddened” that his kids “apparently don’t understand the value of political activity.”

NL Industries CEO J. Landis Martin characterizes contributions as investments that pay off “hundreds of times over.”¹¹

Simmons is a Texas king maker. He, his top lieutenants and their PACs spent \$605,773 here in the past two election cycles, with Simmons and Kent Hance supplying 97 percent of this money.

An ex-congressman and Texas Railroad Commissioner, Hance lobbies for Waste Control. A Waste Control sister company, TecSafe, lists Hance (who gave \$51,000 to Bush’s gubernatorial campaigns) among its officers and directors. TecSafe operates a waste research facility at Waste Control’s dump.

Simmons personally gave more than \$400,000 to state candidates in this period, ranking as Governor Rick Perry’s third largest individual

donor. Republican candidates received 88 percent of Simmons’ money directly. Simmons split the remainder between Democrats and Texans for Lawsuit Reform’s PAC.

This PAC raised \$1.5 million in the 2000 cycle, giving 79 percent of it to GOP candidates. Texans for Lawsuit Reform—which fights to limit the legal responsibility of businesses that harm consumers, workers or communities—received 81 percent of its PAC money from Simmons and 23 other families that made fortunes in such dangerous, litigious industries as toxic chemicals, oil and construction.

By letting Simmons make billions of dollars and sticking taxpayers with the liabilities, the current radioactive waste legislation would be the ultimate “tort reform.”

Political Contributions By Waste Control Specialists, 1997-2000

Contributors	Waste-Control Link	Amount
Harold Simmons	Valhi chair/CEO	\$427,350
Kent R. Hance*	WCS lobbyist; TecSafe ofcr.	\$151,023
Steven L. Watson	Valhi president	\$8,000
William Lindquist	Valhi/Contran Sr. VP	\$3,000
Bobby D. O'Brien	Valhi/Contran VP/treasurer	\$2,500
Eric Peus	Waste Control CEO	\$1,900
Waste Control		\$1,250
Contran Corp. PAC		\$500
Glenn R. Simmons	Valhi/Contran vice chair	\$250
TOTAL:		\$605,773

*Includes \$6,200 from Kent Hance Special Fund.

Top Recipients*	Amount
Gov. Rick Perry	\$209,900
Pres. George W. Bush	\$66,000
A.G. John Cornyn	\$41,250
Ex-RRC Barry Williamson	\$27,000
Texans for Lawsuit Reform	\$25,000
Speaker Pete Laney	\$20,000
Justice Greg Abbott	\$16,000
Land Com. David Dewhurst	\$16,000
RRC Tony Garza	\$16,000
Compt. Carole Rylander	\$13,050
Sen. Todd Staples	\$12,500
Sen. Buster Brown	\$10,000
Justice Craig Enoch	\$10,000

*Table lists recipients’ current titles

Two utilities that want to dump radioactive waste in Andrews County are even bigger political donors. Waste Control reported in 1999 that it “signed long term contracts with some of the major nuclear utilities in the Texas

Compact, with very competitive pricing for disposal of [low-level radioactive waste] and mixed waste.” The PACs of two such utilities spent \$2.7 million to influence state politicians in the last two elections. Reliant

Energy PACs spent \$1.4 million; Texas Utilities PACs spent \$1.3 million.

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The Simmons lobby

On top of the contributions that they made to Texas politicians, radioactive waste interests have spent heavily to lobby these politicians. Waste Control and Valhi alone reported paying 16 lobbyists up to \$640,000 by the end of 2000. Competitor Envirocare paid seven lobbyists up to \$410,000—just before it settled the lawsuit with Waste Control.

Texas “compact” utilities that want to dump radioactive waste in

Andrews County retain even bigger stables of lobbyists. Three of them—Reliant Energy, Texas Utilities and Vermont Nuclear Power—paid 88 lobbyists up \$3.5 million to push their interests in Texas in 2000.

Waste Control regards its political spending as a crucial business expense.

“Governmental policies are by their nature subject to change and the exercise of broad discretion by

regulators, and it is possible that Waste Control Specialists’ ability to obtain any desired applicable permits on a timely basis...could in the future be impaired,” the company tells investors. “Waste Control Specialists will attempt to monitor and anticipate regulatory, political and legal developments which affect the waste management industry.”¹²

Apparently, Harold Simmons expects to fatten up lobbyists and politicians for some time to come. •

Harold Simmons’ 2000 Lobby

Lobbyist	Max. Value	Min. Value
Lisa K. Anderson	\$100,000	\$50,000
James Mathis	\$100,000	\$50,000
Gordon Johnson	\$100,000	\$50,000
Robert Johnson Jr.	\$100,000	\$50,000
Andrew Barrett	\$50,000	\$25,000
Lisa K. Ivie Miller	\$25,000	\$10,000
Reggie Bashur	\$25,000	\$10,000
Harold B. Green	\$25,000	\$10,000
Kent R. Hance	\$25,000	\$10,000
Michael Woodward	\$25,000	\$10,000
Jay B. Stewart	\$25,000	\$10,000
Hilary B. Doran Jr.	\$10,000	\$0
Robert D. Culley	\$10,000	\$0
Kraege Polan	\$10,000	\$0
James "Bill" Haley	\$10,000	\$0
Mignon McGarry	\$0	\$0
TOTAL:	\$640,000	\$285,000

All lobbyists with WCS except Valhi’s Harold Green.

Texas Nuclear Lobby Contracts, 2000

Nuclear Dump Interest	Max. Value	Min. Value	Lobbyists
Reliant Energy	\$1,975,000	\$945,000	41
Texas Utilities (TXU)	\$1,465,000	\$630,000	46
Waste Control Specialists	\$615,000	\$275,000	15
Envirocare	\$410,000	\$220,000	7
Andrews Co. Indust. Fdn.	\$50,000	\$25,000	1
Valhi, Inc.	\$25,000	\$10,000	1
VT Yankee Nuclear Power	\$10,000	\$0	1
TOTAL:	\$4,550,000	\$2,105,000	112

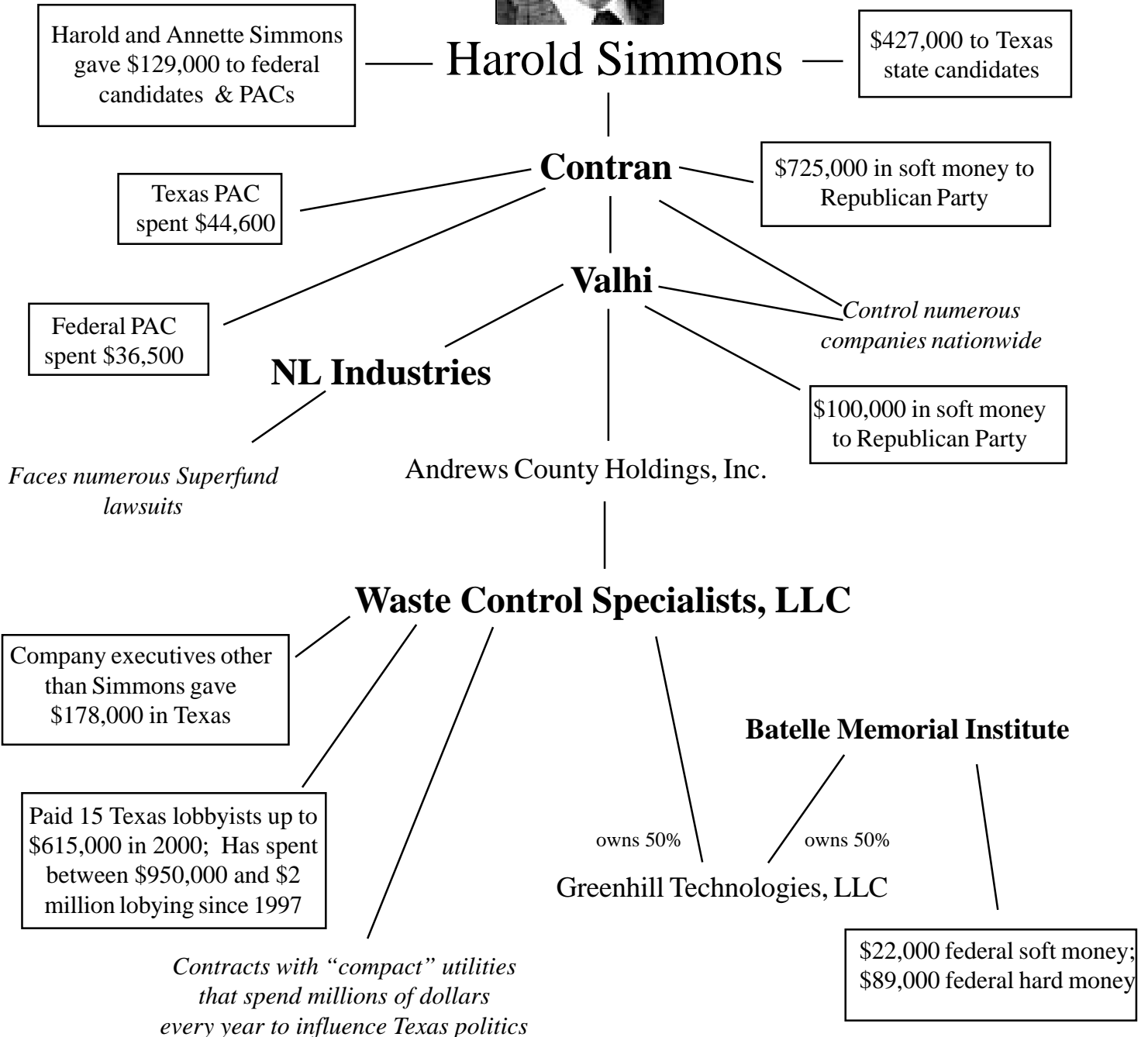
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¹ “Putting ‘hostile’ back into takeover,” *New York Times* February 25, 2001; “Gehl’s Texas thorn makes stab at election,” *Milwaukee Journal Sentinel*, March 15, 2001.
² “Contran pension plans subject of U.S. lawsuit,” *Washington Post*, May 12, 1983; “Now the UAW’s after Harold Simmons,” *Industry Week*, October 3, 1983.
³ “Texas firms, individuals gave GOP \$7.5 million,” *Dallas Morning News*, August 9, 1996.
⁴ “Texas billionaire feels sting of inaugural line item veto,” *New York Times*, August 12, 1997.
⁵ “Residents suing over pollution,” *Dallas Morning News*, November 8, 1998; Valhi’s quarterly report filed March 27, 2000.
⁶ Valhi’s quarterly report filed March 27, 2000; “State superfund quarterly status report,” TNRCC, March 1997.
⁷ “Accusations fly in Austin over nuclear dump proposal,” *Houston Chronicle*, May 23, 1995.
⁸ Valhi’s quarterly report filed March 27, 2000.
⁹ SB 1541 and HB 3420.
¹⁰ “Simmons exceeded PAC limits,” *Dallas Morning News*, May 20, 1997; “Two Texans agree to pay fines,” *Dallas Morning News*, March 18, 1993; “Campaign gifts flow from rich,” *Los Angeles Times*, April 18, 1990.
¹¹ “Family feud shows how rich spread political gifts,” *Dallas Morning News*, May 4, 1997.
¹² Valhi’s quarterly report filed March 27, 2000.

Simmons Empire Political Spending, 1997-2000



In the 1998 & 2000 election cycles, Harold Simmons and his empire contributed over \$1.6 million to Texas and federal candidates, and spent a comparable amount to lobby Texas politicians.



Through his Contran and Valhi holding companies, Harold Simmons controls numerous companies encompassing sugar, chemicals, oil, aerospace metals and nuclear waste.

All data cover 1997-2000, unless otherwise stated. Sources: Texas Ethics Commission and Center for Responsive Politics.