

LOBBY WATCH



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Waste Land

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Texas Becomes the Nation's Lone-Star Nuclear Dump

- **What A Few Million Dollars Buys in Austin.**
- **Hance Scarborough: Waste Control's In-House Lobby Firm**

*The awful daring of a moment's surrender
Which an age of prudence can never retract*

—T.S. Eliot, *The Waste Land*

Rarely have so few given away so much for so little. Most states would be shocked if their legislatures agreed to serve as the nation's default dumpsite for low-level nuclear waste. The closest thing to shock here, however, is how little Texas politicians have received in exchange for taking nuclear waste rejected by every other state.

Interests affiliated with the top beneficiary of this sellout, Waste Control Specialists (WCS), contributed more than \$1.5 million to Texas state candidates and PACs since 2001. WCS spent up to \$2.8 million more on 63 state lobby contracts in the same period. While in 2004 alone, 16 other nuclear interests spent up to \$7.7 million on 152 Texas lobby contracts. These seem like huge political expenditures—until you consider what they bought.

Governor Rick Perry and the Texas Legislature directed state officials in 2003 to authorize two privately run dumps to take low-level nuclear waste. One dump would take nuclear waste from power plants in Vermont and Texas. Another would take additional radioactive waste from the U.S. Department of Energy (DOE). Permits for these dumps (to be

run by WCS just East of the New Mexico border) are not expected before 2007.

Opening the floodgates

Meanwhile, WCS has been chasing vast new streams of nuclear waste. Department of State Health Services (DSHS) officials recently sextupled the cap on uranium tailings waste that WCS is licensed to receive, going from 250,000 cubic feet to 1.5 million cubic feet. This gives WCS capacity to pursue millions of pounds of waste from a contaminated DOE weapons processing plant in Ohio—waste that Utah and Nevada have refused to accept. Beyond temporary storage of this waste, WCS has applied to DSHS for a license to dump it in West Texas permanently.

An international consortium called Louisiana Energy Services (LES) has been negotiating with New Mexico officials to build a \$1.2 billion uranium-enrichment plant just over the border from the WCS dumps in Texas. To secure the support of Governor Bill Richardson (a former DOE head), LES promised last year to treat and dump that plant's nuclear waste outside New Mexico. Company and government officials have cited

WCS as a leading candidate for this dirty work. The plant, which would supply commercial nuclear plants with fuel, is expected to produce 217,000 tons of uranium waste over 30 years.

A five-state nuclear-waste “compact” also wants to send nuclear waste from Nebraska, Kansas, Oklahoma, Louisiana and Arkansas to West Texas. Dodging responsibility in 1980, Congress ordered the states to deal with low-level radioactive waste by forming such alliances. Each compact is supposed to elect a member state to dispose of waste from the entire compact. In this way, Texas got stuck with Vermont’s nuclear waste and Nebraska got stuck with its compact’s waste.

After fellow compact members sued Nebraska for refusing to take their waste, then-Nebraska Governor Mike Johanns offered Governor Perry \$50 million last year to take that compact’s waste. Texas is considering this offer from a compact that generates 408,651 cubic feet of nuclear waste a year.

One of the nation’s major nuclear dumping grounds, South Carolina’s Barnwell site, has warned that it will not take waste from outside of its three-state compact after 2008.

Dumping \$1.5 million in Austin

Texas state candidates and PACs have taken \$1,516,129 from WCS-tied donors since 2001. During this period the same donors gave \$888,568 to federal PACs and candidates and another \$15,000 to Tom Delay’s legal defense fund. Just three donors—Harold Simmons, Kent Hance and Contran PAC—account for 90 percent of WCS’ state money.

Billionaire corporate raider Harold Simmons, who gave Swiftboat Veterans for Truth \$2 million to attack John Kerry’s war record, has controlled WCS since 1995. Simmons’ Contran and Valhi holding companies control an empire of sugar, manufacturing and chemical companies that face major legal liabilities for Superfund sites, lead poisoning and nuclear waste.

**Donors Tied To Waste Control Specialists
(2001 through 2004)**

Total State Amount	Total Federal Amount	WCS-Linked Donor	City	Company
\$792,400	\$256,368	Harold/Annette Simmons	Dallas	Contran Corp. CEO
\$311,865	\$79,250	Kent Hance	Austin	WCS Chair; Hance Scarborough
\$171,500	\$266,000	Contran Corp. PAC	Dallas	Contran Corp.
\$31,500	\$41,000	Steven L. Watson	Dallas	Contran president
\$29,600	\$8,250	Thomas Tourtellotte	Driftwood	Hance Scarborough attorney
\$20,000	\$44,000	Glenn R. Simmons	Dallas	Contran vice chair
\$17,450	\$42,000	William Lindquist	Plano	Contran senior vice president
\$16,500	\$2,000	Bobby D. O'Brien	Plano	Contran treasurer
\$12,000	\$110,500	J. Landis Martin	Denver	NL Industries/Timet CEO
\$4,034	\$0	Hance Scarborough...	Austin	Hance Scarborough
\$3,350	\$9,000	Michael Woodward	Austin	Hance Scarborough
\$2,750	\$0	Geoff Weisbart	Manchaca	Hance Scarborough
\$2,000	\$22,500	Susan Hance	Austin	Hance Scarborough
\$1,500	\$3,000	Terry Scarborough	Austin	Hance Scarborough
\$1,100	\$0	Andrew B. Nace	Dallas	Contran Corp.
\$575	\$3,700	Greg Swalwell	Dallas	Contran Corp. VP & Controller
\$125	\$1,000	J. Mark Hollingsworth	Dallas	Contran general counsel & VP
\$1,418,249	\$888,568	TOTALS		

Note: The \$97,880 that these people gave to Contran PAC is excluded to avoid double counting. Federal contributions from the Center for Responsive Politics.

Currently ranking as Texas' ninth-largest individual donor, Simmons contributed \$792,400 to state candidates and PACs over the past four years. To avoid double counting, this excludes Simmons contributions to Contran PAC, which dropped another \$171,500 in Texas. Given that *Lobby Watch* previously discussed Simmons, this edition focuses on another WCS kingmaker.

In-house lobby

During the early 1990s, lobbyist Kent Hance of Hance Scarborough Wright Ginsberg and Brusilow helped WCS founder Ken Bigham establish a hazardous waste dump in West Texas—a region that Hance had represented in Congress. The company's decision to expand into radioactive waste required a dramatic increase in funding and political clout, which Hance secured by recruiting Simmons to invest \$25 million in WCS.

In a 2003 lawsuit accusing Simmons and Hance of forcing him out of the company, Bigham claims that Hance introduced him to Simmons as someone who "had connections with several state politicians, including then Governor George W. Bush and current Governor Rick Perry, as well as several federal politicians, including Kay Bailey Hutchison, Phil Gramm, and Orin Hatch." In court filings Hance countered that Bigham cheated him out of his share of a \$2 million legal settlement that WCS won from a competitor. Bigham has since dropped the suit after losing a separate judgment over a large debt that he owed to Simmons.

As WCS has lobbied federal, state and local officials for a dizzying array of permits and contracts covering an ever-expanding stream of nuclear wastes, Hance has served the company in an unusual combination of roles. Besides serving as chair and CEO of WCS in recent years, Hance has provided the company with a kind of in-house lobby firm. Hance registered as a Texas lobbyist for WCS in the late 1990s, when he also lobbied in Washington for parent company Valhi. During this period, state Rep. Robert Talton accused Hance and another WCS lobbyist of trying to buy his vote on a 1995 nuclear-waste bill by

offering \$60,000 in donations and a job at WCS. The lobbyists denied the accusation.

Hance—who has given state PACs and candidates \$311,865 in the last four years—last registered as a WCS lobbyist in 2001. Yet he has continued to lobby state leaders on its behalf. Speaker Tom Craddick's calendar for March 3, 2003 says, "Kent Hance requests to meet with TC re: low level radioactive waste. Spoke with Linda (his assistant)... and she said that Hance ran into TC and TC said that he would meet with him." Next to this entry are the words, "MUST stop by."

Hance's initial 2005 filings report that he is receiving between \$240,000 and \$530,000 this year from 13 lobby clients, including controversial ones. Lax administration of a contract with Hance client Clarendon Insurance cost Texas' Children's Health Insurance Program \$20 million, according to a 2004 state audit. Hance also represents Pilgrim's Pride, which issued a record-breaking poultry recall in 2002 after one of its plants was fingered in food poisonings that caused eight deaths and three miscarriages.

TRMPAC ties

Hance partner Terry Scarborough said the firm billed \$250,000 in recent months to defend the treasurer of Tom DeLay's Texans for a Republican Majority PAC (TRMPAC) from a lawsuit. The lawsuit accuses the PAC of illegally spending \$600,000 in corporate funds to help Republicans takeover the Texas House in 2002. A Travis County grand jury investigating related criminal charges has subpoenaed records from Craddick, who helped the PAC raise and distribute corporate funds. Craddick's general counsel, Michelle Wittenburg, resigned in October 2004 to become a lobbyist for Hance Scarborough.

TRMPAC received \$77,500 in corporate funds from three nuclear powers: Constellation, Reliant and Westar. Constellation Energy (\$27,500 to TRMPAC) owns nuclear plants in Maryland and New York.

In 2002 Reliant Energy (\$25,000 to TRMPAC) spun off its nuclear plant to a new company, CenterPoint. Reliant has given

\$20,000 to DeLay's legal defense fund and hosted a 2002 baby shower for DeLay's daughter. Its ex-lobbyist Bruce Gibson is Lieutenant Governor David Dewhurst's chief of staff.

Westar Energy (\$25,000 to TRMPAC) owns a Kansas nuclear plant that will send its waste to Nebraska—unless WCS takes it. Documents obtained by reporters in 2003 reveal a Westar executive questioned the logic of contributing to DeLay's PAC in Texas. A savvy executive responded that Westar needed DeLay to secure an exemption from federal utility laws. That failed deal recalls a special exemption that Craddick secured for Cap Rock Energy in

1999—when his daughter lobbied for that company. Kent Hance and Michelle Wittenburg both lobby for Cap Rock today.

Nuclear officials

WCS donors contributed more than \$1.5 million to Texas state candidates and PACs since 2001, with most benefiting Republicans. They also gave \$50,000 to Free Enterprise PAC, which attacks moderate Republicans for purportedly being soft on abortion or gays.

Governor Perry, who got the most WCS money, will appoint the first members of the Texas Compact Commission. It will decide if other compacts can dump waste in Texas.

Top Recipients of WCS-Linked Contributions

(Jan 2001-Nov. 2004)

Amount	Recipient	Description or State Office Sought
\$250,000	Rick Perry	Governor
\$168,000	David Dewhurst	Lieutenant Governor
\$100,125	Texans For Lawsuit Reform	Limiting civil lawsuits
\$100,000	Yes on [Prop.] 12	Authorizing TX legislature to cap civil damages
\$97,880	Contran Corp. PAC	PAC of Simmons' main holding company
\$95,000	Greg Abbott	Attorney General
\$88,832	Carole Keeton Strayhorn	Comptroller
\$71,000	Texas Republican Party	Combines donations to two state GOP funds
\$50,000	Free Enterprise PAC	Ultra-conservative PAC
\$46,000	Tom Craddick	House Speaker
\$22,500	Bryan Hughes	House
\$15,500	Michael Williams	Railroad Commissioner
\$15,000	John Cornyn	Attorney General
\$13,750	Jerry Patterson	Land Commissioner
\$10,500	Victor Carrillo	Railroad Commissioner
\$10,000	Associated Republicans of TX	Supports pro-business Republicans
\$10,000	Stars Over Texas PAC	Promotes Tom Craddick as speaker
\$10,000	Texans for a Republican Majority	DeLay PAC promoting GOP takeover of TX House
\$10,000	John Sharp	Lieutenant Governor
\$9,500	Wallace Jefferson	Supreme Court
\$9,000	John Carona	Senate
\$9,000	Kelton Seliger	Senate
\$8,000	Buddy West	House
\$7,500	Michael Williams	Railroad Commissioner
\$7,250	Susan Combs	Agriculture Commissioner
\$7,000	Paul Green	Supreme Court
\$7,000	Charles Matthews	Railroad Commissioner
\$7,000	Steve Ogden	Senate

Lieutenant Governor Dewhurst is the next-largest recipient of WCS money, landing \$168,000 (opponent John Sharp got \$10,000). WCS donors gave \$46,000 directly to Tom Craddick. They also gave \$20,000 to PACs that helped Craddick attain and retain his leadership post: Texans for a Republican Majority (TRMPAC) and Stars Over Texas. TRMPAC-backed Rep. Bryan Hughes was the House's other top recipient of WCS money. Seven WCS donors acting on the same day gave Hughes a total of \$15,000 in late-train contributions on December 17, 2002.

Harold Simmons' heavy investment in toxic industries encourages contributions to judges, attorneys general and PACs that advocate strict liability limits (Texans for Lawsuit Reform and Yes on 12). Other top recipients of WCS money include former and current Railroad Commissioners, who oversee uranium mines and radioactive waste from the oil and gas industry.

Ken Armbrister, who chairs the WCS-critical Senate Natural Resources Committee, got \$4,000 from WCS donors. These donors gave another \$3,000 to House Natural Resources Committee Chair Dennis Bonnen.

Nuclear Lobby

WCS has spent up to \$5 million on 110 Texas lobby contracts since 1995. The company also spent more than \$415,000 to lobby Congress

WCS' Texas Lobby Contracts

Year	Max. Value of Contracts	Min. Value of Contracts	No. of Contracts
1995	\$120,000	\$20,000	7
1996	\$50,000	\$0	5
1997	\$175,000	\$60,000	8
1998	\$95,000	\$30,000	3
1999	\$1,200,000	\$585,000	14
2000	\$615,000	\$275,000	10
2001	\$720,000	\$365,000	15
2002	\$300,000	\$150,000	8
2003	\$950,000	\$435,000	22
2004	\$345,000	\$155,000	8
2005*	\$520,000	\$245,000	10
TOTAL	\$5,090,000	\$2,320,000	110

*Just includes early 2005 registrations.

and the DOE from 1998 through 2004. Federal DOE and Department of Defense (DOD) funds represent the big prize. A 1999 WCS analysis of "emerging market opportunities" lists three federally funded schemes with a potential worth of \$39 billion.

WCS has operated a jobs program for former Texas officials. Governor Bush aides Andrew Barrett, Reggie Bashur and Roy Coffee have lobbied for WCS. Jeff Saitas, who served on President-Elect Bush's 2000 environmental transition team, became a WCS lobbyist after stepping down as director of Texas' environmental agency.

Waste Control Lobbyists (Early 2005)

Max. Value of Contracts	Min. Value of Contracts	Lobbyist	Description
\$100,000	\$50,000	Claire P. Arenson	Works with Saitas at Saitas & Arenson
\$100,000	\$50,000	Jeffrey Saitas	Ex-Director of TX environmental agency
\$100,000	\$50,000	Pamela Giblin	Baker Botts
\$50,000	\$25,000	Reggie Bashur	Ex-aide to Governor Bush
\$50,000	\$25,000	Deborah Ingersoll	Runs own firm: Legislative Solutions
\$50,000	\$25,000	Gary Walker	Ex-House Member
\$25,000	\$10,000	Froy Salinas	Ex-House Member
\$25,000	\$10,000	Michael Woodward	Hance Scarborough Wright...
\$10,000	\$0	Robert Floyd	Hance Scarborough Wright...
\$10,000	\$0	Jay Stewart	Hance Scarborough Wright...
\$520,000	\$245,000	TOTALS	

Ex-House Speaker Billy Clayton has lobbied for WCS, as have former lawmakers Hugo Berlanga, Hilary Doran, Bill Haley, Carl Parker, Froy Salinas, Jim Rudd, Bill Sims and Gary Walker.

At least 16 other clients with nuclear interests spent up to \$7.7 million on 152 Texas lobbyists in 2004. Ten clients that paid 135 Texas lobbyists up to \$6.3 million last year have direct interests in the WCS dumps in Texas.

Texas lobby clients that operate nuclear power plants covered by the Texas-Vermont compact

include TXU, CenterPoint, American Electric Power, Entergy and the municipal utilities of Austin and San Antonio. The State of Vermont and the Association of Electric Companies of Texas also have interests in this compact's dump. Entergy also owns nuclear power plants in Louisiana and Arkansas, which are covered by the Nebraska compact.

Finally, Entergy, Exelon and Duke Energy are all investors in Louisiana Energy Services. That company is planning to build a uranium-enrichment plant in New Mexico and would like to ship depleted uranium to WCS in Texas.

Other 2004 Nuclear Clients Lobbying in Texas

Nuclear Client	Home State	Link To WCS	Max. Value of Contracts	Min. Value of Contracts	No. of Contracts
TXU	TX	TXC	\$1,495,000	\$635,000	49
Assn of Electric Co's of TX	TX	TXC	\$1,420,000	\$675,000	28
CenterPoint Energy	TX	TXC	\$1,145,000	\$585,000	16
Exelon Corp.	IL	LES	\$875,000	\$435,000	11
American Electric Power	OH	TXC	\$575,000	\$360,000	5
FPL Energy	FL		\$550,000	\$275,000	6
El Paso Electric Co.	TX		\$450,000	\$250,000	5
Entergy Corp.	LA	LES/NEC/TXC	\$385,000	\$135,000	18
San Antonio Public Service	TX	TXC	\$275,000	\$135,000	4
Constellation NewEnergy	MD		\$200,000	\$150,000	1
City of Austin Utilities	TX	TXC	\$100,000	\$50,000	1
Duke Energy Corp.	NC	LES	\$85,000	\$35,000	3
Dominion Exploration	VA		\$60,000	\$25,000	2
Xcel Energy, Inc	TX	*	\$50,000	\$25,000	1
State of Vermont	VT	TXC	\$10,000	\$0	1
Uranium Resources, Inc	TX		\$10,000	\$0	1
TOTALS:			\$7,685,000	\$3,770,000	152

LES = Louisiana Energy Services; NEC = Nebraska's Compact; TXC = Texas' Compact
 *Xcel would supply the enormous electricity needs of LES' proposed plant in New Mexico.