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Koch brothers now at heart of GOP power

The billionaire brothers' influence is most visible in the makeup of the House Energy and Commerce Committee, where members have vowed to undo restrictions on greenhouse gases.

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Reporting from Washington

The billionaire brothers David and Charles Koch no longer sit outside Washington's political establishment, isolated by their uncompromising conservatism. Instead, they are now at the center of Republican power, a change most evident in the new makeup of the House Energy and Commerce Committee.

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Wichita-based Koch Industries and its employees formed the largest single oil and gas donor to members of the panel, ahead of giants like Exxon Mobil, contributing \$279,500 to 22 of the committee's 31 Republicans, and \$32,000 to five Democrats.

Nine of the 12 new Republicans on the panel signed a pledge distributed by a Koch-founded advocacy group — Americans for Prosperity — to oppose the Obama administration's proposal to regulate greenhouse gases. Of the six GOP freshman lawmakers on the panel, five benefited from the group's separate advertising and grass-roots activity during the 2010 campaign.

Claiming an electoral mandate, Republicans on the committee have launched an agenda of the sort long backed by the Koch brothers. A top early goal: restricting the reach of the Environmental Protection Agency, which oversees the Kochs' core energy businesses.

The new committee members include a congressman who has hired a former Koch Industries lawyer as his chief of staff. Another, Rep. Morgan Griffith of Virginia, won a long-shot bid to unseat a 14-term moderate Democrat with help from Americans for Prosperity, which marshaled conservative activists in his district. By some estimates, the advocacy group spent more than a quarter-million dollars on negative ads in the campaign. "I'm just thankful that you all helped in so many ways," Griffith told an Americans for Prosperity rally not long after his election.

Perhaps the Kochs' most surprising and important ally on the committee is its new chairman, Rep. Fred Upton. The Republican from Michigan, who was once criticized by conservatives for his middle-of-the-road

approach to environmental issues, is now leading the effort to rein in the EPA.

Upton received \$20,000 in donations from Koch employees in 2010, making them among his top 10 donors in that cycle, according to the Center for Responsive Politics.

In recent months the congressman has made a point of publicly aligning himself with the Koch-backed advocacy group, calling for an end to the "EPA chokehold." Last week the chairman released a draft of a bill that would strip the EPA of its ability to curb carbon emissions. The legislation is in line with the Kochs' long-advocated stance that the federal government should have a minimal role in regulating business. The Kochs' oil refineries and chemical plants stand to pay millions to reduce air pollution under currently proposed EPA regulations.

Koch Industries is the country's second-largest privately run company, a conglomerate of refining, pipeline, chemical and paper businesses. Their products include Lycra and Coolmax fibers, Brawny paper towels and Stainmaster carpets. Last year, Forbes magazine listed the brothers as the nation's fifth-richest people, each worth \$21.5 billion.

A spokesman for the famously press-shy family declined to comment. Koch allies say the brothers act out of ideological conviction.

A Washington energy consultant familiar with the Kochs, Javier Ortiz, said the committee agenda reflects the "needs of the American people" and a broad shift in political sentiment.

A symbolic arrival

When the 85 freshman GOP lawmakers marched into the Capitol on Jan. 5 as part of the new Republican House majority, David Koch was there too.

The 70-year-old had an appointment with a staff member of the new speaker, Rep. John A. Boehner (R-Ohio). At the same time, the head of Americans for Prosperity, Tim Phillips, had an appointment with Upton. They used the opportunity to introduce themselves to some of the new legislators and invited them to a welcome party at the Capitol Hill Club, a favorite wine-and-cheese venue for Republican power players in Washington.

The reception was a symbolic arrival for the Kochs, who have not always been close to the Republican hub. The brothers were known as hard-liners unafraid to take on conservative icons — even President Reagan and the American Petroleum Institute — whom they occasionally perceived to be too accommodating to liberal interests. David Koch ran as the Libertarian Party's vice presidential candidate in 1980, when Reagan was the GOP presidential candidate.

The Kochs provided initial funding for the libertarian Cato Institute and are key donors to the Federalist Society, among other conservative organizations.

In recent years, they began drawing conservative media, business and political leaders to semiannual meetings in the West to discuss protection of the free-market ethos and to raise funds for their causes. The most recent was in Rancho Mirage a week ago.

Frustrated with the state of conservatism in Washington during the George W. Bush era, the Kochs began to shift the discussions at recent meetings from fundraising for think tanks to more specific electoral strategy.

Longtime ties

At the center of the new ground-level strategy is a beefed-up role for Americans for Prosperity. Along with other well-funded conservative groups, the group was very active in the congressional midterm election — in many cases taking on roles often performed by national and state parties.

Americans for Prosperity is the political arm of the Americans for Prosperity Foundation, which David Koch co-founded in the 1980s under the name Citizens for a Sound Economy. He is chairman of the board of the foundation, which says it aims to educate citizens on "a return of the federal government to its constitutional limits."

Americans for Prosperity says it spent \$40 million in the 2010 election cycle, organized rallies and phone banks, and canvassed door to door in nearly 100 races across the country. The organization found scores of energetic activists in the "tea party" movement to carry its message.

Throughout this effort, Americans for Prosperity kept a strong emphasis on promoting its views on climate change and energy regulation. In 2008, it began circulating a pledge asking politicians to denounce a Democratic-led effort to compel oil refineries and utilities to clean up emissions of greenhouse gases through a so-called cap-and-trade system. The organization said it amounted to a hidden tax increase.

The cap-and-trade legislation passed the House but died in the Senate. Americans for Prosperity began working to defeat House Democrats who voted for the bill, showing the power of its new activist base.

The advocacy group does not disclose spending in individual races. But it said it facilitated tens of thousands of phone calls and organized dozens of events in recent congressional campaigns. Among the beneficiaries, besides Griffith, were newly elected Reps. Cory Gardner (R-Colo.) and Adam Kinzinger (R-Ill.). All three now sit on the Energy and Commerce Committee.

Gardner and Kinzinger declined to comment on their relationship with Americans for Prosperity and the Koch brothers, although a spokeswoman for Gardner emphasized that the group's work was "totally independent" of his campaign, in line with federal election rules.

Other committee members have deeper ties to the Kochs.

Rep. Mike Pompeo (R-Kan.), who represents Koch Industries' home district, launched an aerospace company with investment help from a Koch subsidiary. He sold the company last year. His chief of staff is Mark Chenoweth, a former Koch Industries lawyer.

Phil Kerpen, vice president for policy at Americans for Prosperity, said the organization was pleased with the committee's new members.

"From a policy standpoint, I think those are pretty good choices," he said, mentioning Griffith in particular.

Griffith has questioned the EPA and the science behind its proposed regulation of global warming. "We have to be sure the EPA is reined in," he said recently.

The Supreme Court ruled in 2007 that the EPA had the power to regulate greenhouse gases as air pollutants under the Clean Air Act. Pompeo, Griffith and others want to strip the EPA of that authority.

Until recently, Upton would have been an unlikely champion of that view.

In 2009, he told a Michigan newspaper: "Climate change is a serious problem that necessitates serious

solutions." Rush Limbaugh ridiculed Upton for his sponsorship of an energy-saving bill. Tea party groups opposed his bid for the committee chairmanship.

But as chairman, Upton said that EPA Administrator Lisa Jackson would have to attend so many hearings before his committee that she would need her own parking space on Capitol Hill. In daily e-mail blasts, he hammered at the EPA's "job-killing" regulations.

His bluntest rhetoric against the EPA came in late December, in a Wall Street Journal commentary he wrote with Phillips of Americans for Prosperity.

The EPA's regulation of greenhouse gas emissions, they wrote, "represents an unconstitutional power grab that will kill millions of jobs — unless Congress steps in."

In an e-mail statement, Upton denied that his position on climate change had shifted, and he explained his work with conservative activists. "Meeting with and listening to individuals and organizations that will be affected by the laws and regulations this committee oversees is one of our fundamental responsibilities," he said.

The change on the committee is "like night and day," said Jeremy Symons, senior vice president of the National Wildlife Federation, a nonpartisan organization that lobbied the committee to stem greenhouse gas emissions.

"In the past the committee majority viewed the Clean Air Act as an effective way to protect the public," Symons said. "Now the committee treats the Clean Air Act and the EPA as if they are the enemy. Voters didn't ask for this pro-polluter agenda, but the Koch brothers spent their money well and their presence can be felt."

Republicans wave off such comments, saying the focus on the Koch brothers is just the left's latest conspiracy theory.

"[Former Chairman] Henry Waxman stacked the committee with liberal environmentalists," said Rep. John Shimkus (R-Ill.), who now chairs the economy and environment subcommittee. "Now we are moving things back to the center."

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