



North Carolina Voters for Clean Elections

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Fracking debate fuels campaign gifts to N.C. lawmakers

RALEIGH, N.C. – As North Carolina lawmakers take up a new bill on hydraulic fracturing, the much-debated energy drilling method commonly known as “fracking,” a new report finds that energy interests tied to fracking gave campaign contributions to more than 100 state legislators between 2009 and 2011.

The report by N.C. Voters for Clean Elections, a state coalition focused on the role of money in politics, also finds that legislators who supported a pro-fracking bill in 2011 received more than triple the amount of campaign money from energy interests than did opponents of the legislation.

The study focuses on campaign contributions from 10 energy-related companies involved in the fracking debate. In 2011, a bill to study allowing fracking in North Carolina passed the N.C. House by a vote of 69-42 and the N.C. Senate by a 35-10 majority; however, the House failed to reach the three-fifths needed to override the veto by Gov. Beverly Perdue.

This session, lawmakers are again considering a bill that could open the door to fracking in the state.

Other key findings of the report:

- Between 2009 and 2011, the 10 fracking-related firms donated \$299,900 to the campaign committees of N.C. House members who voted for SB 709 last year, and just \$91,400 to those who voted against it.
- In the N.C. Senate, these companies gave \$208,700 to those who voted for SB 709, and \$50,150 to those who voted against in the N.C. Senate.
- N.C. House Speaker Rep. Thom Tillis (although did not vote on the bill but helped move it along for floor vote) received \$43,650 in contributions from the companies, nearly half (48.3%) of what all 42 Representatives who voted against the bill received combined. President Pro Tempore Sen. Phil Berger (only voted once during 2nd reading) received \$46,700, 93.1% of what all 10 Senators who voted against received as a unit.
- Senator Bob Rucho introduced SB 709 in the Senate and is a strong proponent of fracking. He also received a total of \$20,500 from the fracking industry participants included in the study, 40.9% of what all 10 Senators who voted against received as a unit.

POWER POLITICS

Fracking debate fuels campaign gifts to N.C. lawmakers from energy interests

The Energy Jobs Act, N.C. Senate Bill 709, aims to study the use of natural gas extraction using a method of horizontal drilling and hydraulic fracturing known as “fracking.” In 2011, SB 709 passed the N.C. House by a vote of 69-42 and the N.C. Senate by a 35-10 majority; however, the House failed to reach the requisite three-fifths needed to override the veto by Gov. Beverly Perdue.

As the issue of fracking has emerged in the North Carolina legislature, several companies involved in the fracking industry have become significant contributors to the campaign committees of House and Senate members.

The following analysis by the N.C. Voters for Clean Elections looks at the contributions of industries related to the fracking industry from 2009-2011. With the exception of Speaker of the House Thom Tillis and President Pro Tempore Phil Berger, N.C. legislators who did not vote for SB 709 were not included.

While new fracking bills are projected to be introduced in the House and Senate; this study focuses on votes related to SB 709. Additionally, while First Quarter 2012 finance reports are currently being released, we did not consider those numbers because not all legislators have yet released those reports, and campaign finance report amendments are common.

Who Are The Players?

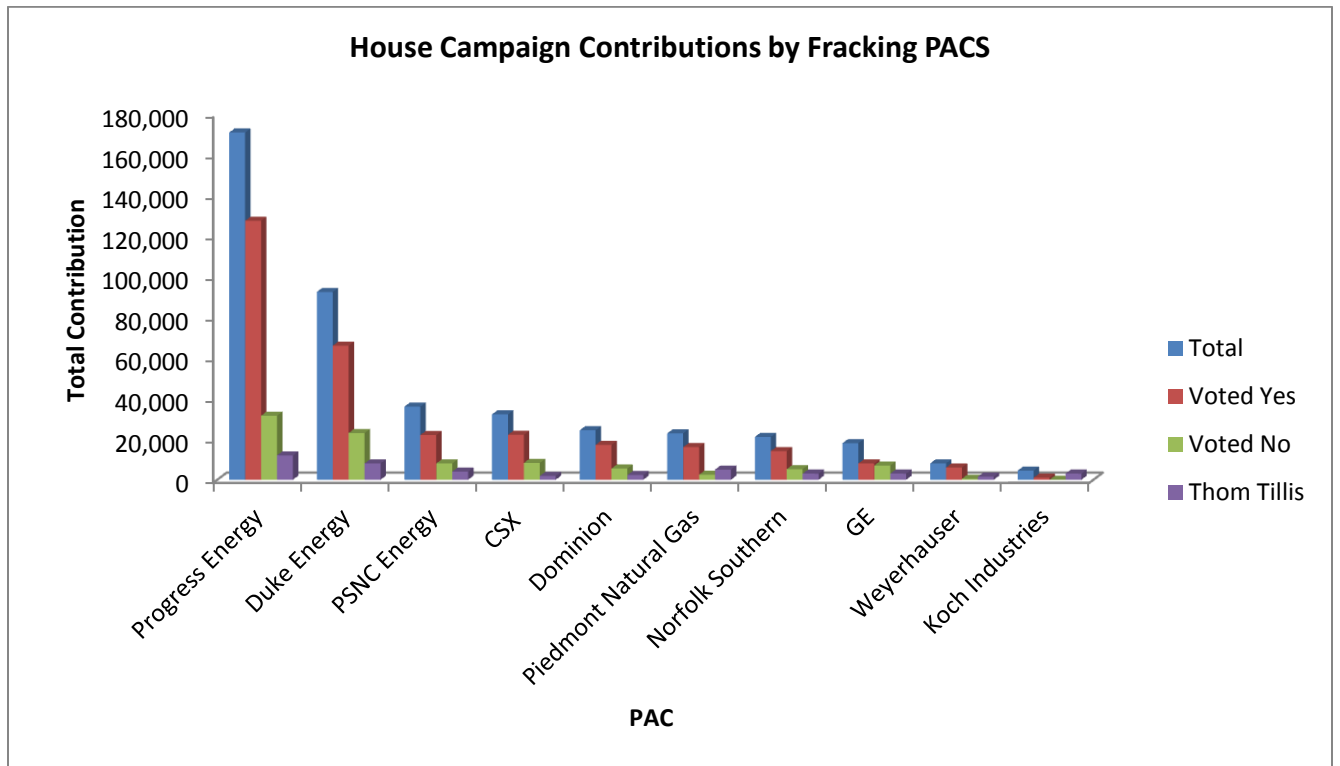
Fracking benefactors were identified as organizations with an explicit interest or stance in favor of hydraulic fracturing in North Carolina. Duke Energy and Progress Energy (separate PACs) are two of the primary benefactors of SB 709, the Energy Jobs Act, in North Carolina. The three major electric utilities serving North Carolina – Duke Energy, Progress Energy and Dominion Resources – all have plans to expand their use of natural gas to produce electricity; they are among the primary benefactors of SB 709, the Energy Jobs Act, in North Carolina. General Electric has introduced a mobile evaporator to help natural gas drillers recycle water while drilling for natural gas. GE has also spent over \$137 million to acquire the Bakken Shale Formation in North Dakota with the intention of fracking there. In North Carolina, Weyerhaeuser has purchased several shale deposits, indicating an interest in fracking. Norfolk Southern and CSX are railroad corporations who are seeing a huge increase in shale gas shipping of fracking sand and equipment. Piedmont Natural Gas takes a favorable stance to fracking, as do Koch Industries.

The House of Representatives

Fracking benefactors spent a total of \$430,500 on direct contributions to the 112 members of the NC House of Representatives in this study. Benefactors donated \$299,900 to the campaign committees of those who voted for SB 709, and \$91,400 to those who voted against.

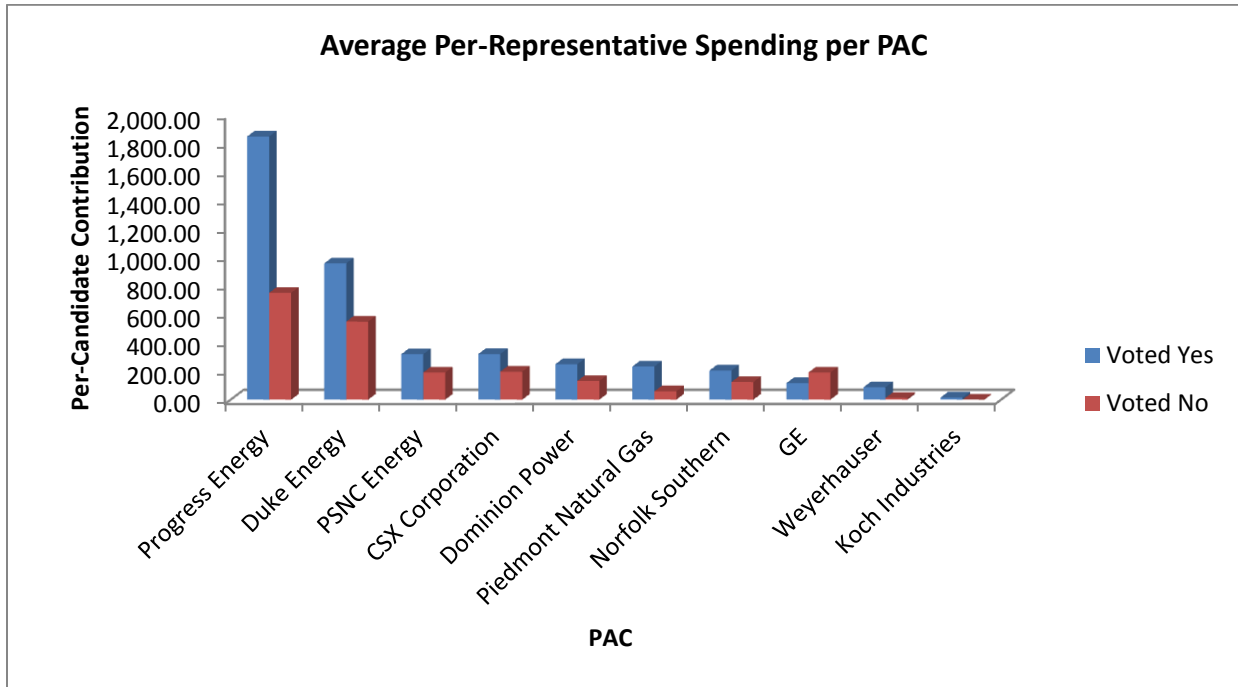
Progress Energy gave the most money to both those who voted for and those who voted against, spending a total of \$171,000 on House campaign contributions from 2009-2011. Both Duke and Progress Energy gave over \$90,000 apiece, while four PACs (Progress Energy, Duke Energy, PSNC Energy, and CSX Corporation) gave over \$30,000. An additional three PACs (Dominion Power, Piedmont Natural Gas, and Norfolk Southern) contributed at least \$20,000, while GE lagged not far behind with \$18,000 spent in total.

Figure One: Total Spending Per Major PAC of the 112 House Members 2009-2011



PAC	Total	Voted Yes	Voted No	Thom Tillis
Progress Energy	171,000	127,500	31,500	12,000
Duke Energy	92,500	66,000	23,000	8,000
PSNC Energy	36,000	22,000	8,000	4,000
CSX	32,200	22,100	8,250	1,850
Dominion	24,350	17,150	5,500	2,300
Piedmont Natural Gas	22,850	16,050	2,450	5,000
Norfolk Southern	21,100	14,100	5,200	3,000
GE	18,000	8,000	7,000	3,000
Weyerhaeuser	8,000	6,000	500	1,500
Koch Industries	4,500	1,000	0	3,000
Total	430,500	299,900	91,400	43,650

Figure Two: Average Per Representative Contribution Per PAC (NOT including Thom Tillis)



PAC	Voted Yes	Voted No
Progress Energy	1,847.83	750.00
Duke Energy	956.52	547.62
PSNC Energy	318.84	190.48
CSX Corporation	320.29	196.43
Dominion Power	248.55	130.95
Piedmont Natural Gas	232.61	58.33
Norfolk Southern	204.35	123.81
GE	115.94	190.48
Weyerhaeuser	86.96	11.90
Koch Industries	14.49	0.00
Total	4,346.38	2,200.00

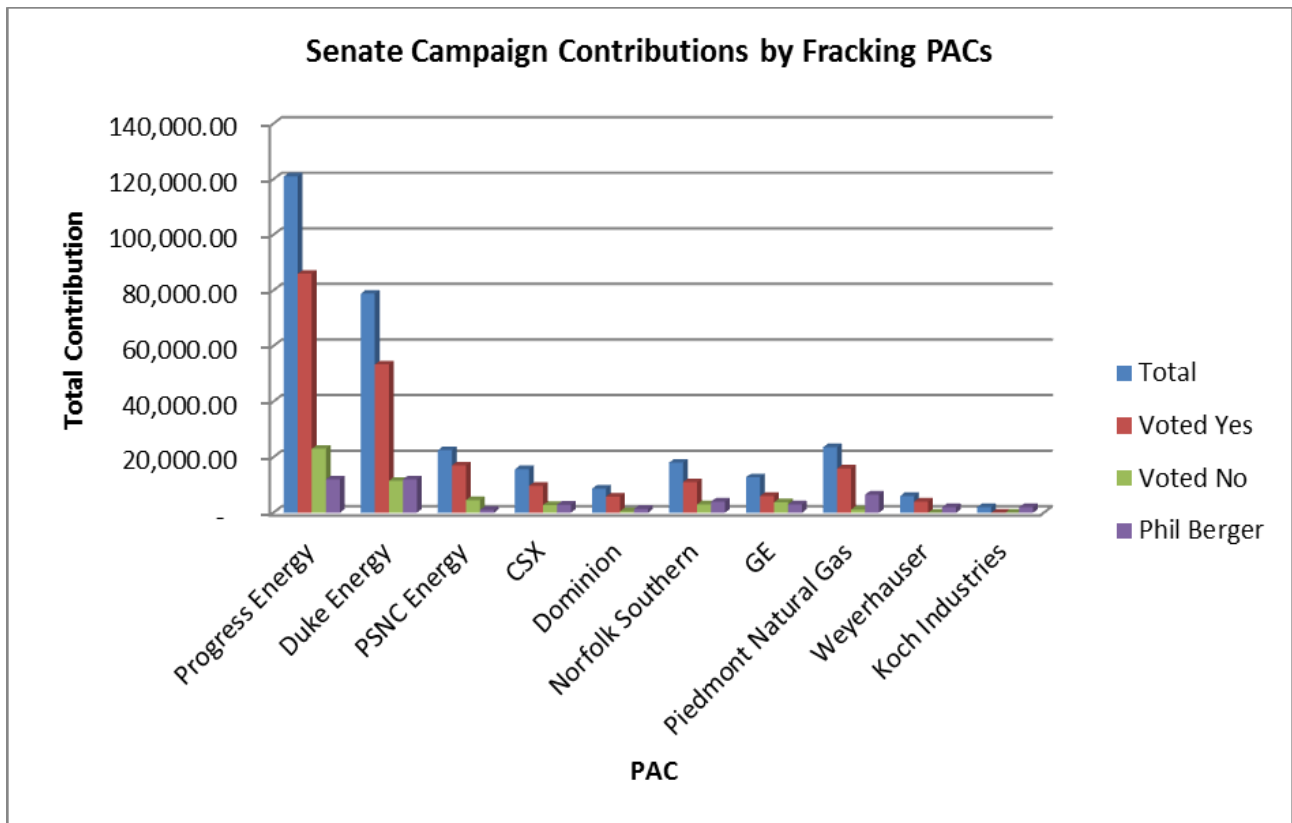
The Senate

In the Senate, identified fracking benefactors spent a total of \$308,950 on the 46 members of the Senate in this study. Benefactors donated \$208,700 to those who voted for SB 709, and \$50,150 to those who voted against.

Again, Progress Energy gave the most money to both those who voted for and those who voted against the

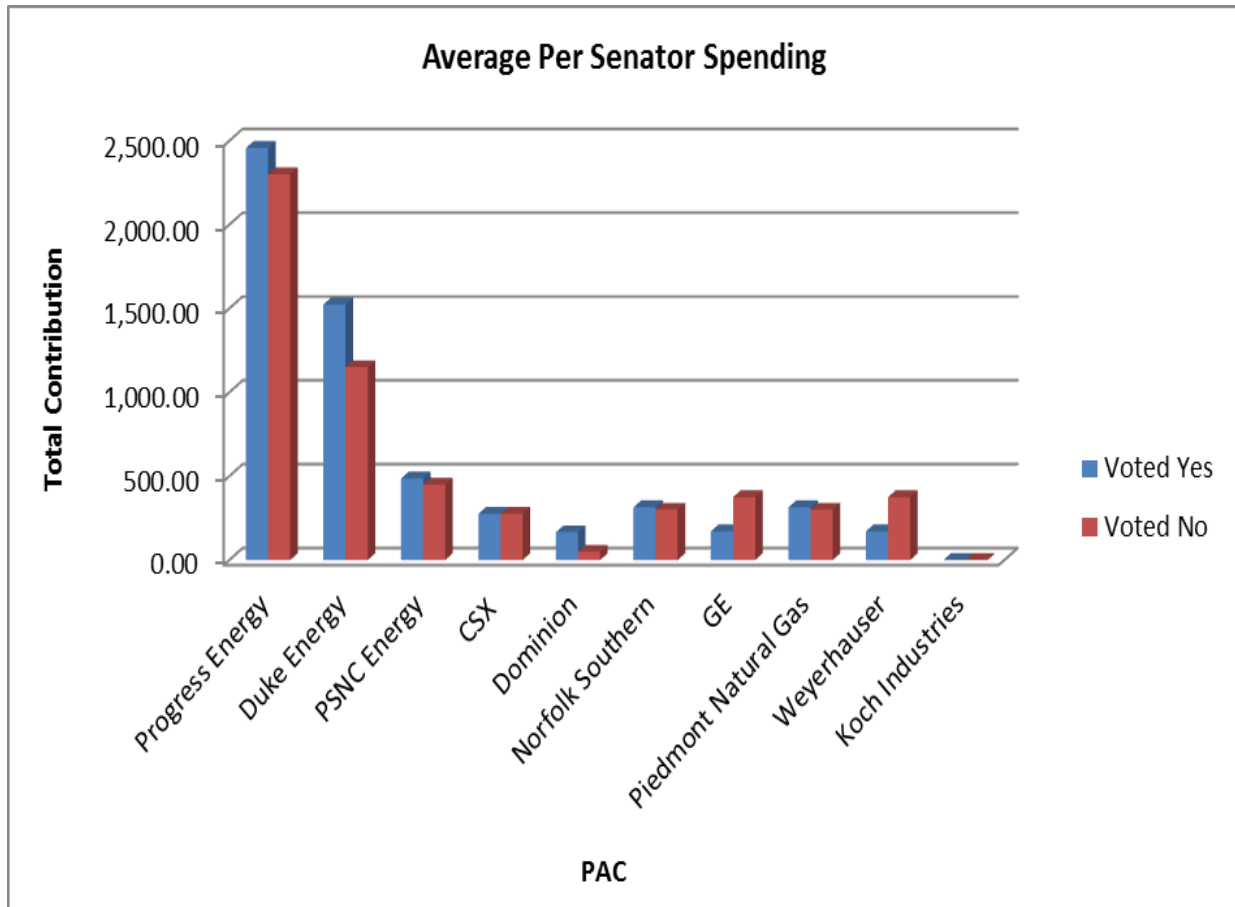
measure, spending a total of over \$121,000 on Senate campaign contributions from 2009-2011. Duke Energy gave over \$78,850. A total of four PACs (Progress Energy, Duke Energy, PSNC Energy, and Piedmont Natural Gas) gave over \$20,000, with only Duke and Progress giving over \$30,000. CSX, Norfolk Southern, and General Electric all gave at least \$10,000 to campaign committees.

Figure Three: Total Spending Per Major PAC of the 46 Senate Members 2009-2011



PAC	Total	Voted Yes	Voted No	Phil Berger
Progress Energy	121,000	86,000	23,000	12,000
Duke Energy	78,850	53,350	11,500	12,000
PSNC Energy	22,500	17,000	4,500	1,000
CSX	15,650	9,650	2,750	2,850
Dominion	8,650	5,800	500	1,350
Norfolk Southern	18,000	11,000	3,000	4,000
GE	12,750	6,000	3,750	3,000
Piedmont Natural Gas	23,550	15,900	1,150	6,500
Weyerhaeuser	6,000	4,000	0	2,000
Koch Industries	2,000	0	0	2,000
Total	308,950	208,700	50,150	46,700

Figure Four: Average Per Senator Contribution Per PAC (NOT including Phil Berger)



PAC	Voted Yes	Voted No
Progress Energy	2,457.14	2,300.00
Duke Energy	1,524.29	1,150.00
PSNC Energy	485.71	450.00
CSX	275.71	275.00
Dominion	165.71	50.00
Norfolk Southern	314.29	300.00
GE	171.43	375.00
Koch Industries	0.00	0.00
Piedmont Natural Gas	454.29	115.00
Weyerhaeuser	114.29	0.00
Total	5,962.86	5,015.00

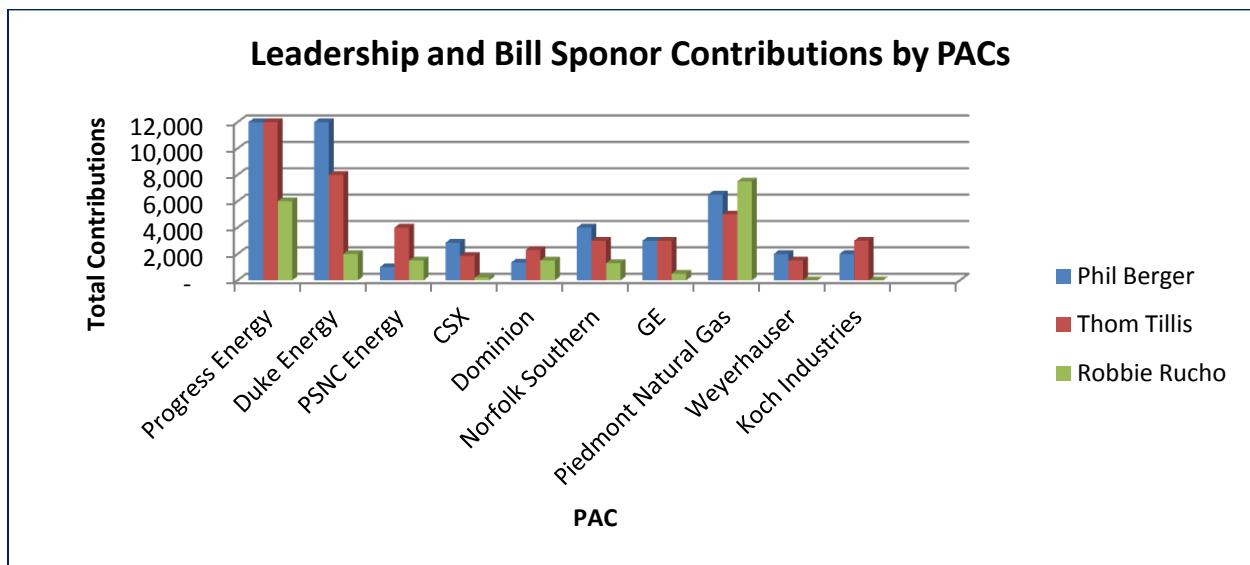
Thom Tillis, Phil Berger, and Robbie Rucho

Speaker of the House Thom Tillis and President Pro Tempore Phil Berger did not vote on the Energy Jobs Act, but played significant roles in the promotion of SB 709 by deciding when the bill came to vote in the House and Senate, respectively.

Tillis received \$43,650 in contributions, 48.34% of what all 42 Representatives who voted against received as a unit. Berger received \$46,700, 93.12% of what all 10 Senators who voted against received as a unit.

Senator Robbie Rucho introduced SB 709, the Energy Jobs Act, in the Senate and is a strong proponent of fracking. He also received a total of \$20,500 from studied fracking industry participants, 40.87% of what all 10 Senators who voted against received as a unit.

Figure Five: Phil Berger, Thom Tillis, and Robbie Rucho



PAC	Phil Berger	Thom Tillis	Robbie Rucho
Progress Energy	12,000	12,000	6,000
Duke Energy	12,000	8,000	2,000
PSNC Energy	1,000	4,000	1,500
CSX	2,850	1,850	200
Dominion	1,350	2,300	1,500
Norfolk Southern	4,000	3,000	1,300
GE	3,000	3,000	500
Piedmont Natural Gas	6,500	5,000	7,500
Weyerhaeuser	2,000	1,500	0
Koch Industries	2,000	3,000	0
Total	46,700	43,650	20,500

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