



# Public Citizen Report Sounds Alarm on Imminent Harms of Generative AI

BY CHEYENNE HUNT

The buzz around tools like ChatGPT is that generative A.I. will transform the world in ways that increase productivity, spur innovation, and make businesses rich, even as some detractors say A.I. could kill us all. Setting aside future threats that may materialize as the technology evolves, A.I. is already causing serious harms, as documented in a new report, “Sorry in Advance!”

The report takes its title from an announcement by the social media company Snapchat, which included in its invitation to users

to try its new subscription only A.I. tool a warning that its A.I. “is prone to hallucination and can be tricked into saying just about anything ... sorry in advance!”

The report shows that businesses are deploying potentially dangerous A.I. tools faster than their harms can be understood or mitigated. History offers no reason to believe that corporations can self-regulate away the known risks – especially since many of these risks are as much a part of generative A.I. as they are of corporate greed. Businesses rushing to introduce these new technologies

see AI, page 8 ►



Graphic courtesy of Shutterstock.

## Public Citizen Supports Consumer Product Safety Commission Against Industry Attacks

BY ADINA ROSENBAUM

Companies are attacking the authority of the Consumer Product Safety Commission (CPSC) to do its work protecting consumers from dangerous products. Public Citizen is filing briefs in courts across the nation to support the agency and its vital product-safety standards.

Multi-member independent agencies – government agencies governed by a board or commission whose members can be removed by the president only for cause – are a long-standing and well-established part of the U.S. government. Congress has been creating such agencies since the 1800s, assigning them responsibilities in a wide variety of areas, including the regulation of securities (the Securities and Exchange Commission), election laws (the Federal Election Commission),

telecommunications (the Federal Communications Commission), and consumer products (the CPSC). The independence of these agencies helps ensure that they are protected from political pressure and that their members can exercise their expert judgment in performing their statutorily assigned roles.

The Supreme Court has long upheld the constitutionality of multi-member independent agencies. The Court has understood that the Constitution does not require the president to have unrestricted power of removal over

see CPSC, page 4 ►

## The U.S. Chamber of Commerce’s Deep-Pocketed Donors

BY RHODA FENG

The U.S. Chamber of Commerce – the main Big Business trade association and the largest lobbying group in Washington, D.C., by far – claims to represent the interests of over 3 million businesses across the country, ranging from the largest of corporate conglomerates to small local businesses. The Chamber’s contributor list, though, tells a very different story, according to a recent report from Public Citizen.

The Chamber hauled in nearly \$198 million in contributions in 2021, 97% of which came from

see Chamber, page 11 ►

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Liza Barrie, *Access to Medicines campaign director*

Rick Claypool, *research director*

Chandlee Crawford, *Global Trade Watch intern*

Patrick Davis, *communications officer on climate and energy*

Rhoda Feng, *editor*

José Medina, *Texas press officer*

Scott Nelson, *attorney*

Adina Rosenbaum, *attorney*

Robert Weissman, *president*

Alan Zibel, *research director*

## GET TO KNOW PUBLIC CITIZEN JOSÉ MEDINA

An ongoing series profiling Public Citizen leaders and staffers



Born and raised in Ciudad Juárez, Mexico, Public Citizen's Texas Press Officer José Medina first arrived in Texas, to attend the journalism school at the University of Texas at Austin. After college, he landed in Las Cruces, New Mexico, where he worked as a freelance writer, covering high school sports for the *Albuquerque Journal* and the local paper *Las Cruces Sun-News*. He went on to become a full-time reporter for the latter. As a member of the newsroom, he covered various topics in southern New Mexico, including the courts, politics, and the commercial space industry. Medina returned to Austin to become the media coordinator at the ACLU of Texas and later served as the deputy communications director and senior communications strategist for the Texas Freedom Network.

### Can you tell us a bit about your previous work experience?

**Medina:** Education was my initial beat as a newspaper reporter, but I later moved on to cover more political subjects. I loved writing for the local paper. I had a lot of memorable experiences during my time in Las Cruces. For example, I was there during the 2008 presidential election when New Mexico was a battleground state. Because Las Cruces is in a swing county, I got to cover a rally by then-Sen. Joe Biden. And I got to ride the Straight Talk Express with Sen. McCain briefly. I didn't know it then, but a few moments before the senator joined us in the local press on the campaign bus, he had made his infamous gaffe about how many homes he owned. As much as I loved being a reporter, there came a time when I felt I wanted to do something different. I left Austin within a few days of graduating from UT and regretted it. Austin is great and I carried this nagging feeling that I should have stuck

around a little longer post-college and given the place a try as a non-student. The opportunity to return presented itself when the ACLU of Texas offered me its media coordinator position. A few years later, I moved over to the Texas Freedom Network, where I was the deputy communications director. After 11 years at TFN, the feeling that I wanted to do something different presented itself again. And that is what brought me to Public Citizen in May 2022.

### What has been your favorite part of working at Public Citizen?

**Medina:** Before Public Citizen, I was fortunate to be part of some great teams. Good fortune followed me to Public Citizen. I have great colleagues in Austin and other parts of the state. They are a passionate and highly knowledgeable group that welcomed me and made me feel at home from day 1. This opportunity has also introduced me to new issues that impact Texans, who are, frankly, suffering the consequences of the actions and inactions of the people in power.

### What does a typical day look like?

**Medina:** We are currently in the middle of the 88th session of the Texas Legislature. The Legislature is an enormous part of the work of the Texas office. Anyone whose job involves what happens at the state Capitol can tell you that typical days are few. Still, I try to have some structure even during my busiest days.

### What is one thing you're hoping to achieve in the coming year?

**Medina:** I hope to develop a project that focuses on language justice. The most vulnerable communities, like those around the Houston Ship Channel, are increasingly Latino. The people who live in those communities already face a tough road when advocating to keep their neighborhoods healthy and the surrounding polluters in line. Language barriers make this already tough challenge even tougher. ■

— Compiled by Rhoda Feng

1600 20TH ST. NW, WASHINGTON, D.C. 20009 • (202) 588-1000 • MEMBER@CITIZEN.ORG • WWW.CITIZEN.ORG

Public Citizen is a national nonprofit membership organization based in Washington, D.C. Since its founding by Ralph Nader in 1971, Public Citizen has fought for corporate and government accountability to guarantee the individual's right to safe products, a healthy environment and workplace, fair trade, and clean and safe energy sources. Public Citizen is active in Congress, the courts and government agencies.

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## Celebrating Public Citizen's 50th Anniversary

We are thrilled to celebrate our 50th anniversary throughout 2023 and into 2024, including with a major gala celebration in Washington, D.C. in June.

At a time when so many are having doubts about the future, the celebration of Public Citizen's 50th anniversary should help ground us. We've taken on great challenges in the past – in fact, we seek them out – and time and again we've made a difference and prevailed.

Anniversaries are a great time to appreciate our achievements and take stock for longer term planning.

As I look back at our first 50 years, I couldn't

be prouder. And, as a supporter and partner in our work, you should be, too.

We could write a whole book on Public Citizen's history. (We have, actually!) Consider just a few of our accomplishments: Getting air bags in cars. Removing deadly and dangerous drugs from the market. Helping pass

Wall Street reform and creating the Consumer Financial Protection Bureau. Winning the first fuel economy standards. Suing for release of the Nixon White House tapes, Trump administration White House visitor logs, Reagan administration records, and more.

It's an amazing record across so many fields, using many advocacy tools and prevailing over powerful interests.

How did we do it? We started by demanding what was right, not what people told us was

realistic. Then we campaigned, advocated, educated, organized and litigated to get there. We changed the terms of the debate. We marshaled the facts. We protected our independence and took no corporate money. We built power. We innovated creative strategies and built broad coalitions. We never cowered in the face of corporate goliaths. And we stayed on the case until we prevailed.

Looking forward, we're animated by that same commitment to justice, passion, fearlessness and persistence. We face great challenges – and great opportunities – in the following important areas.

**Democracy:** Against a rising proto-fascist movement, racist voter suppression and Big Money dominance of elections, we are building a powerful movement for democratic reform. Earlier this year, our organizing took us to the brink of a major legislative victory in the U.S. Congress. Going forward, we will build on that foundation of support and win far-reaching reform – from expanding the freedom to vote to ending Dark Money to overturning the Supreme Court's *Citizens United* decision with a constitutional amendment that our country overwhelmingly favors and desperately needs.

**Health Care for All:** Our national health care system is designed by and benefits health insurers, hospital chains and Big Pharma. But it is failing the American people. Here's the Rx: We're campaigning to improve and expand Medicare to cover more conditions and more people – and we won't stop until everyone is covered. Our cutting-edge studies are generating support to overcome Big Pharma's patent monopolies and lower prices. We continue to monitor drug safety and fight to keep dangerous drugs off the market. And we litigate and advocate for lifesaving health and safety protections.

**Climate Justice:** Humanity faces an existential crisis as fossil fuel corporations race us toward climate chaos. We are identifying key levers to spur the fundamental changes needed in our energy systems and global economy to avert the worst consequences of climate change. This means everything from making Big Banks and insurance companies stop financing fossil fuel development to adjusting global trade rules to limiting carbon emissions to forcing a rapid transition to electric vehicles, and much more.

**Taking on Corporate Power:** Connecting our work is a recognition of the fundamental challenge corporate power poses to a functional democracy, a fair economy, our health, safety, a just society and a livable planet. That recognition informs the way we campaign on every issue and the solutions we advocate. We challenge corporate power directly with sophisticated and hard-hitting campaigns to limit its political influence, hold corporations accountable in court, break up monopolies, defend the justice system, impose strong regulatory controls, punish corporate criminals and more.

Let me be clear. This is an outrageously ambitious agenda, and it's only part of our plans. We know we're not going to achieve it right away.

Yet here's what else we know: being outrageously ambitious has fueled our success in the past. If we don't aspire to make the world just, we'll never get there. If we embrace the challenges – yes, we'll fall short; there's no end to the work – but we'll make greater progress than if we lower expectations.

Let's do great things together. ■

*Robert Weissman*



**PRESIDENT'S VIEW**  
**ROBERT WEISSMAN**



► **CPSC**, from page 1

the heads of independent agencies and has explained that such removal power would threaten the agencies' independence.

In 2020, in a case called *Seila Law LLC v. Consumer Financial Protection Bureau*, the Supreme Court declined to extend its precedent concerning the constitutionality of multi-member independent agencies to the unusual context of an independent agency led by only a single director. Explaining that this single-member structure departed from the historical practice of conferring authority on multi-member independent boards and commissions, the Court held that, for an agency with a single director, the Constitution requires that the president have authority to remove the director at will.

Although *Seila Law* distinguished single-member independent agencies from multi-member independent agencies, several new cases challenge actions of the CPSC, the agency charged with protecting the public from hazardous consumer products, on the theory that its structure is unconstitutional because the president can remove its five commissioners only for cause.

Public Citizen recently filed amicus briefs in support of the

CPSC in three cases challenging the CPSC's structure. The first case involves an enforcement proceeding that the CPSC commenced against Leachco, Inc., a company that makes infant lounging pillows that have reportedly been involved in the deaths of two babies. Leachco filed suit against the CPSC, seeking a preliminary injunction against the enforcement proceeding on a number of grounds, including the restrictions on the removal of CPSC commissioners. The district court denied the preliminary injunction, and Leachco appealed to the U.S. Court of Appeals for the Tenth Circuit.

In the court of appeals, Public Citizen filed an amicus brief supporting the CPSC. The brief explains that both Supreme Court and Tenth Circuit precedent support the constitutionality of independent, multi-member regulatory agencies whose commissioners are protected against removal without cause by the president. The brief also explains that the Supreme Court's recent rulings make clear that restrictions on the removal of executive officers, even if unconstitutional, do not deprive those officers of authority to perform their duties.

The second case involves a CPSC rule setting a standard for operating cords on custom window coverings. Window coverings with

accessible operating cords pose a risk of injury or death to young children from strangulation. In 2018, the industry adopted a voluntary standard that provides strong protections against the risks posed by operating cords on stock window coverings. But although accessible cords on custom window coverings also pose a risk to children, the 2018 voluntary standard did not apply similar standards to custom window coverings. Accordingly, in 2022, the CPSC promulgated a final rule to extend the standards for stock window coverings in the 2018 voluntary standard to custom window coverings.

An organization called the Window Covering Manufacturers Association challenged the rule in the U.S. Court of Appeals for the D.C. Circuit, arguing, among other things, that the restrictions on removing CPSC commissioners require vacatur of the final rule. On behalf of itself, Consumer Federation of America, Consumer Reports, Kids in Danger, Parents for Window Blind Safety, and U.S. PIRG, Public Citizen filed an amicus brief in support of the CPSC, arguing that the rule is necessary to reduce an unreasonable risk of injury and death and that the statutory restriction on removal of CPSC commissioners do not render the rule invalid. The brief explains that the CPSC is pre-

cisely the type of multi-member, expert agency whose members can be protected from at will removal by the president without violating separation-of-powers principles and that, regardless, the removal restrictions do not provide a basis for vacating the window covering rule.

The third case involves another recent CPSC safety rule—this time a rule aimed at addressing the risk of injury and death to children associated with clothing storage units tipping over. Industry organizations challenged the rule in the U.S. Court of Appeals for the Fifth Circuit. Again, the challengers argued, among other things, that the rule should be vacated based on the limitations on the president's power to remove the CPSC's commissioner. And again, Public Citizen filed an amicus brief explaining that the statutory limits on the president's power to remove the commissioners do not render the rule invalid.

The broad attacks on the CPSC in these cases reflect a larger trend of regulated industries trying to undermine the authority of federal agencies that protect consumers. And Public Citizen's briefs in these cases reflect the organization's long history of pushing back against attempts by industry to undo consumer protections. ■



Photo of the Leachco Podster Baby Lounger courtesy of the U.S. Consumer Product Safety Commission.



# Texas' Legislative Session

BY JOSÉ MEDINA

The Texas Legislature, as it does every two years, convened in Austin in January. For 140 days until the session's close at the end of May, Public Citizen's Texas office was routinely at the state Capitol advocating for policies that invest in people, not corporations.

It is common for legislation in Texas to take a few sessions to get to the finish line and signed into law. With that in mind, Public Citizen set out to make progress on several fronts that adhere to the Texas office's three pillars: energy, environment, and ethics. As of this writing, several pieces of legislation supported by Public Citizen were moving forward.

## Environment: Reforms to the State's (Reluctant) Regulator

Texas employs a process called Sunset to evaluate its state agencies periodically. It happens every 12 years, and this year it was the turn of the Texas Commission on Environmental Quality.

As one of the largest state environmental agencies in the country, it is supposed to protect people from corporate polluters. But a state-issued report issued last year contained a scathing label for the agency: "reluctant regulator."

Texans agree with the state's assessment, especially in some of the most vulnerable communities.

The Sunset legislation governing the TCEQ is considered a must-pass bill. Working with legislators, Public Citizen helped craft agency improvements that are anticipated to be part of the final bill:

- Increasing maximum daily fines for polluters from \$25,000 to \$40,000;
- Extending the public comment period following permit application public meetings; and
- Transparency measures, including posting permit applications online

Public Citizen will continue working for more improvements during the rest of the legislative session.

## Energy: Fixing the Grid

From the jump, it was clear that legislative leaders intended to pass a misguided plan to add expensive power plants that run on fossil fuels to stabilize the

vulnerable electric grid. Public Citizen pushed for a better and cheaper way.

The cheapest megawatt of electricity is the one you don't use. Advocates pushed for legislators to pass bills that invest in energy efficiency programs.

Saving electricity lowers bills and lessens stress on our grid. And energy efficiency is much cheaper than building new power plants – with the savings going to customers.

Now, contrast energy efficiency with the plan backed by Lt. Gov. Dan Patrick. He supported legislation to build up to 20 new power plants – at an estimated cost of \$18 billion – that run on fracked gas. The plants would be paid for by taxpayers and increase electric bills.

Keeping the state dependent on fossil fuels is not good for the environment or for Texans. But it is an excellent deal for the dirty energy industry and the multinational conglomerate likely to build the plants.

The bottom line is that the Patrick plan benefits corporations. Energy efficiency is an investment in people and their communities.

## Energy: Preventing the Crypto Industry from Exploiting the Grid

Bitcoin miners have flocked to Texas in recent years. With them comes a seemingly unending demand for electricity.

In April, a bombshell story by

the *New York Times* highlighted the industry's toll on Texas. The Times found that 10 of the country's 34 large-scale Bitcoin operations are in Texas. Those Bitcoin miners have sent ratepayers' electric bills up 5% a year, costing an estimated \$1.8 billion in higher energy bills.

The industry also has exploited Texas' demand response program, which is used to stabilize our grid. The industry has pocketed a combined \$60 million in taxpayer dollars by getting paid to shut down when electricity demand is high.

Thankfully, lawmakers are waking up to the consequences of welcoming Bitcoin miners. In April, SB 1751 by Republican state Sen. Lois Kolkhorst passed the Senate unanimously. It imposed restrictions, including limiting the industry's participation in state programs that pay them to shut down and excluding Bitcoin miners from certain tax breaks.

While the bill's fate remained uncertain, its bipartisan approval in the Senate signals that lawmakers realize that an industry that hogs electricity and produces little of value is costing Texans while destabilizing the electric grid.

## Ethics: Holding Ken Paxton Accountable

Texas Attorney General Ken Paxton has gained national prominence for his outlandish actions, including attempting to overturn the results of the 2020 presidential election in swing states like

Pennsylvania.

Early in the legislative session, Paxton – who has been under a state fraud indictment for almost all of his eight years in office – revealed a settlement in a whistleblower lawsuit filed against his office by former employees. The plaintiffs allege Paxton retaliated against them when they blew the whistle on alleged corruption and bribery by the attorney general. Paxton asked the Legislature to fund the \$3.3 million settlement with taxpayer dollars.

Public Citizen was outspoken in calling on lawmakers to reject the settlement.

"There's absolutely no reason that the legal troubles of an individual related to their own personal conduct should be handled with taxpayer funds in any way," Adrian Shelley, the Texas director of Public Citizen, told the *Austin American-Statesman*.

Public Citizen also called on everyday Texans to contact legislators to oppose the settlement as a measure of accountability for an attorney general who has had numerous scandals and has a pending criminal case against him.

It is still being determined what the Legislature will do. But funding the settlement was not part of the budget that received initial passage by the state House. News reports also indicated bipartisan opposition to approval of Paxton's request.

Texans should NOT pay the price for Paxton's scandals. ■



Photo of the Texas State Capitol courtesy of Wikimedia.



# Big Oil's Favorite Lawmakers Promote Fossil Fuel Agenda

BY ALAN ZIBEL

Fossil fuel interests have donated nearly \$28 million to key U.S. House lawmakers advancing a retrograde agenda of fossil fuel giveaways that would put the climate in further peril, Public Citizen research has found.

The report provides an accounting of the 50 members of the U.S. House of Representatives who have received the most campaign contributions from fossil fuel interests over their careers. The report was published as the Republican-controlled House passed legislation that would derail the progress made under the Biden administration to combat climate change.

"Fossil fuel money is polluting Congress," said Public Citizen President Robert Weissman. "As a direct result, House Republicans have rammed through legislation that would race us toward climate catastrophe and cost American consumers and taxpayers trillions over time in preventable climate destruction."

Analyzing campaign finance information from OpenSecrets, the report found:

- The \$28 million combined total includes \$24.2 million that went to 45 Republicans and \$3.6 million to five Democrats over their careers.
- The top 10 House career recipients of oil and gas money include nine Republicans including House Speaker Kevin McCarthy (R-Calif.) and House Majority Leader Steve Scalise (R-La.) as well as one Democrat, Rep. Henry Cuellar (D-Texas). McCarthy has raised \$2.8 million over his career from fossil fuel interests, including Chevron and Occidental Petroleum. Scalise has raised \$2.1 million over his career from fossil fuel interests. Cuellar, the most prolific recipient of fossil fuel contributions among House Democrats and the third overall, has raised \$1.3 million from oil and gas interests over his career.
- New House lawmakers have been prodigious oil and gas fundraisers. Seventeen lawmakers in their first or second term in Congress have raised a combined \$2.9 million

from oil and gas interests over their careers and \$5.4 million in the 2022 election cycle alone. Rep. August Pfluger (R.-Texas) has been an especially prodigious oil and gas fundraiser, raking in nearly \$1.1 million from oil and gas interests in just two election cycles.

- Of the top 50 career fossil fuel money recipients, 19 are from Texas – by far the most of any state, including 15 Republicans and four Democrats.

These fossil fuel contributions threaten to compromise efforts to tackle the climate crisis and slow the transition to renewable energy. This past spring 2023, the International Panel on Climate Change warned that without swift action, the world will likely miss its climate targets of limiting warming by the early 2030s.

Republican energy legislation, misleadingly dubbed the "Lower Energy Costs Act" would represent a return to the drill-everywhere, climate-denying policies of the Trump administration, raising consumers' energy bills by promoting exports of fossil fuels to Asia and rolling back policies to promote clean, renewable energy enacted in the 2022 year's Inflation Reduction Act.

The bill would eviscerate standards for federal review of gas export terminals while short-circuiting meaningful public input and review and protections for public health, safety and the environment.

"This legislative package is not serious policymaking, but it is worth underscoring that one of its primary objectives – expanding dirty energy exports from the United States – will increase prices for U.S. consumers by fast-tracking our energy to China even though the bill's title says that it aims to lower prices," Weissman said.

The legislation would force the Interior Department to lease all lands nominated by the fossil fuel industry for oil drilling automatically and at least four times a year. It would repeal commonsense reforms passed last year to ensure oil and gas drillers pay a reasonable rate to drill on public lands. It would require at least two offshore oil lease sales every year in both the Gulf of Mexico and Alaska and curtail meaningful environmental reviews before drilling. The bill even would allow mining companies to dump waste on public lands and exempt the oil and gas industry from complying with endangered species

protection.

Several fossil fuel-friendly lawmakers have pushed specific industry giveaways into the bill. Pfluger, representing oil-producing west Texas, inserted a provision repealing a fee intended to discourage harmful methane emissions. U.S. Rep. Harriet Hageman (R-Wyo.) inserted a provision to promote the leasing of federal lands for coal mining. "I know and firmly believe that coal is the energy of the future," Hageman said at a House committee hearing earlier this year. However, the reality is that renewables have now surpassed coal in the share of electric generation in the United States.

The Republican energy bill stands no chance of being enacted in full, as lawmakers in the Senate, controlled by Democrats, will not take it up and President Biden has already threatened to veto it.

"Instead of increasing drilling, the U.S. should boost investments in energy efficiency measures and the electrification of buildings, as well as in wind and solar technologies," said Tyson Slocum, director of Public Citizen's energy program. "All of these measures are urgently needed to help American consumers wean away from our destructive dependence on fossil fuels." ■



Graphic courtesy of Zach Stone.



# State Legislators Call for a Just Transition, Not a Trade War

BY CHANDLEE CRAWFORD

Too often, corporations – and governments acting on their behalf – invoke international trade rules to block progressive domestic policy making, a direct blow to democracy and sovereignty. In many cases, corporations aim to prop up the dying fossil fuel industry or weaken consumer protections.

In April, the European Union (EU) threatened legal action against the U.S. over certain provisions of the historic Inflation Reduction Act (IRA), the largest investment (at a whopping \$369 billion) that the U.S. has ever made in domestic green energy infrastructure and projects. A major function of the law, which is already boosting domestic manufacturing jobs, is to incentivize domestic sourcing of critical clean energy materials and manufacturing. One incentive is the electric vehicle (EV) tax credit, designed to boost domestic manufacturing and bring some key supply chains back to the U.S.

The EU, Japan, and other countries have complained that the IRA's tax credit system incentivizes resourcing minerals for electric batteries from the U.S. or its "free trade agreement" partners.

The U.S. government has embarked on an effort to appease these governments in the face of these trade threats. The Treasury

Department has been redefining the definition of "free trade agreement" in order to expand the countries that qualify for the EV tax credit. The recently signed U.S.-Japan Critical Minerals Agreement sets a dangerous precedent for the resolution of these trade-related complaints: that so-called "free trade agreements" can be concocted out of thin air, with no public or congressional scrutiny, to appease other countries unhappy with U.S. domestic legislation.

The labor rights and environmental "protections" in the Japan agreement are completely unenforceable. The process of extracting the minerals needed for EV batteries is dangerous and dirty, with frequent human rights abuses including child and forced labor. This deal would make it possible for corporations mining under such conditions in a third country to "launder" their minerals in Japan before shipping to the U.S. consumers at a government-subsidized reduced price.

The U.S. and EU are expected to announce their own Critical Minerals Agreement soon. It remains to be seen if it will have any meaningful standards to ensure that the green transition in the Global North is not advanced at the expense of workers and downstream communities in the Global South.

## Protecting a Fair Energy Transition

It's not just federal policies like the IRA that are impacted by international trade rules; state and local laws are, too. In 2019, India successfully challenged a dozen programs in eight U.S. states through the World Trade Organization (WTO) that were implemented to make purchasing and installation of renewable energy systems more affordable. That was after the U.S. won its own WTO case against India's solar program. These outdated trade rules affect all of us in ways we may never know.

That's why Public Citizen's Global Trade Watch worked with more than 190 state legislators from all 50 states and two territories who sent a letter to President Biden earlier this year: to help ensure that jobs and projects created as a part of state and national climate policies are not threatened by outdated trade rules.

The letter was sponsored by the National Caucus of Environmental Legislators (NCEL) and spearheaded by U.S. Sen. Andrea Olsen. It sent a strong message to the Biden administration that protecting climate in trade deals is not only feasible, but critical for the success of future policy. To combat harmful trade litigations against initiatives like the IRA,

the letter specifically asked the Biden administration to utilize a "climate peace clause" in further trade negotiation with foreign countries. Such a clause would be a binding commitment among governments to refrain from attacking each other's climate policies. Not only does this protect domestic economies, but it also will boost the adoption of fair and renewable energy.

## What to Watch for Climate and Trade

All eyes will shift to the U.S.' future trade agreements to see if climate action will be prioritized as the U.S. hosts the next Indo-Pacific Economic Framework ministerial in Detroit at the end of May. The administration has been negotiating IPEF with more than a dozen trade partners. Due to secrecy pacts forced by the U.S., it's unclear if substantive rules promoting climate policies will be included, or if IPEF will uphold the status quo and continue to leave the U.S. and its partners vulnerable.

There's certainly a lot to keep track of, but Public Citizen's Global Trade Watch will be following these critical negotiations and continuing to protect jobs and the climate from destructive trade policies. ■



Photo courtesy of the U.S. Department of Commerce.



gies are gambling with peoples' lives and livelihoods, and arguably with the very foundations of a free society and livable world.

Some the biggest dangers and risks of generative A.I. include:

- A.I. is already giving monopolies advantages and encouraging anticompetitive practices. The massive computing power required to train and operate large language models and other generative A.I. gives big corporations with the most resources a huge advantage.
- A.I. is already spreading misinformation. Misinformation-spreading spambots aren't new, but generative A.I. tools easily allow bad actors to mass produce deceptive political content. One study found that text-based generative A.I. can help conspiracy theorists quickly generate polished, credible-looking messages to spread misinformation, which sometimes cites evidence that doesn't even exist.
- A.I. is already making convincing deepfakes. Increasingly powerful audio and video production A.I. tools are making authentic content harder to distinguish from deepfakes. A.I. has already convincingly mimicked President Joe Biden and former President Donald Trump, as well as other high-profile candidates and media figures.
- A.I. is already exploiting artists and content creators. Works that artists and writers put online have been used without their consent to train generative A.I. tools, which then produce derivative material. Artists have filed a class action lawsuit against Stability AI, as have engineers, who say the company plagiarizes source code they wrote. No one gave OpenAI, valued at an estimated \$29 billion, permission to use any of this work. And there is no definitive way to find out whether an individual's writing or creative output was used, to request compensation, or to withdraw material from OpenAI's data set.
- A.I. is already exploiting workers. Companies developing A.I. tools use texts and images created by humans to train their models – and typically employ low-wage workers abroad to help filter out disturbing and offensive content. Sama, OpenAI's outsourcing partner, employs workers in

Kenya, Uganda, and India for companies like Google, Facebook, and Microsoft. The workers labeling data for OpenAI reportedly took home an average of less than \$2 per hour. Three separate Sama teams in Kenya were assigned to spend nine-hour shifts labeling 150-250 passages of text of up to 1,000 words each for sexual abuse, hate speech, and violence. Workers said it left them mentally scarred.

- A.I. is already influencing policymakers. A.I. can be used to lobby policymakers with authentic-sounding but artificial astroturf campaigns from machines masquerading as constituents. An early example of this: In 2017, spambots flooded the Federal Communications Commission with millions of comments opposing net neutrality. In response, the agency decided to ignore non-expert comments entirely and rely solely on legal arguments, thereby excluding nearly all public input from its rulemaking process.
- A.I. is already scamming consumers. Scammers are already using ChatGPT and other A.I. tools for increasingly sophisticated rip-off schemes and phishing emails. In 2019, criminals used A.I. tools to impersonate the CEO of a U.K.-based energy company, successfully requesting a fraudulent transfer of nearly

a quarter million dollars. And in 2022, thousands of people fell victim to a voice-imitation A.I. deepfake: Scammers used A.I. tools to pose as loved ones in an emergency – and ripped people off to the tune of more than \$11 million.

- A.I. is already fueling racism and sexism. When data shaped by pre-existing societal biases is used to train algorithmic decision-making machines, those machines replicate and exacerbate the biases. OpenAI's risk assessment report released with GPT-4's launch was forthright about the model's tendency to reinforce existing biases, perpetuate stereotypes, and produce hate speech.
- A.I. is already replacing media with bogus content. The use of A.I. in journalism and the media is accelerating with virtually no guardrails holding back abuse. BuzzFeed laid off 12% of its workforce, started using ChatGPT to produce content, and announced the closure of its entire news division. Meanwhile, Arena Group, publisher of Sport's Illustrated and Men's Journal, recently debuted its first A.I.-written story, which was criticized for several medical errors. And CNET, a once-popular consumer electronics publication acquired in 2020 by a private equity firm, has been quietly producing A.I.-generated content for more than a year, apparently to game Google

search results and draw dollars from advertisers.

- A.I. is already undermining privacy. ChatGPT has given rise to a host of new data security and surveillance concerns. Because A.I. is trained by scraping the internet for writing, it's likely that sensitive personal information posted online has been scooped up. Once that data is absorbed into ChatGPT, there's no way to know what, if anything, it does to keep that data secure.
- A.I. is already contributing to climate change. Training and maintaining generative A.I. tools requires significant computing power and energy, and the more they need, the bigger their carbon footprint. The energy required for training large language models is comparable to five cars' construction and lifetime use. Adding generative A.I. to search engines is predicted to require Google and Bing to increase their computing power and energy consumption by four to five times.

These harms have arisen at the genesis of A.I. Scaling it up now necessarily means exponentially compounding all of them. The speed at which businesses are deploying new A.I. tools practically guarantees that the damage will be devastating and widespread – and that whatever can be done to limit that damage will have a harder time making a difference after A.I. tools are deployed than before. ■



Graphic courtesy of Unsplash.



# The Fate of the Consumer Financial Protection Bureau

BY SCOTT NELSON

In 2010, as the nation struggled to emerge from the Great Recession, Congress created a government agency dedicated to protecting ordinary consumers from the financial institutions whose predatory practices played a key role in causing the crisis. In the Dodd-Frank Wall Street Reform and Consumer Protection Act, Congress gave the Consumer Financial Protection Bureau (CFPB) broad powers to protect consumers. Congress also gave the agency an independent director and a secure, long-term source of funding. Ever since, the CFPB has been targeted by legal challenges from a financial industry that chafes at efforts to limit its power over consumers.

Now, the CFPB faces an existential threat: A federal court of appeals has held that the law Congress passed to provide funds for the agency is unconstitutional and that everything the agency has done since its creation is void. At the request of the CFPB and the U.S. Department of Justice, the Supreme Court has agreed to review that decision and will decide the CFPB's fate in a case to be heard next fall and decided by June 2024.

The latest attack on the CFPB's existence follows an earlier challenge that targeted the independence of the CFPB's director. In that case, industry challengers succeeded in persuading the Supreme Court that a section of the Dodd-Frank law providing that the president could not fire the CFPB's director without good cause violated constitutional separation-of-powers principles by interfering with the president's oversight of an executive branch agency. Fortunately for consumers, however, that decision did not invalidate anything the CFPB had done up to that point, nor did it stop the agency from continuing to do its job. Instead, the Court simply declared that the president had the authority to fire the CFPB's director at will. Although that power may eventually be used by an anti-consumer president to limit the agency's effectiveness, so far its only effect has been the opposite: President Biden used his authority to remove the CFPB director installed by President Trump, Kathy Kraninger, and replace her with the much more pro-consumer Rohit Chopra.

Having failed in its first attempt to cripple the CFPB, the financial industry tried again. A trade group called the Consumer Financial Services Association of America filed a challenge in a Texas federal court to the CFPB's Payday Lending Rule. That rule prevents a lender from gratuitously harming consumers by making repeated efforts to withdraw funds from their bank accounts when the lender knows that the accounts lack sufficient funds, leading to overdraft charges against the already cash-strapped borrowers.

The industry association argued, among other things, that the rule was void because the law funding the agency violates the Constitution's "Appropriations Clause," which provides that the federal government may only spend money when Congress has passed a law "appropriating" funds for that purpose. According to the industry challengers, the Dodd-Frank law, which says the CFPB may fund its activities by requesting a transfer of funds from the Federal Reserve Board (subject to a cap set by the law), does not satisfy that requirement.

The case eventually made its way to the U.S. Court of Appeals for the Fifth Circuit, which is dominated by conservative Republican appointees. The Fifth Circuit began its ruling in the case by rejecting all of the industry association's other challenges to the Payday Lending Rule.

The court held that the rule was authorized by Dodd-Frank's provisions giving the CFPB power to prevent "unfair" lending

practices, and that the agency had thoroughly explained the need for the rule and supported its conclusions with data and studies. And the court rejected arguments that it is unconstitutional for Congress to delegate power to an agency to issue such rules.

But after explaining that there was nothing wrong with the rule, the court abruptly concluded that there is something wrong with how Congress funded the agency: According to the court of appeals, a law that allows an agency to draw its funding from the monies held by the Federal Reserve is not a valid "appropriation" under the Constitution because it is "self-actualizing" and "perpetual" and frees the agency from having to rely on annual appropriations bills passed by Congress.

What's more, the court held that the funding problem affects everything the agency has done – including its promulgation of the Payday Lending Rule – and requires that those actions be set aside. Thus, unlike the Supreme Court's ruling about the president's authority to fire the agency's director, the Fifth Circuit's ruling, if adopted by courts nationwide, would threaten to unwind everything the agency has done and stop it in its tracks until Congress provides a new source of funds.

The Supreme Court granted the federal government's request that it take up the case, which it almost always does when a lower court holds a federal statute unconstitutional, especially when the decision would have far-

reaching consequences. And as the government explained when asking the Court to take the case, the consequences of the Fifth Circuit's ruling in this case are far-reaching indeed.

Until now, the Appropriations Clause has been interpreted to mean just that Congress must by law designate a source of funds and authorize them to be spent for a given purpose. The Dodd-Frank Act's funding provisions satisfy those requirements.

Moreover, most federal expenditures are not the result of annual appropriations, and many agencies and federal programs, including Social Security, have permanent appropriations. The Fifth Circuit's ruling, if left standing, would not only cripple the CFPB, but also threaten a host of other agencies and spending programs.

Public Citizen will be filing a friend-of-the-court brief this spring, on behalf of itself and other consumer organizations, helping the government defend the CFPB against this unprecedented challenge. "At stake," said Public Citizen President Robert Weissman, "is the survival of the CFPB, a crucial consumer protection agency, and the functioning of vast swaths of the federal government."

The case will be argued when the Supreme Court convenes in October. The decision will most likely not come down until later in the court's term, which will conclude at the end of June 2024.



Photo courtesy of Shutterstock.



# Colombia's Health Care Reform Bill

BY LIZA BARRIE

The Colombian Congress is debating a major bill to reform the country's health care system, introduced by the progressive new president, Gustavo Petro, as part of his poverty and inequality agenda. The proposed plan aims to improve health care access, especially for the rural poor, and prioritize primary and preventive care.

The bill has sparked major controversy, due in part to Petro's status as Colombia's first leftist head of state and a former guerilla fighter. It seeks to transfer responsibility for health insurance management from private intermediaries to the government and limit their ability to profit from the system. The bill has highlighted inefficiencies and disparities within the current system that leave entire regions without coverage.

Public Citizen's Access to Medicines Legal Fellow, Luz Marina Umbasia Bernal, has been closely involved with the new legislation. Umbasia Bernal has been a member of Colombia's Commission for Monitoring Judgment and Reform of the Health System since 2014 and believes the proposed reform is long overdue. "Corruption, high drug prices, and a lack of attention to vulnerable groups have long plagued Colombia's health care system," Umbasia Bernal said. The situation is especially difficult for poor people who struggle to access adequate care. "With the new law, we have a valuable opportunity to finally address historical injustices," she added.

The Colombian health care system, approved by Congress in 2015, comprises two coexisting systems: the contributory regime (private) and the subsidized regime (gratuitous). Private employees and employers finance the private health regime from their paychecks.

Approximately 12% of their income goes to private intermediaries, known as Health Promotion Entities, that use these payments to contract health providers for beneficiaries. The subsidized regime is entirely funded by the government. A social program called SISBEN classifies the population according to income and living conditions, defining who can access the subsidized health system.

President Petro and his Minister

**"Corruption, high drug prices, and a lack of attention to vulnerable groups have long plagued Colombia's health care system."**

— Luz Marina Umbasia Bernal, Public Citizen's Access to Medicines Legal Fellow

of Health, Carolina Corcho, have warned that the health insurance system is unsustainable. They are opposed to the concept of private entities managing public funds. The intermediaries have amassed a debt of \$5 billion. Some intermediaries have diverted funds from providing public health services to set up financial holding companies, which have then liquidated public monies for their own financial gain. Intermediaries also delay payments to health providers, with some going bankrupt. Each intermediary is autonomous, hiring its own medical staff and buying medicines and medical devices, resulting in significant price variations for procedures and drugs due to a lack of transparency.

Critics argue that the current system prioritizes private interests over the needs of the people, and poorly regulated private companies manage a large part of the national health budget in an exploitative and lucrative business model. This has led to terrible outcomes, especially for historically excluded sectors of the population. Colombia's Afro-Colombians make up a quarter of the population, while indigenous groups account for nearly 5%, according to official data. Despite constitutional and legal protections, these groups have faced structural racism and steep barriers in accessing health care, education and employment opportunities that impact their health outcomes.

Eighty-five percent of these groups live in rural areas. Most of the country's health resources are being used for hospital care, leaving little to address the social determinants that significantly impact the health status of poor individuals, families, and communities.

The drafters of the new health care law believe that prioritizing primary and preventive care can help address these substantial challenges facing Colombia's health care system. They have proposed a health care model grounded in the territories and based on a primary health care

strategy.

The proposed health reform calls for the construction of thousands of health centers throughout the country, which would serve as a base for family doctors to visit patients regularly. The bill emphasizes decent and dignified work for health care workers and continuous training.

A public health information system with public access that promotes participation is also a priority. The proposed health reform bill centralizes all spending under a single public entity to directly pay health care providers, reduce administrative overhead and standardize prices. The bill highlights transparency in managing resources.

Umbasia Bernal and other advocates assert that the new legislation could significantly improve the health and life prospects of millions of Colombians.

In 2010, the Constitutional Court recognized the Commission for Monitoring Judgment and Reform of the Health System, comprised of activists, academics, and health experts working to defend the right to health and an equitable national health policy, with a mandate to propose reforms to address violations in the health care law. Umbasia Bernal has focused her work on policies relating to medicines and health innovation, health education and training, and labor standards.

Colombia's health care workers face difficult working conditions, long hours, and low salaries. Umbasia Bernal agrees with the country's health minister that "We must take care of those who take care of the lives of Colombians." Umbasia Bernal hopes that key provisions she helped draft for the new law, such as joint procurement of essential medicines, promotion of domestic production of non-patented molecules, and regulation of drug and diagnostic prices, are finally adopted.

While thousands of people have taken to the streets to show their support for the reforms, the legislation is facing fierce opposition, even from members

of the current government, which threatens to derail it.

The government has been negotiating the text of the bill that is currently being debated in Congress. Despite the challenges, Umbasia Bernal is optimistic that an agreement will be reached that protects the right to health, not the business of health, and that the health care system in Colombia can be improved for the benefit of all its citizens. ■



donors giving at least \$5,000. Contributions of \$5,000 or more appear on the Chamber's IRS Form 990 as itemized contributions with the donor names redacted.

"The narrow donor base casts serious doubts on the Chamber's repeated claims that it represents such a broad range of business," said Lisa Gilbert, executive vice president of Public Citizen.

Public Citizen obtained and examined the itemized contributions on the Chamber's 2021 form and found, among other things:

- On average, contributors gave the Chamber \$146,000, far more than many small businesses could afford.
- Nearly half of the money donated to the Chamber came from just 46 donors that gave \$1 million or more.
- 18 donors are responsible for more than a quarter of the money contributed to the Chamber.
- Just three donors gave more than 8% of the Chamber's contributions.

As Zachary Brown, advocacy associate with Public Citizen's Congress Watch division and the author of the report noted, "Tax disclosures strongly suggest that the organization is funded and influenced by the largest corporate bodies in America." This presents a problem because of the positions and policy goals that the Chamber advocates for on a regular basis.

For one, the Chamber regularly advocates against actions by federal agencies such as the Consumer Financial Protection Bureau (CFPB) designed to protect consumers' financial interests. Recently, the Chamber joined a challenge to the CFPB's funding model. Dismantling the CFPB would aid large businesses engaging in predatory practices such as padding their incomes by slapping junk fees on ordinary Americans.

Additionally, as the report notes, the

## **"The narrow donor base casts serious doubts on the Chamber's repeated claims that it represents such a broad range of business."**

— Lisa Gilbert, executive vice president of Public Citizen

Chamber advocates on behalf of large corporations against the potential federal ban on noncompete clauses in labor contracts. While noncompete clauses are also used by some small businesses, their inclusion in labor contracts is relatively common practice within the largest corporations in America. Noncompete clauses not only decrease market competition (further aiding longstanding corporate conglomerates), but also make it harder for potential entrepreneurs to start new businesses as the potential workforce decreases.

The Chamber also advocates for the interests of large businesses by regularly fighting against proposed increased antitrust provisions to stop harmful corporate mergers. Large corporate mergers that hurt competition directly affect the survival of everyday small businesses.

After all, federal agencies such as the FTC only come into play to enforce mergers when the transaction is more than \$100 million — a far cry from the general financial affairs of smaller businesses across the nation.

The Chamber also routinely advocates for the interests of large fossil fuel companies, and in so doing, fails to pay heed to the increasing adversity that climate change is already causing businesses across the country.

While large businesses may have the financial resources to recover from increasingly destructive climate calamities, small businesses may have proportionally larger financial impacts that could damage the health of the company.

The best businesses plan for the long-term, and their representatives should do the same. If the

Chamber did so, it would realize that climate change is a significant threat to its donor base, its own organization, and the larger public.

"The lopsided nature of the Chamber's advocacy mirrors the lopsided nature of its donor pool," said Brown.

Public Citizen recommends that the Chamber alter its behavior to better represent the interests of the 3 million businesses around the country it purports to stand for. Disclosing the identity of its donors, encouraging robust antitrust enforcement, and pushing the business community to transition to clean energy are just some of the ways the Chamber could live up to its mission statement and represent the interests of millions of businesses across the country rather than just a few at the top. ■



Photo courtesy of Wikimedia.



# Public Citizen Calls on Federal Reserve to Take More Active Role in Preventing Climate Crisis

BY PATRICK DAVIS

In late March, U.S. Sen. Edward J. Markey (D-Mass.) and Reps. Ayanna Pressley (D-Mass.) and Rashida Tlaib (D-Mich.) introduced legislation requiring the Federal Reserve to address the systemic risk that climate change and the energy transition present to our financial system. If enacted into law, the Fossil Free Finance Act would require the Fed to use its existing powers to mandate that the biggest banks stop endangering themselves and the financial system by driving the climate crisis and instead lend and invest responsibly.

“The recent banking crisis illustrates that banks need strong oversight, and bank regulators have failed to address obvious risks in plain sight,” said David Arkush, director of Public Citizen’s Climate Program. “The same is true of climate-related financial risk, which regulators have acknowledged but are moving too slowly to address. The Fed is allowing the largest U.S. banks to threaten the financial system and flout their own public climate commitments by recklessly inflating a massive carbon bubble and fueling the climate crisis.”

The bill, which Markey, Pressley, and Tlaib reintroduced with Arkush at a press conference outside the U.S. Senate, would require the Federal Reserve to prohibit financing of new or expanded fossil fuel projects immediately, thermal coal financing after 2024, and all fossil fuel financing after 2030. In addition, banks would be required to reduce their financed emissions 50% by 2030 and reach zero emissions by 2050.

“Senator Markey and Reps. Pressley and Tlaib’s legislation would jump-start genuine oversight

by requiring the Fed to align big banks’ financing with the realities of the climate crisis and our rapidly changing economy,” said Arkush.

Since the bill was first introduced in 2021, federal bank regulators, including the Federal Reserve, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency, have begun to roll out limited guidance for large banks to address climate-related risks they face. Regulators outside the United States have acknowledged the important role of transition plans for managing climate-related risks to banks and the financial system.

“When our federal government allows our nation’s largest banks to bankroll the dirtiest fossil fuel projects, our planet, our people, and our economy suffer,” said Pressley. “We need a financial system that recognizes the existential threat posed by climate

change and takes aggressive action to stop it. Our Fossil Free Finance Act would do just that by requiring banks to stop financing dirty fossil fuel projects and help us prevent a massive, climate-induced economic collapse.

In addition to the bill sponsors, 66 consumer, advocacy, and environmental groups have endorsed the legislation, including the Sierra Club, Americans for Financial Reform, Greenpeace, Hip Hop Caucus, and Evergreen Action.

“So far, financial regulators have failed to rein in Wall Street’s reckless behavior,” said Ben Jealous, executive director of the Sierra Club. “Without strong federal oversight and regulation, these banks will only continue pouring money into the fossil fuel expansion driving the climate crisis, taking on excessive risk, and threatening to destabilize the entire economy.”

At the Capitol Hill launch, Markey, flanked by Pressley and Tlaib; Tanya Clay House, executive vice president for the Hip Hop Caucus; and Arkush called on the Federal Reserve to take on a more active role in preventing a looming crisis in the banking sector caused by climate change.

“Climate risk is financial risk – posing a grave threat to our global economy, including our financial systems,” said Markey. “The Federal Reserve has a responsibility to protect financial stability, but instability will run rampant if climate chaos grows unabated. I am proud to reintroduce the Fossil Free Finance Act, legislation to require our financial institutions, including banks, to protect Americans’ savings, investments, and economy by taking into account not only the planetary but the economic threats posed by climate change.” ■



David Arkush (left), director of Public Citizen’s Climate Program, stands with U.S. Sen. Edward J. Markey (D-Mass.), Reps. Rashida Tlaib (D-Mich.) and Ayanna Pressley (D-Mass.) as they introduced the Fossil Free Finance Act in late March. Photo courtesy of Patrick Davis.



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## IN THE SPOTLIGHT

The following are highlights from our recent media coverage.

**Robert Weissman, Public Citizen president**

**On threats posted by generative Artificial Intelligence:** *Wall Street Journal, the Guardian*. **On the Tennessee Republican Party expulsion of two progressive lawmakers from the state House:** *Salon, Common Dreams, LA Progressive*. **On the U.S. and Canada’s joint plan to turn away asylum seekers:** *Truthout*. **On the need for new regulations after the collapse of Silicon Valley Bank:** *Salon*.

**Lisa Gilbert, vice president of legislative affairs**

**On the GOP’s debt limit bomb:** *The Washington Post*. **On how the collapse of Silicon Valley Bank was a failure of Environmental, Social and Governance measures:** *Axios*. **On marking 100 days of MAGA control of the U.S. House of Representatives:** *The Hill*. **On Republicans spreading lies about President Biden hiring 87,000 new IRS agents:** *TIME, MSN*. **On the release of a 300-page report outlining major weaknesses in the GOP’s investigation into supposed political bias at the FBI:** *Salon, Common Dreams*. **On the indictment of former President Donald Trump:** *Las Vegas Sun*.

**Peter Maybarduk, director of Public Citizen’s Access to Medicines Program**

**On Moderna’s decision to raise the price of its Covid vaccine:** *CNBC, The Hill, Bloomberg Government*. **On Eli Lilly’s plan to cut insulin prices by 70%:** *The Washington Post, Common Dreams*.

**Tyson Slocum, Director of Public Citizen’s Energy Program**

**On liquid natural gas (LNG) plants springing up along the fragile Gulf Coast:** *The Guardian, Yahoo News*. **On America being hit by a huge surge in blackouts:** *Insider*. **On LNG exports displacing pipeline natural gas exports from Russia to Europe:** *Utility Dive*.

**Adrian Shelley, Director of Public Citizen’s Texas office**

**On Texas’ increasing environmental penalties:** *Austin Chronicle*. **On Texas’ Senate seeking increased penalties on polluters:** *The Texas Tribune*. **On a bill that would fine Texans for multiple environmental complaints that don’t lead to enforcement:** *MSN, Inside Climate News, The Texas Tribune*.

*KWTX-TV*.

**David Arkush, Director of Public Citizen’s Climate Program**

**On Big Oil and disaster deaths:** *E&E News, Common Dreams, Daily Kos*. **The “synthesis report” released by the UN’s Intergovernmental Panel on Climate Change in March:** *Politico*.

**Craig Holman, government affairs lobbyist with Public Citizen’s Congress Watch division**

**On the collapse of Sam Bankman-Fried’s business empire:** *The New York Times, USA Times*. **On privately sponsored travel for members of Congress as one of the most effective tools of influence-peddling by businesses and special interest groups:** *USA Today, MSN, Denison Bulletin, Lincoln Journal Star Online, Beatrice Daily Sun, Muscatine Journal, Winston-Salem Journal, Casper Star-Tribune, St. Louis Post-Dispatch, Winona Daily News, Kenosha News, Daily Journal, Roanoke Times, Arizona Daily Star, Waco Tribune-Herald, Arizona Daily Sun*. **On non-monetary goods or services provided to a candidate free of charge or at a discount for campaign purposes:** *Insider, MSN, Salon*. **On House Speaker Kevin McCarthy’s decision to exclusively hand more than 40,000 hours of security video from the January 6 Capitol attack to far-right Fox News host Tucker Carlson:** *Salon, AlertNet*. **On “Slush Funds”:** *The Daily Beast*. **On the Elections Transparency Act:** *New Jersey Monitor*.



# Public Citizen Fights Corporate Push for Unsecurable Internet Voting

BY AQUENE FREECHILD

Public Citizen is fighting to stop internet voting in states across the country as an important component of our commitment to voting rights. Internet voting is unsecurable and endangers the right to vote and our elections themselves. That's why Public Citizen led efforts to defeat a universal internet voting bill in Washington, D.C., last fall. With partners, we recently defeated two efforts to expand internet voting in Washington state and Maryland.

Internet voting might seem like a good idea on its face, since we work so hard to expand voting access. But voting is not like banking or anything else we do online. A ballot must be secret. Once submitted, it shouldn't be traceable back to the individual voter. This makes online election security considerably more difficult than securing the online financial system.

Votes are also not insurable or refundable like money. If a voting system is hacked or if there's a software error, these issues may not be detected and the wrong candidates may be put in office. If a problem is detected, such as

a ransomware attack that deletes votes or a total system failure, the entire campaign and election may have to be re-run because there is no way to conduct a reliable recount.

There have been major problems in several small runs of online voting systems including the 2020 Iowa democratic caucus, a quickly-hacked pilot in Washington, D.C., and a full system failure affecting tens of thousands of voters in local Australian elections. Flaws have been found in systems currently in use for military and disabled voters, but vendors are aggressively pushing these

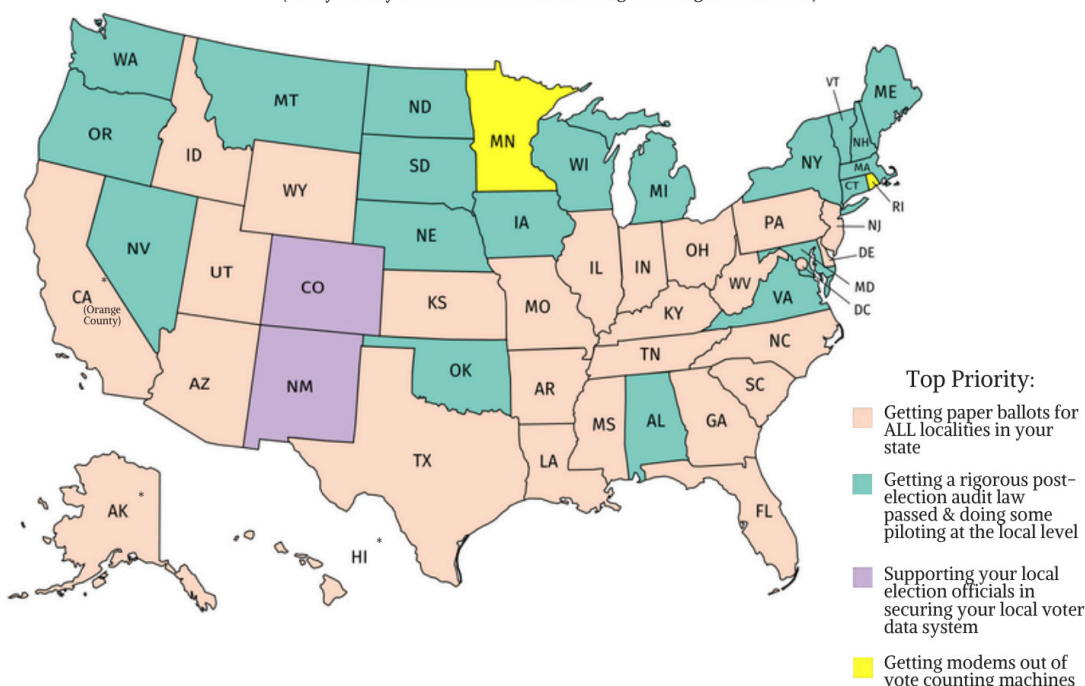
products anyway, claiming they are secure. U.S. elections remain an international and domestic target. Many Americans already don't trust election results on paper – so this is a particularly fragile time for expansion of internet voting.

Public Citizen is working on

rolling back broad internet voting bills for on-base military voters and expanding offline access options for voters with certain disabilities or who are overseas. Sign up to learn more at the Secure Our Vote coalition site hosted by Public Citizen: <https://SecureOurVote.us>. ■

## Election Security Activist Priorities By State

(Every county and state should be securing voter registration data.)



Graphic courtesy of Ophir Cohen-Simayof.

## Public Citizen Recommends ...

### 'Limitless: The Federal Reserve Takes on a New Age of Crisis'

By Jeanna Smialek; \$30; Knopf

In publishing, as in life, timing is everything. *Limitless*, Jeanna Smialek's engaging account of the Federal Reserve's response to the COVID-19 pandemic, came out weeks before the collapse of Silicon Valley Bank. That collapse highlights how the Fed's limitless support for the economy in times of crisis is a response to its own limited vision for preventing the conditions that provide kindling for a crisis in the first place.

Smialek, a Federal Reserve reporter at *The New York Times*, peppers her account of the Fed's history and present with amusing asides that lighten up what might be an otherwise dry account of an ostensibly technocratic institution. As an entry point for a Fed novice, or a recap for those who watched the rescue unfold via headlines, this book is a success.

But Smialek ultimately endorses the agency's own self-conception: eager central bank and limited financial stability regulator. As she traces the looming market calamities that triggered the Fed's extraordinary 2020 response, she discusses how many of the cascading failures were anticipated by staff and leadership. She also describes the Fed's too little, too late reaction to the buildup of the 2008 financial crisis. Yet rather than drawing out the trend, her discussion echoes the Federal Reserve party line: its tools were poorly suited to prevent the financial conditions that nearly brought the economy to its knees.

These excuses were laughable even before the 2023 banking crises. In 2018, Federal Reserve Chair Jerome Powell voted in favor of rolling back the Fed's ability to oversee financial risks outside the banking system. If the tools were inadequate, it's because of Powell's unwillingness or uninterest in employing them.

But the Fed's response to Silicon Valley Bank should strip away any pretense that this is a problem of tools. Examiners at the Federal Reserve noticed the problems that brought down Silicon Valley Bank months before. The risks were of the exact kind that banking regulation is meant to address. The response? A few strongly worded letters to management.

Yet when Silicon Valley Bank finally collapsed, the Federal Reserve found its vigor again, launching novel bailout facilities over the course of a weekend. This dichotomy is the regulator following a political path of least resistance. Banks and their allies in Congress hate regulation, but will cheer on a money cannon to fix their mistakes. In a book that makes much of the importance of the Fed's independence to make politically unpopular interest rate decisions, Smialek doesn't draw the juxtaposition with banking regulation.

This same dynamic threatens to stymie an effective response to the threats that both climate

change and the energy transition pose to financial stability. Smialek briefly highlights the Fed's halting entry into this emerging area of financial risk. But it's framed as the regulator navigating a treacherous political issue rather than abdicating its technocratic responsibility to protect the financial system in the face of political opposition.

The Federal Reserve has done more since *Limitless* went to press, but it's still not enough. It's easy to imagine a future Smialek book chronicling the extraordinary relief the Fed sets up for banks suffering from taking on too many risky coastal mortgages or fossil fuel loans. It would be a shame if that book again echoed the Fed's likely conclusion that it lacked the tools to address this risk as well. As Public Citizen has repeatedly highlighted in our public comments to the Fed, the tools are there; the Fed simply refuses to use them. ■

— Yevgeny Shrigo

To order books, contact the publisher or visit your local bookstore or library.



# Toyota Supply Chain Campaign

BY PATRICK DAVIS

Public Citizen launched a campaign in March calling on Toyota Motor Corp. to undertake efforts to prevent environmental and human rights harms throughout the company's supply chain.

"Avoiding the worst impacts of the climate crisis requires major changes not only to the types of cars we drive, but also to how those cars are manufactured," said Erika Thi Patterson, auto supply chain campaign director with Public Citizen's Climate Program. "Toyota is a laggard when it comes to ensuring its suppliers are decarbonizing its operations, protecting workers, and upholding Indigenous rights."

The campaign encourages Toyota to leverage the unprecedented opportunity offered by the electric vehicle (EV) transition to radically transform its supply chains to be equitable, sustainable, and 100% fossil free. It also raises awareness of the human and Indigenous Peoples' rights, climate, and environmental impacts that occur throughout global auto supply chains, focusing in particular on steel, aluminum, and batteries.

With only a single battery electric vehicle in its showrooms, Toyota has yet to commit to convert its line-up to be fully electric in the future. Further, the company has failed to establish emissions reduction targets for the steel and aluminum used in its cars and trucks, according to a recently released analysis of 18 auto manufacturers.

"Extracting and processing

**"Avoiding the worst impacts of the climate crisis requires major changes not only to the types of cars we drive, but also to how those cars are manufactured."**

— Erika Thi Patterson, auto supply chain campaign director with Public Citizen's Climate Program

the raw materials used to make aluminum are extraordinarily carbon intensive and most steel is still made in coal-powered blast furnaces that emit pollution linked to cancer and asthma," said Thi Patterson. "As the world's largest automaker, Toyota should lead the industry and take action to decarbonize its aluminum and steel supply chains."

While Public Citizen will be leading the effort to push automaker Toyota to improve its supply chain, the organization joins a global coalition of leading human rights, climate, and environmental organizations to form the Lead the Charge campaign. The diverse coalition partners will work toward building out equitable, sustainable, and fossil-free auto supply chains for the leading auto manufactures around the world.

The Lead the Charge Scorecard further reported that Toyota has no publicly available standalone Indigenous rights policy, and its human rights policy lacks processes to assess, prevent, or mitigate risks to Indigenous rights in its supply chain.

"It's critical that automakers adopt and enforce policies to protect Indigenous rights," said Thi Patterson. "Fifty-four percent of transition mineral projects globally are situated on or near Indigenous People's territories,

and in the U.S. alone, many minerals needed to power EVs are found within thirty-five miles of Indigenous lands."

The coalition's campaign will engage the automotive industry and supply chain decision-makers, investors, and policy stakeholders. The coalition also plans to raise the awareness of consumers, and the public at large and build momentum for change.

Public Citizen's campaign on Toyota's supply chain joins an existing campaign calling for Toyota to shift its entire lineup of vehicles to electric before 2030 in the U.S. and Europe and 2035 globally.

In April, the long-serving company president Akio Toyoda handed the reins of the auto giant over to the current president of Lexus, Koji Sato. That week, Public Citizen, along with 54 other organizations from around the world called on the new CEO to commit to phase out all internal combustion engine vehicles in coming years.

"As incoming CEO, you have the opportunity to change course on decades of harm and deceit caused by Toyota and lead the industry toward its electric future," the letter reads. "With no tailpipe emissions, electric vehicles are better for our health and essential to keeping our planet livable."

Under Akio Toyoda, the company's environmental strategy revolved around lobbying to delay EV adoption and fighting for weaker fuel efficiency standards set forth by the Trump administration. The company's efforts earned it the worst ranking among automakers on climate policy for two years in a row.

"As Mr. Sato takes over Toyota, he has an opportunity to reimagine the future of global transportation," said East Peterson-Trujillo, clean vehicles campaigner with Public Citizen. "Committing to a rapid transition toward EVs must be central to his plans. Toyota is not only a laggard in EV production, but the company has actively fought measures to make EVs more available and affordable. Mr. Sato should reverse course and lead Toyota into a zero-emission vehicle future." ■

## IN THE NEXT ISSUE...

Public Citizen releases a report on heat stress.

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70	5.9%	\$590	5.2%	\$520
75	6.6%	\$660	5.8%	\$580
80	7.6%	\$760	6.5%	\$650
85	8.7%	\$870	7.7%	\$770
90 and over	9.7%	\$970	9.4%	\$940

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