



PUBLICCITIZEN

2010 Year in Review



Public Citizen Photo/Dorry Samuels
Public Citizen President Robert Weissman spoke out against corporate spending in elections at an October rally in front of the U.S. Chamber of Commerce in Washington, D.C.

Public Citizen Challenges Corporate Power in 2010

Let's face it: 2010 was a tough year. It began with the U.S. Supreme Court ruling that corporations have the same free speech rights as people. It ended with the election of corporate-friendly lawmakers to the U.S. House of Representatives and U.S. Senate.

Throughout the year, Public Citizen challenged corporate influence over lawmakers and stood up for the rights of people. While many battles that we fought in 2010 are ongoing, we have enjoyed some great successes.

We influenced the passage of a groundbreaking financial reform bill that establishes a strong, independent Consumer Financial Protection Bureau. The Food and Drug Administration pulled two dangerous drugs and a medical device off the market after Public Citizen urged the agency to do so. And we won a major victory at the U.S. Supreme Court that protects the ability of people to file class-action lawsuits.

In addition, we have been gaining support at the grassroots and policy levels for many critical initiatives. Our fight to restore democracy in the wake of the U.S. Supreme Court's disastrous decision in *Citizens United v. Federal Election Commission* is growing stronger, with hundreds of thousands of supporters backing our push for a constitutional amendment specifying that free speech is for people.

We pressed the Obama administration to hold BP accountable for its reckless behavior, which resulted in the worst oil spill in U.S. history.

And we served as watchdogs as the BP oil spill commission did its work. The commission ultimately released strong recommendations that, if followed, will help ensure another BP disaster doesn't happen. And we also protested proposed new nuclear and coal plants.

We made great strides ensuring corporate "trade agreements" do not undermine critical public interest policies and our economy. In 2010, we beat back several free trade agreements that contain the same harmful deregulatory provisions as the failed North American Free Trade Agreement (NAFTA). Unfortunately, at the same time President Barack Obama announced he would support a NAFTA-style deal with Korea negotiated by former President George W. Bush that Congress has to date refused to implement. In addition, by year's end, Public Citizen had helped gather 150 co-sponsors of the Trade Reform, Accountability, Development and Employment Act (TRADE Act), legislation that would require renegotiation of previous trade pacts and lays out requirements for a progressive trade policy that could deliver the benefits of trade without all of the damaging special interest protections and privileges jammed into trade pacts like NAFTA.

You can read about these accomplishments and more in the following 2010 Year in Review section.

As Public Citizen moves forward in 2011 — our 40th anniversary year — one overarching theme will unite all our work: Taking on corporations, fighting for the rights of people.

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DEMOCRACY

Campaign finance reports

In the wake of *Citizens United v. Federal Election Commission*, we saw a flood of corporate money in the midterm elections. We also saw a decline in the disclosure of who is backing the independent groups that spend millions to influence campaigns — such as the U.S. Chamber of Commerce and Karl Rove’s American Crossroads.

In 2010, Public Citizen published reports to shine some light on electoral spending. Key reports included:

“Fading Disclosure”: Revealing that fewer than one-third of the independent groups that ran ads for or against candidates in the primary season of the 2010 elections disclosed their funders. This is in comparison to almost 100 percent disclosure in the 2004 and 2006 election cycles and less than 50 percent disclosure in the 2008 cycle.

“2010 Independent Electioneering Activities”: Identifying 149 independent groups that reported \$176.1 million in expenditures intended to influence the 2010 elections. More of that money flowed to Republican candidates than Democratic ones. And just 10 groups were responsible for 65 percent of the spending.

“Outside Job”: Finding that independent groups — funded by corporations and wealthy individuals — spent more on behalf of the winning candidate in 58 of 74 electoral races in the 2010 midterms.

“Disclosure Eclipse”: Determining that almost half of 308 outside groups that spent money to sway the 2010 elections kept their donors secret.

Ethics enforcement

In December, incoming Republican Speaker of the House John Boehner announced that he was strengthening ethics rules in the U.S. House of Representatives.

This marks a victory for Public Citizen, which for years has pressed lawmakers to further strengthen ethics rules. Boehner was widely expected to weaken the rules. Public Citizen urged him to “maintain and extend recent improvements on ethics, not to jettison them and return to the days of scandal,” and we were pleased when Boehner decided to maintain the strong rules.

The new rules require legislation to be available on the Internet for 72 hours before a vote is held and most committee meetings to be webcast.

Boehner also preserved the stricter rules approved by the previous Congress, including a ban on gifts from lobbyists to lawmakers and their staff members, travel restrictions for lawmakers and staff, and a ban on former representatives from lobbying colleagues in the House gym.

In addition, he kept the Office of Congressional Ethics, the independent agency formed in 2008 that monitors how lawmakers comply with ethics rules.

Public Citizen Presses To Overturn *Citizens United*

In January 2010, democracy was dealt a major blow when the U.S. Supreme Court decided in *Citizens United v. Federal Election Commission* that corporations have a First Amendment right to spend as much money as they want to influence elections.

Immediately after the decision was issued, Public Citizen launched a multifaceted campaign to overturn it. We are advocating a constitutional amendment specifying that First Amendment protections are for people, not corporations. We are pushing for public financing of elections to make politicians less beholden to private money. We are urging Congress to pass the DISCLOSE Act (Democracy Is Strengthened by Casting Light on Spending in Elections), which would let the public know which corporations and individuals are funding political ads. We are helping states prepare “pay-to-play” legislation that restricts campaign contributions and expenditures from government contractors. And we are promoting legislation that would give shareholders a say over whether — and how much — corporations spend on elections.

“*Citizens United* is an affront to common sense and to our democracy,” said Robert Weissman, Public Citizen’s president. “We are doing everything we can to mitigate and ultimately overturn the decision.”

Corporations already have taken significant advantage of the court’s decision, showering more cash on the 2010 congressional elections than ever before. They funneled their money through independent organizations such as the U.S. Chamber of Commerce and Crossroads GPS, a new group formed by Republican strategist Karl

Rove. Those organizations then poured millions into races around the country, supporting candidates who would carry the corporate water. Of the congressional contests in which partisan power changed hands, spending by outside groups favored the winning candidate in more than 78 percent of the contests.

Partly as a result, control of the U.S. House of Representatives shifted to Republicans, who have made it very clear that they want to advance pro-corporate policies.

“*Citizens United* enabled a tiny handful of large corporations and super-wealthy individuals to exert a decisive influence over the 2010 elections,” Weissman said. “The recent elections show the importance of continuing to build our movement to overturn *Citizens United* and restore our democracy.”

Public Citizen is moving forward with an ever-growing campaign to overturn the Supreme Court’s decision. A Public Citizen petition supporting a Free Speech for People constitutional amendment attracted more than 91,000 signatures as of January 2011.

We also worked with other groups, such as People For the American Way, to organize demonstrations around the country on or around Jan. 21, 2011, the one-year anniversary of the disastrous *Citizens United* decision.

Our efforts won’t stop there. Whether working at the grassroots or the policy level, we will make our message clear: Lawmakers should be responsive to the people who elect them — not beholden to corporations who shower them with the most money. Keep up with our efforts at www.citizen.org/Page.aspx?pid=3850.



Public Citizen Photo/Joe Newman

At Jon Stewart’s “Rally to Restore Sanity and/or Fear” held in October in Washington, D.C., Public Citizen spread its message that corporations should not have more influence over government than people. Barbara Holzer (pictured), Public Citizen’s broadcast and marketing manager, was one of the staff members who handed out about 5,000 signs to those attending the rally.

FINANCIAL REFORM



In October, Public Citizen hosted Elizabeth Warren, assistant to the president and special adviser to the Treasury secretary on the Consumer Financial Protection Bureau. (From left) David Arkush, director of Public Citizen's Congress Watch division; Warren; Joan Claybrook, Public Citizen's president emeritus; and Robert Weissman, Public Citizen's president.

Public Citizen's Advocacy Influences Financial Reform

It took Congress more than a year to wrestle the massive financial reform bill to the ground, but the legislation finally passed on July 15.

Public Citizen was a major player in the push for financial reform. We advocated on Capitol Hill, organized activists online and helped lead Americans for Financial Reform, a coalition of more than 250 consumer, labor, faith, civil rights and community organizations pressing for financial reform. The result: A major victory for the people.

We helped to win the establishment of a strong and independent Consumer Financial Protection Bureau (CFPB), ending the existence of several consumer-oriented offices in different agencies where the "protection" was in name only.

The new agency is now being formed with Harvard professor Elizabeth Warren at the helm. (In 2010, Public Citizen collected and delivered to the White House 15,000 signatures on a petition calling for Warren's appointment to lead the new agency.)

When the bureau springs into action in late July 2011, it will have the authority to crack down on unfair, deceptive and abusive practices connected with payday loans, credit cards and mortgages. And it will have authority to ban a particularly harmful practice that Public Citizen has been fighting for years: forced arbitration. Under the Dodd-Frank Wall Street Reform Act, the CFPB may restrict or eliminate forced arbitration clauses from consumer financial products and services agreements after conducting a study on the prac-

tice and reporting the results to Congress.

"Had the bureau been in place and operating effectively during the run-up to the financial crisis, it would have prevented the predatory and abusive mortgage lending practices that fueled the crash," said Robert Weissman, Public Citizen's president.

Public Citizen also helped enhance the regulation of the shadowy derivatives markets. Under the financial reform bill, Congress directed key executive branch agencies to provide oversight for an open clearinghouse for derivatives with new exchange rules. But agencies, including the Commodity Futures Trading Commission and the Securities and Exchange Commission, are delaying implementation of these rules because of pressure from Wall Street. Public Citizen is continuing to lead the fight to fully implement the law.

Public Citizen wanted to ensure that megabanks would be broken up to prevent our recent financial history from repeating itself. We lobbied Congress to cut the banks down to size, but lawmakers didn't have the stomach for that fight. However, the law that passed assigns the government new power to break up or shut down large, troubled financial companies.

"The reform bill that passed Congress in 2010 was just a first step in getting Wall Street under control," said David Arkush, director of Public Citizen's Congress Watch division. "We will push in 2011 for more reforms, including breaking up the 'too big to fail' banks."

Financial reform reports

In 2010, Public Citizen produced detailed reports on lobbying and campaign contributions by the financial services sector:

"Eleven to One": How big-bank lobbyists outnumbered pro-reform lobbyists.

"Looking for a Free Ride": Details of how legislators exempted U.S. auto dealers from inclusion in the financial reform legislation.

"Banking on Connections": Analysis of the army of lobbyists hired to fight financial reform.

"Conference Klatch": Examination of the ties between lawmakers on the committee finalizing the financial reform bill and their former staffers who had become bank lobbyists.

"Courting the New Dems": Specifics on the amount of money that changed hands between the financial sector and lawmakers who urged negotiators to weaken derivatives reform.

"Wall Street Receipts": Examination of how much lawmakers who voted to satisfy Wall Street received in campaign contributions from the financial sector in the past two election cycles.

Speculation tax

On Jan. 25, Public Citizen hosted a debate on Capitol Hill to draw attention to the merits of a financial speculation tax. We hosted leading progressive economists who supported taxing Wall Street and their business and academic counterparts, who argued to maintain the status quo.

The public interest benefits were made clear. If Congress were to embrace the speculation tax – a levy of just 0.25 percent on short-term financial transactions, such as buying and selling stocks and bonds – it is conservatively estimated that the government could raise \$100 billion annually. At the same time, the tax would discourage the kind of speculative trading that fueled the economic collapse.

On April 15, we also participated in a press conference with a variety of expert groups to make a public appeal to President Barack Obama and Treasury Secretary Timothy Geithner to support the financial speculation tax. The idea is still gaining traction, and Public Citizen is working with allies to promote it.

Pay czar at Public Citizen

In July, Kenneth Feinberg came to Public Citizen to talk to members, reporters and representatives from other progressive groups about what he had learned in the year since President Barack Obama appointed him "pay czar," also known as the special master of executive compensation. In this role, Feinberg was assigned to run a Treasury Department program investigating the highest-paid executives at financial institutions rescued by the Troubled Assets Relief Program (TARP).

"Feinberg's report taught us that Wall Street firms must have binding rules on compensation," said Robert Weissman, president of Public Citizen. "Bonus payments should be based on long-term performance instead of incentivizing high-risk, short-term gain, and they should not be handed out at firms on the brink of failure."

HEALTH AND SAFETY

Medical resident work hours

Public Citizen worked throughout 2010 to reduce the hours that medical residents must work – both for their own health and safety and that of patients.

In September, Public Citizen and other groups petitioned the Occupational Safety and Health Administration (OSHA), asking the agency to regulate the length of medical resident shifts, which can last as long as 30 hours. To view the petition, visit www.citizen.org/hrg1917.

OSHA's initial response was favorable, but the agency is still reviewing the petition.

Earlier in 2010, Public Citizen, along with other organizations, asked the Accreditation Council for Graduate Medical Education (ACGME), the group that sets standards for medical resident training programs, to lower its recommended maximum number of work hours for medical residents, but its response was not satisfactory. The ACGME announced that it has changed its standards, which will become effective in July 2011, to call for fewer work hours for first-year residents, but other residents would still be working longer shifts.

C-section guide

In April, Public Citizen published a report, "Guide to Avoiding Unnecessary Cesareans in New York State," which revealed that although a C-section performed in an emergency could save a woman's life, overall, C-sections are performed too often and unnecessarily.

The report examined the 2007 rates of overall and primary (performed on women who have not had a previous cesarean) C-sections in New York state, as well as rates of vaginal births after C-sections. C-section rates in New York counties ranged from 16.6 percent to 43.1 percent. Public Citizen estimated that one-third of cesareans are unnecessary both nationally and in New York.

The report and an accompanying website broke down the data by county and hospital, so patients could see how high C-section rates are for their local hospital in comparison to other local hospitals.

To view the report, visit www.citizen.org/hrg1906.

Darvon, Meridia Banned — Years After Warnings Given

Public Citizen's persistence paid off in 2010 with major victories in our efforts to get dangerous drugs off the market.

After years of Public Citizen warnings, the FDA finally forced manufacturers to pull from the market propoxyphene-containing products (a key ingredient in the painkillers Darvon and Darvocet) and sibutramine (the active ingredient in the weight-loss drug Meridia). The agency also revoked its approval of the Menaflex device, which replaces damaged knee cartilage.

While the removal of these drugs is a positive step, the FDA still takes far too long to get dangerous drugs off pharmacy shelves, said Dr. Sidney Wolfe, director of Public Citizen's Health Research Group. Public Citizen petitioned the FDA for a ban on propoxyphene in 1978 and again in 2006. The organization petitioned the agency for a ban of sibutramine in 2002 and 2009. And in 2008, the organization told the FDA that there was no evidence to show that the Menaflex device was beneficial.

"In each case, the agency took far too long to act," Wolfe said. "The drug and medical device industries wield too much influence over the FDA. This agency needs major reforms before it will make decisions based on patient safety, rather than profits."

In 2010, the FDA bowed to industry pressure on the popular diabetes drug Avandia, Wolfe noted. Instead of banning the drug as Public Citizen called for, the agency merely restricted the drug, meaning that it is still available to tens of thousands of people, even though Avandia puts people at increased risk of heart attacks, heart failure, liver toxicity, bone fractures, anemia and vision loss — with no evidence of any unique benefit.

The recent victories were just the latest in our four decades of work to remove dangerous drugs from the market. Since 1971, 23 dangerous drugs have been pulled off the market after Public Citizen urged the FDA to act.

In 2011, Public Citizen will continue to push the agency to put the safety of patients first and pressure manufacturers to stop making dangerous drugs.

In the meantime, people can keep up with which drugs they should or shouldn't use by visiting WorstPills.org or subscribing to the Worst Pills, Best Pills newsletter (see page 14).

"Throughout 2011 and beyond, our doctors and pharmacists will continue to evaluate and provide our expert information to the public," Wolfe said. "We will stand strong, independent of the drug companies, as a second opinion for drug safety."



Public Citizen Photo/Dorry Samuels

Dr. Sidney Wolfe (right), director of Public Citizen's Health Research Group, spoke in July at a Public Citizen event honoring Phil Donahue with a Lifetime Achievement Award. Wolfe appeared on Donahue's television show many times, warning consumers about dangerous drugs.

ENERGY AND THE ENVIRONMENT



(Photos, from left) Public Citizen used a 13-foot-tall inflatable oil barrel with the message “Boycott BP” at a June protest in front of BP’s Washington, D.C., headquarters. James Ploeser, senior field organizer with Public Citizen’s Global Trade Watch, led chants at the protest.

Public Citizen Protests BP, Pushes for Recovery Help

BP’s recklessness made history in 2010 with the worst oil spill and environmental disaster this nation has ever seen.

As the world watched a live video feed of oil gushing continuously into the Gulf of Mexico, Public Citizen took action.

Public Citizen President Robert Weissman called for a national boycott of BP service stations. More than 800,000 consumers from coast to coast pledged to boycott the oil giant.

Public Citizen wrote to President Barack Obama, calling BP’s \$20 billion escrow fund “inappropriate” — too small to cover the true cost of compensating victims and too favorable to BP’s interests.

And we pointed out that a BP subsidiary — whose sole assets are Gulf drilling operations — is funding victim compensation, which could inhibit the government’s ability to curtail drilling operations there.

Public Citizen pushed for the following measures to help the Gulf and its residents recover from the disaster:

- Passage of a comprehensive legislative response to BP’s oil disaster that makes oil companies — not taxpayers — fully liable for damages the companies cause;
- The government to take command wherever and whenever possible, in the event of fu-

ture oil spills. The government cannot take over technical operations of oil companies like dealing with a blown well, but it should be responsible for managing cleanup operations;

- Suspension of BP’s contracts with the federal government and exclusion of the company from future federal contracts;
- Full compensation for oil spill victims; and
- Bad actors to be held accountable to the full extent of the law.

We also organized protests aimed at holding BP accountable for its actions. On June 4, Public Citizen led a coalition of environmental and public interest groups at a demonstration in front of BP’s Washington, D.C., headquarters, culminating in a mock “citizen’s arrest” of then-CEO, Tony Hayward. On July 19, Public Citizen protested again, this time on Capitol Hill, joined by a variety of advocacy groups as well as residents of the Louisiana Gulf Coast.

“The BP disaster demonstrated the extent to which the oil industry is able to influence government and conduct business on its own exploitative terms,” Weissman said. “Preventing such disasters from occurring again will require a full overhaul of the controls and limits on Big Oil.”

Stalled nuclear plants

Public Citizen made headway in 2010 in its fight against new nuclear reactors.

The government had earmarked money for loan guarantees to back new reactors at the South Texas Project near Bay City, at the Vogtle plant near Waynesboro, Ga., and at the Calvert Cliffs nuclear facility near Washington, D.C.

When the projected costs for the South Texas Project tripled, the city of San Antonio — which had been a 50 percent partner in the proposed plan — decided last spring to cut its losses by substantially reducing its stake in the NRG Energy project. In May, a Georgia court found that the state’s Public Service Commission had acted illegally in its fact-finding duties, a ruling that suspended the Vogtle reactor project indefinitely. And Maryland’s Calvert Cliffs expansion died on the vine when Constellation Energy, the facility’s owner, could not obtain the major concessions it sought from the Department of Energy on the loan program’s financing fees.

It appears that all three projects were dealt serious, possibly permanent, setbacks, reinforcing Public Citizen’s contention that nuclear energy is, among other things, too costly. So as not to stick taxpayers with the bill, Public Citizen urged Congress not to increase allocations for nuclear loan guarantees. Instead, the money should be spent to develop clean and affordable energy alternatives like wind power, the organization said.

Wind power

Companies developing wind power technology and wind farms are the logical recipients of federal loan guarantees. And taxpayers want and need energy solutions that can deliver cost-effective, long-term benefits for their homes and the environment.

That’s why Public Citizen devoted so much time last year to attending public hearings, submitting comments and engaging with Texas officials on the state’s plans to build out its electrical grid and transmission infrastructure.

Along with other environmental groups, Public Citizen is ensuring that Texas continues to lead the country in wind power. The state already has more than 40 wind farms, which generated nearly 8 percent of the state’s electricity in 2010, and has exceeded its 2025 goal for renewable energy use.

Coal

Through hard work and determination, Public Citizen and our allies kept the proposed White Stallion Energy Center in Matagorda County, Texas, at bay in 2010.

When the owner of this proposed coal and petroleum coke-fueled power plant filed for the permits necessary to start building the facility, Public Citizen and our allies protested and petitioned a state administrative body to deny them. While we initially won our argument against an air permit with that office, the Texas Commission on Environmental Quality later granted the permit.

If built, White Stallion would do nothing to reduce the price of electricity for local customers. What it would do is become a major additional source of greenhouse gas emissions that would cause unnecessary harm to the environment, land and the health of Texas residents.

Public Citizen and our allies are exploring legal options to prevent the remaining permits for water and wastewater from being issued.

JUSTICE

Debt collection

In February, Public Citizen scored a victory for consumers by securing a class-action settlement in an illegal debt collection case.

In *Briggs v. USA and Army and Air Force Exchange Service*, Public Citizen represented soldiers and veterans from around the country who used credit cards issued by the Army and Air Force Exchange Service, a quasi-government agency. These cards are used to buy uniforms and make other purchases on military bases.

If debts on the credit cards are delinquent, the agency can deduct the money owed from government benefits or tax refunds.

However, the agency cannot, by law, take away important benefits to collect on debts that have been outstanding for more than 10 years, such as old student loan debt.

Despite that requirement, the agency had been illegally taking millions of dollars from soldiers and veterans. Under the settlement, class members will receive a refund of the money that was improperly withheld from them.

Forced arbitration

In May, Public Citizen won a case that protects the rights of nursing home residents to go to court to resolve disputes with nursing homes.

The issue in *Dickerson v. Longoria* was whether a relative or friend can sign an agreement on behalf of someone being admitted to a nursing home when that agreement takes away the right of the patient to sue the nursing home and instead forces him to use corporate-friendly arbitrators chosen by the nursing home.

Public Citizen successfully argued that such an agreement, in this case one signed by a relative of a Maryland nursing home patient, should not be enforced. The Maryland Court of Appeals – the highest court in the state – agreed.

Public Citizen Argues, Wins U.S. Supreme Court Cases

Standing up for consumers throughout the organization’s 40 years, Public Citizen attorneys have argued dozens of cases in front of the U.S. Supreme Court. Continuing this tradition, last year Public Citizen won one case and argued two more (with a decision still pending in one) before the highest court in the land.

The victory came in March, when the Supreme Court ruled in favor of preserving the ability of consumers to file class-action lawsuits in federal courts. Public Citizen attorney Scott Nelson argued the case, *Shady Grove Orthopedic Associates v. Allstate Insurance Co.* The court ruled in favor of our argument that state rules limiting consumers’ ability to file class actions don’t apply in federal courts.

In November, Public Citizen attorney Deepak Gupta took on cell phone service giant AT&T in *AT&T Mobility v. Concepcion*. Gupta argued on behalf of California residents Vincent and Liza Concepcion that companies should not be able to insert class-action bans into the fine print of contracts.

In 2006, the Concepcions filed a lawsuit and sought class-action status after they and other California customers of AT&T were charged \$30.22 more for cell phones than AT&T’s advertising disclosed. While the harm to any one customer was small, AT&T benefited greatly from the

overcharges to its many California customers, and a class action was the only practical way for those customers to seek a remedy.

However, a clause in the contract with AT&T banned class actions (whether in arbitration or in court), and the lower courts held that the class-action ban was unenforceable under state contract law. Gupta argued before the Supreme Court that the Federal Arbitration Act did not bar the application of ordinary contract-law principles, and therefore that the ruling that the ban was invalid should be allowed to stand. We are awaiting a decision in that case.

In another case, Public Citizen attorney Greg Beck in December argued before the Supreme Court on behalf of James McCoy in *Chase Bank USA v. McCoy*.

In that case, Chase Manhattan Bank increased the interest rate applicable to past charges on McCoy’s credit card account when he defaulted on a payment to a different creditor. McCoy did not receive advance notice of the rate increase.

He filed a class-action lawsuit, arguing that increasing the rate without notice violated the Truth in Lending Act. But the bank claimed that no notice was required because it had reserved the right to change the rate in the fine print of its cardholder agreement. On Jan. 24, 2011, the Supreme Court ruled in favor of Chase.



Attorneys from the Public Citizen Litigation Group stood outside the U.S. Supreme Court in November after Public Citizen attorney Deepak Gupta argued *AT&T v. Concepcion*. (From left) Public Citizen attorney Scott Nelson, Litigation Group Director Allison Zieve, Gupta, Litigation Group fellow Jon Taylor, and Public Citizen attorneys Greg Beck and Adina Rosenbaum.

GLOBALIZATION AND TRADE



At a May event at the National Press Club, Lori Wallach, director of Public Citizen's Global Trade Watch, spoke about two Central America Free Trade Agreement investment cases undermining environmental protection and democracy in El Salvador.

In 2010, Public Citizen Beats Back NAFTA-Style Pacts

Thanks to a nationwide bird-dogging effort by Public Citizen in 2008, Democratic presidential candidates including Barack Obama committed to replacing the failed trade policies of the Bush administration with a new way forward.

No more of the damaging deals modeled after the failed North American Free Trade Agreement (NAFTA), which promotes job offshoring and undermines labor, environmental and other public interest laws, Obama said.

However, by mid-2010, Obama began to cave to the relentless corporate push for more of the same damaging trade policy. He indicated he would be willing to move forward with several proposed free trade agreements (FTAs) left over from the Bush administration: the Korea FTA, the Panama FTA and the Colombia FTA.

Public Citizen sprang into action. During 2010, we mobilized activists to contact members of Congress and urge them to reject any such NAFTA-style deal. We reminded the public and lawmakers why these deals are so bad. All three pacts replicate much of NAFTA, including the portions that empower foreign corporations to directly challenge U.S. financial, health, environmental and other laws in foreign tribunals to demand compensation if our policies undermine their future expected profits.

In addition, the Panama FTA would eliminate existing tools our government uses to combat financial crimes with that notorious tax-haven country. And Colombia is a global pariah for its horrific human rights abuses, while the Colombia pact's agricultural provisions could increase rural poverty in Colombia and lead to an increase in drug trafficking and violence.

Meanwhile, the U.S. International Trade Commission, the independent government agency that reviews trade agreements, announced that

the Korea FTA will increase our trade deficit. The Economic Policy Institute reported it would cost another 159,000 U.S. jobs.

Despite enormous pressure by a powerful bloc of corporations, Republican congressional leaders and some White House officials, Public Citizen was able to stop these agreements throughout the 111th Congress. Now, battle lines are drawn over the Korea agreement, which we will work to defeat in Congress in 2011.

Public Citizen also made progress in advancing a positive trade agenda as spelled out in the Trade Reform, Accountability, Development and Employment (TRADE) Act. That legislation, which was supported by a broad array of labor, consumer, environmental, family farm and faith groups, required a review of existing trade pacts, and it set forth what must and must not be included in future trade pacts. Public Citizen's Global Trade Watch pushed to get as many lawmakers to sign on as possible; by year's end, the co-sponsors totaled a stunning 150, including GOP and conservative Democrats. It will be reintroduced in the new congressional session.

And in the fall, Public Citizen tracked how trade became a key issue in the midterm elections, as many lawmakers and candidates vied to show that they did not support a more-of-the-same trade model.

"Polling shows that the American people across party lines and nationwide oppose more NAFTA-style job-killing agreements," said Lori Wallach, director of Public Citizen's Global Trade Watch. "Our success last year was the counterforce against the special interests that were trying to get elected officials to betray their voters, while at the same time we focused on building a powerful consensus and political support for a better alternative."

Trade pact financial deregulation

Public Citizen spurred a vibrant debate at the World Trade Organization (WTO) and in Washington, D.C., about how the financial services provisions of past trade pacts can undermine the deregulation being undertaken by numerous countries following the global economic crisis. We did this by generating new research and analysis, undertaking intensive historical research to unearth the role of the large banks and securities firms that wrecked the global economy in establishing extreme deregulation terms in trade pacts. Public Citizen also conducted analysis of complicated trade pact texts. The outreach work helped launch a new global civil society campaign to roll back these existing deregulation dictates and ensure that any future WTO expansion does not do further harm.

Trans-Pacific Partnership

Last year, the Obama administration began talks with Asian and Latin American nations to establish a Trans-Pacific Partnership (TPP) trade agreement. The talks with Australia, Brunei, Chile, New Zealand, Peru, Singapore and Vietnam were originally initiated by the Bush administration. As the first trade agreement negotiations entered into by the Obama administration, the TPP was viewed as the critical venue in which the administration could create and implement the new U.S. trade agreement model President Barack Obama promised during his campaign that he would use to replace the failed Bush-NAFTA model. With record-high U.S. unemployment, 5.5 million manufacturing jobs lost since the North American Free Trade Agreement (NAFTA) and WTO went into effect, and a string of trade pact attacks on environmental, health and other public interest laws, much is at stake. Public Citizen mobilized activists to tell their members of Congress that they oppose any trade deal that fails to deliver on Obama's fair trade campaign promises.

Trade Data Center

In 2010, Public Citizen launched an exciting new Internet tool that allows users to track the specific effects of damaging trade pacts like NAFTA on their communities. The new Trade Data Center, available for free at www.citizen.org/TradeDataCenter, allows users to search for information about jobs lost to trade in a town, zip code or congressional district, including when the jobs were lost and to what country they went. The Trade Data Center also contains searchable lists and summaries of all the NAFTA and WTO cases challenging domestic policies and summaries of the job impacts of the past 15 years of the NAFTA-WTO regime by state. The center also features comprehensive maps of corporations that could abuse the harmful investor rights under the Korea Free Trade Agreement, comprehensive congressional voting records on trade deals from 1990 to the present, and trade policy positions and videos of more than 400 congressional and presidential candidates from the 2006 and 2008 elections.

GIVING AND FINANCIALS

Leadership Support in Fiscal Year 2010

(Oct. 1, 2009-Sept. 30, 2010)

2025-2026 \$25,000+ Anonymous Harold & Sylvia Allen Nancy Barron James E. Butler Elizabeth J. Cabraser Mark A. Chavez David & Sherry Gold Jeff Fazio Jonathan Gertler Bryan Kemnitzer Richard & Marilyn Mazess Dina Micheletti Stephen Silberstein Torchbearers President's Circle \$10,000-\$24,999 Anonymous Jason B. Adkins Peter G. Angelos Trammell S. Crow Jordan Fox Bernard & Harriet Gross Robert Jennings George & Edwynn Krumme Leon J. Shapiro Directors' Circle \$5,000-\$9,999 Anonymous John Ates Michael Baum Howard Batts Constantine R. Bricca Randy & Polly Cherner Phillip Harnett Corboy Jr. Thomas Demetrio Henry & Nancy Elghanayan Emmons & Elizabeth Ellis Richard Epstein Ex-Students' Association Agnieszka Fryszman Harvey Furgatch René Haas Keith Hebeisen Marvin & Betty Hoffenberg Arlene Hoffer Helen B. Kaplan Richard Koffman John Langan & Judith Nadell Michael Meadors & Karen Dudnikov Herbert & Nancy Milstein Thomas J. Murray Gregory O'Kelly David Perry Helen Posey Frederic & Maria Ragucci Nelson J. Roach Geoffrey Seaman Steve Skrovan & Shelley Powsner Stephen M. Tillery Joseph Vaneek George A. Zelcs Leadership Circle \$1,000-\$4,999 Anonymous Elizabeth Abbe Carol Adler Wilton & Sara Aebersold Paul J. Allen Diana M. Attias Greg Barnhart Steve & Rebecca Baughman Jensen Jere Beasley Peter Beckman Joseph & Marjorie Belth Medea Benjamin Kelley Berg Allan W. Bernat Steven M. Birnbaum Susan Blaustein Elizabeth Block Elisbeth G. Bobbs Steve & Susan Boyd Frediano & Connie Bracco Andrew W. Brainerd Russell Brandstetter David & Kay Brennan Terry Britton Bruce A. Broillet Peter & Alice Broner Carole Brown Judith M. Buechner James & Barbara Burton William J. Canady Paul D. Carrington Anton S. Carton John Cawley Arthur Cheliotis Myron M. Cherry Ted & Alice Cohn George E. Coleman Ann Collier Basil A. Collins Consumers Union Robert M. Cordova Joseph W. Cotchett	William C. Coughlan Wendell L. Covalt William M. Crosby Jeffrey Curtis Katrin Czingier Donald Dake Kenneth C. Daly Samuel E. Demerit Carole Denney Earl Denney Jeffrey L. Dennis John D. Diffenbaugh Dan Donham David M. Dressler Leo & Kay Drey Helen Runnells Dubois Ruth E. Eisenberg Diana Elghanayan Louis F. Farese Ronald Farese Joanne S. Faulkner Caragh Glenn Fay Joseph W. Fay Thomas Fortune Fay Sylvan Feldstein Robert C. Fellmeth Portia N. Flewelling Wilmer Fong Ronald & Mary Forthofer Ivor & Barbara Freeman Benjamin Friedman Paul Friedman Eugene Gabrych Michael Gaier Marie Lee Gaillard Glenn A. Garland Lewis Garrison Jr. David Garner Carol Geiger Rhoda R. Gilman John A. Girardi John Girouard Sarah B. Glickenhause Joan Granlund Samuel & Mickey Green Browne Greene Xan & Bonnie Gregg Carroll & Elaine Haas Francis Hagan Elisabeth G. Hair Frank T. Halpin Olivia Hansen Frances Harmon Leo & Cynthia Harris Robert & Stephanie Harris Ruth L. Harvey Susan Haugrud Debra Henley Laurette K. Herman John Michael Hershey Jim Hightower John Hirschi Molly Hoffman Neil Hogan Neil Holtzman & Barbara Starfield Joy Howell Michael & Catherine Howell Thomas Hunt John & Laura Hussey Phyllis Hyde John Irsak David Irwin Gloria Jarecki Alan & Cledith Jennings Allan & Dorothy Jonas Milnor & Miriam Jones Annie Kaplan Jim Kampanos Lisa Kasper Anne W. Kasten Renee Kaswan Sydney K. Kay Bryan & Kristen Kemnitzer Phyllis Kerdasha Bruce Kieloch Martha Z. Kirby Lori Kliskling Mark A. Kleiman Nobuko O. Kuhn Helen P. Ladd Kurt & Gladys Lang Anita Suzanne Lanier Paul & Eileen Lefort Michael Levine Shannon Liss-Riordan Donna Litowitz Mark Lynch Mike Maher Steven R. Maher Michael P. Malakoff Nancy E. Marsden Robert S. Marshall Royceann Mather Dean & Margaret Mattson Niall McCarthy Patricia McSweeney Thomas J. Methvin John & Caroline Merriam Ellen Mertins Lisa Mezzetti Nicholas & Barbara Millhouse Wilma S. 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Barbin Edward Barker Marie R. Barlow Tina Barnett Richard H. Barsanti Morris Bart Karin S. Bartimole Eric Bass Daniel S. C. Becker Ray Bellamy Helene Belz Alvin R. Benson Grace Benson Richard C. Berner William C. Besselièvre Klaus Bibl Helga & Jerry Bilik Benjamin Lee Bird William & Ilene Birge Steve Birnbaum Bruce Bittler Perry Black Karen Blanchard Roberta E. Bobba Diana Boernstein Silas Bolef Eleanor J. Brennan James Brewers Dolores E. Brien Elaine Broadhead Ruth E. Brown Virginia C. Browne Allen A. Burns Ray H. Burton Betty A. Butterbaugh Eugene C. Cade Elizabeth C. Campau Karen Carroll Gerald C. Carter Emily Casteel Arlene Ceterski John Chamberlain Thomas S. Chang Allen Chazin Lucio Chiaraviglio Kenneth L. Christensen Naoma Clague Margarie G. Clark Ludvik Clement John L. Cleveland William Cohan Guy Coheleach Steven Cohn Robert Collins Carol M. Conner Alfred V. Contarino Roberta M. Conway Scott B. Cooper Phillip & Ann Corin Commander E. Corsepis Larry M. Cousins William & Polly Coxie Constance Crocker John Crutcher Armine G. Cuber Anne Page Daniel Frank S. Daniel Byron Danielson Walter H. Daub Phillip Deuel Daniel Deutsch Mary Ann Diamond Muriel Diamond John Dillon Donald Dodd Donald F. Dorsey Jerry L. Duncanson Luella Dunn John W. Dykstra Robert & Helen Edelman Stewart Eisenberg Ann Ekstrom Mary Elke Hinda Elwyn Herbert Engelhardt Doug Erickson Martha Lynne Estes Wallace Eubanks George Farah Marie L. Farr Charles W. Farrar Josephine G. Farwell Paul N. Fenimore Maria D. Fernandez Harvey Fernbach Alfred C. Fields Louis Fisher Evelyn Fizzell Thomas & Nancy Florsheim William L. Foege	Marie E. Fraser Jeffery Fried Joseph Gebhardt Jerry & Mary Gerrity Audrey Gerson Christopher & Nancy Gibbs Pamela Gilbert Tom Gilroy Robert Ginsberg Eli Glatstein Marion P. Goodale Ronald Gori Susybelle L. Gosslee Walter Graf Ken & Connie Graham Janice R. Grant Sally Green Elaine F. Greene Jerry Greenfield Charles P. Greening David L. Greer Brian Gregg Bernard Gress Jacquelyn Griffith Barbara Grodd Lee & Lulu Grodzins Maureen S. Grove Irwin Guttman Thomas A. Hager Robert S. Hage Frances M. Hagins Robert & Sally Hall David Halperin Hildegard K. Hannum Clara Harris Eloise Harriss-Teas Norbert Hauser Elaine Hazard Bertina Wentworth Helmers Jo Ann Herr William & Beth Hillig John C. Holden Sidney Hollander Zeb N. Holler Fenwick W. Holmes Rose Hope Stephen Hopkins Richard A. Horvitz Consuelo P. Hudgins Bruce W. Hudson Gerhard Huegel Sam Israel Jay Ittelson Joan K. Jackson Naren L. Jackson Emile W. Jacques Jamila Janco Peter Jay Iris D. Johnson Virginia F. Johnson Wade C. Johnson Lois Joseph Pamela Judson-Rhodes Henry S. Kahn Stewart & Sherry Kahn Barry & Annie Kaplan George Karnoutsos Bernard Kastin Larry Katz Robert V. Keeley Hugh C. Keenan
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Fiscal Year 2010 Financials	
Revenue and Support	
Individual Donations	\$7,315,016
Publications and Subscriptions	\$1,903,493
Grants	\$1,765,289
Program Income	\$392,403
Rental Income*	\$311,958
Other	\$20,192
Income from Investments	\$453,104
Total Revenue and Support	\$12,161,455
Expenses	
Programs	\$6,942,397
Publications	\$2,226,738
Support Services	\$2,396,655
General and administrative	\$1,578,853
Development	\$817,802
Total Expenses	\$11,565,790
Change in net assets**	\$595,665

*Net of Operating Expenses **In accordance with Statement of Financial Standards No. 116, Accounting for Contributions Received and Contributions Made, Public Citizen is required to record all grants and contributions in the current fiscal year even if the monies have not been received or related expenses have not been expended. As of Sept. 30, 2010, Public Citizen had temporarily restricted net assets of \$3,966,727 which represent restricted grants and contributions whose donor-stipulated time or purpose restriction has not been accomplished. Several of the net assets included in this amount are intended to be expended over several subsequent years.

**How can you become
a leadership
supporter?**

Contact Assistant Director
of Development Alice
Butler at (202) 588-7753 or
abutler@citizen.org.