

THE LAURA FLANDERS SHOW

#50YEARSOFHARM: REP. RO KHANNA & LISA GRAVES CALL OUT ALEC / THE AMERICAN LEGISLATIVE EXCHANGE COUNCIL

LAURA FLANDERS: From total abortion bans to anti-trans bills to the overturning of common sense labor and environmental rules and attacks on voting systems, given that the US is supposed to be a democracy, have you ever wondered how laws get passed here that simply do not reflect the views of a majority of Americans? And have you ever asked yourself, where does some of the most extreme, even outlandish bills even come from? Since the early 1970s, ALEC, the American Legislative Exchange Council, has had a lot to do with all of that. For 50 years, ALEC has been functioning as a kind of reactionary bill mill, behind the scenes strategically infiltrating government on behalf of the world's largest corporations and pushing policy and politics their way in return for generous financial contributions. In 2023, a coalition of groups has come together encompassing the environmental, labor, and civil rights movements. It's calling out the anti-democratic impacts of ALEC using the hashtag, #50YearsOfHarm.

[**NARRATOR:** Meet ALEC, he's turning 50 this year. And for the past 50 years, ALEC has been poisoning our waters, polluting our air, denying US healthcare, suppressing our vote, weakening unions, empowering hate groups, enabling gun violence, attacking abortion rights, marginalizing communities of color, defunding public education, and making it much, much harder to hold corporations accountable or have the rich pay their fair share of taxes.

LAURA FLANDERS: What can be done? Well, it's tricky. But we have two experts on hand, Lisa Graves is Executive Director of True North Research, and President of the Center for Media and Democracy, two of the preeminent groups investigating ALEC and dark money in politics generally. Congressman Ro Khanna represents California's 17th district, located in the heart of Silicon Valley. A leading progressive Democrat now serving his fourth term, Khanna is the former chair of the House Oversight Subcommittee on Environment, and a leader on labor rights. As such, he's been taking issue with ALEC's work on many fronts for years now. Lisa Graves and Congressman Ro Khanna, welcome to the program.

RO KHANNA: Thank you, Laura.

LAURA FLANDERS: Lisa, coming to you, for many people, the name ALEC, American Legislative Exchange Council, they've never heard of either one. So why does this organization's 50th birthday merit such a mobilization?

LISA GRAVES: Well, ALEC is a name that's sort of designed to sound innocuous. In fact, they describe themselves as the largest voluntary body of state legislators in the country. But what they really are is a corporate bill mill of, a vehicle for some of the biggest special interests in the country for billionaires, billionaire corporations like Charles Koch and Koch Industries, Big Tobacco, and more. And what they do is they provide a mechanism for these special interests, these very rich interests, getting their bills into the hands of legislators across the country and the statehouses, and also influencing Congress. And they do so behind the scenes where the thing that I think every American needs to understand is it's through ALEC that corporate lobbyists and special interest representatives of Charles Koch and others actually vote as equals on these so-called model bills to change our rights without the press or public present before those bills are introduced to become law in the statehouse.

LAURA FLANDERS: Well, how so? That sounds like you've got members of the corporation there in the, you know, halls of the Capitol.

LISA GRAVES: What was shocking to me when the whistleblower provided me a full set of these ALEC bills a few years back was that they had a promo for the corporations and the special interest groups in which they told them that they get an equal voice and vote. And then it turned out through open records requests and other research, we were able to obtain vote tallies, showing that in fact, what happens is each of these ALEC bills gets raised in a task force at a fancy hotel where these lawmakers are wined and dined or schmoozed and boozed. And then they actually vote, the legislators vote and the corporate lobbyists vote on those bills whether they should become the national policy, the national agenda for ALEC. And that has included bills, like bills make it harder for America's to vote, the so-called stand-your-ground laws that made it easier to get away with murder, bills to attack labor, bills to attack the rights of teachers, our public schools, and so much more. And these bills were all secretly voted on by corporations without you knowing it. In fact, in many instances, they were written by those corporations or special interest groups themselves.

LAURA FLANDERS: So Congressman Khanna, how does that affect you? You come into office perhaps in your freshman year, how have you had to contend with ALEC or how did you come to be conscious of the fact that they were in the back room somewhere?

RO KHANNA: Well, first of all, I really appreciate Lisa's work. The challenge here is that ALEC works with state legislatures and statehouses because there is far less scrutiny there as there is on Congress. And of course, Congress has its own overrun with special interest money and big money. But at least, you've got the New York Times and the Washington Post and CNN and MSNBC covering that. Many of the state capitals, you don't have that. And so what they have done very effectively is, for example, with right-to-work, I mean, they're behind states taking away union rights in dozens of states. They're working on having environmental

regulation stripped away, and they do this without the public scrutiny. And then these states become models for federal legislation. And so it is something that we haven't paid enough attention to on the progressive side because it's not flashy, but we really need to look at how these groups are building power.

LAURA FLANDERS: You chaired at one point the Oversight Subcommittee on the Environment, and you held a series of hearings back in 2021, I think. You even brought in executives from the fossil fuel companies to talk about what they were doing to respond to the climate crisis. What did you find and what did you discover about ALEC's role and some of the denialism you turned up?

RO KHANNA: Well, we had, for the first time in history, the big oil executives in front of my committee, this is when we had the Congress and I could subpoena them, and they basically produced millions of documents showing that they had lied about climate science. They knew that human beings burning fossil fuel causes climate change, and they denied it all the way up to 2000. Now, what they did was very clever because they didn't directly fund lobbying efforts to spread climate disinformation. They would go through third front groups like American Petroleum Institute to fund climate disinformation or campaigns to make sure that methane or CO2 emissions aren't regulated. And those groups, in turn, would work with organizations like ALEC to get state legislatures on board. So it gave the oil companies plausible deniability because there were two to three degrees of separation removed from the people actually lobbying. And they could say, "Oh, we don't engage in direct lobbying against climate legislation," and actually ran at saying they're pro-climate, and this is how the system often works.

LAURA FLANDERS: The Guardian newspaper, not so long ago, counted up just how many, you know, universal abortion bans. The total abortion bans have been brought forward since the killing of federal rights with the Dobbs decision. I think they counted up something like 1,500 lawmakers. How many of those were ALEC-related?

LISA GRAVES: That report in particular, I noted that there were several hundred ALEC legislators who in their states were leading the efforts to try to destroy people's reproductive rights at the state level after the Dobbs decision reversed nearly 50 years of legal precedence on abortion. But I wanted to add to something you asked earlier, Laura, which is Ro is exactly right, Rep Khanna is exactly right because what you see with ALEC is how these oil companies were using ALEC to push disinformation about climate change to basically fund disinformation through these task forces, and then also, being involved in these bills that were designed to thwart any reasonable effort to address climate change. At one point the Center for Media and Democracy filed a complaint with the IRS about the decades and, of Exxon, for example, funding ALEC where ALEC was telling state legislators, climate change isn't happening, or if it

is, it's good for you while it was telling its shareholders that it was a responsible player on climate change, which it was not. But the fact is, is that ALEC continues to push that agenda even after Exxon left the organization recently, for example, in the past year or so, as CMD has documented, ALEC has put forward efforts or supported efforts to basically claim that measures to have socially responsible investing on the environment are discriminatory against oil companies, that that's discrimination. And meanwhile, ALEC and this legislators attack any effort like affirmative action or efforts to redress racial discrimination. But they claim now that even supporting renewable energy through investments by the state is somehow prohibited discrimination against big oil. It's outlandish.

LAURA FLANDERS: Here's a clip from the "United States of ALEC," a documentary made by the Bill Moyers Company prompted by a whistleblower who brought information to Lisa Graves.

LISA GRAVES: In the spring, I got a call from a person who said that all of the ALEC Bills were available, and was I interested in looking at them. And I said, I was.

[NARRATOR]: Lisa Graves, a former Justice Department lawyer, runs the Center for Media and Democracy. That's a nonprofit investigative reporting group in Madison, Wisconsin. In 2011, by way of an ALEC insider, Graves got her hands on a virtual library of internal ALEC documents. She was amazed by its contents, a treasure trove of actual ALEC model bills.

LISA GRAVES: These are the bills that were provided by the whistleblower. That's just the index.

[NARRATOR]: There were more than 850 of them, 850 boilerplate laws that ALEC legislators could introduce as their own in any state in the union.

LAURA FLANDERS: That was a clip from the "United States of ALEC," a documentary series produced by the Bill Moyers Company. That was just over a decade ago. Lisa Graves, coming back to you, what's changed and what do we need to be sort of freshly aware of as we think about the operation of ALEC today?

LISA GRAVES: Well, there was a very robust coalition that launched with ALEC Exposed. It included Greenpeace, Common Cause, People for the American Way, Color of Change, and numerous civil rights and other organizations as well as unions. And that effort over the course of more than 10 years, pushed more than 100 corporations out of ALEC including some of the biggest corporations in the world like Walmart. But the fact is, is that with that success, ALEC, in essence, has concentrated its funders to some of the most extreme, or people pushing some of the most extreme agendas, it has always, for the last nearly 30 years, had Koch funding. It has

multiple votes in essence through different operations where a Koch entity is part of ALEC. But now, we've seen that ALEC is increasingly funded as a pay-to-play organization by Leonard Leo, the man who has been at the center of controversy around capturing the US Supreme Court and trying to change our rights through this captured US Supreme Court. One of the things that happened recently is one of Leo's groups gave \$100,000 to ALEC and then secured a place basically presenting to ALEC legislators through the so-called Honest Elections Project on ways to basically make it harder for Americans to vote to continue to fuel this big lie or what I call the big lucrative lie that the GOP has been pushing now for more than two years.

LAURA FLANDERS: So they have a "ban ranked voting" proposal in the works, right?

LISA GRAVES: They have that, they also endorsed trying to remove direct election of US senators to put that in the hands of these state legislatures. They also have proposals to have a constitution convention, which would certainly be fueled by corporate cash and cash from billionaires to rewrite our entire constitution.

LAURA FLANDERS: Coming to you, Congressman, you're a big supporter of labor rights, and the Biden administration has run on being positive for unions. Talk about the degree to which executive power can combat some of what we are seeing in these ALEC mobilizations. President Biden tried to write pro-union incentives into the CHIPS Act, but almost immediately, you have Tennessee legislators coming up with legislation to ban and blacklist companies that would recognize unions. That was signed into law. What could the President have done differently?

RO KHANNA: The lesson learned from the experience with the IRA and the funding going to Tennessee and Alabama is there needed to be far more strict executive guidelines on the distribution of that funding from DOE. Gene Sperling is now doing that, but we should have insisted that the funding, and the President could have written that into the executive criteria for the DOE and others. I think instead, we had well-meaning technocrats just distribute the funding for what they thought was viable and exciting as a clean tech project without sufficient attention to labor. And the challenge with that, Laura, is you can't have a green revolution without the workers in Ohio, Pennsylvania, Indiana being on board. I mean, it's just not going to work. And so next, we need to make sure that green jobs are also good union jobs.

LAURA FLANDERS: Your point is very strong that knowing what we're up against, you can't leave any wiggle room in executive action. If that's the tool you've got, make it as strong as possible, and why wheedle because this is just going to happen. What happened in Tennessee is going to happen all over.

RO KHANNA: I think if we just linked the, if we had a massive effort at reindustrialization in this country, for example, new steel plants, we should be making the new steel plants here.

They'd have 1/4 of the carbon footprint as China. We've gone from the biggest exporter of steel to the biggest importer. Let's do a Steel Act but let's make sure we write the legislation in a way that they go to steel-making towns and with a legacy of high-paying union jobs. Things like that, we can do probably in industry after industry to rebuild the factory towns that have been hollowed out to rebuild our working in middle class.

LAURA FLANDERS: Well, people may remember that the President's first veto, I think it was in March of 23 or something, was around these very questions of environmental, social, and government factors when it comes to investing public money in pension funds and so on. And when that sort of thing hits the headlines, I think a lot of people scratch their heads. It's like, why is this even an issue that investors should be allowed to consider the environmental impacts of the companies they're investing in? Do you know where that came from, and how serious is it, Congressman?

RO KHANNA: These are private companies that are adopting these standards and how they invest. When you go to shop, you can decide whether you want to buy something from someplace, which has environmental standards or not. And what the Republicans are trying to do and what the President vetoed was have a bill that would actually restrict private investors, private people putting their money based on their own values, and that's just un-American.

LAURA FLANDERS: These ESG standard issues are front and center, though, it seems like for ALEC at their 50th anniversary gathering this summer, this was one of the main things they talked about.

LISA GRAVES: The idea that these corporations are so grossly distorting our public policy at the state level, and trying to stop any reasonable efforts at the federal level, it's just really immoral, quite frankly, given where we are as a world.

LAURA FLANDERS: But I would imagine that somebody from ALEC might say, "Look, unions and progressives have lobby groups. We are just doing the same thing," to which you would say what, Ro?

RO KHANNA: That if they were just engaged in a citizen movement, that would be their right, but they're distorting it with big money, with billions of billions of dollars. I mean, if there was a citizen movement on an issue that I disagreed with that people were just organizing as citizens to express their views, I would say that's the democratic process, and obviously, people have the right to participate. That's not what ALEC is doing. ALEC recognizes that on many of these issues, there's a 70, 80, 90% consensus against them, and they're trying to distort the democratic process by the use of big money.

LAURA FLANDERS: Where does their money come from, Lisa? And has that changed over time?

LISA GRAVES: No, I did the tally back in 2011, and it has not changed. Less than 1% of their annual revenue comes from state legislators who pay 50 bucks, 100 bucks a year to be part of ALEC, the window dressing, and 99% of their funding comes from everything but state legislators. That includes huge corporations as well as some of these big right-wing foundations. So they really are a group that is driven by some of the richest, powerful few in this country. In many of these statehouses, as Rep Khanna mentioned, those state legislators have maybe only a couple staffers, like two or three people aiding them. And so ALEC comes in and basically acts as their unpaid staff. And in doing so is getting these extreme bills in the hands of those legislators. And let me just describe a couple examples. ALEC has long had measures to basically bar limits on ATM fees, not what Americans would want. They oppose windfall taxes on oil companies. I think most Americans would support that. They have relentlessly attacked social security, something Americans value deeply. They've been tremendously involved in trying to undermine public schools and defund public education. In fact, to destroy public education in accordance with the wishes of Milton Friedman, at almost every turn, their policies are not the policies that most Americans want. In fact, they're policies that most Americans dislike, don't want, and would never vote for.

LAURA FLANDERS: Well, this takes me or reminds me of the conversation I had recently with Naomi Klein about her book, "Doppelganger," where she says, "You know, a lot of people know there's something wrong but there's a kind of silence around what exactly is wrong." And I think around this question of democracy, and I'm coming to you Congressman, there's a sense that a lot of Americans have that something is hopelessly corrupt, that outlandish legislation is coming from someplace, nobody they know, and passing, you I know are out there trying to tackle corruption and sort of increase confidence in democracy, how are you doing it?

RO KHANNA: You know, I recently had a tweet that went surprisingly viral because none of the ideas in it were new. And I said, the President and the Democrats should run on a few simple principles. We should ban all PAC and lobbyist money from federal elections. Members of Congress taking it. We should ban members of Congress becoming lobbyists after they're done their service or engaging and stock trading while they're serving so that members aren't engaged in enriching themselves. We should have term limits for Supreme Court justices and some term limits for members of Congress and senators. You know, the turnover rate in the United States Congress according to the Economist is less than in European monarchical families today, and we should have a code of ethics for the Supreme Court. Now, people may not agree with all of my ideas but the point is that there is a understanding that the system is broken, that ordinary Americans are losing their voice. And what you have in a place of anti-politics where there's an

assumption that all of us in Congress are corrupt or part of a bad system, that gives rise to demagoguery.

LAURA FLANDERS: I would love you, Lisa, to talk to this too. This is a year where many organizations are looking at the 50th anniversary of ALEC. It's an organization that's been surprisingly hard to combat, really. We know that it functions best when legislators know least about it and where there's not much media attention. And if there is, it's not well understood. What can be done to kind of, I don't know, work differently in response to all of this because nothing that we've mentioned is actually as far as I can see illegal or is it?

LISA GRAVES: Well, we've certainly tried to support IRS investigations of ALEC because for years, ALEC told the IRS and the American people that it engaged in zero lobbying while sending materials to its corporate members and legislators telling them how, just crowing about how many bills they got introduced and passed. It's one of the hopes for the Center for Media and Democracy coming into 2024, is that more Americans than ever will have access to tools to help expose which bills are ALEC Bills and help expose and talk to their neighbors about the fact that some of these legislators who have these protected seats actually are giving away their vote by pre-voting with some of these corporations that are trying to make it harder for us to do anything about climate change, corporations that have pushed for these trade policies, that have hurt the American worker, corporations that in the United States have also tried to attack worker rights. I still believe knowledge is power, facts matter, and knowing who the real special interests are behind this can help expose them and help block them.

LAURA FLANDERS: Just want to thank both of you so much for joining us and taking your time with us today.

RO KHANNA: Thank you, Laura.

LISA GRAVES: Oh, it's been an honor to be on your show, Laura, and to be with you Rep. Khanna.

RO KHANNA: Same here, it's an honor to be on with you, Lisa, and thank you, Laura, for what you're doing.

LAURA FLANDERS: #50YearsOfHarm is a pretty apt hashtag for a campaign seeking to draw attention to the 50 years of work by ALEC, the American Legislative Exchange Council. There is no question that ALEC has managed to push US politics and policy dramatically to the right over that last half century, and they've done it mostly without much public attention or journalistic coverage at all. The days of the future for ALEC may be shorter, though. They have company now at the local level from a Democratic initiative called The States Project founded in

2017 that claims to have spent some \$60 million on local races the last time around. That's good. But it's a pittance compared to the untold or at least unrevealed millions spent by ALEC, an organization we know has no problem spending \$2 million on its convention every year. There's other change afoot though, at the local level with a \$500 million investment going to local journalism from a consortium of foundations called Press Forward. That is good too because over 2,000 local newspapers have died in the last two decades or so, and that kind of money could make a difference. The last thing that's needed, public attention to local politics of the sort that Ralph Nader and his colleagues have been calling for for years. Will we see it? Politicians, press, and the public refocusing on the local? Well, maybe. And if so, we'll be watching. You can get our full uncut conversation of every week's program through a subscription to our free podcast. In the meantime, stay kind, stay curious. For "The Laura Flanders Show," I'm, Laura. Thanks for joining me.

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