

An in depth article on the dismantling of resource protection in Wisconsin in recent years:

Wisconsin, under Scott Walker, no longer leads in conservation

WALKER AND GOP LAWMAKERS HAVE USED ONE-PARTY CONTROL SINCE 2011 TO ENGINEER THE BIGGEST SHIFT IN NATURAL RESOURCE MANAGEMENT SINCE THE CLEAN WATER ACT.

Lee Bergquist, Milwaukee Journal Sentinel

When Foxconn Technology Group begins construction of an industrial plant large enough to cover the entire Village of Shorewood, it will be exempted from state environmental requirements that any other company would have to follow.

Foxconn can fill in wetlands that are regulated by the state, change the course of streams, even build in a stream running through the property if it wants to.

In addition, the plant will use potentially polluting chemicals to manufacture an array of super-high-definition display panels. Yet no environmental impact statement will be required by state officials for one of the largest economic development projects in U.S. history.

“That was not a request that came from Foxconn,” said Tim Sheehy, president of the Metropolitan Milwaukee Association of Commerce, who was involved in negotiations with the company.

It came from state officials, who believed the environmental reviews could slow the giant complex in Racine County —the plant will be three times larger than the Pentagon — and persuade the Taiwan-based company to build its liquid crystal display panel plant someplace else.

The help for Foxconn underscores how Gov. Scott Walker and fellow Republicans, since voters gave them control in 2010, have engineered the biggest shift in natural resource management in decades by easing regulations and promoting business-friendly policies.

The changes have wide-ranging implications for the public — from fewer protections for lakes, streams and wetlands to less money spent on recycling programs, state parks and public land purchases.

Big election victories and voter frustration with government have allowed an increasingly bold GOP to assert more authority over state agencies and embrace policies they argue are needed to bolster the economy, especially the state's critical agriculture and manufacturing sectors.

Among states, Wisconsin has been one of the most active in recent years in pulling back from existing environmental protections and programs, said Barry Rabe, a political scientist at the University of Michigan.

"Clearly, there was, for a time, a broad perception nationally, and certainly in the Midwest, that Wisconsin was a leader on a range of environmental issues," said Rabe, who tracks state conservation policies.

"I would say that in the last decade or so it's just much less likely that one encounters analysis concluding that Wisconsin is pushing the edge, pushing the boundaries of environmental protection."

The biggest impact has been at the state Department of Natural Resources.

As of this past summer, employment had fallen 22% to 2,199 filled positions since the start of Gov. Jim Doyle's first term in 2003. Doyle, a Democrat, in fact, cut more jobs than Walker.

In a change from previous Democratic and Republican administrations, DNR officials rarely weigh in on conservation policies or pending legislation. Leaders of the agency say their role should be limited to carrying out the law.

In turn, Walker and lawmakers have been more forceful in their roles. Republicans have used their power to engineer the biggest shift in

I Shortly before taking office, Walker said legislation that would limit the authority of agencies, which quickly passed the next year, would send a "clear signal that rules are to be based on laws passed by the Legislature and not by the agendas of unelected bureaucrats within state agencies."

Walker and legislative leaders say their actions are designed to stick up for taxpayers and help the economy by curtailing what they describe as "job-killing" regulations.

In one instance, they used the state budget bill to quietly change state law in 2015 to ease the way for Enbridge Inc. to gain state authority to condemn private property and avoid added insurance requirements for a potential pipeline expansion that would cross the length of the state. (Enbridge has said it has no current plan to add another line in the state.)

The help for Enbridge came after a massive spill in 2010 from a company pipeline in Michigan washed oil down 35 miles of the Kalamazoo River. As part of a settlement with federal authorities, Enbridge paid \$61 million in civil penalties. In Wisconsin, the company paid \$1.1 million for running afoul of state environmental laws during pipeline construction projects in 2007 and 2008.

In another case in 2014, lawmakers voted to delay for up to 20 years the full rollout of Doyle-era regulations to limit how much phosphorus could be released into waterways.

The cleanup of phosphorus from industries and communities helped revive America's waters after the Clean Water Act was passed in 1972.

Phosphorus, found in manure and used as a fertilizer on farms, can spur the growth of toxic blue-green algae and weeds that rot in stinking piles on the shore of Lake Michigan. In recent years, phosphorus has been blamed for large, summer "dead zones" in Green Bay — areas with so little dissolved oxygen that fish can't survive.

An analysis finished in 2012, early in Walker's first term, estimated \$18.8 million in net benefits from the planned phosphorus reductions over a 20-year period. But in 2015, state officials commissioned a new study that estimated the reverse — that the new regulations would cost nearly \$7 billion. That was used as justification to delay them.

Wisconsin has also:

- Joined like-minded states to challenge environmental regulations put in place under former President Barack Obama, including rules to limit greenhouse gases. One reason cited: Worries about higher energy costs for manufacturers.

- Held steady a requirement that 10% of electricity come from renewable sources. At the same time, neighboring states are moving ahead with plans to use a larger share of wind and solar power.

- Prohibited Wisconsin communities from banning plastic bags because of concerns about the costs to retailers — though there had been no local push to create such rules.

Supporters of efforts to curtail environmental regulations point to the blockbuster deal with Foxconn and the promise of up to 13,000 jobs as a validation of tax and regulatory policies that are more welcoming to investment and job creation.

Walker and Foxconn Technology Group Chairman Terry Gou signed an agreement on Nov. 10 to provide the company with up to \$3 billion in taxpayer incentives to build a plant east of I-94 in the Village of Mount Pleasant.

State officials say that exemptions provided to the company won't weaken environmental protections. Any lost wetlands, for example, will have to be re-created elsewhere at a higher ratio in a process called mitigation. The legislation also won't preclude a likely federal review, which would include regulatory steps the state is dropping.

In a statement, Foxconn said: "We comply with all relevant environmental regulations and, when possible, do everything we can to exceed them in all of the locations that we do business." The company also said it will announce "in the coming months" plans for its participation in "programs related to environmental sustainability" in Wisconsin.

But environmental groups question what the state is giving up for a project that initially will cover more than 400 football fields and could grow larger.

Midwest Environmental Advocates, a public interest law firm, said the lack of an environmental impact statement from the state means less study and transparency for a complex that will include a manufacturing process involving chemicals and heavy metals.

The Wisconsin Wetlands Association is worried about the impact on the watershed, such as flooding, as asphalt and rooftops replace the water-soaking abilities of fields, woods and wetlands.

"The main issue is whether mitigation will be done in a manner that replaces the wetlands functions that will be lost in the area," said Tracy Hames, executive director of the group.

The reason Wisconsin officials offered Foxconn the exemptions, according to the chamber's Sheehy, was to avoid almost certain legal and administrative challenges by critics that would be raised during the state's review process.

"What it came from was ... Wisconsin's experience," Sheehy said. "And I am not saying it's right or it's wrong, how this could get held up in a number of ways by people who might not support the project."

Unpopular with environmentalists

As Walker enters his eighth year in office and runs for a third term, he is viewed in the conservation community as the most environmentally indifferent governor since the 1970s, if not long before.

Environmental and citizens groups have turned to the courts and administrative proceedings because of what they see as weak oversight by the DNR and scant interest in the Legislature to pass stricter protections.

In one case in 2014, an administrative law judge, Jeffrey Boldt, said that numerous contaminated wells in cattle-intensive Kewaunee County, home to many factory dairy farms, "represented a massive regulatory failure to protect

groundwater."

Cathy Stepp, the DNR secretary at the time, said she felt Boldt's ruling wasn't so much a criticism of the DNR as a sign the judge was "dissatisfied with the current regulatory framework."

In 2015, Midwest Environmental Advocates and a group of citizens petitioned the U.S. Environmental Protection Agency to more closely monitor the state's regulation of water pollution programs. Among their concerns: a drop in enforcement actions by the DNR and a growing list of water bodies that fail to meet clean water standards.

In October 2016, the DNR was sued after the agency said it would no longer consider the potential harm from high-capacity wells to nearby lakes, streams and wetlands when reviewing an application for a new well.

Clean Wisconsin and the Pleasant Lake Management District in Waushara County filed the lawsuit because of evidence showing heavy irrigation in vegetable-growing central Wisconsin can lower water levels of neighboring lakes and streams.

Last month, a judge in Dane County ruled against the DNR.

In addition to legal battles, environmental groups have tried pushing back against actions by lawmakers and the administration — with little success.

"I don't think that anybody expected it to be so sweeping," Kerry Schumann, executive director of the Wisconsin League of Conservation Voters, said of GOP actions to reduce natural resources regulation. "It's touched virtually every area of environmental protection."

In truth, the League of Conservation Voters, like other environmental groups, also found fault with Doyle.

Doyle failed in 2010 to persuade lawmakers to pass legislation mandating more renewable energy, a move aimed at fighting climate change by limiting emissions of greenhouse gases. He also vetoed a bill that would have eliminated the authority of future governors to name the secretary of the DNR. If it had passed, the power would have gone back to a citizens board, as it had been from 1967 to 1995. In 1967, the DNR was created by the merger of two agencies.

But since 2011, Schumann said the trend "has become more partisan — everything has shifted to an anti-conservation agenda."

One example: Passage of legislation in November that strikes down a nearly 20-year moratorium on metallic mining.

The moratorium on mining minerals such as copper, gold and zinc was approved with overwhelming bipartisan support in 1998 because of worries that mining them would leach acidic material into waterways, a process known as acid mine drainage.

But this year, Republicans said that Wisconsin is leaving valuable resources in the ground and missing out on important economic opportunities.

"When did radical environmentalists become more important to some in the Wisconsin political elite than blue collar workers?" tweeted Eric Bott on Nov. 2.

He is state director of Americans for Prosperity-Wisconsin, a conservative group backed by industrialists Charles and David Koch, and among the many business groups that support the state's direction under Republicans.

In the Assembly, the mining bill passed, 53-38, with four Republicans joining all Democrats to oppose it. The Senate passed the measure, 19-14, with one Republican voting against the bill. Walker has said he will sign it.

The pullback from some environmental regulations also underscores the resentment, particularly in rural areas, toward state government today.

Political scientist Katherine J. Cramer of the University of Wisconsin-Madison said she saw this firsthand during extended interviews in cafes and churches as she researched the attitudes of rural voters in the Walker era.

"What I heard in my fieldwork is about people feeling not being paid attention to," Cramer said.

Whether it's accurate or not, "I hear a lot of critiques of the DNR," she said.

"Some people feel like these regulations are being imposed by a government that is clueless about them and their lives."

In his run for the Assembly in 2010, now-state Sen. Tom Tiffany (R-Hazelhurst) said that voter anger was palpable in his northern district.

Tiffany, who led efforts to overturn the moratorium on mining, heard a lot of talk about an "overbearing Department of Natural Resources."

"They wanted reform," he said of voters.

So did trade groups representing farm organizations, builders, small business and manufacturers, all of which have pushed for fewer regulations and lower taxes.

"It's unquestionably made the state more attractive," said Lucas Vebber, general counsel and director of environmental and energy policy for Wisconsin Manufacturers & Commerce, the state's largest business group.

"I think that Governor Walker has done an incredible job of not only protecting our natural resources, but also providing certainty and the framework necessary for businesses to site here, to grow here, to expand operations and hire more people so more people can get out there and enjoy those beautiful natural resources," Vebber said.

WMC supported the state's legal challenges of regulations by the Obama administration to reduce carbon dioxide emissions from power plants by nearly one-third by 2030. (The Trump administration suspended the Obama plan in October but is expected to face a court challenge.)

The DNR and the state Public Service Commission filed comments with the EPA in 2014 objecting to the rules, which were designed to combat global warming from a buildup of carbon dioxide in the atmosphere. Carbon dioxide is fueled by the burning of oil, gas and coal. The agencies estimated it would cost manufacturing-intensive Wisconsin \$3.3 billion to \$13.4 billion to comply with the new limits.

In 2016, Walker ordered agencies not to prepare for the new climate rules; and in December of that year, it was discovered the DNR had scrubbed information from its website that said the Earth is growing warmer and human activities are the main reason.

Officials replaced it with wording saying the subject is a matter of scientific debate.

A month earlier, during an interview, Cathy Stepp, then-head of the agency, said she believed the DNR would play a role in adapting strategies to a changing climate on matters such as flood control and the health of forests.

What about the role humans play in global warming?

"That's above our pay grade here," Stepp said.

In a major report issued Nov. 3, 13 federal agencies said the Earth has warmed 1.8 degrees Fahrenheit over the last 115 years, and that it was "extremely likely that human activities, especially emissions of greenhouse gases, are the dominant cause" of the warming.

'DNR is out of control'

In October 2010, about two weeks before his election victory over Milwaukee Mayor Tom Barrett, Walker vowed to change what he saw as Wisconsin's heavy-handed approach to environmental issues.

“The DNR is out of control and we have to get a handle on that,” Walker said during a debate at Marquette University.

He tapped Stepp, a former home builder and former Republican state senator from Racine County, to run the DNR.

Stepp announced on Aug. 29 she was leaving the DNR to join the EPA under President Donald Trump. Walker has named Dan Meyer, a former Republican member of the Assembly from Eagle River, as her replacement.

Stepp seldom missed opportunities to lavish praise on her staff in public.

But she was frustrated by what she saw as the agency’s indifference, even hostility, to the business world and to others it regulated.

“I am really starting from the prehistoric stages,” she said in a January 2015 speech, four years into the job, sponsored by Denison Consulting, which she hired at a cost of \$70,330 to help with a reorganization of the department.

She described the DNR to the audience in Florida as having an “us-against-them mentality,” and that it was her goal to turn her agency from a “prohibiting agency to a permitting agency, which is frankly what I thought we were supposed to be.”

Under Stepp, the number of cases the DNR referred to the Department of Justice for prosecution over pollution and other violations dropped by more than one half, compared with Doyle.

In Doyle’s first term, the number of referrals averaged 77; in the second term, 68. In the first six years under Walker, such actions averaged 32 per year.

Financial settlements between polluters and the Justice Department fell 60% between 2011 and 2016 compared with the previous four years — all under Republican attorneys general.

DNR officials have said their standards for pursuing cases have not changed but say they try harder to meet with parties early to avoid problems from escalating, limiting the number of referrals for legal enforcement action.

Walker has maintained that the job of the DNR is to balance environmental and economic objectives.

“I don’t think that the two are mutually exclusive,” Walker said after a groundbreaking event on Sept. 1 in Cudahy. “I think that you can be good for the environment and good for the economy at the same time.”

The DNR says criticisms of the agency drown out many of its accomplishments including a better relationship with those it regulates — while still enforcing environmental laws.

According to the agency, those accomplishments include the cleanup of toxic pollutants in the Milwaukee River; long-term improvements in air quality and replacing lead pipes to homes.

After years of pressure from environmental groups, the DNR has increased its field staff to inspect large farms. It provided \$15 million in subsidies to a consortium that hopes to harness energy from manure in northeastern Wisconsin. And it is proposing first-ever standards to limit the spreading of animal waste on vulnerable soils that can leach manure into groundwater and drinking wells.

But officials are not doing enough, according to Bob Atwell, chairman and chief executive officer of Nicolet Bankshares Inc. in Green Bay.

He has been publicly critical of farm policies that focus more on dairy production for most farmers than on milk's impact on water resources.

"I and many others wonder why the DNR isn't answering the hard questions about the extent to which water quality is deteriorating and why?" Atwell said in an email.

He added: "Republicans have dominated politics and policies for six years. This is their moment and their responsibility."

The DNR's duties — regulating fishing and hunting, managing public lands and enforcing pollution laws — have been carried out by an ever-shrinking workforce.

In February, officials blamed workload demands of the agency as a reason to end the publication of the self-supporting Wisconsin Natural Resources magazine, which at the time had a circulation of about 75,000. After hearing complaints, lawmakers restored some of the funding to keep the magazine operating with a reduced publication schedule.

In June, the DNR announced it would no longer manage a 2-acre site at the Wisconsin State Fair in West Allis, where staff ranging from game wardens to biologists have mingled with fairgoers since 1948.

"If you ever wanted to reach an urban population on natural resources issues, the fair was an ideal place to do it," said George Meyer, executive director of the Wisconsin Wildlife Federation.

Meyer was secretary of the agency from 1993 to 2001 under Republican administrations and oversaw the DNR's enforcement unit for 10 years. He was the first DNR secretary appointed by a governor — Republican Tommy Thompson — rather than the citizens Natural Resources Board.

DNR officials have defended the work of the agency and say they are carrying out their responsibilities with vigor.

"Some people are not going to like this, but I don't believe that this agency has been managed by using private-sector business manager philosophies before," Stepp said in a 2016 interview on a department-wide reorganization.

"I don't have the luxury to throw out bumper sticker soundbites," she said. "I actually have to implement and perform."

With its sweeping authority, the DNR has traditionally performed a delicate dance between competing constituencies but has become more politicized since 1995. That year, Thompson signed a law giving the governor the power to appoint the secretary.

The law was passed during a brief period in the 1990s when Republicans also controlled the administration and both houses of the Legislature. After trying and failing to appoint an industry lobbyist, Thompson chose career wildlife professional Meyer.

Doyle was the first modern governor not to appoint a career natural resources professional to lead the agency.

In 2015, Walker went a step further and tried to make the seven-member Natural Resources Board advisory — a move that would have limited citizen influence on resource issues. Republicans on the Legislature's budget committee blocked it.

"Clearly, we saw more political interference under Doyle — some of it good, some of it bad — and then it became full-fledged under Walker and his appointees," Meyer said.

“I think it’s been a tectonic shift, a watershed shift, a significant weakening of environmental and conservation laws.”

Until about 10 years ago, enacting strong environmental protections wasn’t as divisive as it is today, said Rabe, the University of Michigan professor.

“It’s changed substantially,” he said. “Actually, I think that it’s become good politics with some Republican constituencies, that you are way ahead of other states, that you are pushing back against environmental pressures.”
Politics of resentment

Rural voters represent as much as one-third of the Wisconsin electorate and have become an increasingly important bloc for Republicans, especially as Democrats have picked up more of their support from urban areas.

Walker won the rural vote by commanding margins in 2010, in his 2012 recall race, and again in 2014.

In resource-rich northern Wisconsin, “the Department of Natural Resources is the No. 1 agency in terms of economic impact,” said Tiffany.

“My constituents know that you can have a clean environment and a robust economy. The environmentalists treat it as an either/or — and that’s just not the case.”

Cramer, the UW political scientist, said her interviews revealed “this sense that we want less government, we want less of this thing that isn’t respecting us and isn’t paying attention to us.”

Her book, “The Politics of Resentment: Rural Consciousness in Wisconsin and the Rise of Scott Walker,” was published last year.

“Republicans have figured out how to tap into that resentment in a way that clearly advances their small government aims,” Cramer said.

The taxpayer incentives for Foxconn represent the largest subsidy to a foreign company in U.S. history — a deal Walker describes as a “transformational, once-in-a-lifetime opportunity for Wisconsin.”

It parallels how Walker and Republicans responded after a Florida company proposed in 2010 to develop a \$1.5 billion iron ore mine in Ashland and Iron counties.

Gogebic Taconite demanded lawmakers rewrite laws regulating iron mining, including the easing of restrictions on construction in wetlands. Business groups lobbied for the changes, touting the employment and benefits to Wisconsin suppliers.

The bill sparked the biggest environmental debate in a decade. It failed by one vote in the Senate in 2012, chiefly over worries of the mine’s impact on water resources.

One year later it passed.

What was not known until 2014, as part of an investigation of political activities of Walker and others by prosecutors in Milwaukee County, was that Gogebic had secretly donated \$700,000 in 2011 and 2012 to help Republicans survive recall elections and have enough votes to pass the mining bill.

Gogebic pulled out of the project in 2015, citing worries that the EPA under the Obama administration would veto the project because of potential harm to water resources. The EPA denied it would use its power in such a fashion.

At the time, President Bill Williams said relations with state regulators had been good.

“But there is probably still a subculture at the DNR, for lack of a better word, that is green,” he said.