

RALPH NADER RADIO HOUR EP 335 TRANSCRIPT

Steve Skrovan: It's the *Ralph Nader Rader Hour*. Welcome to the *Ralph Nader Rader Hour*. My name is Steve Skrovan along with my co-host, David Feldman. Hello, David.

David Feldman: Hello there, Stephen.

Steve Skrovan: And the man of the hour, Ralph Nader. Hello, Ralph.

Ralph Nader: Hello, everybody. Drop your iPhone, this is the program.

Steve Skrovan: That's right. You know, over 2000 years ago, Socrates was worried about the effects of technology. He worried about a new invention (books), and that they were creating "forgetfulness in the soul." He worried that instead of remembering things for themselves, people were becoming reliant on books. And now in 2020, people are similarly worried about new technology. But instead of books, now it's social media and phones and the ways they change our brains. This technology provides us with an incredible amount of information, but does the sheer volume of information, one distraction after another, make us more superficial as thinkers? Our first guest, Nicholas Carr, wrote a book about this called *The Shallows: What the Internet is Doing to Our Brains*. This book was published in 2010. So today, Nicholas Carr is going to update us on how technology in 2020 continues to change our brains.

In the second half of the program, we're going to be joined by two guests: *New York Times* writer, Justin Gillis, and the executive director of the Energy Policy Institute, David Pomerantz. Mr. Gillis just wrote an opinion piece about the billion-dollar bailout of two nuclear plants and several coal plants in Ohio. The Energy and Policy Institute is a watchdog organization working to expose attacks on renewable energy and counter misinformation by fossil fuel and utility interests. Mr. Gillis's op ed tells a story of how Ohio state assembly speaker, Larry Householder, accepted a \$60 million slush fund bribe before pushing to bail out these utilities. Unfortunately, this is nothing new. Power and gas companies have been controlling our political leaders for a long time. We'll hear more from Mr. Gillis and Mr. Pomerantz about this dirty story about dirty energy and what we can do about it. In between, we'll take a short break and check in with our corporate crime reporter, Russell Mokhiber. But first, let's find out how technology can change our brains. David?

David Feldman: Nicholas Carr is a writer whose work focuses on the intersection of technology, economics and culture. He is a former executive editor of the *Harvard Business Review*. Since 2005, he has written the popular blog, *Rough Type*. In 2015, he received the Neil Postman Award for Career Achievement in Public Intellectual Activity from the Media Ecology Association. His books include the 2010 Pulitzer Prize finalist, *The Shallows: What the Internet is Doing to Our Brains*. The second edition of *The Shallows* was published in 2020 with a new afterword. Welcome to the *Ralph Nader Radio Hour*, Nicholas Carr.

Nicholas Carr: Thanks very much, David. It's my pleasure.

Ralph Nader: Welcome indeed, Nicholas. Just to frame the book for our readers, I want to read a few sentences from your introduction to the second edition, which just came out this year. And I'm quoting you. "The brain's capacity is not unlimited. The passageway from perception to understanding is narrow. It takes patience and concentration to evaluate new information — to gauge its accuracy, to weigh its relevance and worth, to put it into context — and the Internet, by design, subverts patience and concentration. When the brain is overloaded by stimuli, as it usually is when we're peering into a network-connected computer screen, attention splinters, thinking becomes superficial, and memory suffers. We become less reflective and more impulsive. Far from enhancing human intelligence, I argue," meaning you, "the Internet degrades it." And then you drive it home on page 234 when you say the following, "Social networks, Facebook's first president, Sean Parker, now admits, were designed from the start to exploit "a vulnerability in human psychology." He, his colleague Mark Zuckerberg, and other architects of this system "understood this consciously, and we did it anyway," says Sean Parker. Given all that and how the internet envelops, entwines, manipulates and seduces youngsters, would you call the internet, as it now interacts with youngsters, child abuse?"

Nicholas Carr: I don't think I'd go that far. I do think it has been designed to exploit people—that includes people of all ages, including myself. I think its effects are stronger, both good and ill, on younger people simply because they've grown up with it and they tend to use it even more than older people. So I think it's designed to be exploitative. Whether that rises to the definition of child abuse, I would be wary of going that far.

Ralph Nader: Let's have you define exploitative. And of course, we're talking about a gadget in a nine-year-old hand that bounces back and forth between social media in the child's minds hundreds of times a day.

Nicholas Carr: So the human mind has to learn how to pay attention. We're all animals. We all actually are very, very distractible. We've evolved to want to know everything that's going on around us, everything in the environment, because that helps keep us safe, keeps us protected. So we have to learn and practice the ability to pay attention. And I think what happens particularly when you give a very young child a smartphone or even a computer, and you allow them to spend a lot of time online, essentially they enter a human made environment that has no end to distractions, and in fact is very carefully designed to provide you with various alerts and notifications, new short bits of information to keep you coming back and coming back more and more often. Because what we know is that we love that kind of stimulus. And it's not that the Mark Zuckerbergs of the world I think necessarily understand the underlying neurobiology. But they have the ability to do all sorts of experiments, to track us all the time, to know exactly how we behave and respond to various stimuli and they've optimized these systems so that we keep coming back for more and more and more. And as a result, I argue, and I think the evidence backs me up, that we begin to lose the ability to screen out distractions and interruptions, and actually think with contemplativeness or reflectiveness or introspectiveness with anything that requires concentration and focus and attention. It's that kind of thinking that's being stolen from us.

Ralph Nader: Given that a child spends anywhere from seven to 11 hours a day watching the screen on the iPhone, how do you think that child's interaction with the child's siblings and parents is affected on a daily basis?

Nicholas Carr: I think it's definitely influenced very, very deeply, not only with the people around them, but with their friends. What we've seen, and to me, this is a very striking statistic that recently came out from, I think the Pew Research Center, internet house that actually two thirds of children now prefer to socialize with their friends through screens, through online media, rather than in person. When I read that, it was shocking because I think that shows us how deeply, not only is our behavior being changed and our ways of thinking, but how social norms are changing. So that, you know, [laughter] instead of wanting to get together with your buddies or your family members, you'd rather communicate through a screen, through your phone. I think we don't know yet all the psychological effects; we're in effect doing this big experiment, particularly on children. But I have to say, I think that this is going to not only make it harder and harder for people to think deeply, but I think it's going to make it harder to communicate deeply with one another.

Ralph Nader: Well, at what point, Nicholas, do you think the verdict is in? In other words, you put this first book out in 2010. You think that the situation you described in 2010 is even worse now in terms of what it's doing to human comprehension, attention span, understanding, processing information. The speed of input in the social media now of course is much greater than it was 10 years ago. At what point do you think the verdict is in? And we've got to start paying attention to an ancient Chinese philosopher, who in the 14th century under the Ming dynasty, said, "To know and not to do is not to know."

Nicholas Carr: Right. I think, to me, the verdict, when it comes to how the digital technology is influencing the way we think, I think at this point, the verdict is in essentially. I think there have been a lot more studies in the last 10 years. What we've seen is the rise, in those 10 years, the rise of the smartphone and the rise of social media; both of which mean that we're connected to this flow of very fast moving, very compressed information, overlapping all sorts of media forms, you know, video, audio, and so forth. And if you look at the research, particularly the recent research that focuses more on phones rather than laptops and desktops, what you see is, is this gadget, and the social media that pours through it, has a hold on people's minds, even when they're not using it. As one researcher put it, you know, "people are either using their phones, thinking about using their phones or suppressing the desire to think about using their phones." And all of those things capture some part, and probably a major part, of the limited attention we have. And I think that pushes us, the research shows if you're trying to do something hard, solve a hard problem, you struggle much more, because some of that, your brain capacity is basically being siphoned away. But more than that, I do think it gets in the way of us kind of building the knowledge, the personal knowledge required to take new information in and put it into a broader context. And to me, that's the secret to thinking deeply. It's not just taking a piece of information as quickly as possible; it's to be able to process it through a broader context that gives broader meaning to whatever your information you're learning or taking in at the moment.

Ralph Nader: Yeah. If I may extend that a bit, it's a continuum from getting information, turning it into knowledge, transforming it into judgment and wisdom. That's the sequence, I think, that

you're pointing to. Let's go deeper in your book. On page 233, you say, "Facebook and other social media companies have been adept at extending and exploiting the smartphone's colonization of the salience network. Building on Google's practice of exhaustive, clandestine behavioral testing, they have designed their apps to be as addictive as possible. The seemingly innocuous features we now take for granted on social media—the "like" and "heart" buttons that signal appreciation and affection, the swipe gestures that refresh the screen with new information, the "streak" counts that tally exchanges with friends, the infinite scrolls of stuff—are variations on psychological-conditioning techniques pioneered by slot machine makers. They promise emotional and social rewards, and they deliver these awards in an unpredictable fashion. We're never sure exactly what will happen when we touch the screen, but we know we might like it. So, like compulsive gamblers, we keep coming back for more." Is this why you wouldn't use the word "child abuse"? Because child abuse, usually in a raw form, has a perpetrator that's visible, an adult beating a child. So the child is abused by someone perceived to be the abuser by the child. But do you recognize that billions of people hooked on social media and the iPhone refused to answer "yes" to the question, "are you addicted to your iPhone?"

Nicholas Carr: I do think that there is, through this kind of mechanism I described, the phone and social media are very carefully designed to have these kind of behavioral triggers in them, whether it's touching, swiping the screen to get more information, up or down or sideways or whatever, notifications that come to us all the time; these are tapping into very deep information gathering instincts that we all have, and it does make it essentially addictive or it provokes compulsive kind of behavior. I think when children particularly are exposed to this, then yes, I mean, there is, you know, the word I come back to is this "exploitative" kind of thing that's going on. And certainly it begins with the deliberate design of these technologies. But I think it's also, I think, you know, parents and other adults who essentially have allowed this technology to become so important to their kids, we all bear a part of the blame, I think.

Ralph Nader: We'll get to the parents in just a minute. Maybe I didn't explain myself well enough, Nicholas, but what I meant was the young people I've spoken to and adults, when I say how many hours you put on your screen? And they say, you know, three hours, five, six a day, whatever. I said, do you ever feel you're manipulated by the iPhone, the Facebooks, the Googles, social media? Almost all of them say no. Is that your experience? And isn't that part of the problem?

Nicholas Carr: Yes, that is my experience. I don't think it's universal. I think, and particularly I have to say, over the last 10 years, since I wrote the book, there's more awareness that we're being manipulated. But I still think that that's not the general view. I think people are so wrapped up in social media that they tell themselves they're just doing something normal and they feel compelled to do it because everybody else is on it and sharing information. So that I don't think most people recognize the extent of the manipulation that's going on. So at that level, I certainly agree with you.

Ralph Nader: I think there's much more concern about privacy being invaded. I think you're right there, but in terms of manipulation, it's quite surprising. I mean, if you remember in our college days, we read Aldous Huxley's *Brave New World* and *1984*. *1984* is like old soup. I mean, it's been exceeded. [George] Orwell couldn't have been envisioned what actually has

happened. But I think Aldous Huxley hit the nail on the head and you used the words, which is, they're automating mind control, that they being the Facebooks and the Googles and Instagram and all the rest of them. The parents now are part of this internet generation more and more. So you can't say the parents didn't have this experience when they were young. Assume you're a parent. Would you prohibit your child up to what year from having an iPhone?

Nicholas Carr: Well, that's a question. It's funny, and funny in a kind of tragic way that this is a question that comes up, you know, ever since I wrote the book 10 years ago, I've been out talking about it. And that's a question that I get all the time from parents. How old should kids be? Ten years ago, you know, when I started, it was people were saying, you know, high school age, 14, 15, and then it then went to 13. Then say, well, is 12 okay? Is nine okay? Is eight okay? So the clear trend is pushing things ever earlier. And that comes from social pressure, because if your child, no matter what your concerns are, if all your child's friends are using their phones to socialize, then as a parent, you're in a very difficult position. Because if you tell your kid you can't have the phone, then you're basically telling your kid, you can't be part of the social group. And this is the tough spot that many parents of young children find themselves in. As for what I would suggest is I think there are two things. One is, you know, how old should a child be before they get a smartphone? I would say, as old as possible. But I also recognize the pressures that are on parents and kids to socialize. So I don't want to understate how difficult a decision this is, but certainly, I think parents need to set limits on their child's use of their phones and their computers and so forth and other screens. And make sure that even if the kid has a phone at an early age, that it's not with them all the time, and they're learning to do other things independent of digital technology and digital screens. Because at least then they will develop, you know, some of the learning skills and the attentional skills necessary to think deeply. And so you have to make sure that you don't allow the new technology to essentially take over your kid's life, by extension, their mind.

Ralph Nader: Let me press you further here. You say your book on page 215 that in the first edition of *The Shallows*, "I suggested that our use of the internet as a substitute for personal memory was misguided and dangerous." Let's say you have two children and they're twins, so they can peer group each other positively, when would you let them have an iPhone?

Nicholas Carr: I personally would try to hold off until they're in high school.

Ralph Nader: Well, you're right there with an MIT wise engineering professor, one of the founders of the computer age, who wrote a book saying there shouldn't be any computers in the schools until high school, that there should be much more interpersonal relationships between the teachers and the students in grade three, five, six, seven, eight. Now I often take great books and look at how the author ended it. Again, remember that Chinese philosopher, "to know and not to act is not to know." And I'm going to read the last bit on your book. This is after an exhaustive rendition of the mounting dangers and harms of the internet to the human brain differentiated in terms of age, of course, and other factors. And here's how you end it. "When we constrict our capacity for reasoning and recall, or transfer those skills to a machine or a corporation, we sacrifice the ability to turn information into knowledge. We get the data but lose the meaning. Barring a cultural course correction, that may be the Internet's most enduring legacy."

I can see some people who would have finished reading every page of this book by Nicholas Carr called *What the Internet is Doing to Our Brains, The Shallows*. I can see the buildup of

anxiety mixed with understanding and perception that you conveyed through the reading. Reading that last few words, and then going into the bar and having six chiggers of whiskey, why do you leave the reader hanging? And what do you mean by a cultural course correction? And let's assume your desire to do something about the internet in Washington, D.C., you have the power, what would you do?

Nicholas Carr: Well, what I mean by a cultural course correction is that we often look at the use of technology as being a personal decision. And I think, you know, thinking about personal discipline and the role of parents and everything, all of that is very, very important. But, and this has been true with earlier technologies as well. It's no longer just a matter of personal discipline. Because, as I said, being constantly connected and constantly sharing information is more and more a social norm and a social expectation. And we have, if you're going to school, your school is pushing you as a student to do more and more online. When you go to work, your employer pushes you to be always connected, you know, always responding to emails and texts and stuff. In your social life, other people are pushing you in this direction. So as a society, I think without thinking about it very much, we have pushed everyone down the route of thinking that they need to be constantly online, have their phone with them, and often out in their hand all the time. So I think we have to look beyond questions of personal discipline and even parental control, to as a society, begin to, if we're going to confront this, you know, we need to begin to reset our social expectations--whether that comes from the government or from employers or schools or any other institution. We have to say that, yes, this is a powerful technology and it has its use, and it has its benefits. But if we allow it to take over our lives, if we come to think we have to do everything through a screen, then we are going to lose something in our personal lives, some depth of thinking. And I think we're going to lose some cultural richness in our society, because simply we're not going to be producing the people able to pay attention and to concentrate that is necessary for progress, whether it's in science or in politics or in art or in literature. So I do think that this is a society-wide issue now, and we really have to deal with it at that level.

Ralph Nader: Well, you actually go deeper on that warning, and at the end of your book, where you talk about the advent of the information age seems to have created a generation of people who feel they know more than ever before, but they may know even less about the world around them now. And then, in the context of Trump and what he's done to the country, you have quote, "That unhappy insight probably helps explain society's current gullibility crisis, with its attendant plague of propaganda, dogma, and venom. If your phone has blunted your powers of discernment, you'll believe anything it tells you and you won't hesitate to share deceptive information with others." That's pretty serious, Nicholas. Why is it that in all your references, you don't seem to have found many anthropologists helping you out? Comparative cultures, linear historical knowledge. Where are the anthropologists?

Nicholas Carr: That's a good question. And I don't know. I mean, there are a lot of cognitive psychologists that are focusing on this. And some of those quotes you just read come out of their work, showing that actually people are more likely to spread false information through social media than true information. And they are more likely to confuse online information stores with their own personal knowledge, which is why they think they know things, even though they don't. I do think that, you know, there's a lot of gaps in kind of the people who are focused on this and studying this. And one reason is that the technology has jumped ahead so quickly. And for many, many years, everyone was very enthusiastic about it and thought of Silicon Valley as our saviors. And it's only recently that we've begun to ask questions. But I certainly personally

hope that this becomes a subject that is studied in many different ways and that many more people begin speaking out about it.

Ralph Nader: Well, it seems to me that you're right to go to a new level of impact here, having made such a good and readable analysis in your book, *The Shallows: What the Internet is Doing to Our Brains*. We're talking with Nicholas Carr. I've been on a pitch lately, Nicholas. Reading all these columnists, in *The New York Times* and *The Washington Post*, who devastate every day Donald Trump, whether it's Nicholas Kristof or Paul Krugman or Dana Milbank or any number of them. And they never come to the conclusions of their convictions. They leave the reader hanging, because some of the conclusions should be demand for his resignation right now. He's wrecking the country. Starting with the COVID situation it's apparent to everybody. And they never do that. They don't have the conclusions of their convictions. And I see that in a lot of nonfiction exposés throughout the years. Can you explain that? Is that because it sort of reaches the effective limits of your knowledge, or you don't want to be viewed as pie in the sky by recommending certain reforms or certain measures? What's the situation here? I say this because it's quite possible there are a lot of readers of your book can become very discouraged, depressed, and totally withdraw.

Nicholas Carr: Well, I hope not, but I see your point. And I have to say, and I think you'll consider this a waffle, but as a writer, I find that my skill lies much more on the diagnosis side than the prescriptive side. And, you know, maybe that's a flaw. Maybe that's a shortcoming. I don't know. But what I find is that often, the prescription, how do we solve the problem, is fairly straight forward. You change your behavior; you demand certain actions. So, to me, that's easy to write. My own belief is that if I can get people to have a deeper understanding of the situation, and what's really going on here underneath the surface, then that at least prepares them to change their own behavior and look very, very critically at our institutions and social norms and so forth. So that, just speaking personally, is why my book focuses very strongly on the diagnosis side, and doesn't end with, you know, here's a list of 10 things we should do tomorrow.

Ralph Nader: You don't see yourself as working in the area known as advocacy journalism? You're just reporting and interpreting?

Nicholas Carr: Yes, I'd say, that's fair.

Ralph Nader: Well, that leads me to my last question, which is this: who picks up the cudgel? You've thrown down the gauntlet. Who picks it up and says, we have to form new citizen groups like the environmentalists did when they read the science of ecological damage or consumer groups or worker safety groups. It seems like the first step is institutional organization around the various horrors and pitfalls and addictions that you've described in your book.

Nicholas Carr: You know, I think there is certainly a role for people like you who are advocates. And I have to say, that, you know, and this is particularly true in the last five years or so, there are groups who are forming. There are even groups of software programmers and technologists in Silicon Valley people, who are forming to try to figure out better ways to design all of these things and to get people involved--to get parents involved, to spread information. You know, I think there are signs that at least there are people, smart people, who are promoting solutions. Now, whether those solutions get adopted, I don't know. Because, you know, one of the facts is that one of the reasons people use the technology all the time is because they actually

enjoy it. And it's very, very hard, it becomes very, very hard to break that kind of behavior. So, to me, it still requires a lot of consciousness raising before you actually have the behavioral and political change.

Ralph Nader: Well, it has taken Congress a long time before it starts incisive public hearings. The hearings the other day with the four profiteers of Silicon Valley, certainly remote hearings because of COVID, didn't go very deep. There's a lot of shouting, some good questions. But Congress is lagging terribly behind this technological revolution. Or shall we call it a devolution? But I think the one thing you could look into is the contractual abuse of young children because Facebook among others requires kids to click on fine print contracts that allow it to use the kids' information with abandon. And that is a contractual child abuse of a 10-year-old. Click on and never see it. They don't understand the contract.

Nicholas Carr: This actually really does annoy me because all of these contracts, it strikes me are bogus contracts that we enter into for all the reasons you said. Certainly, kids, particularly. But even all of us just click on these things. And basically, we give these companies power, almost unlimited power, and then they even have the power to change the contract, at kind of will. So I do think there has to be reforms, not only for contracting, but for limiting the ability of companies to gather and exploit personal data. I really do think that there is a role for government and for regulators to step in and really begin to change the ground rules.

Ralph Nader: Should we make the Facebook and others pay for personal data?

Nicholas Carr: You can make them pay for the personal data, and that may be a good idea, but I think then you create another incentive for people to give them all their data. I would look more at constraining their ability, what they can do with the data, how long they can hold onto it, who they can share it with, how they can cross-reference it; you know, really putting in new regulations, new laws that limit their ability to collect and exploit the data.

Ralph Nader: Huge enforcement problem there, I'm sure you recognized. Well, we're out of time, Nicholas Carr. We've been speaking with Nicholas Carr who has just updated, in a very thorough way, his book, which was a *New York Times* bestseller when it came out in 2010, called *The Shallows: What the Internet is Doing to Our Brains*. Thank you very much, Nicholas, for coming on the show, and I hope we see you extend your knowledge into the arena of activity in the coming future.

Nicholas Carr: Thanks very much. I enjoyed the conversation, and I will try my best.

Ralph Nader: That's good enough.

Steve Skrovan: We have been speaking with author Nicholas Carr. We will link to his work at ralphnaderradiohour.com. Let's take a short break. When we return, we're going to talk about the rampant corruptions that sustains dirty energy. But first, let's check in with our corporate crime reporter, Russell Mokhiber.

Russell Mokhiber: From the National Press Building in Washington, D.C., this is your corporate crime reporter, Morning Minute for Friday, August 7, 2020, I'm Russell Mokhiber. AstraZeneca has been granted protection from future product liability claims related to its

COVID-19 vaccine by most of the countries with which it has struck supply agreements. That's according to a report from Reuters. With 25 companies testing their vaccine candidates on humans and getting ready to immunize hundreds of millions of people once the products are shown to work, the question of who pays for any claims for damages in case of side effects has been a tricky point in supply negotiations. "This is a unique situation where we as a company simply cannot take the risk if in four years the vaccine is showing side effects," said Ruud Dobber, a member of Astra's senior executive team. "In the contracts we have in place, we are asking for indemnification." For the Corporate Crime Reporter, I'm Russell Mokhiber.

Steve Skrovan: Thank you, Russell. Welcome back to the *Ralph Nader Radio Hour*. I'm Steve Skrovan along with David Feldman and Ralph. Coal and nuclear plants can't compete with natural gas plants and wind and solar farms anymore. This sounds like great news for the environment. But unfortunately, electric and gas companies have big investments in dirty energy and are not going to give up without a fight. Today we are joined by two guests who tell us more about what we can do. David?

David Feldman: Justin Gillis is a contributing opinion writer for *The New York Times*. He's a consultant and author working on a book about how to solve global warming. Mr. Gillis is the author of a *Times* series called "Temperature Rising" that updated readers on major developments in climate science. He's also the author of a series published in 2014 called "The Big Fix" that critically examined proposed solutions to climate change. And David Pomerantz is a former reporter and the executive director of the Energy and Policy Institute. Prior to that job, Mr. Pomerantz spent eight years working with Greenpeace to move the electric sector away from fossil fuels and towards renewable energy. He also helped lead Greenpeace's work on coal related issues in 2010 and 2011, and worked with communities in Ohio and New England in 2008 and 2009, to push members of Congress to support climate change and toxic chemical legislation. Welcome to the *Ralph Nader Radio Hour*, Justin Gillis and David Pomerantz.

Justin Gillis: Thank you.

David Pomerantz: Thanks for having me

Ralph Nader: Welcome indeed, Justin and David. Justin, you put out a very powerful op-ed in *The New York Times* on Monday called "When Utility Money Talks". And I just want to read a short paragraph, because after discussing the Illinois and Ohio situations, which we'll talk about, you say, "Taken together, these and other cases demonstrate that too many power and gas companies have sought to exercise undue influence over the governments that nominally control them. Utilities spend lavishly on campaign contributions, dinners, hunting trips for politicians and more. They set up fake citizen groups to support their undertakings. And they have been known to ply nonprofit community organizations with "donations" to take public stances that favor the utility—and against the real interests of the people these organizations ostensibly represent." Finally, the enforcement authorities in Illinois and Ohio have swung into action. Justin, can you describe the enormity of what they're uncovering?

Justin Gillis: Yeah. These are two fairly different cases, I think, in a legal sense. But in the sense of the public interest, they sort of lead you [to] the same place in a certain respect. In Ohio, you have an indictment by the U.S. attorney of the speaker—well, now former speaker of the Ohio House of Representatives, and I believe four other people plus one corporation—correct me if

I'm wrong on that, David. And in that case, the authorities were essentially alleging that the speaker, Larry Householder, got his job by creating or operating a slush fund into which more than \$60 million flowed—that's six zero million, which is a lot of money in any state's politics. And that slush fund, he used to support his allies who were, you know, in their campaigns in the 2018 cycle, I believe, and also to protect them once this controversy started, that we're going to talk about. So basically, with money under the table, from the utility company, FirstEnergy and its affiliates, he takes over the job and then passes a huge bailout for their nuclear plants. And there were also some coal plants sort of thrown into the mix operated by a different organization. And so he's been indicted along with his associates on a racketeering charge, essentially. No charges yet against the utility and its employees, although one of their consultants, I believe, or lobbyists has been indicted. So that's turned into a massive scandal in Ohio. He refused to resign. So he's just been voted out of office by a 90 to zero vote of the House of Representatives. The governor there has called on the Ohio legislature to repeal that big bailout that they passed at his behest for the coal and nuclear plant. So that's the Ohio case.

In Illinois, we have a different situation where the authorities have essentially agreed not to prosecute the power company there, Commonwealth Edison, if it would come into court and admit to wrongdoing, which it has now done, and has paid a \$200 million fine. So they don't get prosecuted if they continue to cooperate with the FBI and so on. They paid a fine and admitted to bribing public officials in Illinois. We don't know which ones, but we do know that the long-time, powerful Speaker of the House of Representatives there, Michael Madigan, has been targeted with search warrants. Search warrants have been executed against his offices. And that appears to be rather different in the sense that, you know, it's a classic Chicago no-show job situation where the allegation is that Mr. Madigan was sending his associates, precinct captains and people like that, to sort of get paid by the power company without really having to do any work for it. So, kind of a classic Illinois corruption sort of thing, the sort that goes back for decades. But of course, yet again, and so in both of these cases, what we're seeing is undue influence on the state governments that are supposedly in the public interest or supposed to be, you know, overseeing these power companies, setting their rates, deciding if those rates are in the public interest. So, in that sense, they're identical. If you're a citizen of Illinois or Ohio, you're looking at this situation right now saying, "This is not right; things are not as they should be."

Ralph Nader: Justin, what did Commonwealth Edison want? To be allowed their nuclear plants, too?

Justin Gillis: They wanted two bills passed, and I'm going to get the dates wrong. The first one may have been 2011 and then the second one may have been 2016. But those essentially served as instruction to the public utility commission in Illinois, the regulatory body there. [Illinois Commerce Commission]. I'm probably getting the name of that wrong; David can correct me. But essentially, this is how you're going to decide the rates for the power company. It was in practice a bailout for their nuclear plants plus more, in fact. You know, the details of the legislation are complex, but essentially the power company wanted it passed, and to get it passed, they had to go through Mr. Madigan, who, I should say, fervently proclaims his innocence here. And of course, you know, our principle in America is innocent until proven guilty. So nothing has been proven against Mr. Madigan yet, and not even publicly alleged. All we really know is that his offices have been searched. So yes, that's the short answer, is they wanted bills passed in Illinois to their benefit.

Ralph Nader: And David Pomerantz, you know the scene around the country. You want to comment both on Ohio and Illinois, but how widespread is this? Because in Georgia, they're bailing out unfinished nuclear plants trying to get them built completely. Billions and billions of dollars are flowing by the taxpayers and other situations. Upstate New York nuclear plants have been bailed out by Governor Cuomo because they're losing money and they couldn't compete. What's the situation around the country?

David Pomerantz: Sure. That's a great question. What I would say is that the corruption scandal in Ohio, you know, that might be one of the more brazen examples we've seen of how a utility spends money and often spends money covertly, you know, under sort of cover of the Citizens United decision a decade ago, allows them unlimited ways of spending money without the public's knowledge. And so the scandal in Ohio may be the most brazen version of that, but it's certainly not unique. This is, you know, one of the most well-thumbed pages of a playbook that investor-owned utilities around the country use constantly to, you know, secure as much influence as they can with legislators, with their regulators, with governors, and then to use that influence to get policies and regulations passed that will increase their profits as much as possible. One thing I'd say about those examples that you cited, I think some of those absolutely belong on that list, but it's definitely a much bigger issue than just around nuclear plants. You know, some nuclear plants around the country are having a hard time competing and so that has led utilities to seek bailouts. But the practice by utilities goes back much deeper than that. And it's much broader than that. So just as some examples, the utility in New Orleans, Entergy New Orleans, through contractors and subcontractors had actors paid to show up to public hearings at a city council meeting and lie and pretend to support the company's gas plant, that it wanted to build a new gas-fired power plant that they would build on, you know, sinking land in New Orleans, East an environmental justice community. You know, we know that Arizona Public Service in Arizona have the biggest investor-owned electric utility there, ran a dark money campaign, spent over \$10 million in 2014 to bankroll organizations that then turned around and supported the election of regulators that would be most favorable to that utility. And particularly, that would adopt rules to block the growth of rooftop solar in Arizona. So it's definitely much bigger than nuclear. It is happening around the country. And, you know, one of the most, I think pernicious elements of this that people should understand about these influence schemes that utilities run, is we all pay for it on our electric bills. So, you know, when APS (Arizona Public Service), FirstEnergy, Entergy, you know, any of these companies go out and, you know, do things from the egregious, like \$60 million racketeering rings, to the fairly banal, like trying to offer to their regulators that there's a job waiting for them after they leave public office with the utility, if they treat them favorably--all of those efforts are being paid by our bills. You know, these are monopolies. Electricity is a basic necessary service for everyone in America at this point. You can't opt without it. And if you don't like what your utility is doing politically, you have no choice to go to another utility. So we're essentially being taxed. Some small number of pennies on our electric bill and our gas bills every month are going to pay for the lobbyists and the campaign contributions and the schemes that these companies are running to essentially undermine our democracy in the name of their own profits.

Ralph Nader: Well, you know, when I heard about the Illinois and Ohio cases, Illinois has a subscribed consumer group, a private nonprofit consumer rule called Illinois Citizens Utility Board that is supposed to be a watchdog. We helped start it. And in Ohio, they used to have, I assume it still exists, a government-funded consumer advocate with staff and experts to

watchdog these utilities. So a split question here. We know that the regulatory agencies are often captured by these utilities. What about these consumers groups?

David Pomerantz: That's a great question. I think most states have a designated consumer advocate of some kind. And then there are, of course, many informal advocates--environmental groups, clean energy advocates, citizens advocates--who also try to weigh in. Of those formal, you know, government designated advocates that you mentioned, I think they all exist on a spectrum. I think the vast majority of them are very much trying to work in the best interest of customers. They really are trying to do everything that they possibly can to fight the utilities when the utilities kind of go in for really egregious rate increases and are trying to put corporate profits over the public interests. With that said, they are out staffed; they are outgunned; they are usually not adequately budgeted to fight the utilities. And the utilities have essentially a limitless source of funding to swamp them. So that was actually some of the most fascinating text messages that we saw in the federal indictment and affidavit in Ohio are quotes from the lobbyists running this scheme, saying that the amount of money that they have to fund the operation from FirstEnergy "is limitless". That's the actual quote that they use. So we're talking about an absolute deluge of corporate money in politics. And it's very difficult even for, I think, the best intentioned consumer advocates to go against that.

Ralph Nader: David, maybe I didn't phrase it specifically enough. I was really asking, who exposed this first? I understand that the budgets are limited for these consumer groups to pursue.

David Pomerantz: Sure.

Ralph Nader: But who actually exposed these crimes in Illinois and Ohio first for the public?

David Pomerantz: Well in Ohio, interestingly, much of the allegations that were laid out by the FBI and federal prosecutors, the broad contours of the scheme were actually known by the public and reported in newspapers from 2017 through 2020. And a bunch of intrepid local reporters deserve credit for doing their best to uncloak what was happening. What they couldn't know and what we couldn't know, my organization at the Energy and Policy Institute, we were also doing a lot of watchdogging work and kind of trying to reveal what FirstEnergy was doing here. What we couldn't prove is exactly how the money was flowing. I think everyone assumed that FirstEnergy was behind all of this because they were the ones who stood to benefit the most from the bailouts. But we couldn't, you know, we didn't have the ability to look at which bank accounts the money was coming out of and going into. And what no one knew until the FBI revealed it, is that politicians like Larry Householder were actually taking personal bribes as part of the scheme. And we certainly didn't know the vast extent of the operation. So really the most of this was, you know, actually known; it was the illegality that wasn't known. And I think the only reason the public knows about that now is because it turns out the FBI was—as we watchdogs, and journalists were trying to expose the situation throughout last two years, in parallel, the FBI was investigating seriously with wire taps and the full investigative resources of a law enforcement agency.

Ralph Nader: Who exposed it in Illinois?

Justin Gillis: We don't really know the answer to that. The circumstances—I'm going to just speculate here, but the circumstances raise in my mind, the distinct possibility that the power

company turned itself in. Whenever you get what's called a deferred prosecution agreement from the Justice Department, that's usually as a consequence of internal—and, you know, this happens all the time with companies that pay foreign bribes, internal compliance people at the company have caught it and done their own investigation. And then they take it as a package to the Justice Department and you get somewhat lenient treatment. So it could well be that the power company got on it once they realized the FBI was looking at them. We don't really know. That's all still [to] come out. But what we do know is the Commonwealth Edison there has undertaken now to cooperate completely with the federal authorities and essentially set up an in-house shop that's going to give them everything they need. So I think it reads almost like sort of a cooperation agreement/plea deal sort of thing, where it's clear they have other targets and they've got the power company on their side now in being willing to expose those other targets.

Ralph Nader: Justin Gillis, you just had this op-ed published in *The New York Times*, you know, arguably the most important op-ed page in the country and the most widely read. What kind of response did you get?

Justin Gillis: Quite a bit of response. I mean, citizens are always in despair when they read about these sort of things. And it's hard to know what to say to people. I mean, you know, the problem of regulatory capture and undue influence, this is an old, old problem, right? I mean, Ralph, you've been working on this stuff for decades now and trying to set up, you know, public interest opposition to this undue influence. I think people have not put two and two together and fully realized—certainly in Congress, they haven't really done this—the degree to which the utilities are skewing our politics all over the country. And I mean, I actually called in that piece for hearings in Congress. Because I think we need hearings to sort of flush it out more and get at, you know, use their... you know, people can pass laws and people will break them as seems to have happened in these cases. But are there more laws, more disclosure requirements, et cetera, that we could pass that would get at the situation.

David Pomerantz: Ultimately what's driving a lot of these corruption scandals is a profit motive. That is, at the end of the day, the common bond between every scandal we've mentioned here is the utility is trying to, you know, capture its regulators or in some cases like in Ohio and Illinois, entire arms of state government, so that they can get favorable treatment. And the incentives are just different with publicly-owned utilities like municipal utilities and co-ops. They have had their own problems. They've been really big barriers to climate action. Unfortunately, a lot of cooperative utilities have been, you know, big adherents to coal. But we are starting to see a lot of that shift and a lot of co-ops that are moving traumatically toward clean energy. So I think what I would say is the best antidote to all kinds of utilities, cooperatively-owned utilities, investor-owned utilities that are supposed to be regulated by states, by public utility commissions, and municipal utilities that are supposed to be governed by cities, is robust engagement from the public to hold those utilities accountable. So in all of those cases, the things that can make things better is an engaged citizenry that is going to the regulators, to mayors, or to their own elected boards in the case of a cooperative utility, and paying attention to what happens in the shadows. Because one thing that we've 100% learned is that these utilities thrive and do the worst bad actions when no one is paying attention. And so there's a lot of injustice and really bad things for people to be worried about, especially during the Trump era. But these quiet corners of government, these municipal utility boards, the public utility commissions that most people have not heard of at the state level, that are meant to, you know, determine what their electricity bills are and whether the energy that flows through the wires causes climate

change and local pollution or not, folks have to pay attention to what's happening there. Because if they're not paying attention, they can be pretty much guaranteed that the utilities are going to try to co-opt those reports.

Ralph Nader: And it's you and Justin well know it doesn't take that high a percentage of the consumers, who are the owners of these consumer cooperatives or of the citizenry or of the shareholders, to really make a difference.

Justin Gillis: That's right.

Ralph Nader: And I always say with consumer co-ops, a mere 5% would be a way to alert the rest of the consumer owners and really get things changed. The saying that I like to circulate is "if consumers don't demand a say, they'll pay, pay and pay".

Justin Gillis: Ralph, there is a magic reform here that would really improve this situation. California is the model, but every state in the country ought to be adopting this reform and every citizen groups in every state ought to be pushing for it. And that is, and David can probably explain it better than I can. But that is a compensation system for people who come in front of the state utility board and advocate in the public interest. So if you are an environmental group or a consumer group in California, you can get your group qualified. There is a procedure, but you can get your group qualified and then you get refunded. And this is of course, ultimately coming from electricity bills as well. But instead of all the advocacy money being on the side of the power company or the gas company, a little tiny sliver of it goes over to the side of arguing the public interest. So these groups get compensated for their advocacy, which means, you know, they can hire lawyers, they can hire consultants, they can check the utility company's math and all that sort of thing. And it really makes a difference in terms of the sort of quality of the arguments and the quality of public representation. I wish we could get that one thing passed across the country. And I think it would make a significant difference.

Ralph Nader: I couldn't agree with you more because when we got Proposition 103 to regulate the auto insurance industry in California in 1988, there was a provision that people voted into office where the consumer advocates in succeeding years challenging these auto insurers were actually reimbursed, the same way you just described. So it's very true. Well, we're out of time. I want to thank Justin Gillis and David Pomerantz for striving constantly to inform people about, not just the economic effects of these giant monopoly utility companies that are weakly regulated, but the impact on the kind of energy they want to preserve, the impact on climate disruption, the impact on land use, the impact on not being ready for emergencies like the electricity blackout on the East coast. So how would people reach your group? Can you give your website, David?

David Pomerantz: Yes, of course. It's energyandpolicy.org. All one word.

Ralph Nader: Well, thank you very much, Justin and David. Keep up the good work. Thank you again.

Justin Gillis: Thank you, Ralph.

David Pomerantz: Thank you so much.

Steve Skrovan: We've been speaking with *New York Times* opinion piece writer, Justin Gillis, and David Pomerantz of the Energy Policy Institute. We will link to their work at ralphnaderradiohour.com. I want to thank all of our guests again, Nicholas Carr, Justin Gillis and David Pomerantz. For those of you listening on the radio, that's our show. For you, podcasts listeners, stay tuned for some bonus material we call "The Wrap Up". A transcript of this show will appear on the *Ralph Nader Rader Hour* website soon after the episode is posted.

David Feldman: Subscribe to us on our *Ralph Nader Rader Hour* YouTube channel. And for Ralph's weekly column, it's free; go to nader.org. For more from Russell Mohkiber, go to corporatecrimereporter.com.

Steve Skrovan: The producers of the *Ralph Nader Rader Hour* are Jimmy Lee Wirt and Matthew Marran. Our executive producer is Alan Minsky.

David Feldman: Our theme music, "Stand Up, Rise Up", was written and performed by Kemp Harris. Our proofreader is Elisabeth Solomon. Our intern is Michaela Squier. Join us next week on the *Ralph Nader Rader Hour* when we welcome Kyle Pope of *Columbia Journalism Review* to talk about climate change. Thank you, Ralph.

Ralph Nader: Thank you, everybody. And listeners, try to get more radio stations to pick up our program. It's spontaneous, unrehearsed, and we're all volunteers.

[57:52]

[Audio Ends]