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F-35 is the subject of watchdog's media blitz

By Roxana Tiron
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The watchdog group Citizens Against Government Waste has turned a battle over funding for a jet fighter engine into one of its most prominent media campaigns ever.

The group is lambasting congressional funding for a second F-35 Joint Strike Fighter engine, made by General Electric and Rolls-Royce.

In the process, the nonprofit watchdog organization is spending as much as an estimated \$2 million on advertising that includes posters in D.C. Metro trains, paper and digital ads in Capitol Hill publications and billboards in several districts across the country.

Citizens Against Government Waste (CAGW) is crusading against what it deems earmarks and waste. At the same time, its extensive advertising and advocacy campaign also helps bolster defense contractor Pratt & Whitney's lobbying effort to maintain control of what is estimated to be a \$100 billion jet engine market.

Pratt & Whitney is the primary engine contractor for the multiservice, multinational F-35 fighter jet. But lawmakers for years have insisted on having two contractors for the F-35 engine in an effort to create competition, lower prices and have a backup if one engine breaks down.

CAGW started its ad campaign in July and plans to run it through October. The most eye-catching ads show rows of fighter jets crossed out by a red line: "Don't let Congress shoot down 53 Joint Strike Fighters for the Price of One Engine. The JSF does not need a \$7.2 billion alternate engine."

"This could easily be a couple-million-dollar campaign," said Evan Tracey, the chief operating officer of the Campaign Media Analysis Group.

He and other advertising industry experts estimate CAGW's costs on the campaign could run between \$1.5 million and \$2.5 million.

GE suspects that CAGW, a relatively small nonprofit watchdog group, is funding the campaign with help from Pratt & Whitney.

“It’s always been a strong suspicion that Pratt & Whitney is financing them,” said Rick Kennedy, a GE Aviation spokesman. The GE-Rolls-Royce engine is the target of the CAGW ads.

CAGW refuses to disclose the campaign’s expenses, but it appears to represent a sizable chunk of its total budget.

In 2008, CAGW’s total revenue, which includes the nonprofit and its lobbying arm, the Council of Citizens Against Government Waste, was \$5,158,515.

According to tax filings, CAGW alone spent \$4.4 million, including \$1.1 million in salaries, and took in \$4.2 million in contributions and grants in 2008.

“Nobody will discuss who is financing this enormous campaign,” Kennedy added. “It is their prerogative to do that, but to pose as a group that protects taxpayers of America is a folly.”

As a tax-exempt group, CAGW is not required by law to disclose its donors. The organization only releases names if an individual contributor asks to be named, said CAGW President Tom Schatz.

“Thousands of CAGW members have contributed to the ad campaign. There is no single source of support,” Schatz said. “We are always pleased to accept, and will continue to accept, contributions from any individual, foundation, corporation or any other organization that wishes to help CAGW pursue its mission to eliminate government waste.”

Schatz said the details of the ad campaign are proprietary, but said that estimates of its costs at \$2 million were “wildly inflated.”

Pratt & Whitney spokeswoman Erin Dick said that her company “is not paying for the CAGW ads.” When asked whether Pratt & Whitney donated to CAGW, Dick said that the company does not disclose the public interest groups it supports.

“The positions of those groups are based on their core values — which are important — and disclosing our support of any public interest group is neither in our best interest nor the best interests of these groups,” she said in an e-mailed statement.

CAGW and Pratt & Whitney share the same ad agency, Sullivan Higdon & Sink, based in Wichita, Kan., according to a Bloomberg report in August.

That same month, Pratt & Whitney said that it was erroneously named the paid sponsor of a video made by the agency on behalf of CAGW. Since then, the paid sponsor reference has been changed, and the advertising group said that CAGW and Pratt & Whitney are separate customers, according to Bloomberg.

Schatz said it made sense to go with Higdon & Sink as the ad agency “because they were already making the ads for Pratt & Whitney.” He added: “They are tongue-in-cheek like we are.”

Schatz also told The Hill that CAGW liked that the agency is not in a big city and saw it as a move that would help save money for the ad campaign.

“We spoke to all lot of people around town about which agency to use,” Schatz said. “It made sense to go to the agency in Kansas.”

The stakes are immense for both Pratt & Whitney and GE-Rolls-Royce, which have been locked in a high-profile lobbying battle.

President Barack Obama opposes the alternate engine and has singled it out as an unnecessary expense. Defense Secretary Robert Gates just last week threatened to recommend a veto of the defense spending bill if funding for the GE engine ends up “seriously” disrupting the entire F-35 program.

Defense authorizers approved an additional \$560 million for the GE-Rolls-Royce engine, and House and Senate defense appropriators are starting to negotiate over funding. The House version of the 2010 defense appropriations bill includes funds for the engine, while the Senate’s version does not.

Tracey said that it is not uncommon for a corporation to find a group “that is strategically valuable” on an issue of interest.

The message is “always better coming from a group that has street credibility on government spending as opposed to a corporate entity,” Tracey added, stressing that he is making a general point and that without finding the actual money trail it is hard to prove who is financing the actual CAGW campaign.

CAGW bills itself as “America’s No. 1 taxpayer watchdog” and is famous for its Pig Book, an annual publication that lists federal programs the group considers wasteful. The group is considered an independent critic of government waste.

A 2006 Finance Committee report, published by the minority Democratic staff but backed by the Republican chairman at the time, tracked how convicted ex-lobbyist Jack Abramoff enlisted tax-exempt groups on behalf of his clients. The report documented how Abramoff got CAGW, among other groups, to publish articles and news releases on behalf of his clients, and then directed tens of thousands of dollars to the taxpayer groups.

According to an investigation by the St. Petersburg (Fla.) Times published three years ago, CAGW took money to lobby on behalf of Mexican avocado growers and from the tobacco industry while urging the federal government not to regulate tobacco and to drop a lawsuit against the industry.

