

RESOURCES

RESOURCES FOR THE FUTURE

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Paul R. Portney

Ensuring RFF's Independence

Resources for the Future has just begun its 50th year. Our research is on the cutting edge, and RFF researchers are increasingly visible as trusted sources of information for all participants in important policy debates. It is difficult to think of a better way to begin our second half-century.

With visibility sometimes comes controversy, however. In the torrent of publicity surrounding the collapse of the energy giant, Enron, attention has been directed at the company's contributions not only to politicians but also to think tanks and other nonprofit organizations. Resources for the Future is one of those organizations. Such scrutiny is appropriate and we welcome it.

Between 1990 and 2001, Enron contributed periodically to RFF, with annual gifts ranging from \$10,000 to \$45,000; during this time, Enron's combined contributions amounted to a fraction of 1% of RFF's operating budget. Overall corporate support accounts for about 14% of the revenues RFF has available for its operations each year (see p. 29 for a "pie chart" showing the other sources). The corporate contributions we receive must be unrestricted—that is, they cannot be earmarked for particular projects or even general program areas. In addition, former Enron Chairman and CEO Kenneth Lay was a member of RFF's Board of Directors from April 2000 until February 2002, when he resigned. The Linda and Ken Lay Family Foundation has supported RFF periodically since 1992; in 2000, the foundation contributed \$15,000 to RFF. As has been reported in the press, and in an RFF press release in May 2001, the foundation pledged \$2 million to endow an unrestricted research chair at RFF. Finally, between April 1999 and April 2001, I attended five meetings as a paid member of an advisory council to the Enron Corp. and shared my views with Enron officials about a range of environmental and public policy questions, as I have done in many other public and private settings over the years. Robert Grady, vice-chair of the RFF Board of Directors, also participated in several of these meetings.

All of this is germane to the challenges that face RFF as it begins its 50th year. If asked to identify RFF's most significant accomplishment over its first half-century, it is tempting to point to its path-breaking, independent research. After all, RFF researchers have demonstrated that the United States is not likely to run out of critical natural resources and shown also that the preservation of wilderness areas often makes better economic sense than developing them. We have shown that marketable pollution permits or effluent taxes often make it possible to meet environmental goals more quickly and less expensively than other types of regulation. And we have argued convincingly that environmental risks must be carefully prioritized and addressed in order of importance. This work has profoundly influenced real-world policy.

Even more important than its research record, though, is the reputation that RFF has built since 1952—indeed, it is the coin of our realm. RFF researchers are seen as analytically keen, politically nonpartisan, and serving the public interest rather than private concerns. This is no mean feat in Washington, and preserving this reputation requires constant vigilance. As in the past, we recruit to the research staff only those whose commitments are to do scholarly and independent research, then let the chips fall where they may. We recruit to the RFF Board of Directors representatives of diverse interests and backgrounds, including environmental and business leaders, Nobel Prize-winning scholars, and government policymakers. We maintain a diverse base of financial support that makes us not dependent on any one source of support. And we rigorously hew to our policies regarding the types of contributions RFF will accept and the kinds of consulting activities in which its officers and staff can engage.

What you'll get from us is what you have every right to expect—50 more years of path-breaking research in the public interest.

Paul Portney