

Avangrid v. the People of Maine

The recent news that Avangrid, the parent company of CMP, has filed suit against its customers to deny them the right for self-determination in a citizens' initiative is a shocking development in the CMP Corridor debate. But more importantly, it also heralds here in Maine a distressing new reality about democracy and capitalism.

It has been clear for many years now that our federal government has been captured by corporate interests, abetted by both major political parties. When that capture is in the distant land of Washington, D.C., we can call it "the swamp" and cry, laugh, get angry, or all three. But now that reality comes home to Maine, and it comes through the agency of enablers whom we know and respect, people I consider my friends, many who have served our state admirably.

A company's decision to sue a state government is never taken lightly. Here, however, we have a foreign company (81.5% owned by Iberdrola, a Spanish conglomerate) litigating against its own customers and their neighbors to take from them the ability to vote on the future they wish to have as a people. Such an astonishing decision is made only with the approval of the company's board of directors. But who actually are the Avangrid directors?

According to its website and recent SEC filings, the company's board is comprised of 14 people. As is common in a controlled company, a majority of the directors are employees of Iberdrola or otherwise in that company's control. There are six directors Avangrid's declares as "independent," people from our region with familiar names and many with deep roots in public service. Let's focus on these directors critical to making the stunning decision to sue the people of Maine:

- Former Governor John Baldacci serves as Vice Chairman of the board. He was paid \$200,000 last year for this part-time job. (The board held 5 meetings in 2019.) Governor Baldacci receives a salary from the Pierce Atwood law firm, where he is a senior advisor for economic development and government relations. Last year, Avangrid separately paid Pierce Atwood \$3.2 million for legal services.
- Robert Duffy joined Avangrid's board mid-year in 2019 and received \$100,000 for his half year of service. From 2011 to 2014 Mr. Duffy was lieutenant governor of New York under Andrew Cuomo. His day job now is CEO of the Rochester (New York) Business Alliance.
- Patricia Jacobs also joined the board mid-year in 2019 and received \$85,000 in pay. She started her career as an aide to Congressman Edward Markey (D-Massachusetts), now U.S. Senator. Thereafter Ms. Jacobs served as a lobbyist for AT&T before becoming President of AT&T New England.
- Teresa Herbert, a trained accountant, serves as CFO and as a director of Independence Holding Co., a NYSE-listed insurance company headquartered in Connecticut. She also joined Avangrid's board mid-2019 and received \$85,000 last year.

- John Lahey has been an Avangrid director since 2015 and was paid \$185,000 last year. He earlier served for 31 years as president of Quinnipiac University in Connecticut and currently is a professor there. He also serves alongside Ms. Herbert as a director of Independence Holding Co., something called an “interlocking directorship” in governance parlance. Such interlocks are generally frowned on because they can create conflicts of interest.
- Alan Solomont served as President Obama’s ambassador to Spain and Andorra from 2009 to 2013 and since then has been the chairman of the board for the Spain-U.S. Chamber of Commerce. An Avangrid director since 2014, he was paid \$200,000 last year.
- Elizabeth Timm, a director since 2016, is the retired president for the Maine Market for Bank of America and its predecessor company, Fleet Bank. She also serves on the board of the University of Maine System. Last year Avangrid paid her \$170,000.

Avangrid’s decision to put corporate interests above Mainer’s right of self-determination is supported by others too – notably the Maine State Chamber of Commerce, whose 90-member board includes representatives of Maine’s largest businesses, many connected to the CMP Corridor project. Chamber President Dana Connors decreed that the citizens’ initiative was too risky to be tolerated. He said, “This is not only an improper use of the referendum process, it is one that we cannot sit on the sidelines and let stand.”

As many know, I ran against John Baldacci for Congress in 1994. He beat me, and since then we have worked on various projects together and become friends. I respect him, and I know he cares about Maine. And I support many of the State Chamber’s policy positions and believe strongly we need to support our local businesses. They are the engines of our prosperity.

Undoubtedly, Avangrid’s board heard from lawyers that suing their customers was justified, maybe even required as a fiduciary matter. However, just because something might be legally done does not mean that it should be done.

In Matthew 13:12 Jesus said, “For whoever has, to him more shall be given.” The exercise of power, particularly that given to you by others through election to public office or to a corporate board, demands wisdom and restraint.

With the filing of Avangrid’s lawsuit, an important line was crossed. Our own business and political leaders are telling Maine people: “You are not in control. The needs of the capital markets do not allow you to weigh in on a matter that will affect you and you families for generations. Just be silent and obey.”

Are these the leaders we want?

Richard A. Bennett, of Oxford, Maine, has 25 years experience leading companies specializing in corporate governance. He is a Republican candidate for the State Senate in western Maine.