

# Corporate Political Responsibility Taskforce

*Expert Dialogue with Bonk & Eidlin*

## Bonk & Eidlin - Module #1

**Elizabeth Doty:** [00:00:00] Thank you, everyone. Glad you're here. I'm Elizabeth Doty, the director of the Corporate Political Responsibility Task Force at the Erb Institute at the University of Michigan. And I'm delighted Richard Eidlin and Sarah Bonk were our second expert dialogue way back in the day. And now we're back for round two.

The Corporate Political Responsibility Task Force, or CPRT, is an initiative of the Erb Institute. A 25 year long partnership between the Ross School of Business and the School for Environment and Sustainability at the University of Michigan. Led by Managing Director Terry Nelodov and Faculty Director Tom Lyon, the Erb Institute is known for its leadership in three areas.

Teaching and Learning, Business Engagement with groups like the CPRT, and Scholarly and Applied Research. The CPRT's [00:01:00] mission is to help companies better align their approach to political influence with their commitments to purpose and values, sustainability, and stakeholders. As we're seeing, corporate political responsibility is an increasingly pivotal element in managing stakeholder trust, addressing systemic issues, and rebuilding public trust in institutions.

Let me set up a little bit about these talented leaders. Sarah Bonk Bonk is a business leader with 20 years of experience in design technology leadership at Fortune 500 companies, most notably nearly 15 years at Apple. And then this is the pattern somewhere around 2014, she was doing volunteer work.

pro bono work on a nonpartisan political reform campaign and became convinced that business had a role to play in solutions and moving forward. And starting between, I guess, 2014 and 2017 founded Business for America is now the CEO. She'll [00:02:00] say a little bit more about the focus, but the group is really a business group dedicated to mobilizing the business community to help advance popular.

Bipartisan policy, political reforms and technology solutions that strengthen representative democracy. So that's a headline. We'll hear more in just a moment. Bonk, I'm delighted to be able to be in conversation with you, with you once again. Thank you for being here. And then Richard Eidlin, and Richard, I met you about the same time, is the policy director for Business for America, and you'll all see that that's a really important part of their their critical value add as a network and a community.

Richard was the co founder of the American Sustainable Business Council and was vice president for policy, and was very active in identifying the policy priorities and leading state and national campaigns on their sustainability initiatives. for Environment, Tax, Regulatory Reform, Campaign Finance, Economic Development, a whole range of issues.

And that's both the policy side and the [00:03:00] campaigns to get them done and to build to build momentum around those. He was the Business Outreach Director for the Apollo Alliance leading federal and state clean energy and job creation policies Colorado Clean Tech Obama Campaign. He was the co director.

In what was that about 2012? Richard somewhere around there worked with the UN on their environmental program and their environmental finance initiative and has been teaching as adjunct faculty at the University of Denver on environmental policy and sustainability. So we have two really capable, talented, committed.

Leaders who've been on this journey for a while and have a lot to share with us. So Richard, welcome. And thank you for for being with us today.

**Richard Eidlin:** Good. Thanks,

**Elizabeth Doty:** Elizabeth.

We'd like you to share a little bit about business for America, who you are, what you do, where you focus. That would be a great place to start.

**Sarah Bonk:** I wanted to start off by making it clear what Business for America is, what we do, what we stand for. I [00:04:00] think, especially now, because there are a number of organizations that are working at this intersection of business and democracy that wasn't the case in the history that Elizabeth was telling you about.

And it's really developed into a robust ecosystem. So I want to make sure to let you know our unique spot, our niche in that ecosystem. Business for America is a business membership organization, national, nonpartisan, nonprofit, and focused exclusively on how companies can help foster a healthy representative democracy, increase civic engagement, help overcome political divides and promote more effective government.

We are a growing membership organization and our member companies come from across the country, all different sectors and sizes from fortune 500s to small startups, and we are united in the idea that. We really believe that the business community has a responsibility to help protect our democratic institutions and our constitutional rights.

Not only do we have sector diversity and a diversity of size, but we also have a diversity of viewpoints among the founders, owners, and [00:05:00] the values. And policy positions outside of democracy that these companies have that the other issues that they're engaged in. And so we're really proud of this idea that regardless of your viewpoint on a whole host of other issues that democracy, protecting our democratic institutions and our constitutional rights is something that we should all be able to agree on.

So where BFA fits just to put really a fine point on why we're unique being a business membership organization, we are focused on understanding and engaging corporations as corporations, making everything appropriate for a business to sign on to understanding what is happening internally for them to get the sign offs they need and what have you.

As noted, we have that exclusive focus on democratic institutions and no other issue areas, so we don't take a stance on taxes and trade and any of the social issues facing our society. It's all about those root issues and the functioning of our democracy. We are action oriented, so we do like to say that putting out statements is not enough, although that's a good start.

It's really all about leveraging the influence and getting [00:06:00] companies involved, both their, their employees, their workforce, as well as their political influence and their voice in society. Mentioned being nonpartisan. We do no electioneering. We do not endorse candidates. And finally, transpartisan that we put a lot of effort into engaging partners and lawmakers and businesses with a variety of viewpoints and all sides of the aisle.

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I wanted to give you some really quick examples, two of our prior work, just I think that kind of helps tell the story of what we do. In 2021, this is one of our signature initiatives. We worked on the John Lewis Voting Rights Advancement Act in partnership with a number of civil society groups focused on civil rights and voting rights.

We were able to help recruit over 250 signatory companies and business groups representing around four and a half million employees. And Business for America was by far the lead recruiter of some excellent brands that were willing to put themselves out there to say, you know, we care about voting rights.

This is an issue that matters to our [00:07:00] company. And in fact, that we see it as a bottom line business issue. We have an economic interest both for ourselves as well as for employees and saying like, we need a stable society. We need to have elections. We can trust, and we need to have elections that are both secure as well as accessible.

Next initiative wanted to tell you a little bit about is the 2022 electoral count reform act, and it's a really good place for Richard to step in and talk a bit about this particular bill as well as our overall policy work.

**Richard Eidlin:** So, as you will remember, the election of 2020 was quite controversial in the decision making process and the outcome.

And one of the complexities of that election was deciding whether the electoral college process was working. And there was a law passed in 1887 called the Electoral Count Act. And that determined the way in which electors were assigned from different, from the 50 states. And then how [00:08:00] Those states of electors would vote on this on the process on who became president and then ultimately how Congress would certify the election.

So all of that got very messed up, as you remember, which resulted in an insurrection on January 6th of 2021. And as that process unfolded, we began talking. To a wide range of companies, some that you see here who were concerned about the lack of political stability, the uncertainty of the rules. And so, in short, we organized a campaign involving businesses to work with senators Klobuchar and Lankford and others.

On columns in particular on a bipartisan bill that was making the case for refining and updating the rules that originally had been set in place back in 1887. So, we brought companies to Capitol Hill and [00:09:00] essentially made the argument that political stability was essential to those companies, long term and short term prospects and we met only with Republican offices because that's who we needed to convince.

Thanks. And we met, I think, with nine or 10 different Republican Senate offices. And the argument that we repeatedly made was that we wanted a similar set of, a same set of rules, regardless of who was running for president, because we wanted the outcome to be clear. And that the concern that these companies had again was about stability.

And what was most interesting in those conversations was the surprise that Senate staff, senior staff had the fact that businesses were sitting in their office, not asking for a tax break or an exemption or some particular favor, but rather they were concerned more with the overall stability or lack thereof within the [00:10:00] political system.

And what became apparent to the companies and by the way, there are Marriott and PepsiCo and Salesforce were in those meetings as well. What was interesting was the conversation focused a lot on the fact that the rules themselves you know, need to be updated, that we can't take the system's stability for granted.

And the result of our work was convincing, I think, a number of Senate offices, Republican offices to vote in favor of the Electoral Count Reform Act and that the bill, while it didn't stand on its own, but was included the reforms in the omnibus spending bill of 2023. And just one thing to keep in mind is as we head into the 24 election, there will be, I think, a number of, um, issues that again come up about what the [00:11:00] role of the vice president is and certifying the final count, how states choose their electors, and hopefully the work that we did in 21 and 2 will, you know, be useful and set the precedent for the future.

You know, sticking with with the rules that don't benefit any particular party. Can I just

**Elizabeth Doty:** add one punctuation point here that I really appreciate? And this was an example of that, where you all are so targeted on issues related to representative democracy and campaigns and ways to take action that have impact.

That go through your vetting process for being non partisan, trans partisan, et cetera, we are then able to bring those as options to our members who are concerned about acting responsibly. And a number of our members ended up joining the Electoral Count Reform Act in support of that. And so that's a great, that's, to me, is a great dovetail here.

Because when companies know they want to act responsibly, they have Broad guidelines. You [00:12:00] all are bringing this to real concrete opportunities. And it's a fresh, there's a fresh response as you, as you mentioned in the, in the offices of Congress. So thank you. Bump back to you. And we should probably move into the general patterns if we could.

You have been in this for a while. You've now had a number of campaigns. You've been talking to people in, you know, talking in business folks, what they're dealing with internally, different roles and in a federal, and I think state some state legislators, what are you hearing and how are you hearing the.

The environment evolve. And from your own perspective, we'll get into your working group in just a moment. What? How would you tell the story of the major patterns, including this term backlash or culture wars and things of that sort? Give us your, your high level narrative on that. If you would, how are you seeing it?

**Sarah Bonk:** Sure. Yeah. So I don't think it's any surprise to anyone that things are increasingly volatile and contentious across the board. And certainly that that has been [00:13:00] affecting business. The way we see the trends of the macro trends that, you know, over a series of decades, we've seen pressure growing on corporations to take action.

Folks don't trust lawmakers. We're seeing a lack of progress and a lack of ability to solve a lot of Issues facing our society and there's been more and more pressure for businesses to step into that void to be the trusted voice and help make things happen. The other trend that goes along with that is younger generations now, in particular, are wanting their somebody to solve these issues, but they also want to have employers and products that they buy services that they use where they're aligned with their values.

So the pressure has been coming to to do more And it has grown and grown and grown. And to an extent that has actually helped us. So when it came to these issues that we just discussed, we had businesses that were kind of saying like, yes, we recognize that there are problems. We know that we have a responsibility and we're looking for [00:14:00] the right times and places to weigh in and help make a difference.

Now, what we're seeing, of course, and when we use the word backlash, I think it's really good for us to you know, define the term. So we you know, have that basis. It really is a

reaction to that, that growing push. I want to talk through the forms of backlash. So as we're talking about what that means, it's really an ecosystem of forms of pressure and risks for businesses.

First of all, there's that employee pressure. Historically, a lot of that has been do more, do more, please fix all this stuff. But now we're also seeing this. More pressure from the other side, do less, stop speaking out, you know, I don't want to work for a company that believes X, Y, Z. That goes along with the public pressure.

We're seeing that from grassroots activists, civil society groups, et cetera. Not surprising, but I think they're getting louder and they're getting stronger and better organized. The other next piece from that, of course, the action that follows is often those consumer boycotts, the PR crisis, the, the social media, the, you know, the, The negative campaigns and often political figures getting involved in that, [00:15:00] sharing in those stories, using that as part of a political wedge issue to score points on more concrete basis.

We also include shareholder activists, rebel resolutions, ESG investors is a yet another form of pressure. The way that there has actually been this anti woke investment movement, a lot more shareholder activism happening. And then finally, and what we think is one of the greatest risks. Is elected officials taking retaliatory action, laws and regulations that can be used to punish companies with viewpoints that are counter to their own.

Because we're oriented toward protecting our democratic institutions, that becomes part of this. You know, this political climate doesn't really make it possible to move forward together in a productive manner. And so we see that that backlash is being driven by the culture wars, the polarization and hyper partisanship.

Those share the same drivers in terms of the news media being optimized for eyeballs, the social media, the, the out online outrage machine, our election systems themselves [00:16:00] that incentivize people running for office to be more divisive, to be more toxic. The, the partisan politics that, you know, are, are helping to push lawmakers towards the polar ends of extremism.

And then finally, like, you know, human nature itself is part of this, right? We are naturally tend toward being tribalistic and having a little bit of group thinking. We wanted to, want to get along with people like us and that all these, these factors and, you know, we, we probably could list other if we had more time.

It was just like all working together in one direction to make speaking out on a variety of issues tougher for businesses today. But we really wanted to pinpoint this issue with a special issue around government retribution as a unique risk. I wanted Richard to, to highlight that a little further.

**Richard Eidlin:** I think the central point here is that, you know, within Our political system.

It's always fair game for elected officials to comment on on on a sector's response to an issue. So companies have, though, found themselves in the [00:17:00] crosshairs of particular politicians Concerns and animosity towards what that company is doing on a particular issue. So again, you know, it's fair game for elected officials to talk about, um, an industry, you know, there's a lot of criticism of the oil industry, right?

But it's different when an elected official calls out a single company and, you know, or when a state legislature begins to take action. Against a particular company. So that's kind of a

defining principle of the shift in in backlash and there would be three ways to think about the actions that are being taken by elected officials.

1 or rhetorical threats. So, you know, I think it was 2 years ago that Mitch McConnell in response to what was happening in Georgia around the election admonished companies to just essentially be quiet and don't participate. And he wasn't really, you know, interested in their opinion. And that was [00:18:00] an admonishment, but he wasn't, and he made a veiled threat.

But that gets escalated when government officials, be they in the federal government or state legislature or a governor, actually takes a direct action against a company, right? So that we saw in the case. of Governor DeSantis in Florida with Disney or Governor Newsom in California with Walgreens. So that's a different order of critique and, you know, poses additional risk for a company's economic stability.

And then maybe a third category that we should think about is legislative power where a state legislature, independent of the governor, although maybe in collaboration decides to withdraw a tax benefit as was the case with Delta in Georgia or Democratic governors threatening to prevent Chick fil A from expanding their retail presence because they didn't agree with Chick fil A's policies [00:19:00] on on gay marriage.

Or PayPal coming under attack from from Governor DeSantis for their stand on abortion. So these are all ratcheting up of pressure and sort of enters into what some consider, uh, an authoritarian trend where an elected official, he or she, or state legislature is using their power both to regulate and thus try to direct and shut down a company's ability to express its views.

So. We see more of that happening, and the companies, as you would imagine, Elizabeth, are quite concerned about being in the crosshairs, and one of the strategies of elected officials doing this and pursuing this approach is to shut up companies, which they seem to be successfully doing.

**Elizabeth Doty:** That's very helpful because I think people have had a sense that there was a new threshold crossed.

Mm [00:20:00] hmm. Something different about this. Right. We know politics is, is rough and tumble but something different happened here. I can think of several other examples as well. And I think of these when I hear about doing business in other countries. Mm hmm. Right where there's, there's more raw political power and to me it strikes me as the exact opposite of what you said earlier about rules that would apply to everyone equally.

Henry, if you could just if you're seeing things in chat, Or have questions from our pre audience about this understanding of the current environment and the and the forms and thresholds around this backlash.

Henry: Thomas Bartels expressing his concerns about the efforts of partisans on both sides of the aisle.

If you'd like to come off camera and sum up your question

Thomas Bartels: the last set of comments, you know, in our view, we're spot on that some of the, the activity and highly partisan, um, efforts harm companies that want to [00:21:00] remain engaged in debates on public policy topics. And, and, you know, one example I give.



Is you know, we had congressional inquiries by different committees in the house and Senate on the subject of climate, as you can well imagine, they came at it from very different perspectives. But the one common aspect is that they really went after the companies on, you know, how they were developing their.

Own internal advocacy strategies on the topic of climate you know, what trade associations they belong to and, you know, even to the point of you know, asking, you know, to whom they made. Political contributions and and this is not necessarily new. You know, the, this, this is something that probably we saw a little bit back in 2014 2015 by the current [00:22:00] chair of the, the budget committee in the Senate Sheldon White House when he had some pretty significant interactions with the U.

S. Chamber of Commerce about their position on climate. It's very troubling to see that. Yeah. Kind of activity, because even though you know, we might all feel pretty sound in our ability to resist some of these inquiries under a First Amendment argument. Nevertheless, you know, even where we do win that battle, and you probably would It's still it, it still can chill sort of further engagement.

So interested in if you have any other thoughts on that point and what how we can maybe address that number.

**Elizabeth Doty:** Tell. Can I ask you what line feels like it's being crossed when companies are asked about their advocacy positions, their trade associations or their spending?

Thomas Bartels: I think it's sort of invokes, you know right to free association, the right to petition the government.

You know these are kind of [00:23:00] hallmarks of being of people being involved in the democracy that's been found to include corporations. So corporations are persons too. So those kinds of protections extend to companies as well. And if you're a company, that's, for example, we're an insurance company.

We weren't subject to any of these inquiries, but some of our peer companies were, I mean, insurance companies know an awful lot about climate risk. You know, it is risk is right in our wheelhouse. And if there's some kind of pressure for us to, you know, weigh in a certain manner. Because of the politics we may choose not to, to weigh in and, and that's an important industry that, that might not be represented when politicians are, are debating you know, some of these policies.

Tom Lyon: I mean, Tom, it's a really interesting and it seems like to me a very fundamental question because. You know, is it really useful for democracy for [00:24:00] companies to be able to keep their campaign contribution secret to keep their trade association membership secret to keep their communications with government secret?

I mean. My sense is that a lot of the reason we have such problems with our climate policy is because Big Fossil does all of those things and uses dark money groups, astroturf groups front groups to hide the policies they actually advocate. So, I'm a little unsure why we think this is an important thing for companies to be able to do.

Thomas Bartels: Well, I think there's a continuum, Tom. You know, there's obviously a continuum and so we're talking about you know it's a big subject and we can probably parse this out and maybe, you know, come to an agreement. But I, I think. The context that I'm looking in it, it was very targeted. And, you know, [00:25:00] our impression it was, it was very intentional and transparency is a, is a, is a good thing, and I think there's, you know,

there are a lot of mechanisms through which companies participate in the political process that are highly transparent like corporate PACs and so, you know, I, I think we'd be in full agreement with, with that point, but I think there is a line, I over which, you know, you could be infringing some of these important protections and, and you also have to look at sort of the motivation for some of these, these inquiries as well.

It's a, it's, it's not a black and white topic. I would agree, but you know, there are certainly behaviors that we're seeing that, you know, we believe could have a chilling effect on, on companies being involved in, in some of these important debate.

Tom Lyon: Can I just follow up with a question? Because what I'm hearing you say is that your concern is really more about the way politicians are [00:26:00] conducting inquisitions.

Rather than about the value of transparency. Is that correct?

Thomas Bartels: Absolutely. Correct. Yes. Yep.

**Elizabeth Doty:** So, I think this is a really good 1 for us to continue to to hang over and to me in a really nice test. And this is back to a bonk. And Richard is, you know, how would you feel when you're on 1 side of an issue versus another?

about the same mechanisms. And I think this is, this is pushing us and Tom Bartel, you have been doing that.

I invite you to go to the CPRT website. Make sure you're on the mailing list for these. If you're a guest this time, we will be updating our resource list in the next three to four weeks. We've got a research assistant. Working on a fantastic upgrade to the library, go to BFA's website, always interesting things there and and campaigns you can learn about.

And then if you would like to be part of a conversation where companies work across issues and across industries and sectors around what are those [00:27:00] principles and how do you apply them to complex issues please reach out to me and we'll talk about the CPR task force and you can see our contact information on the right there.

Thank you, Bonk and Richard. Thank you very much for sharing your lessons on this journey. I know you are very rigorous about continually testing things, seeing how they work and, and threading the needle. I think some people would like you to be more controversial. Some people like you to be less and you have really been learning as you go.

And I appreciate your sharing that with this community.