

The Denver Post - denver and the west

Betrayal hinted in oil, gas initiative -- Among fans and foes, fingers are pointed at activists who have switched sides in the severance-tax debate.

http://origin.denverpost.com/headlines/ci_9249249

By John Ingold

May 13, 2008

The food fights have already begun in the campaign over a proposed ballot initiative to effectively raise taxes on the oil and gas industry.

One of the people behind the initiative is fuming after he says a political consultant who had worked with him two years ago switched sides to lead the industry's campaign against the initiative.

Folks on the other side are raising eyebrows that the consultant now leading the pro-initiative campaign had recently done work for energy giant BP.

Both of the veteran consultants — David Kenney on the pro-initiative side and Rick Reiter on the con side — deny any wrongdoing.

"Frankly I don't think that either Rick Reiter nor I have done anything improper," Kenney said. "We have more serious things to talk about."

But the early campaign scuffles hint at the nastiness to come around the initiative, which still has several steps to take before it reaches the ballot.

The initiative would eliminate a tax credit for the industry, raising more than \$200 million per year and putting much of that money into a college scholarship program for low- and middle-income students.

The investors committee of the Colorado Competitive Council, an arm of the Denver Metro Chamber of Commerce, voted Monday to oppose the initiative, saying that it targets an industry crucial to helping Colorado weather a possible recession.

"For the state to look to one industry to fund its needs is not good tax policy," said Virginia Morrison Love, a spokeswoman for the council.

Initiative proponents dismissed the endorsement, saying the investors committee is filled with oil and gas companies.

"So we're not surprised they would vote against a measure that eliminates a special tax credit for the industry," said George Merritt, a spokesman for the initiative.

The fighting began just days after the proposed initiative was filed. Higher-education advocate Tony Lewis, executive director of the Donnell-Kay Foundation, fumed that Reiter, who had worked with Lewis on polling and strategy for a possible oil and gas tax increase in 2006, switched sides.

"He's taking that information to keep from passing a severance tax increase," Lewis said.

The 2006 discussion also included coordination with industry representatives, and Reiter said much of the information was shared between the groups.

"I don't think (Lewis' statement) is a fair assessment at all," he said.

Meanwhile, some opponents of the initiative have raised eyebrows at contract marketing work Kenney did for BP prior to joining the initiative campaign. Kenney said he had ended that before going to work for the initiative, and told BP of his plans.

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