

C O M P E T I T I V E E N T E R P R I S E I N S T I T U T E



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Cover photo: This image, known as the “Blue Marble,” was taken by the Apollo 17 mission, which launched on December 7, 1972. The mission’s astronauts had the first chance to get the perfect shot of Earth, when, hours after lift-off, the spacecraft aligned with the Earth and the Sun, allowing the crew to photograph the Earth in full light for the first time. (AP Photo/NASA files)



MESSAGE FROM THE CHAIRMAN

I first met Fred Smith in 1986. Working as a foundation officer in New York City, I sat in awed silence through a characteristically exuberant Smithean fundraising pitch. While little CEI was at the time barely able to afford its first pair of infant shoes, Fred confidently laid out his plans to bring adult supervision to the

Reagan Administration and perhaps, the United Nations. It was, as they say, the beginning of a long and wonderful friendship.

There have been moments of excitement I could do without. In 1992, we published *Environmental Politics*, a collection of splendid original essays—many of them penned by an exceptionally talented band of CEI analysts—on the political economy of environmental regulation. When the entire manuscript was typeset, Fred's concluding essay was still in what one may charitably call a conceptual stage. We (more precisely I) met the publisher's deadline by physically locking Fred in a room, with a supply of cigars and a bottle of Scotch. Fred produced text; I hacked it down to manageable length. By the wee hours, that process yielded a crisp, prescient essay that merits close reading even today. However, you should not try this at home.

Speaking of prescience, the agenda of the Competitive Enterprise Institute has proven ever-more salient over these past two decades. At one end, CEI's name suggests an appropriate distance from an unqualified, sloganeering defense of "the free enterprise system." There are many things that enterprises should *not* be free to do. The increasingly frequent demands for government protection and cartelization—often under the guise of some ostensible public purpose, such as fuel efficiency or preventing global warming—come readily to mind. CEI has fought such corporatist schemes with resolve and creativity—and with a success that is out of all proportion to its size.

At the other end, CEI has long recognized that competition is an appropriate principle not only for private markets but also for government. At home, that principle translates into rehabilitating a federalism that puts governments in competition for mobile citizens' assets, talents, and affections. On a global scale, it translates into unflinching support for a world of sovereign states with open borders, the better to realize gains from trade. It also translates into a profound skepticism with respect to proposals that would have us cure globalization's perceived ills through collective international organizations, in accordance with some NGO playbook. One among thousands of internationally accredited "non-governmental organizations," CEI actually deserves the name.

"Inspiration," often said to be an intangible leadership quality, is readily felt at CEI. More important even than Fred's infectious enthusiasm is his insistence that the language of economics—of efficiency and utility functions and rents—must ultimately connect to something larger. The economic case for competition can be made on a blackboard. But the true argument for competition is its potential to bring out the best in us—our creativity, our varying talents and occasional genius, our irrepressible urge to tinker and experiment for the betterment of the human condition. That case demands a different language and a different, broader audience.

Fred has found that language and audience. True to form, he continues to tinker with both. But since that day in 1986, he and his baby have come a long, long way. Congratulations—and heartfelt thanks for the memories.

A handwritten signature in black ink that reads "Michael P. Greve". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Michael Greve



MESSAGE FROM THE PRESIDENT

CEI is 20, and I am supposed to summarize two decades? To paraphrase Mickey Mantle, had I realized CEI would live this long, I would have kept better records! CEI's present activities are amply documented elsewhere in this report, and CEI's future is also clear: To boldly go, à la "Star Trek," where no free market organization has gone before. But reviewing CEI's past will require some dusting off of memories. If that triggers the requirement for an OSHA-approved respiratory filter—well, that's one hazard of nostalgia.

Much of my vision for CEI emerged from my apprenticeship at the Council for a Competitive Economy. As the Council came to an end, friends encouraged me to create my own organization. They assured me that, with my alleged energy and enthusiasm, it would

be easy. They lied. Our first year was incredibly difficult. One day, dejected, I told Fran that we might have to shut CEI down because we hadn't raised any money after three months of existence. She said, "But Fred, that was part of your business plan." "I know," I replied, but now it's actually happened!"

Fran wasn't going to let me off that easily. "No you don't," she said. "You got us into this, and you're going to keep going."

And we did. My experience at the Council gave CEI its basic structure: an emphasis on regulation, an activist approach that would bridge the gap between the think tank and political worlds, and a soup-to-nuts organization modeled explicitly on the aggressive environmental groups I'd encountered. As much as I rejected their policies, I still admired their tactics. I envisioned an organization that would publish studies and organize path-breaking seminars, aggressively market these ideas to the relevant interest groups, and seek policy change by pushing legislators and regulators to "do the right thing"—and sue when they wouldn't.

We soon moved to a location across from The Heritage Foundation, in a not-yet gentrified building with one large room, a bathroom, and a balcony overlooking Massachusetts Avenue. From that balcony I would solicit donors, harangue policy makers, market the media, and talk to passers by. All in all, not a bad way to start an organization.

One of our early issues was a critique of the International Monetary Fund. At a Cato Institute conference, one critic of my talk claimed that abolishing the IMF would bring about financial *Gottterdammerung*. I responded that I doubted it, but that anyone who's visited the IMF's headquarters could easily envision Valhalla!

CEI itself soon moved, not to Valhalla but to a walk-up office above a Kinko's copy shop on Capitol Hill. We had a grand total of four rooms. Tom Miller joined us to explore financial issues and antitrust regulation. One day Sam Kazman—then head of the Pacific Legal Foundation's Washington office—walked in, suggesting that we stop griping about the Corporate Average Fuel Economy (CAFE) standards and sue instead. CAFE wasn't just expensive and ineffectual, it was deadly—a "blood for oil" program if there ever was one! I agreed and CEI joined with Consumer Alert to initiate our eventually successful challenge to CAFE. That effort later grew into our Death by Regulation project.

We moved again, first to another walk-up above Sherrill's Bakery, and then to our current location at the Valhalla of the Beltway, K Street. We were joined by others, among them R.J. Smith, the father of free-market environmentalism. This area grew under the guidance of Jonathan Adler—now a law professor at Case Western Reserve University—to bring CEI to the forefront of this movement. We expanded into other areas: biotechnology, insurance, financial derivatives, privacy, and the far-flung reaches of “network” deregulation (and, unfortunately, re-regulation) in such areas as electricity and telecommunications. Our efforts seemed to be heating up, but then we realized the cause was global warming—or, more precisely, global warming alarmism. This issue, with its threat to the legitimacy of energy, has become perhaps the most important regulatory battle facing civilization. It is a major focus of our efforts.

We are proud of our many successes—our CAFE victories, our challenge to the Kyoto Protocol and the precautionary principle, our defense of biotechnology, and our entry into the global environmental debate. CEI remains focused on actually advancing liberty. It is not enough to be right, we must also *win!* Logic alone wins few battles. We must find ways to communicate to those who don't read the *Federal Register* before bedtime. We have enough marriage manuals; we need more children.

I would like to mention three late, great individuals who inspired CEI: Warren Brookes, in whose honor we instituted our Warren Brookes Journalism Fellowship; Julian Simon, memorialized in our Julian Simon Prize; and Aaron Wildavsky, the inspiration for CEI's value-based communications project. Had we not been able to stand on the shoulders of these giants, we'd have accomplished much less. Their work continues to inspire us, and we hope that our work provides a fitting memorial to them.

Where are we going? Someone once noted that “the world of politics is always twenty years behind the world of thought.” If that means that politicians today are becoming attracted to the ideas we had when we first started, then that's progress of a sort. But it's not enough, and CEI seeks to close that gap.

Twenty years is a short time for an organization seeking to redeem the American Dream, but we've had a great start. At 20, CEI still operates in a target-rich environment. There are massive battles still to be waged and won. With your help, CEI will keep on fighting creatively and enthusiastically.



Fred Lee Smith, Jr.



Left to right: Director of Global Warming and International Environmental Policy Myron Ebell, Senior Fellow Marlo Lewis, Jr., Senior Fellow and Cooler Heads Coalition Counsel Christopher C. Homer, and Senior Fellow Iain Murray

Since its founding, the Competitive Enterprise Institute has fought for access to affordable energy, a cornerstone of industrial civilization and of our standard of living. Although we have encountered serious threats to this vital resource, we have also achieved important victories.

One of the biggest threats to affordable energy is the Kyoto Protocol on climate change. Negotiated in 1997 to slow the purported threat of global warming, the Kyoto Protocol is a binding international treaty that requires developed nations to limit their greenhouse gas emissions relative to 1990 levels. But the treaty's economic and political costs are far greater than the presumed benefits of ratifying this vast regulatory regime.

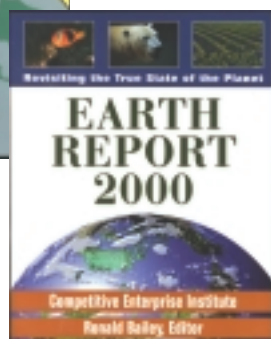
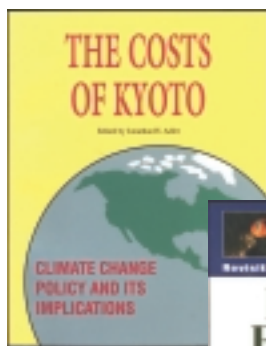


CEI's Marlo Lewis speaks at a 1997 rally opposing the Kyoto Protocol on the steps of the U.S. Capitol

CEI has led the successful charge against Kyoto by heading the Cooler Heads Coalition, a network of two dozen free market policy and advocacy organizations, representing more than five million consumers and taxpayers. The coalition focuses on the consumer impact of global warming policies and tries to educate the public on this issue. Cooler Heads holds regular briefings by leading scientists on Capitol Hill for congressional staff and media. These briefings have been critical in educating members of Congress about the true state of climate science. CEI also produces for the coalition the bi-weekly *Cooler Heads* newsletter, now in its eighth year, which has become a journal of record of the global warming debate.

CEI took the lead in convincing the Bush Administration not to propose regulating carbon dioxide emissions and in convincing the Department of Energy not to award early action credits to companies for reducing carbon dioxide emissions—a policy that would have mobilized lobbying for Kyoto-style regulation because the credits would become valuable *only* under a mandatory cap-and-trade regime.

CEI's efforts against global warming alarmism began long before the Kyoto Protocol. We led the fight in 1992 against the underlying United Nations Framework Convention on Climate Change, which we correctly predicted would quickly move from voluntary efforts to reduce greenhouse gas emissions to compulsory energy rationing. As the first American free market organization to earn United Nations nongovernmental organization (NGO) consultative status for international climate change negotiations, CEI has been a strong pro-market voice in a forum dominated by statist and regulators.



“The best environmental think tank in the country”

—*The Wall Street Journal*

CEI has published numerous books on global warming and environmental quality, including *The True State of the Planet* (1995), *The Costs of Kyoto* (1997), *Earth Report 2000*, and *Global Warming and Other Eco-Myths* (2002).

Through such efforts, CEI has successfully built opposition to the Kyoto Protocol and other similar policies, earning the derision of statist environmental groups. For instance, one leftist environmental publication labeled CEI “ground zero for opponents of action on climate change,” while the Clean Air Trust gave our own Myron Ebell its “Villain of the Month” award for helping derail the Bush Administration’s planned carbon dioxide regulations in the spring of 2001.

Our long-term efforts yielded substantial victories in 2003. CEI played a leading role in defeating the McCain-Lieberman Climate Stewardship Act, which would have imposed Kyoto-style energy rationing on the U.S. We organized the opposition among public policy groups; met with key Senate staffers; published op-eds; did press, radio, and television interviews; and helped develop many of the arguments that were used in the Senate floor debate against the bill.

Also in 2003, CEI filed the first suit in federal court using the 1997 Federal Data Quality Act in an effort to compel the federal government to stop disseminating a junk science report on global warming. The suit was settled after the administration added to the report a disclaimer that it was not subject to data quality standards.

CEI’s fight against global warming alarmism continues and is expanding.

Several states have passed laws to require cuts in greenhouse gas emissions and many more are threatening to do so. These measures are generally harmful and are designed to force Congress to enact federal legislation. In coalition with other organizations, CEI is now focusing on state-level efforts to counteract such policies.

We have begun a series of seminars and editorial board briefings with newspapers in key states on the issues involved in the global warming debate. When resources and schedules permit, we will bring distinguished scientists with us.

CEI has also begun working with European free market advocates to reopen the scientific debate on global warming in the European Union.



Bjorn Lomborg, author of The Skeptical Environmentalist, during a presentation at a Cooler Heads Coalition Capitol Hill Briefing, October 2001



Winter 2003 — CEI’s Myron Ebell debates global warming with a Greenpeace activist on a February day with temperatures in the 20s



Sen. Chuck Hagel (R-Neb.) speaks at a Capitol Hill global warming conference co-sponsored by the Competitive Enterprise Institute and the National Center for Policy Analysis



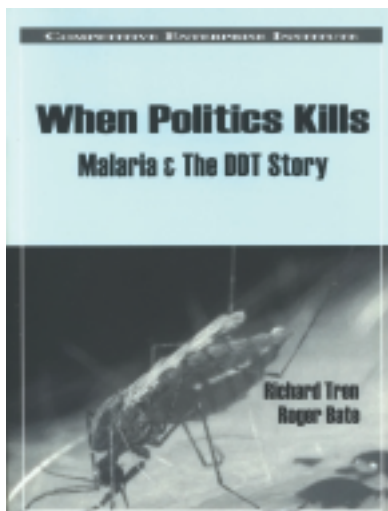
Angela Logomasini
Director of Risk and Environmental Policy

CEI's Department of Risk and Environmental Policy strives to promote human well-being through free markets and by reducing excessive regulation. The department focuses on chemical risk and waste-related issues, and covers a variety of general environmental issues.

Many governmental risk management efforts attempt to regulate negligible and theoretical risks—diverting resources away from more serious problems, increasing consumer prices, and driving small businesses out of existence. Ironically, some of these regulatory policies have unintended consequences that increase overall risk.

Since the Progressive Era, the growth of the regulatory state has been constant and rapid—so the fight against its excesses has been difficult. Yet we have achieved some important victories.

CEI, along with other public health advocates, has fought international efforts to ban use of the pesticide DDT. Malaria, carried by mosquitoes, makes more than 400 million people ill and kills more than two million annually. Limited public health uses of DDT can save millions of lives without adverse environmental impacts. International negotiators finally agreed to allow DDT use for public health purposes, but the battle continues as many Western aid agencies refuse to support its use.



During 2002, the focus on chemical plant security prompted members of Congress to propose regulating these plants. CEI quickly pointed out that regulations would force the reduction and elimination of vital chemicals such as chlorine, which we need for a safe water supply. Working with like-minded organizations, CEI helped defeat this legislation.

Director of Risk and Environmental Policy Angela Logomasini began working on security risks related to “right-to-know” laws in 1999. After September 11, 2001, our efforts increased as “right to know” issues came to the forefront as various government agencies began removing information from their websites that they thought terrorists might use to launch attacks. CEI became a leading source for media and others seeking information on this issue.

In 1999, CEI helped defeat proposals to repeal the 1998 data access law, which was designed to promote accountability and sound science by making government-funded data publicly available.



Ben Lieberman
Director of Air Quality Policy

Environmental activists continue to decry the state of America’s air quality, claiming that it still poses a serious threat that may worsen in the years ahead. Based on this false premise, they advocate for stricter and costlier air quality controls. The facts, however, do not justify increased regulation.

CEI is making the case that air quality has improved and will continue to improve with measures already in place, and that the need for any costly additional measures should be scrutinized. We have advanced this case through policy analysis, op-eds and monographs, regulatory comments, and congressional testimony.

In addition to holding the line against further Clean Air Act regulations, CEI has worked to build support for previously ignored alternatives to this heavily centralized approach to air policy.

Beyond the Clean Air Act, we have also questioned the scientific and economic basis of other air quality provisions, including the Montreal Protocol, the multilateral treaty designed to fight ozone depletion.

In order to build support for policy reform, we have highlighted the consumer burden created by unnecessarily burdensome air quality measures. In 2001, Director of Air Quality Policy Ben Lieberman testified on Capitol Hill regarding the spike in gasoline prices. He pointed out that the increases at the pumps can be traced to the Clean Air Act’s 1990 amendments’ gasoline composition mandates and the Act’s stringent requirements on the building of new refineries and the expansion of older facilities.

“A decade ago, gasoline was a national commodity, but today there are many distinct types of motor fuels in use,” Lieberman said in his testimony. “At the same time demand and the challenge facing refineries to comply with gasoline requirements has never been greater, a number of regulatory constraints have impinged upon refinery capacity.”



Fox News anchor Tony Snow interviews CEI’s Ben Lieberman on high gas prices, March 2004





*Gregory Conko
Director of Food Safety Policy*

Biototechnology, or bioengineering, is a science with nearly unlimited potential to improve the production of medicines, food, and industrial substances. It has been praised by scientists, doctors, farmers, and consumers; and biotech medicines are commonplace. Tragically, agricultural applications of biotechnology have been

severely restricted due to harsh and needless regulations in the United States, Europe, and elsewhere.

CEI has long recognized the potential benefits of this technology. Its agricultural applications alone could help address world hunger by increasing crop yields and improving the nutritional value of staple crops for poor farmers in less developed countries. The handful of crops already approved in the United States show that the technology can simultaneously raise farm income and protect the environment by reducing pesticide use, saving topsoil, and curbing use of other resources.

Countless scientific bodies have studied the technology and concluded that bioengineering poses no risks that are not already present with conventional plant breeding or cellular modification. But environmental activists and some politicians, eager to promote themselves as guardians of the public's health, focus on the innovative nature of biotechnology itself, arguing that its very novelty requires heavy regulation.

CEI first addressed the problems of biotechnology over-regulation in the late 1980s, when the first field tests of early biotech commercial crops were being conducted. CEI President Fred Smith participated in a number of U.S. Department of Agriculture policy forums on the topic, debating environmental organization representatives in cities across the country. CEI scholars also advised the Reagan Administration at the time it was creating the very first framework for federal regulation of bioengineered products.

As commercialization neared for some of the earliest biotech products—including tPA, a genetically engineered blood clot dissolver; recombinant bovine Somatotropin, a growth hormone that boosts milk production; and Flavr Savr slow-ripening tomatoes—CEI played an active role advising regulators not to penalize the products simply because they were created with an innovative technology.

More recently, CEI has focused attention on agricultural and food applications of biotechnology. In 2000, CEI Director of Food Safety Policy Gregory Conko helped Tuskegee University plant geneticist C.S. Prakash launch a Declaration of Scientists in Support of Agricultural Biotechnology, an influential document that



AP Photo/Gustavo Estrada

An Argentine soybean farmer controls the quality of his crop

now has over 3,500 signatures from scientists around the world, including 25 Nobel laureates. Later that year, Conko and Prakash established the AgBioWorld Foundation to support the participation of scientists in public debates on agricultural biotechnology.

In May 2003, CEI supported the Bush Administration's decision to join 13 other countries in filing a complaint with the World Trade Organization against the European Union's moratorium on all new biotech crop varieties. While most biotech supporters argued that the moratorium limited U.S. exports to Europe, CEI helped reframe the debate. We emphasized how EU policies harmed farmers in less developed countries by making them choose between superior crop varieties and maintaining their ability to export to Europe. With the help of CEI, farmers and scientists in some of the world's poorest countries are being given a voice in the battle over their own future.



CEI helped organize and deliver a food donation to a poor Mexican village near Cancún, during the World Trade Organization's Fifth Ministerial meeting

The Precautionary Principle: Threat to Human Well-Being

Every day, consumers, producers, and regulators confront questions about risk. Even the most commonplace activities, like eating, traveling, and working, are replete with risks. We cannot escape risk or make our lives absolutely safe. The best we can do is try to make decisions that will make our lives *safer*.

Unfortunately, the public often has unrealistic expectations about how risk should be managed, demanding that regulators keep them safe. The statist environmental movement has capitalized on this expectation by promoting a regulatory philosophy called the precautionary principle, which essentially holds that nothing should be done until it can be proven safe. That principle is a recipe for stagnation, because nothing can be proven to be risk-free. Plus, by putting discretionary power in the hands of regulators to decide what is safe enough, it exacerbates one of the major existing problems in risk regulation. In practice, it is not being pursued to make the world safer, but to advance political agendas.

Most of the products we rely upon to improve our world—such as medicines, power plants, automobiles, and chemicals—pose some level of risk, but on balance they make our lives safer. Advocates of the precautionary principle simply assume that this dilemma does not exist. They refuse to acknowledge that, even when technologies introduce new risks, most confer net benefits.

Regulations requiring pre-market approval of things like new pharmaceuticals, pesticides, food additives, bioengineered crop plants, industrial chemicals, and many others, almost invariably weigh the potential risks of new products much more heavily than they do the risks of forgoing their introduction. This problem needs to be addressed if we truly want to maximize safety.

If we genuinely care about making our world safer, we must require regulators to consider both the risks of rushing headlong into the future and the risks of getting stuck in the past.

DEATH BY REGULATION



General Counsel Sam Kazman heads CEI's *Death by Regulation*, *Mobility*, and *Free Market Legal* programs

Since its founding, CEI has sought to expose the harm produced by excessive regulations. Every year government creates new rules intended to protect the health and safety of the American people. But all too often, such regulations, however well-intentioned, fail to achieve their intended result—and many make things worse.

Our Death by Regulation project analyzes and raises public awareness of the often lethal results of government over-regulation. It has focused on such programs as automotive fuel economy standards, advertising restrictions, the federal airbag mandate, and the Food and Drug Administration's regulation of new medical therapies.

Our Mobility project seeks to expand public awareness of the connection between automobility and freedom, and on fending off such threats as the environmentalist campaign against sport utility vehicles.

CEI's Free Market Legal program seeks to develop new legal approaches to challenging over-regulation in these and other policy realms.

In this spirit, we have especially focused on two of the biggest federal killers.

Corporate Average Fuel Economy Standards (CAFE)

Conceived as an economic response to the Middle East oil shocks of the 1970s, CAFE regulations had an unintended consequence: increased highway fatalities due to smaller, lighter vehicles. In the late 1990s, environmentalists invented a new rationale for CAFE, arguing that it is crucial to preventing catastrophic global warming. Most recently, with the start of the war on terror, CAFE advocates have added national security to their arguments as well.

But American consumption of foreign oil has increased since the early 1980s not because our automobiles are wasteful, but because foreign oil is cheaper than other energy sources. That increase, moreover, occurred despite CAFE's widespread implementation.

For green activists, the issue is not about reducing our consumption of *foreign* oil, but about reducing our consumption of oil, period—and CAFE can help them achieve this through its political invisibility. Unlike energy taxes, which are highly visible and therefore politically risky, CAFE's costs, both human and monetary, are off-budget and dispersed throughout the population—and therefore not readily obvious.



Sam Kazman speaks at a 1995 news conference announcing CEI's petition to the Food and Drug Administration to regulate coffee and cola beverages as "caffeine delivery systems," after FDA proposed regulating cigarettes as nicotine delivery systems

Among CEI's early efforts on CAFE was to press for a study that would actually quantify CAFE's lethal effects. This study, by Robert Crandall of the Brookings Institution and John Graham (then at the Harvard School of Public Health and now head of regulatory review at the Office of Management and Budget), was published in 1989. It demonstrated that CAFE standards cause thousands of highway fatalities annually by restricting vehicle size and weight. We then used this research in a series of precedent-setting court cases against the National Highway Traffic Safety Administration (NHTSA), which oversees the CAFE program. We argued that NHTSA had illegally covered up CAFE's lethal effects. In 1992, a federal appeals court upheld our charges, ruling that NHTSA illegally ignored CAFE's lethal impacts on auto safety. This is the first judicial ruling against a CAFE standard in the program's history. One leading legal scholar has characterized it as "the principal case on health-health tradeoffs."

In 2001, a National Academy of Sciences report corroborated CAFE's deadly effects. While environmentalists continue to push for CAFE's expansion, the safety issue pioneered by CEI has become the main obstacle in their path.

FDA Reform

The Food and Drug Administration often approves a new drug or medical device only after many years of review. This prompts a basic question: If this therapy will start saving lives tomorrow, then how many people died *yesterday* waiting for FDA to act?

CEI has focused on this question for more than a decade. We coined the phrase "deadly overcaution" to characterize FDA's approach, and we have used analyses and polling and public service spots to document the concept of drug lag. While Naderite groups claim that FDA acts too quickly in approving drugs, our surveys of medical specialists, ranging from cardiologists to oncologists, found that in their view FDA is too slow. Our efforts helped lay the groundwork for agency reforms during the 1990s, including the FDA Modernization Act of 1997.

Most recently, CEI won a lawsuit against FDA in federal court over a rule that, while claiming to protect children, threatened to further delay drug approval for everyone. While our victory was short-lived (Congress took the agency's rule and enacted it as a statute), we managed to inject the concept of Death by Regulation into an otherwise one-sided debate.



A representative of the Ralph Nader-founded Aviation Consumer Action Project listens to CEI General Counsel Sam Kazman during a debate on PBS' "MacNeil-Lehrer News Hour"



General Counsel Sam Kazman is the idea man behind CEI's renowned issue gadgets, used for both press conferences and as Annual Dinner gifts.

PROJECT ON TECHNOLOGY AND INNOVATION



Technology Counsel
Braden Cox



Senior Analyst
Solveig Singleton

The experts with CEI's Project on Technology and Innovation work long and hard to dissuade regulators from hindering modernization with antiquated "trust-busting" laws and other stifling regulations. CEI's technology and innovation team includes Senior Analyst Solveig Singleton and Technology Counsel Braden Cox.

CEI has long worked in this area. Shortly before founding CEI, Fred Smith sounded the clarion call for the abolition of antitrust laws with his seminal 1983 article "Why Not Abolish Antitrust?"

In the ensuing two decades, CEI has become a leading voice in promoting innovation by defending free market values.

The 20 years since CEI's founding have seen remarkable technological advances. And of all new technologies, the World Wide Web is undoubtedly the most exciting. The Web's capabilities are seemingly limitless—but these capabilities are threatened by government officials' rush to regulate it. CEI has time and again stepped in to defend consumers from needless regulations.

Since joining CEI in early 2003, Technology Counsel Braden Cox has produced analysis and writings in the areas of electronic commerce, intellectual property, technology competition and antitrust policy, and telecommunications. He submitted comments to the Department of Transportation on its proposed extension of regulations on airline computer reservation systems—an issue that CEI has addressed since its inception. He also organized a conference on international airline deregulation that was televised live by C-SPAN.

Over the past year, CEI's technology analysts have done considerable work on telecom regulation and spam. Senior Analyst Solveig Singleton joined the free market critics of the Federal Communications Commission's failure to deregulate phone service. She teamed with former analyst Hanah Metchis in a widely cited study of spam entitled *Spam, That Ill O' The ISP*. They concluded that spam will always be with us, but that a series of private solutions gradually increasing in technical and legal sophistication can minimize spam much better than would an overly broad federal law.



AP Photo/Richard Vogel

Vietnamese university students at a Hanoi Internet café

“One of Washington’s feistiest think tanks”

—*The Boston Globe*

The year 2002 was a big one for intellectual property. CEI Adjunct Fellow James DeLong’s analysis, starting with the basic view that creativity must be protected and that legal protections should do as little harm as possible, became widely sought after.

Fallout from WorldCom’s demise and the collapse of tech stocks drove technology policy throughout 2002. DeLong and CEI President Fred Smith leapt into the fray to oppose shortsighted “reform” proposals that would impact technology management, particularly the move to require expensing of stock options.

In 2001, CEI’s technology team produced our *Technology Briefing Book*, offering comprehensive coverage of technology topics for legislators, their staff, and the public.

Also that year, Solveig Singleton published several key papers on privacy and testified before Congress in defense of the free movement of information. Her early stance against regulation in the name of privacy influenced many free market scholars and helped businesses understand how to defend markets. And that summer, she was a panelist on a special show of “The McLaughlin Group” on privacy and technology.

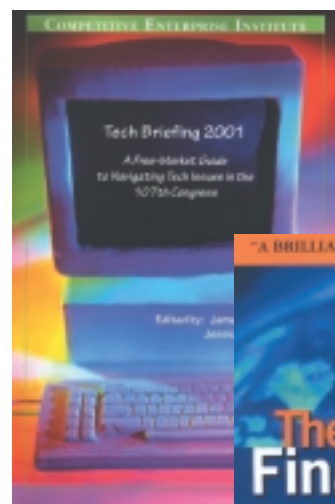
By the end of 1999, CEI’s technology policy efforts had expanded to cover telecommunications, antitrust, e-commerce, intellectual property, and more. We pioneered our highly successful *C:\Spins*, a weekly series of short, email commentaries on technology topics.

Over the years, CEI’s technology and innovation team has led the fight against abuses of antitrust law. Senior Fellow Clyde Wayne Crews led our opposition to the Clinton Justice Department’s war on Microsoft. And Vice President for Policy James Gattuso and James DeLong provided continuous and articulate coverage of developments in the Microsoft case. They predicted—correctly—that excessive antitrust enforcement would evolve into regulations affecting more than just one company.

CEI’s Technology and Innovation analysts are constantly busy defending the free market environment that allows innovation to flourish. The last 20 years provide a good indication that we can expect much more from them in the future.



Former American Airlines CEO Robert Crandall takes a question at the CEI conference, “Open Aviation for a Global Industry: Removing the Last Barriers to Airline Competition,” August 2003





TIME



LINE

1984

On March 14, 1984, Fred Smith launches the Competitive Enterprise Institute, with his wife Fran Smith and Cesar Conda as the original members of CEI's Board of Directors. Similar to the Silicon Valley entrepreneurs who launched their companies from their garages, CEI's first offices were in Fred and Fran's apartment. After the first few months, Fred had spent a few thousand dollars, but received far less in contributions and was getting worried. Fran said, "But Fred, that was part of your business plan." "Yes," he answered, "but now it's actually happened."

CEI conducts the "Jefferson Group" meetings of free market public policy analysts, congressional staffers, and journalists in Washington, D.C.

1987

Fred Smith debates Jack Doyle of the Environmental Policy Institute and Friends of the Earth at a series of public forums on biotech crops, sponsored by the U.S. Department of Agriculture.

The Washington Post publishes one of CEI's first efforts to quantify the human costs of regulatory delay. By CEI's estimates, the Food and Drug Administration delay of the clot-busting biotech drug tPA resulted in the loss of approximately 30 lives per day.

Fred Smith and Sam Kazman begin work with Reagan Administration officials in the Department of Agriculture, Food and Drug Administration, and Office of Science and Technology Policy to promote a biotechnology policy that tailors oversight to the degree of risk posed by individual products, rather than on a single regulatory requirement applied to all products of the novel technology.

1988

CEI launches its monthly newsletter, *CEI UpDate*, featuring commentary and analysis on all of CEI's issue areas.

1990

CEI's staff climbs into double digits.

The Soviet Union's cut-off of gas shipments to Lithuania, in an attempt to intimidate that small country's growing freedom movement, is widely criticized. But only CEI recognizes the importance of this step for "energy conservation," and awards Soviet leaders its "Less Power to the People" award.



New York's highest court upholds the Zimans' right to live in the house they own. The case was argued by CEI General Counsel Sam Kazman.

CEI is among the first to criticize the 1990 Clean Air Act amendments, arguing—correctly, as events would show years later—that they would impose a new regulatory burden that would lead to higher energy prices.

1985

With its staff up to two-and-a-half, CEI moves to its first offices—next to a Chinese restaurant across the street from The Heritage Foundation. Around lunchtime, the offices would fill with the pleasant smell of Chinese food. Fred's outreach activities often included shouted greetings and conversations from his office balcony to passing acquaintances on the street below.

1986

CEI moves to new offices on Pennsylvania Ave., above Kinko's Copies, and expands its antitrust program with publication of the *Washington Antitrust Report*. The slogan emblazoned across the top: "Busting Trustbusters Since '86."

Sam Kazman joins CEI as General Counsel, to launch CEI's Free Market Legal program and its Death by Regulation project, which focuses on the often lethal effects of government over-regulation.

CEI files its first of what would become a series of three suits against the new Corporate Average Fuel Economy (CAFE) standards. CEI was among the first to argue that CAFE made cars more dangerous due to downsizing, thus threatening passenger safety. Eventually, CEI would win the first and only judicial overturning of a CAFE standard when a federal appeals court ruled that the National Highway Traffic Safety Administration—an agency whose middle name is safety—was hiding the fact that its CAFE program kills people.

1989

CEI moves yet again, this time above Sherrill's Restaurant on Capitol Hill. CEI would occasionally sponsor contests in which lunch at Sherrill's was the grand prize, perhaps explaining the paucity of entrants.

During this time, responding to the growing reach of environmental regulations, CEI expands its work on environmental policy, building the largest free market environmental policy program in Washington. The term "free market environmentalism" was, in fact, coined by CEI Scholar Robert J. Smith.

In April, we host our first dinner, celebrating CEI's Fifth Anniversary. Federal Trade Commission Chairman Daniel Oliver delivers the keynote address.

The first peer-reviewed assessment of CAFE's lethal effects on traffic safety is published in the *Journal of Law & Economics*. The study, by Brookings Institution scholar Robert Crandall and then-Harvard professor John Graham—now head of regulatory review at the Office of Management and Budget—grew out of a CEI suggestion.

In a case brought by CEI, a New York appellate court upholds the right of Jerry and Ellen Ziman to evict their rent-controlled tenants so that their own family can live in the Greenwich Village townhouse that they own. While the state has tight restrictions on evicting rent-controlled tenants, it did have an exception for owner-occupancy evictions when the Zimans first bought their house. But that exception was revoked several months later, and the Zimans found themselves homeless. The court ruling changed that.

1991

CEI staffers meet regularly with Vice President Dan Quayle's Council on Competitiveness staff, providing important information and advice on how to help reduce regulatory burdens on businesses.



CEI publishes *Flip-Flopping on Small Car Safety*, a compilation of contradictory quotes on the CAFE size-safety issue from Ralph Nader and several of his colleagues. Their names were routinely invoked by environmentalists to supposedly show that CAFE's downsizing of cars was safe. It turns out, however, that, before large cars become politically incorrect, Nader and his colleagues criticized the safety risks of small cars such as the Volkswagen Beetle. Excerpts from *Flip-Flopping* were published in *The Wall Street Journal* and cited in CEI's 1992 court victory on CAFE.



1992

Environmental Politics: Public Costs, Private Rewards, edited by Michael Greve—now chairman of CEI's Board—and CEI President Fred Smith, is published by Praeger.

In CEI's *Competitive Enterprise Index*, an annual ranking of congressional votes on economic issues, Al Gore ranks lowest in the Senate for the second time in three years. CEI zings Gore for "increased spending, higher taxes, greater regulation, and more political interference in the marketplace." His score of seven points out of 100 puts him dangerously close to the "0-zone."

1993

With its staff grown to nearly 20, CEI moves to the "heart of the beast," acquiring office space at Connecticut and K streets in downtown Washington, where CEI is still located. In a bastion of box-shaped office buildings, Fred Smith tries to get a CEI flag planted outside. Neil Armstrong had it easier on the moon.

CEI launches the annual Warren T. Brookes Fellowship in Environmental Journalism, to honor the late *Boston Herald* and *Detroit News* columnist Warren Brookes, who in the words of his *Detroit News* colleague Thomas Bray, "made a virtual career out of questioning the conventional wisdom of the so-called experts." CEI chooses Ronald Bailey—now *Reason* magazine's science correspondent—to be the first Brookes Fellow.

1995

CEI takes the fight for freedom to cyberspace with the launch of its first website.

The True State of the Planet, a joint project between CEI and Ronald Bailey, is published by The Free Press and hailed in the press. The book goes on to sell 25,000 copies and prompts *The Wall Street Journal* to call CEI "the best environmental think tank in the country."

In the wake of a FDA proposal to regulate cigarettes as nicotine delivery systems, CEI petitions the agency to regulate coffee and cola beverages as caffeine delivery systems. Some CEI supporters don't find this funny, as Fred learns in a series of 3:00 a.m. phone calls to his hotel room during a trip to Paris. (Talk about caffeine keeping you up!) FDA eventually denies the petition.

CEI issues the first of its medical specialist polls on the Food and Drug Administration, reporting the views of oncologists on whether FDA is too fast or too slow in approving new therapies. The oncologists view FDA as too slow, but Dr. Ralph Nader disagrees. Whom would you choose for your doctor?

1996

CEI produces its first video documentaries, *Science Under Siege*, based on the book of the same title by CEI Warren Brookes Fellow Michael Fumento, and *Talking About Over-Regulation*, which explores how reformers can use compassion and fairness arguments to make the case for deregulation and economic liberty.



CEI enters the alcohol beverage business with *Vino Veritas* Freedom of Speech Wine, *Stout Heart Beer*, and *Be an Old Grand-Dad* Whiskey, setting the stage for its First Amendment suit against the Bureau of Alcohol, Tobacco, and Firearms over telling the truth about moderate alcohol consumption—namely, that it can be good for you.

CEI launches its Communications Project with the aim of showing how "values-based" communications strategies can help claim the moral high-ground for our side, by making the case that capitalism is not only efficient, but also fair and moral.

CEI issues its first annual *Ten Thousand Commandments* report detailing the cost and number of federal regulations. The report becomes a standard reference work on government regulation.

Sam Kazman advises the National Biotechnology Policy Board on regulatory issues, leading the Board to recommend that agencies conduct "post-approval audits" to evaluate the possibly harmful impacts of delayed approvals.

CEI advises the Food and Drug Administration to approve recombinant bovine Somatotropin (rbST), a bioengineered growth hormone for dairy cows that boosts milk production. We argue that mandatory labeling of dairy products from cows given rbST is inappropriate, but that the First Amendment allows individual producers the right to label dairy products as produced with or without the use of rbST. FDA policy ultimately reflects this position.

A federal appeals court upholds CEI's suit against the National Highway Traffic Safety Administration (NHTSA). We argued that NHTSA had illegally covered up the lethal effects of CAFE standards, after independent researchers found that CAFE, by forcing car manufacturers to make vehicles smaller and lighter to comply with higher fuel economy standards, led to an increase in the number of highway deaths per year. This is the first judicial ruling against a CAFE standard in the program's history.

In June, Fred Smith treks to Rio de Janeiro, Brazil, to present the free market side as the Rio Earth Summit treaty is signed, marking the start of CEI's involvement in international environmental policy.

1994

CEI intervenes with USDA and FDA on behalf of FlavrSavr tomato, the first bioengineered crop plant approved for commercialization.

In March, CEI celebrates its 10th Anniversary. CEI's budget doubles—to \$1.9 million from \$975,000 the year before. The staff size reaches 23.

In May, Fred Smith receives a response to a letter to Czech Prime Minister Vaclav Klaus. Klaus's response: "Dear Mr. Smith, one sentence is sufficient. I fully agree with you."

CEI releases its *Federal Disaster Wall Calendar*, "a monthly compendium of government-sponsored fiascos, from the idiotic to the catastrophic."

In December, CEI's environmental studies program founds the Center for Private Conservation, with the mission of documenting how private, voluntary initiatives can help protect the environment.

CEI airs radio and television ads on the subject of drug lag. While the ads were produced and broadcast on a shoestring budget, they get major network airtime when they're covered as news stories.

In another CEI/Consumer Alert challenge to CAFE, the U.S. Court of Appeals upholds NHTSA, but still notes that the agency's treatment of the CAFE safety issue is "troubling."

Environmentalism at the Crossroads by CEI's Jonathan Adler is published by the Washington, D.C.-based Capital Research Center. The book profiles in detail the U.S. environmental movement. The preface is by ABC News Correspondent John Stossel.

As the number of children killed by government-mandated air bags mounts, CEI releases documents showing that NHTSA rejected the strong warnings on air bag risks that the auto industry proposed for posting inside cars. Instead, the agency adopted watered-down language following the advice of—you guessed it—the Ralph Nader "safety" groups.

1997

In December, three CEI experts travel to Kyoto, Japan, to present the free market side as the United Nations global warming treaty is negotiated.

At a congressional hearing on NHTSA, Sam Kazman plays a 1983 CNN video of a debate between himself and former agency head Joan Claybrook, in which she proclaimed that air bags "work beautifully" for infants. The air bag mandate, which was largely Claybrook's doing, had proven deadly to children.

1998

CEI, now officially recognized by the United Nations as a qualified "non-governmental organization," attends U.N. global warming talks in Buenos Aires, Argentina.

In July, Fred Smith defends free trade and flexible work rules for America's auto industry on CNN's "Crossfire," in a one-on-three face-off opposite liberal filmmaker Michael Moore and hosts Pat Buchanan and Bill Press. Moore, who lives in Manhattan, became discombobulated when Fred exposed his Average Joe schtick as a fraud. "Michael, not everyone can afford the kind of car that you can afford," he said. "We're not all wealthy like you."



1998

CEI reprints *Tom Smith and his Incredible Bread Machine* by R. W. Grant, a short, amusing fable first published in 1964 that uses humor to describe antitrust regulation's wealth-destroying effects.

Global Greens: Inside the International Environmental Establishment by CEI's James M. Sheehan is published by the Capital Research Center. The book analyzes the influence of leftist environmental organizations on public policy in the international arena—through the United Nations and other multinational institutions.

Fishing for Solutions by CEI's Michael De Alessi is published by the London-based Institute of Economic Affairs. This monograph examines government regulation of fisheries and proposes a more efficient property rights-based approach.

1999

CEI works to prevent repeal of the data access law, passed in 1998, which promotes accountability in government and sound science by making government-funded data available under the Freedom of Information Act (FOIA). We publish writings and host a Capitol Hill staff briefing on the topic. We also bring FOIA expert James T. O'Reilly of the University of Cincinnati Law School to Washington to meet with members of Congress. The House Appropriations Committee eventually votes against repeal of the law.

In April, CEI celebrates its 15th Anniversary with a speech by former Vice President Dan Quayle at the annual Warren Brookes Dinner. Former Rep. Jack Kemp joins CEI as Distinguished Senior Fellow.

In June, Director of Air Quality Policy Ben Lieberman testifies before the House Energy and Power Subcommittee in favor of repeal of the federal low-flush toilet mandate.

In November, CEI holds a seminar during the tumultuous World Trade Organization Ministerial Meeting in Seattle with leading scientists supporting biotechnology.

2001

In March, CEI helps convince the Bush Administration not to regulate carbon dioxide as a pollutant.

In July, the National Academy of Sciences (NAS) issues a report on CAFE that finds that it contributes to over 1,000 traffic deaths annually by forcing the downsizing of vehicles to meet government fuel economy standards. CEI testifies before the NAS panel responsible for the report.

Media exposure for CEI triples in 2001.

CEI establishes an award in honor of the late free market economist Julian Simon, whose classic 1981 work *The Ultimate Resource* debunks the alarmist predictions of eco-doomsayers like Paul Ehrlich. Stephen Moore, president of the Club for Growth and former research fellow with Dr. Simon, is the first recipient.

That summer, Senior Analyst Solveig Singleton appears on a special program of "The McLaughlin Group" on privacy and technology.

2002

In January, CEI publishes *The Environmental Source*, which features comprehensive analyses of a number of domestic and international environmental issues.

CEI unveils its CAFE Café website, which features extensive information on the government fuel economy program, and releases a poll showing that support for higher CAFE standards plummets once people learn of the NAS findings on CAFE's lethal effects. Our work on CAFE wins a Clarion Award from the Association for Women in Communications for best low-budget issue campaign.

CEI issues its fifth medical specialist poll on the Food and Drug Administration. The results are consistent with our four previous polls—physicians view the agency as too slow to approve new therapies.

The anti-SUV "What Would Jesus Drive?" campaign goes into high gear. Sam Kazman, a Jewish guy from Brooklyn, provides CEI's response.



1999

CEI and Citizens for the Integrity of Science file a deceptive advertising complaint with the Federal Trade Commission regarding a Ben & Jerry's ad campaign for its new unbleached packaging. The campaign touts the dioxin-free nature of the packaging's production, but says nothing about the relatively high—though safe—dioxin content of the ice cream itself.

CEI releases the National Environmental Survey, which reveals that Americans want reasonable, locally administered environmental policies that recognize property rights, rather than centralized command-and-control regulation. This and earlier CEI Environmental Surveys have been cited in major media, including *The Wall Street Journal* and National Public Radio.

2000

In January, CEI Director of Food Safety Policy Gregory Conko attends United Nations negotiations on the Biosafety Protocol in Montreal as a NGO representative on behalf of CEI. There, CEI co-sponsors a press conference announcing a "Declaration of Scientists in Support of Agricultural Biotechnology" with over 600 signatures, including two Nobel Prize winners. The declaration now has more than 3,500 signatures, including 25 Nobel laureates.

A new book, *Slanting the Story* by Trudi Lieberman, focuses extensively on CEI's work in the FDA reform battle. The book is intended as criticism, but we view it as a high compliment.

Gregory Conko and Tuskegee University plant geneticist C.S. Prakash establish the AgBioWorld Foundation to support the participation of scientists in public debates on agricultural biotechnology. The AgBioWorld Foundation becomes a 501(c)(3) non-profit organization in July 2001.

CEI takes the lead in discrediting the flawed National Assessment on Climate Change by filing suit in federal court. In addition to several other non-profit groups, Sen. James Inhofe (R-Okla.) and Reps. Joseph Knollenberg (R-Mich.) and Jo Ann Emerson (R-Mo.) join the suit as co-plaintiffs. The suit was settled in 2001 when the Bush Administration agreed that the National Assessment does not constitute official government policy.

CEI publishes *Ecology, Liberty & Property: A Free Market Environmental Reader*, edited by Jonathan Adler, and with contributions by various CEI experts. The book introduces readers to how free markets can protect the environment better than government mandates.

CEI publishes *Tech Briefing 2001*, offering comprehensive coverage of technology topics for legislators, their staff, and the public.

CEI's Ben Lieberman testifies before Congress on the increase in gasoline prices. He points out that the Clean Air Act's 1990 amendments' gasoline composition mandates—which vary throughout the country—and the Act's New Source Review and New Source Performance Standards programs—which impose stringent requirements on the building of new refineries and the expansion of older facilities—bear much of the responsibility for the spike at the pumps.

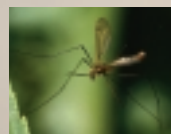
CEI opposes a proposed increase in FDA regulations for bioengineered foods. In 2003, FDA removes the proposal from its official agenda.

CEI files the first lawsuit using the Federal Data Quality Act to challenge *Climate Action Report 2002*. The suit was settled when the Office of Science and Technology Policy put a disclaimer on its web site that the report had not been subjected to federal data quality standards.

In October, CEI wins a lawsuit against FDA in federal court. The ruling stated that the agency did not have statutory authority to implement its 1998 Pediatric Rule, which required drug companies to test certain drugs on children, even if pediatric uses were not part of the drugs' labeled indications. FDA claimed it was protecting children, but the rule would create a more burdensome approval process, resulting in fewer new drugs. This was an important victory for consumers—but unfortunately, the Bush Administration and Congress decided to write the Pediatric Rule into law anyway!

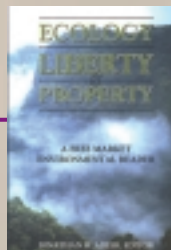
After September 11, 2001, security risks related to "right-to-know" laws become a hot issue as various government agencies begin removing information from their web pages that terrorists might use to launch attacks—including sensitive information on chemical facilities—that EPA had mandated made public under a 1999 Clean Air Act mandate. Director of Risk and Environmental Policy Angela Logomasini discusses the topic on NPR's "Diane Rehm Show" and on CNBC's "Capital Report;" and CEI places op-eds in the *Washington Times*, *New York Post*, *Providence Journal*, and other papers.

Support for legislation to regulate chemical plants by eliminating certain chemicals dwindles after CEI—through a series of op-eds, articles, and media appearances—and other organizations raise concerns that the bill aimed to restrict vital chemicals, such as chlorine, which we need for a safe water supply.



West Nile Virus appears in New York, and CEI begins to argue for effective mosquito control polices and against environmental activists' efforts to prevent them.

In February, CEI holds a press conference in Richmond, on the Virginia Assembly's plans to limit imports of New York City waste. Speakers include local community representatives who benefit from such imports. We are quoted in *The Richmond Times Dispatch* and papers throughout the state. We also publish op-eds in New York and Virginia papers, and CEI letters to the editor run in the *New York Times* and *Washington Post*. Then in August, we publish a monograph detailing the benefits of commerce of household trash to low-income rural communities in Virginia. The state is eventually forced by the courts to back away from protectionist policies and efforts to pass regulation in Congress fail.




2003

CEI *UpDate*, CEI's monthly newsletter, is aptly renamed *Monthly Planet*.

CEI led the opposition to efforts to ban pressure-treated wood from domestic use. In March, CEI's Angela Logomasini submits comments to the Consumer Product Safety Commission (CPSC). CEI also mobilizes a coalition of small businesses, former CPSC chairmen, think tanks, and industry associations. Also, Ken Brown, a scientist who served on the National Academy of Sciences Panel on arsenic, offers both written and verbal testimony to CPSC on behalf of CEI. Logomasini and Vice President for Communications Jody Clarke testify before the Commission.

In April, Sen. Pete Domenici (R-N.M.), Chairman of the Energy and Natural Resources Committee, decides to remove the climate title from his omnibus energy bill and to oppose all attempts to attach climate change language to the bill, after CEI and 20 other free market organizations submit an open letter urging him to strike the climate title.

Also in April, CEI, in conjunction with National Media, a strategic consulting firm, host a day-long conference to address strategies on how the classical liberal movement can communicate its ideas more effectively.



In May, CEI hosts an event to support the Bush Administration's decision to join 13 other countries in filing a World Trade Organization complaint against the European Union moratorium on approval of all new biotech foods. CEI plays an influential role in emphasizing how EU policies harm farmers in less developed countries. Scientists from Africa, Asia, and Latin America and a South African farmer speak at a CEI conference condemning EU restrictions.

Also in May, CEI's Gregory Conko and Tuskegee University's C.S. Prakash send an open letter signed by over 200 scientists to Philippine President Gloria Macapagal Arroyo, urging her government to disregard environmental alarmists and to continue allowing Filipino farmers to grow bioengineered corn. Filipino farmers win; Greenpeace loses.

In June, CEI and the Federalist Society co-host the forum, "Alien Torts: The Risks of Allowing Foreign Citizens to Sue U.S. Companies." CEI's Fred Smith and Christopher Horner and other panelists discuss the implications of the Alien Tort Act, part of the first Judiciary Act of 1789, which today is creating liability risks for U.S. firms doing business in other nations. The Act was dormant for almost 200 years, until a 1980 case in which a citizen of Paraguay sued another Paraguayan in U.S. court for a human rights violation that occurred in Paraguay. This opened the door for dozens of lawsuits against U.S. companies for offenses committed by foreign nationals against other foreign nationals in foreign lands.

In September, several CEI analysts make the free market case at the WTO Fifth Ministerial Meeting in Cancún, Mexico. CEI hosts a forum on trade-environment linkages in trade treaties featuring CEI's Fred Smith, Myron Ebell, and former chief Australian GATT negotiator Alan Oxley. CEI's Gregory Conko speaks at a Consumer Alert forum on biotechnology. CEI maintains a running weblog of events in Cancún.

Also while in Cancún, CEI and three other organizations donate two tons of food—some of which was bioengineered—to the poor village of Valle Verde, about 20 miles inland from Cancún. The donation is protested by Friends of the Earth activists, but the villagers ignore the protesters and gladly take all the food. The protesters then leave in a gas-guzzling SUV.



Also in September, CEI President Fred Smith and CEI Senior Fellow Iain Murray brief Andrei Illarionov, Russian President Vladimir Putin's top economic adviser, shortly before the United Nations World Climate Change Conference in Moscow. At the conference, Putin declines to set a date by which Russia would ratify the Kyoto Protocol. Then in December, Illarionov announces that Russia would not ratify Kyoto "in its present form."

In September, CEI's Angela Logomasini debates security risks related to "right-to-know" laws at the Society of Environmental Journalists' annual meeting. Also at the meeting, Sam Kazman speaks on CAFE regulations. Neither is warmly received.

CEI leads the opposition among nonprofit organizations to the McCain-Lieberman Climate Stewardship Act, which would have imposed energy rationing on the U.S. through a Kyoto-style cap-and-trade program. In October, the Senate rejects McCain-Lieberman by a 55 to 43 vote.

After being sued by CEI over whether its National Assessment report on global climate change meets federal data quality standards, the White House agrees to add a disclaimer for the unwary.

2004

CEI's Angela Logomasini tapes a segment for Penn and Teller's program on Showtime, debunking claims about the benefits of mandatory recycling programs.



In March, Fox News' Tony Snow interviews CEI's Ben Lieberman on the recent spike in gasoline prices.

This summer, Praeger Publishers is set to release *The Frankenfood Myth: How Protest and Politics Threaten the Biotech Revolution* by CEI's Gregory Conko and Hoover Institution Fellow and CEI Adjunct Fellow Henry I. Miller.



FREE MARKET LITIGATION PROGRAM



Left to right: General Counsel Sam Kazman, Counsel of Special Projects Hans Bader, Senior Fellow and Cooler Heads Coalition Counsel Christopher C. Horner, and Director of Air Quality Policy and Associate Counsel Ben Lieberman

CEI's litigation program works to devise new legal approaches to fighting over-regulation. Over the years, it has produced some notable victories. In 1989 CEI succeeded in cracking New York State's ban on evicting rent-controlled tenants. Eviction bans are essential to rent control's political appeal; after all, tenants won't demand

rent caps if they're not assured of being able to stay in their low-price units. CEI represented a Greenwich Village couple that had purchased a rent-controlled townhouse, intending to convert it into a home for their family. They planned to utilize one of the few exceptions to New York's eviction ban—allowing evictions by owners who wished to live in the homes they owned—but that law was changed soon after their purchase. Suddenly, they found themselves in possession of a building with unevictable tenants, while they themselves had nowhere to live.



A surprise celebration party for CEI's victory in its 1992 CAFE case. Sam, thinking this was an evening staff meeting at Fred's place, dressed accordingly; he was the one surprised.

CEI argued that this change in law constituted a physical taking of property, for which compensation was required under the Fifth Amendment. The New York courts came up with a statutory interpretation that allowed the family to evict their tenants and turn the house they owned into their home. While the courts never reached the constitutional issue raised by CEI, its presence may well have been a factor in the outcome.

CEI's 1986-95 litigation against the federal Corporate Average Fuel Economy (CAFE) program focused on whether this program's downsizing effect on cars made them less crashworthy, and on whether the National Highway Traffic Safety Administration (NHTSA) had fairly considered this issue in running CAFE. In the first case, CEI and Consumer Alert won the right to raise this issue in court. In *CEI II* (1992), a federal appellate panel held that the agency had dodged the safety question through a combination of "fudged analysis," "statistical legerdemain," and "bureaucratic mumbo-jumbo." The court remanded the CAFE standard to NHTSA, the first—and thus far only—overturning of a CAFE standard in the program's history. In *CEI III* (1995), another panel reviewed NHTSA's reformulated claim that CAFE is harmless. This time the standard was upheld, though the court noted that NHTSA's treatment of the safety issue was still "troubling." Given the deference that federal agencies receive in court, that characterization suggested that

NHTSA was still playing fast and loose with the issue. This was corroborated six years later, when CAFE's lethal effects were documented by a National Academy of Sciences report.

Our CAFE cases had several major impacts. They helped establish the safety issue as the single most important restraint on the expansion of that program. That expansion is a major goal of environmentalist pressure groups.

The cases also expanded the general right of consumers to challenge regulatory restrictions on their choice of products. That issue played a role in CEI's 2002 court victory—with pro bono assistance from the law firm Wiley, Rein & Fielding—over FDA's expansion of certain drug testing requirements.

The CAFE cases also buttressed the concept of regulatory trade-offs, especially in the environmental area. In his book *Risk and Reason*, the noted legal scholar Cass Sunstein characterized *CEI II* as “the principal case involving the issue of health-health tradeoffs.”

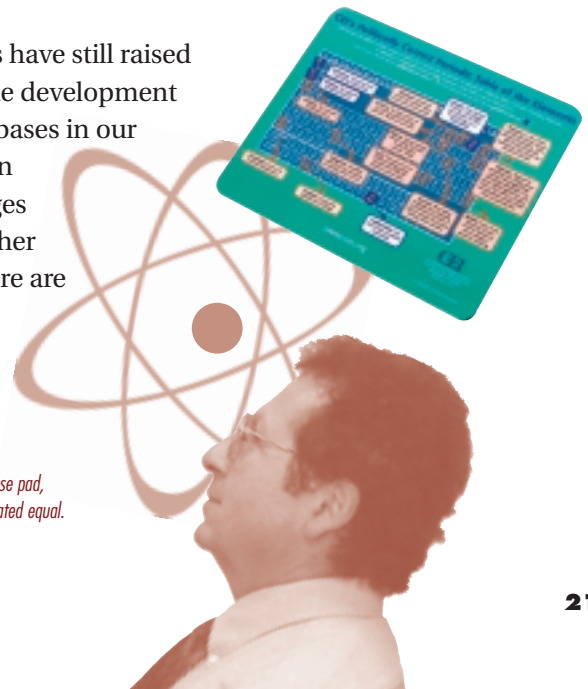
Finally, the CAFE cases demonstrated that, when it comes to covering up embarrassing safety issues, a federal agency could be as adept as any ill-minded corporation. NHTSA is far from the only agency that has used “fudged analysis” and “bureaucratic mumbo-jumbo” in its proceedings—and certainly not the last that we'll be going after.

CEI has also used litigation in its global warming work. Early last year, a federal court ordered the Environmental Protection Agency to turn over to CEI documents concerning its backdoor attempts to implement the unratified Kyoto Protocol. Last fall, CEI succeeded, via a legal settlement, in getting the White House to paste a disclaimer on its 2002 Climate Action report regarding the quality of its data—or more precisely, the lack thereof.

Of course, we've had losses as well, but our less successful efforts have still raised important regulatory issues. For example, in 1988, long before the development of the Internet, we recognized the importance of electronic databases in our First Amendment challenge to federal information restrictions on airline computer reservation systems. Our unsuccessful challenges to alcohol advertising bans and EPA water standards involved other significant constitutional questions and may be revived. And there are some lesser-known clauses of the constitution that we may soon try to resurrect. So stay tuned.



Sam Kazman (second from left) outside the New York State Court of Appeals after arguing CEI's rent control case in April 1990. The state high court affirmed the right of Jerry and Ellen Ziman to evict their rent-controlled tenants so they could live in the house they owned. The Zimans and their two children are in the foreground.



With the Politically Correct Periodic Table of the Elements mouse pad, Sam Kazman reinforces the idea that all elements are not created equal.



Left to right: Standing in back: *Director of Outreach Judy Kent, Editorial Director Ivan Osorio, Vice President for Communications Jody Clarke, and Assistant Editorial Director Elizabeth Jones.*
Sitting in front: *Director of Research and Media Coordinator Christine Hall-Reis and Director of Media Relations Richard Morrison*

Media

Getting our message out to the public and policy-makers is a vital part of CEI's work. Throughout our 20-year history, we have worked to increase our visibility both by reaching out to new constituencies and by raising the profile of all of CEI's issue areas.

By getting our voice heard in Washington, we can introduce new ideas to the public policy debate, while our work on regional issues allows more people around the country to learn about CEI and free market approaches to public policy.

CEI's experts publish and are regularly cited in major national publications, including the *Wall Street Journal*, *USA Today*, *New York Times*, *Washington Post*, *Los Angeles Times*, and *Washington Times*, in addition to numerous other national and regional newspapers and magazines. Our analysts also appear regularly on radio and television news programs and have been interviewed on dozens of international programs.



CEI President Fred L. Smith, Jr. talks with correspondent Roberta Baskin during an appearance on the PBS program "Now with Bill Moyers"

We also advocate for freedom on issues that have a regional impact. For example, last year Director of Air Quality Policy Ben Lieberman wrote op-eds on local gasoline prices for the *New York Post* and *Chicago Sun-Times*. Technology Counsel Braden Cox looked at how regulations stifle competition in New York City's real estate market. And in a November *Orange County Register* op-ed, President Fred Smith urged incoming California Governor Arnold Schwarzenegger to repeal a Gray Davis-era carbon limitation policy.

In 2001, with a new administration in the White House and a focus on environmental issues, CEI's media exposure tripled—after steady growth through the 1990s. The media relations department continually pursues new contacts with journalists and strengthens existing relationships.

Our efforts were recognized in 2002 with a Clarion Award from the Association for Women in Communications for CEI's ongoing public relations campaign on the safety risks of government-mandated fuel economy standards.

Communications Project

CEI has long held that the classical liberal movement must learn to communicate its ideas more effectively. In April 2003, CEI, in conjunction with National Media, a strategic consulting firm, held a conference to address strategies to achieve this goal. The conference included experts and observers from the fields of academia, public policy, public relations, and survey research. The end result was our *Field Guide for Effective Communication*, which draws many ideas from the values-



“One of the most influential Washington think tanks”
– “Now with Bill Moyers”

based communication theories of the late political scientist Aaron Wildavsky. CEI plans to continue its work in this area with another workshop geared toward the business community.

Publications

As part of its mission to provide policymakers, journalists, and academics with essential information, CEI regularly publishes books, monographs, briefing papers, a monthly newsletter, and other materials that analyze important policy issues.

Over the past year, CEI has produced more than 20 studies, book chapters, and guides, including Fred Smith’s chapter in *Corporate Aftershock: The Public Policy Lessons from the Collapse of Enron and Other Major Corporations*, the monograph *Particulate Air Pollution: Weighing The Risks* by Adjunct Scholar Joel Schwartz, and the study *The Anti-Energy Litigation of the State Attorneys General* by Senior Fellow Marlo Lewis.

CEI’s monthly newsletter, *Monthly Planet*, features short, original articles covering all of our policy areas. This popular publication includes analyses by CEI staff, as well as shorter features on events in the regulatory world, new research by CEI, book reviews, and a Q&A with free market scholars.

Books

Since its inception, CEI has published books that have had significant impact on the public policy debate.

In 1995, to mark the 25th anniversary of Earth Day, CEI published *The True State of the Planet*, edited by Adjunct Fellow Ronald Bailey, which investigates the veracity of environmental alarmist claims. The book has sold over 25,000 copies and prompted *The Wall Street Journal* to label CEI “the best environmental think tank in the country.” Since then, CEI has published, with Bailey as editor, two updated editions, *Earth Report 2000* and *Global Warming and Other Eco-Myths: How the Environmental Movement Uses False Science to Scare Us to Death*.

Other CEI books in this area include *The Environmental Source: A Free-Market Guide to Environmental Issues* and *The Costs of Kyoto: Climate Change Policy and Its Implications*.

We have also published books on technology and innovation policy. *The Future of Financial Privacy* examined the problem of protecting consumers’ privacy while preserving the benefits of free flows of information. CEI’s *Tech Briefing 2001: A Free-Market Guide to Navigating Tech Issues in the 107th Congress* served as a guide to Congress on classical liberal approaches to technology issues.

As CEI continues to grow, so do our media outreach efforts. We look forward to continued success as we work to project our message of free markets across America and throughout the world.



DEVELOPMENT



Left to right: Standing in back: *Director of Events Megan McLaughlin, Marketing and Development Manager Isaac Post, and Director of Corporate and Foundation Relations Christa L. Floresca.* Sitting in front: *Administrative Assistant Ericka Joyner and Vice President for Program Support Emily Duke.*

Our Development Department links us with our supporters, whose generosity provides us with the resources necessary to further our work for liberty.

Emily C. Duke, Vice President for Program Support, heads our Development team. Emily joined CEI in April 2000, and is responsible for the nationwide public outreach and development efforts on behalf of the organization.

Christa L. Floresca is CEI's Director of Corporate and Foundation Relations. Christa joined CEI in October 2003, and is responsible for the identification, cultivation, and maintenance of our corporate and foundation donors.

Megan McLaughlin is CEI's Director of Events. She joined CEI in March of 1997, and is responsible for planning and organizing all of CEI's events.

Isaac Post is CEI's Marketing and Development Manager. He joined CEI in November 2003, and helps to research and develop long-term fund raising strategies for current and prospective donors.

Ericka Joyner is the Administrative Assistant to the Development Department. She joined CEI in August of 2001, and is responsible for donor relations.

The Competitive Enterprise Institute is a non-partisan, educational and research institute, operating under Section 501(c)(3) of the Internal Revenue Code. CEI accepts no government grants or contracts, nor do we have an endowment. We raise our funds each year from corporations, foundations, and individuals.



Sam was all geared up for these two Annual Dinner mechanical marvels, prototypes of environmentally-friendly vehicles.

ANNUAL DINNER



U.S. Secretary of Energy Spencer Abraham delivers the keynote address at CEI's 2001 Annual Dinner

CEI's Annual Dinner is our biggest event of the year, an occasion for us to get together with—and thank—friends and supporters who have been with us through the years.

We hosted our first dinner in 1989, to celebrate our Fifth Anniversary, and again in 1992, in honor of the late journalist Warren T. Brookes.

Past CEI Dinner Keynote Speakers include former Vice President Dan Quayle, *Forbes* magazine Publisher and former presidential candidate Steve Forbes, House Majority Leader Tom DeLay (R-TX), ABC News Correspondent John Stossel, Energy Secretary Spencer Abraham, former Sen. Malcolm Wallop (R-Wyo.), former Office of Management and Budget Director Mitchell Daniels, former Michigan Governor John Engler, and Sen. George Allen (R-Va.).



Left to right: Forbes magazine publisher Steve Forbes, Rep. Nick Smith (R-Mich.), 1997–1998 Warren T. Brookes Journalism Fellow Jesse Walker, and CEI Adjunct Scholar James M. Sheehan



House Majority Leader Tom DeLay (R-TX) delivers the keynote address at CEI's 2003 Annual Dinner



CEI President Fred L. Smith, Jr. and ABC News correspondent John Stossel at CEI's 1994 Annual Dinner



Left to right: CEI President Fred Smith, Skeptical Environmentalist author and Julian L. Simon Award recipient Bjørn Lomborg, and DUNN Capital Management President and CEI Board Member William Dunn at CEI's 2003 Annual Dinner



Former National Journalism Center Director M. Stanton Evans, master of ceremonies at CEI's 1994 Annual Dinner



CEI 2003 Annual Dinner master of ceremonies Fred Barnes, Executive Editor of The Weekly Standard and co-host of Fox News Channel's "The Beltway Boys"



Former Sen. Malcolm Wallop (R-Wyo.) speaks at CEI's 1994 Annual Dinner



Former Office of Management and Budget Director Mitchell Daniels delivers the keynote address at CEI's 2002 Annual Dinner

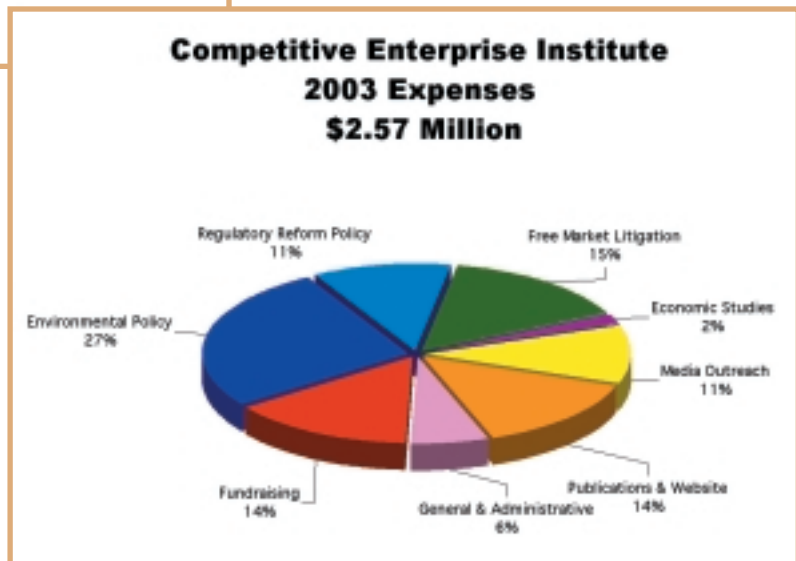
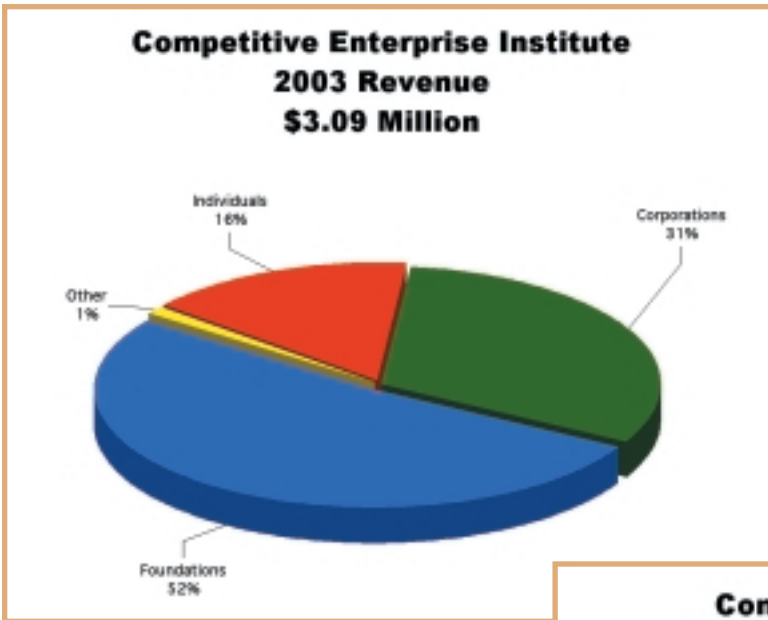
FINANCIAL STATEMENT

The revenues and expenses shown in these tables are taken from our 2003 Audited Financial Statements which are reported in accordance with Generally Accepted Accounting Principles. As always, copies of our Audited Financial Statements are available upon request.

Revenue in 2003 was \$3.1 million and expenses were \$2.6 million, resulting in a positive net change in assets of over \$500,000. As the chart below shows, 52 percent of our revenues are from foundations, 31 percent from corporations and 16 percent from individuals.


Of CEI expenditures in 2003, 55 percent expensed for policy programs; 25 percent for marketing, media outreach and publications; 14 percent for fundraising; and the remaining 6 percent for general support and administration.

We thank our many supporters who make it possible for CEI to be considered “one of Washington’s feistiest think tanks.”





A D M I N I S T R A T I O N

ur energetic Administration Department works tirelessly to ensure that CEI keeps running.

Martie Hutto, our Chief Financial Officer and Vice President for Finance and Administration, came to CEI in 2001. Under her guidance, the Administrative Department takes care of the needs of the entire staff.

Scott Thompson (not pictured) has been CEI's Manager for Information Technology since 2000.

Jeanie Truslow, Fred Smith's Executive Assistant, has been with the organization for four years.

Kym McLaughlin, who has recently taken the title of Manager of Human Resources, has been with CEI since 2001.

Our newest team member is Gwen McCray, our receptionist, who joined CEI in 2004.

Left to right: Standing in back: Executive Assistant to the President Jeanie Truslow and Manager of Human Resources Kym McLaughlin. Sitting in front: Receptionist Gwen McCray and Vice President for Finance and Administration and Chief Financial Officer Martie Hutto

C E I B O A R D O F D I R E C T O R S

William Dunn

President, DUNN Capital Management

Scott Fallon

Industry Affairs Manager, Microsoft Corp.

Michael S. Greve

John G. Searle Scholar, American Enterprise Institute

Leonard Liggio

Vice President, Atlas Economic Research Foundation

Thomas Gale Moore

Senior Fellow, Hoover Institution

William O'Keefe

President and Founder, Solutions Consulting

Frances Smith

Executive Director, Consumer Alert

Fred L. Smith, Jr.

President and Founder, Competitive Enterprise Institute

WARREN T. BROOKES JOURNALISM FELLOWSHIP



Warren T. Brookes

Warren T. Brookes (1929-1991) was a journalist who, in the words of Thomas Bray of *The Detroit News*, “made a virtual career out of questioning the conventional wisdom of the so-called experts.” During his 16 years with the *Boston Herald* and *Detroit News*, and as a nationally syndicated columnist, he “delighted precisely in the unconventional wisdom, not only about economics but also about a wide range of subjects.”

Warren Brookes and CEI had a special relationship, sharing information and trading the woeful tales that inevitably arise from working in Washington. After Brookes’s untimely death in 1991, CEI established the Warren T. Brookes Fellowship to keep his legacy alive.



CEI President Fred L. Smith, Jr. and Jane Brookes, widow of Warren T. Brookes

Through the fellowship program, CEI identifies talented young people and experienced journalists who wish to improve their knowledge of policy issues and free market economics. The fellowship provides an opportunity for young writers to hone their skills while immersing themselves in public policy issues. For more experienced journalists, the fellowship affords a chance to work on longer projects, such as books, or in-depth investigative pieces, without the pressure of regular deadlines. In this manner, the program seeks to perpetuate Brookes’s tradition of reporting on issues from a sound scientific and economic perspective.



Neil Hrab is the 2003 Warren T. Brookes Journalism Fellow at the Competitive Enterprise Institute. He comes to CEI after three years as an editorial writer with the *National Post*, a daily Canadian newspaper. Neil holds a B.A. in political science and history and an M.A. in political science from the University of Toronto. His work has appeared in various Canadian and American publications, as well as the *Taiwan Journal*.

Past Warren T. Brookes Journalism Fellows

2002	Hugo Gurdon	1996	James Bovard
2001	Eileen Ciesla	1995	Michelle Malkin
2000	Sean Paige	1994	Michael Fumento
1999	Brian Doherty	1993	Ronald Bailey
1997-98	Jesse Walker		



Julian L. Simon

JULIAN L. SIMON MEMORIAL AWARD

Economist Julian Simon (1932-1998) was a pioneering researcher who demolished the factual basis for Malthusian fears that modern civilization is unsustainable. He demonstrated that humans are living longer, that people are better fed and healthier, that resources are becoming ever more abundant, and that environmental quality is improving. His key insight, as noted by Ben Wattenberg of the American Enterprise Institute, “was that natural resources are not finite in any serious way; they are created by the intellect of man, an always renewable resource.”

To honor Simon’s achievements, CEI established the Julian L. Simon Memorial Award in 2001. The recipient of the prize is an individual whose work continues to promote that vision of Man as the Ultimate Resource.

The trophy itself, designed by Fred Smith, is forged in the shape of a leaf. Simon admired nature and included dried leaves—which die every fall and are renewed every spring—in his personal notes to symbolize his positive view of the power of humanity to prevail. The veins of the leaf are the metals chromium, copper, nickel, tin, and tungsten—the five metals featured in a famous bet with ecologist Paul Ehrlich. Based on his positive theory about natural resources, Simon bet Ehrlich that the price of the metals would decline over a decade because they would become more abundant. Simon was right.

Stephen Moore, president of the Club for Growth, received the inaugural award in 2001. Moore—who once worked for Julian Simon as a research assistant—is also a contributing editor to *National Review* and a Cato Institute Senior Fellow. He is the co-author with Julian Simon of *It’s Getting Better All the Time: 100 Greatest Trends of the Past 100 Years* and author of several books, including *Still an Open Door? U.S. Immigration Policy and the American Economy*.

In 2002, the award was presented to Dr. Robert L. Bradley, Jr., one of the nation’s leading experts on the history and regulation of energy and related sustainable development issues. He is the president of the Institute for Energy Research in Houston. He is also a University of Houston Senior Research Fellow, a Cato Institute Adjunct Scholar, and the author of several books, including *Julian Simon and the Triumph of Energy Sustainability* and *Climate Alarmism Reconsidered*.

And last year, the Julian Simon Memorial Award was presented to Bjørn Lomborg, an associate professor of statistics at the University of Aarhus in Denmark, and author of the bestselling book, *The Skeptical Environmentalist*. Lomborg, a former member of Greenpeace, set out to disprove Simon’s theories after he first came across them in 1997. But, contrary to what he had expected to find, Lomborg began to realize that Simon was right. *The Skeptical Environmentalist*, published in 2001, was described by a *Washington Post* reviewer as “the most significant work on the environment since the appearance of its polar opposite, Rachel Carson’s *Silent Spring*, in 1962.”



Left to right: 2001 Julian L. Simon Award recipient Stephen Moore, CEI President Fred Smith, 2003 Simon Award recipient, Bjørn Lomborg, and Rita Simon, widow of Julian Simon



2002 Julian L. Simon Award recipient Dr. Robert L. Bradley, Jr.

ALUMNI

Throughout its history, the many people who have come through CEI have helped make it the successful organization it is today. To celebrate our Twentieth Anniversary, we would like to thank all of them (and we apologize if anyone got left off this list; please let us know).

Jonathan H. Adler	Ezra Finkle	Michelle Malkin	Katsuro Sakoh
Ebere Akobundu	Marquita Flemmings	Michael Mallinger	Tess Samuels
Dan Alban	Elizabeth Frazee	Cade Massey	Michael Sanera
Terrie Alverson	Allison Freeman	Shaun Mathew	Lynn Schulte
Nicole Arbogast	Michael Fumento	Monique McDonald	Max Schulz
Fatima Argun	Dana Joel Gattuso	Emily McGee	Tracy Schwab
Eric Askanase	James L. Gattuso	Maura McGonigle	Brian Seasholes
Ronald Bailey	Wendy Gehring	Daniel F. McInnis	James H. Sheehan
Robyn Bardy	Paul Georgia	Rita McLaughlin	Leslie Siddeley
Dave Barrett	Nicole Germain	Jessica P. Melugin	Daniel Simmons
Roger Bate	Loralei Gilliam	Hanah Metchis	Randy Simmons
Laurent Bentitou	Kelly Glenn	Carter Meyer	J. Gregory Smith
David E. Bernstein	Lisa Godfrey	Tom Miller	Robert J. Smith
Gregory M. Besharov	Thom Golab	Kelly Milstead	Laura Steiner
Joe Betar	Dr. Michael Gough	Richard Minitier	Ike Sugg
Jean Blackwell	Jennifer Green	Kamille Misewicz	Edward T. Sullivan
Frederique Boni	Jesse Green	Ned Monroe	Alex Tabarrok
Cheryl Bonner	Andrew Grossman	Felipe M. Monroig	Melanie Tammen
Jennifer Bopp	Ananda Gupta	Cassandra Chrones Moore	Jason Taylor
James Bovard	Hugo Gurdon	Hugh Morley	Julie Taylor
Lindsay Bray	Kristine Hauge	James Mullins	Tracy Tedesco
Kevin Brosnahan	Susan Hayes	Robert H. Nelson	Stacie Thomas Morales
David Burke	Gene Healy	Eric Neuman	Susan Thomas
Sterling Burnett	James Heetderks	Randal Nishina	Andrew Thompson
Peter Cazamias	Elisabeth Hendricks	Eileen Norcross	Jonathan Tolman
Andrew Chawla	Jule R. Herbert	John Nurick	Deborah Toy
Carl Close	Helen Hewitt	Veronica O'Connor	Michael Vivoli
Dyann Collins	Juan Carlos Hidalgo	Kendra Okonski	Alexander Volokh
Cesar V. Conda	Matthew Hoffman	Deanna Tanner Okun	Alejandro Waldman
Patrick Cox	April D. Hohimer	Jacob Oslick	Jesse Walker
David Crawford	John Hutchins	Sean Paige	Steve Ware
Clyde Wayne Crews, Jr.	Kathy Hutchins	Ralph Patterson	Tara Warrick
Christopher L. Culp, Ph.D.	Natasha Janson	Thomas Pearson	Kent Washburn
Michael DeAlessi	Christine Jasper	Miranda Prezioso	Tracy Wates
Julie DeFalco Rowe	Kent Jeffreys	Ana Maria Puch	Michael F. Wiedemann
Kate DeLimitros	Gordon Jones	Rhonda Rafael	Mary Wolfram
James V. DeLong	James W. Joseph	Dave Ramey	Mary Wong
Robert Detlefsen	Lee Kessler	Jay Rao	Anthony Woodlief
Kimberle Dodd	Greg Koontz	David Riggs, Ph.D.	Beth Young
Brian Doherty	Urs Kreuter	Jerry Rogers	Kristen Young
Ari Driessen	Torry Kump	Tim Rogers	Jeffrey Yousey
Julie Eagle	Kathy Kushner		Fiametta Zahnd
Catherine England, Ph.D.	William Laffer III		Jennifer Zambone
Matthew Estabrook	Andrew Langer		Todd J. Zywicki
Bernard Eydt	Mark Lerner		
	Leslie Lokey		
	Lori A. Lovejoy		
	Carl Gustav Lundin		

F E L L O W S A N D A D J U N C T S

Ronald Bailey, Adjunct Fellow, CEI, and Science Correspondent, *Reason*

Roger Bate, Adjunct Fellow, CEI, Visiting Fellow, American Enterprise Institute, and co-founder and board member, Africa Fighting Malaria

Donald J. Boudreaux, Adjunct Fellow, CEI, and Chairman, Department of Economics, George Mason University

James Bovard, Adjunct Analyst

Robert L. Bradley, Jr., Adjunct Fellow, CEI, President, Institute for Energy Research, and Senior Research Fellow, University of Houston

Clyde Wayne Crews, Jr., Senior Fellow, CEI, and Director of Technology Studies, Cato Institute

Christopher L. Culp, Ph.D., Senior Fellow in Financial Regulation, CEI, and Managing Director, CP Risk Management Company, L.L.C.

Julie DeFalco Rowe, Adjunct Analyst

James V. DeLong, Senior Fellow, CEI, and Director, Center for the Study of Digital Property, Progress & Freedom Foundation

Dana Joel Gattuso, Adjunct Scholar

James L. Gattuso, Adjunct Fellow, CEI, and Research Fellow in Regulatory Policy, The Heritage Foundation

Michael S. Greve, Adjunct Scholar, CEI, and John G. Searle Scholar, American Enterprise Institute

Bradley Jansen, Adjunct Scholar

Jessica Melugin, Adjunct Scholar with CEI's Project on Technology and Innovation

Henry I. Miller, M.S., M.D., Adjunct Fellow, CEI, and Research Fellow, Hoover Institution

Cassandra Chrones Moore, Adjunct Scholar

Robert H. Nelson, Senior Fellow in Environmental Studies, CEI, and Professor, University of Maryland School of Public Affairs

Joel Schwartz, Adjunct Scholar

James M. Sheehan, Adjunct Scholar

Robert J. Smith, Adjunct Scholar in Environmental Policy, CEI, and Director, Center for Private Conservation



Summer 2003 — CEI's softball team takes to the field in the shadow of the Washington Monument



Fred Smith debates Rep. James Traficant (D-OH) on CNN's "Crossfire"



Marlo Lewis, Jr.



Former CEI Director of Environmental Studies Johathan Adler



Left to right: CEI President Fred L. Smith, Jr., Forbes magazine Publisher Steve Forbes, and Cato Institute President Edward Crane at CEI's 1997 Annual Dinner



Fred Smith and syndicated talk show host G. Gordon Liddy



Former CEI Vice President for Policy James Gattuso

The Competitive Enterprise Institute is a non-profit public policy organization dedicated to the principles of free enterprise and limited government. We believe that consumers are best helped not by government regulation but by being allowed to make their own choices in a free marketplace. Since its founding in 1984, CEI has grown into an influential Washington institution.

We are nationally recognized as a leading voice on a broad range of regulatory issues ranging from environmental laws to antitrust policy to regulatory risk. CEI is not a traditional “think tank.” We frequently produce groundbreaking research on regulatory issues, but our work does not stop there. It is not enough to simply identify and articulate solutions to public policy problems; it is also necessary to defend and promote those solutions. For that reason, we are actively engaged in many phases of the public policy debate.

We reach out to the public and the media to ensure that our ideas are heard, work with policymakers to ensure that they are implemented and, when necessary, take our arguments to court to ensure the law is upheld. This “full service approach” to public policy helps make us an effective and powerful force for economic freedom.



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