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Special Orders

The Lobbying Game Today

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Capitol Hill lobbyists have traditionally served as a source of information for lawmakers and their staffs. In recent years, they have become an important source of campaign contributions as well as a coveted place for officials to land once their terms have expired.

The traditional role of a lobbyist has been to advocate, letting a lawmaker or staff member know how a proposal would affect the corporation or interest group employing him or her. A good lobbyist supplies unbiased details that the lawmaker can use in deciding whether to support or oppose the particular provision.

Lobbyists develop personal relationships with lawmakers or staff members. They dine together or travel together. Trade groups hold conferences where they pay to bring lawmakers, staff members, and their spouses. Many of the events are in attractive locations, such as Hawaii or Las Vegas.

In recent years, newspapers have reported that lobbyists have gone beyond advocating a particular position to helping draft the legislation itself. Representative Rahm Emanuel (D-Ill.), the chairman of the Democratic Congressional Campaign Committee, has decried what he calls the “blurring of the line between lobbying and writing legislation.”

Lobbying is big business in Washington, its growth mirroring the increase in the federal budget. Between 1999 and 2005, the amount of money spent on lobbying by companies, trade associations and other interest groups grew to \$2.4 billion from \$1.5 billion, a 60 percent increase, according to PoliticalMoneyLine, an independent group that tracks lobbying. During the same period, the federal budget rose to \$2.5 trillion from \$1.7 trillion, a 47 percent boost, according to the Congressional Budget Office.

“The size and scope of government is just staggering,” said John Feehery, a former spokesman for House Speaker Dennis Hastert (R-Ill.), and now executive vice president of the Motion Picture Association of America. “If you want to get your share, you need a lobbyist. That’s how you do it. As long as there’s more money, there’s going to be a need for people in Washington to be hired to get it.”

What do companies get for that money? Bloomberg News examined the 20 largest publicly traded federal contractors using data from the Federal Contracts Database, PoliticalMoneyLine, and Dwight L. Morris and Associates (which analyzes Federal Election Commission filings). The idea was to see how much companies spent to influence lawmakers versus how much they received in federal contracts.

The nation’s largest federal contractor, Lockheed Martin Corp., received \$39.8 billion in federal contracts in 2003-04. During the same period, the company spent \$15.8 million on lobbying expenses and campaign donations. The ratio of contracts to expenditures was \$2,517 to \$1.

“It’s an investment strategy,” former House Appropriations Committee Democratic spokesman David Sirota said. “We shouldn’t blame companies for spending a lot of money on lobbying because it’s an investment strategy. We should blame those lawmakers who we the public empower to spend our dollars for selling off that power in exchange for campaign cash. That’s the problem.”

Lawmakers say they approve government spending on the merits, not on who’s doing the lobbying. “For

every one [project] that we will agree to, you'll find two or three we do not agree to," said Representative C.W. (Bill) Young (R-Fla.), the chairman of the House Appropriations defense subcommittee. "I don't deal with the lobbyist. What I tell the lobbyist to do is bring in the CEO or the project manager so I can deal directly with the people involved."

When they're not trying to influence lawmakers, lobbyists are helping them raise money. Lobbyists serve as treasurers of campaign committees or political action committees for almost 80 lawmakers, according to the Center for Public Integrity, a watchdog group. They also host fundraisers for lawmakers; in one week in April, while House committees drafted lobbying legislation, there were at least four fundraisers sponsored by lobbyists.

Republican lobbyist Jack Abramoff (who pleaded guilty in January to conspiring to corrupt public officials), his associates, and Indian tribal clients contributed \$1.4 million to 171 lawmakers between 2001 and 2004, two-thirds to Republicans. During his time at the lobbying firm of Greenberg Traurig LLP, the firm's political action committee donations rose from \$183,851 in 2000 to \$360,185.

Overall, campaign donations from lobbyists rose to \$18.5 million in 2006 from \$7.5 million in 1996, Federal Election Commission records show.

"Because campaign donations are the way that lobbyists believe they can get access, the campaign finance system keeps rolling along untouched," said Rogan Kersh, a political science professor (now serving as associate dean at New York University) who teaches courses on lobbying. "Members of Congress are terrified they're going to be knocked off by a challenger. The lobbyists fuel the process and give money to those already in office."

Lobbyists also take time off from their work to help political campaigns and the party's national conventions.

When they took control of the House and Senate in 1995, congressional Republicans began pressuring lobbying firms to give jobs to Republicans rather than Democrats, a process known as the K Street Project. The House ethics committee rebuked then-Majority Whip Tom DeLay (R-Texas), for pressuring the Electronics Industry Alliance not to hire a former Democratic congressman, Dave McCurdy, as its president.

In recent years, Republicans regularly landed jobs as heads of trade associations. Among the trade groups that have brought in Republicans as presidents in recent years: the National Association of Manufacturers, the National Association of Broadcasters, the National Cable and Telecommunications Association and CTIA-The Wireless Association.

Some of the hires are former lawmakers, trading in their \$155,000 salaries for pay checks that can exceed \$1 million.

Representative Billy Tauzin of Louisiana, who was first elected as a Democrat and later switched to Republican, was chairman of the House Energy and Commerce Committee, which oversees the pharmaceutical industry, before he became head of Pharmaceutical Research and Manufacturers Association. The chairman of the committee's oversight subcommittee, Representative Jim Greenwood (R-Pa.), became head of the Biotechnology Industry Association.

There were a few exceptions. Motion Picture Association hired former Representative Dan Glickman, a Kansas Democrat, as its president, but then brought on John Feehery, a former spokesman for Republican House Speaker Dennis Hastert, as his deputy. The Food Products Association president is former Representative Cal Dooley of California, another Democrat.

With the Democrats taking control of both houses of Congress, it is likely that their former lawmakers and staff members will be the ones in demand. And the congressional Democrats' proposed lobbying overhaul legislation would prevent the practice of pressuring lobby firms and trade groups from hiring members of the party in power.

Overall, there were 239 former members of Congress registered to lobby as of March 31, 2004, according to PoliticalMoneyLine. The advocacy group Public Citizen reported in July 2005 that 43 percent of the 198 lawmakers who left the House or Senate since 1998 became lobbyists.

"It shows the extent to which becoming a lobbyist after you leave office is part of the Washington career path now," said Bill Allison, a senior fellow at the Sunlight Foundation, a watchdog group. "People never return to their districts. They remain in Washington."

While former lawmakers and senior staff members are prohibited from lobbying their ex-colleagues for a year after leaving office, they are free to contact the White House and federal agencies, testify before congressional

committees and coach other lobbyists and clients on how best to contact members of Congress. The Democratic lobby bill would double the cooling-off period to two years.

Several lawmakers didn't even wait for their terms to expire before announcing that they would take lucrative lobbying positions.

Tauzin's new post was announced in December, before his term expired. Greenwood announced six months before he left office that he would take the bioindustry association's presidency.

"Before, members seemed to feel that they needed to finish out their terms before they thought about the next thing they would do," said Celia Wexler, vice president for advocacy at Common Cause, a Washington-based group that favors tightening campaign finance and government ethics rules. "Since lobbying is so much about building relationships, these guys have a leg up on all of us. Just having citizens with a seat at the table is a challenge."

Tauzin played a leading role in writing the 2003 Medicare prescription drug law. Ken Johnson, a long-time aide to the lawmaker who followed him to Phrma, said no one from the industry approached Tauzin during the debate on the prescription drug bill and that he didn't begin looking for work until after announcing that he wouldn't see reelection.

"There were never any overtures while the bill was being negotiated," Johnson said. "It wasn't until Billy survived cancer thanks to a miracle drug that he decided to become a patient-advocate as head of the Pharmaceutical Research and Manufacturers of America. No amount of spin from the critics can change the facts."

Besides Tauzin and Johnson, 13 others involved in the Medicare drug bill began working for the health-care industry within a year of the measure's passage.

"That is a scandal, no question about it," said Senator Richard Durbin (D-Ill.). "It says they were very closely connected with an industry they rewarded very handsomely."

Tauzin's deputy staff director and chief health counsel, Patrick Morrissey, went to work for Sidley Austin LLP as a lawyer and a partner. He helped negotiate the legislation, according to the Chicago-based law firm's Web site.

One of PhRMA's lobbyists on the drug law was the McManus Group, formed by John McManus, former staff director of the House Ways and Means health subcommittee and the lead staff negotiator for the House Republicans on the Medicare law.

McManus said he didn't negotiate job offers while working in Congress. "The major reason I left was because I was never seeing my family," he said. "I had helped Congress conclude what we had been working on for six years."

Lobbying records and company Web sites show that nine of the 15 registered to lobby on the implementation of the law, including former Medicare administrator Thomas Scully.

Scully's law firm, Alston & Bird LLP, also brought in Timothy Trysla, a former senior policy adviser at the Centers for Medicare and Medicaid Services; and two former Senate Finance Committee aides, counsel Colin Roskey and health-policy adviser Jennifer Bell. Trysla, Roskey and Bell were also registered to lobby on the Medicare bill, disclosure reports show.

Scully, who received a waiver from Health and Human Services Secretary Tommy Thompson to look for private employment while working on the Medicare legislation, said he wasn't lobbying on the new law and was spending most of his time working for a private equity firm.

He said he was listed as a lobbyist on the disclosure forms "to make sure we're complying with the law."

Frank Conner III, a partner in the Washington office of Alston & Bird, said those involved in writing the drug law were ready to move on.

"We wanted to build a big health-care policy practice," Conner said. "We were able to attract some very talented folks upon the conclusion of the Medicare prescription-drug legislation."

Though the Bush administration estimated the plan would cost \$400 billion over 10 years, Medicare's chief actuary, Richard Foster, later said he was threatened with dismissal if he told lawmakers of his own estimate: that the program would cost \$600 billion over the first 10 years. In 2005, the administration said the program would actually cost \$1.2 trillion over the next 10 years.

Lobbyists also play prominent roles in obtaining earmarks -- local projects inserted into legislation -- for clients.

The number of earmarks has increased from 4,126 in 1994, the last year the Democrats controlled both houses of Congress, to 12,852 in 2006, according to the Congressional Research Service.

At least 46 former House Appropriations Committee aides registered as lobbyists after leaving their congressional jobs since 1998, according to records compiled by the Center for Public Integrity. That compared with 36 for the House Ways and Means Committee and 34 for the House Energy and Commerce panel.

One lobbying firm that has hired former appropriations staff members is PMA Group of Arlington, Virginia, whose founder, Paul Magliocchetti, and six other employees once worked for the committee. The firm got 66 special projects worth \$119 million for its clients inserted into defense spending legislation for the fiscal year that began Oct. 1, according to Taxpayers for Common Sense, an advocacy group that favors less government spending.

The Washington-based firm Van Scoyoc Associates Inc. employed three former appropriations staff members and got 18 special projects worth \$66 million in the defense measure, according to Taxpayers for Common Sense records.

“The revolving door allows these lobbyists to exploit the relationships they have with lawmakers that can hand out billions and billions of dollars,” said Alex Knott, political editor for the Center for Public Integrity.

Stu Van Scoyoc, president of the firm that bears his name, said former congressional aides give his clients the technical knowledge they need, such as the proper format for a funding request, and can anticipate objections and address them to prevent an allocation from being rejected.

“The appropriations staffers tend to be very much into the details, very much green eyeshades type of people,” Van Scoyoc said. “Having people who are currently knowledgeable in programs and in the details of programs is always an advantage.”

Former top-level staff members can lawfully lobby their former committee after a one-year waiting period. Lower-level staff members can lobby immediately after leaving their congressional job.

One lawmaker who writes spending legislation said former appropriations aides have an advantage in securing funds because they know the process.

“Obviously, they’re more knowledgeable because of their experience, but they don’t have any undue influence,” said Representative Harold Rogers, a Kentucky Republican who chairs the appropriations homeland security subcommittee. “If you know your subject, you’re usually more successful.”

The Appropriations Committee’s top two staff members had left the congressional payroll and worked as lobbyists before joining staff of panel chairman Jerry Lewis of California. Committee staff director Frank Cushing left the panel in 2003 to lobby for defense contractors, and rejoined it in 2005.

Jeffrey Shockey initially worked for Lewis from 1991 to 1999, and later worked for a lobbying firm in which Lewis’s longtime friend, former Republican Representative Bill Lowery of California, is a partner. Shockey became deputy director of the Appropriations Committee staff in 2005.

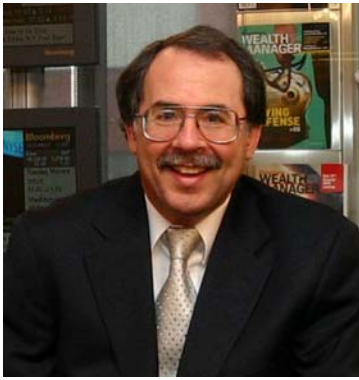
Appropriations Committee spokesman John Scofield said Cushing and Shockey returned to the Appropriations Committee because they wanted to work for Lewis. “These guys gave up good situations and high-paying jobs to do public service,” Scofield said.

The House this year passed new rules to identify the lawmakers who request earmarks. The rules expire at the end of the year.

That was the only ethics reform passed. When Congress considered stronger legislation, some lobbyists began lobbying against the measure.

“No matter how well-intentioned a reform effort may be, it will be meaningless to the American people if we first don’t begin by talking about enforcement of the current rules,” said Paul Miller, president of the American League of Lobbyists, in testimony to the Senate Homeland Security and Government Affairs Committee in January.

On Election Day 2006, three House Republicans with ties to Republican lobbyist Jack Abramoff, who pleaded guilty to conspiring to corrupting public officials, lost their reelection campaigns. Three seats vacated by Republicans who resigned because of ethical problems also fell to the Democrats. A CNN exit poll found 42 percent of voters saying ethics were an “extremely important” factor in their vote.



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