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Targeting Lobbyists Pays Off For GOP

Party Earns More Funds, Influence

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Nearly a decade after Republicans launched a campaign to oust Democrats from top lobbying jobs in Washington, sometimes through intimidation and private threats, they are seizing a significant number of the most influential positions at trade associations and corporate government affairs offices -- and reaping big financial rewards.

Partly because of the "K Street Project" -- and partly because of GOP control of Congress and the presidency -- virtually every major company or trade association looking for new top-level representation is hiring or seeking to hire a prominent Republican politician or staffer, according to Republicans and Democrats tracking the situation.

This year, General Electric, Comcast, Citigroup and many other Fortune 500 companies have hired Bush administration officials and former GOP congressional advisers for top lobbying posts. A Republican National Committee official recently told a group of GOP lobbyists that 33 of 36 top-level Washington positions he is monitoring went to Republicans, according to someone who attended the meeting.

The trend could deeply influence Washington politics, policy and fundraising for years. Already in control of the White House and Congress, Republicans are tightening their grip on the largely unseen but vital world of big-time lobbying. Lobbyists for major trade groups not only represent clients' interests but also play key roles in political fundraising and often help shape legislation.

The K Street project -- named for the Washington corridor thick with lobbying firms -- also is planting a new crop of Republican lobbyists rich enough to give back to the party in the years ahead.

The list of prominent organizations with Republican representatives could soon grow. The Cellular Telecommunications & Internet Association is looking to replace its retiring president, Thomas Wheeler -- who has Democratic credentials -- with conservative Rep. Charles "Chip" W. Pickering (R-Miss.).

Pickering has the backing of a group of two dozen GOP lobbyists. He would earn about \$750,000 a year if he takes the job, according to people familiar with the situation.

Hollywood's two premier trade associations -- the Motion Picture Association of America and the Recording Industry Association of America -- are strongly considering replacing their current leaders, who are liberals, with prominent Republicans.

Officials at the motion picture association have privately told Republicans they want a Republican to run the organization if President Jack Valenti, a former aide to President Lyndon B. Johnson, steps down this year as expected.

House Energy and Commerce Committee Chairman W.J. "Billy" Tauzin (R-La.), considered by many as a leading candidate for the job, yesterday said he would seek reelection next fall. Rules Committee Chairman David Dreier (R-Calif.) was mentioned by several Republicans as a possible successor to Valenti, although he has denied he is interested in the job.

Former representative Susan Molinari (N.Y.) is among several Republicans up for the recording industry's CEO position, currently held by Democrat Hilary B. Rosen, according to several sources. Dreier was approached about the job but said he isn't interested.

This trend worries Democrats, who say it gives Republicans both an unfair legislative and fundraising advantage. Former representative Tony Coehlo (D-Calif.), who aggressively targeted business in Congress in the 1980s, said Republicans are "going too far" by pressuring companies to hire Republicans only and threatening retribution to those who disobey.

"They've put the fear of God in these businesses and few of them are able to withstand it," Coehlo said. Indeed, several top officials at trade associations and corporate offices said privately that Republicans have created a culture in Washington in which companies fear hiring Democrats for top jobs, even if they are the most qualified.

Republicans have done this with a few, well-publicized warnings to companies they felt were too cozy with Democrats. The most famous and ominous warning came in 1998 from then-House Speaker Newt Gingrich (R-Ga.) and then-Majority Whip Tom DeLay (R-Tex.). The two leaders held up a vote on intellectual property legislation in protest of the Electronics Industry Association's plan to hire a Democrat to run the group. The House ethics committee admonished DeLay for his tactics in the incident. It was a slap on the wrist by congressional ethics standards, and Republicans say that was a small price to pay for the fear it put in companies thinking about hiring a Democrat.

Late last year, Financial Services Committee Chairman Michael G. Oxley (R-Ohio) and his top aides pressured the Investment Company Institute, a consortium of mutual fund companies, to push aside Julie Domenick as its top lobbyist. Oxley's staff suggested to industry officials that a congressional probe of the mutual fund industry might ease up if ICI complied.

ICI did not fire Domenick but recently announced that Daniel Crowley, a former top House aide, was hired to serve as chief government affairs officer, reporting to Domenick. Democrats are pushing the ethics committee to investigate the matter.

A few months before the Oxley incident, the Senate ethics committee warned that a separate GOP

campaign to track the political affiliation and campaign contributions of lobbyists could violate Senate rules if Republicans used the information to deny access to Democrats. Once again, the message that the GOP is watching was heard loud and clear on K Street, several lobbyists said.

"I am hearing of a lot of pressure, and it's not subtle," said House Minority Whip Steny H. Hoyer (D-Md.), who has told lobbyists to call him if they feel Republicans are coming down too hard on their organization. But Hoyer conceded it will be hard to thwart the K Street Project.

In most cases, the Republican campaign is much more subtle than the EIA or Oxley incidents suggest. Here's how it typically works, according to congressional insiders: Several GOP leaders, including Senate Republican Conference Chairman Rick Santorum (Pa.), monitor openings on K Street with officials of the RNC and GOP lobbyists.

When lobbyists meet every other week with Santorum, for instance, one item on the agenda is plum jobs opening up around town. They research what the company or trade association is looking for and how much the job pays, and discuss possible Republican candidates.

This part of the process often involves a phone call to Nels Olsen, of Korn/Ferry International, the world's largest executive search firm. Olsen handles most of the blue-chip lobbying job openings in town. It also involves lobbyists lobbying members of Congress and the administration to leave their public-sector jobs.

"A week hasn't gone by that I haven't talked to someone in the administration and Congress, telling them we want to put them on the list for a certain job," a prominent GOP lobbyist involved in the project said.

Once a candidate is picked for a job, Republicans sometimes get fellow GOP lawmakers or government officials to weigh in on behalf of the candidate. Typically, a GOP lobbyist is tapped to monitor each opening until it is filled. A RNC staffer keeps a running tally of which jobs go Republican, according to a GOP lobbyist involved in the effort.

While the K Street Project dates to 1995 and the speakership of Gingrich, it wasn't until President Bush won the White House and Republicans the House and Senate that companies started scrambling to hire prominent conservatives.

"We're making progress on K Street because the times they are a-changin,'" said Dan Cohen, a GOP lobbyist involved in the project. "When Newt called for a change on K Street, it was too soon -- the dynamics were not in place."

The trickle-down effect also benefits the GOP because Republicans tend to hire more Republicans for lower-paying positions, which often fetch at least \$175,000 or more annually.

That means big money for Republicans -- in more than one way.

Since 1995, when Republicans launched the effort to oust Democrats, there has been a dramatic swing in corporate contributions to the GOP. While this swing is mostly attributable to Bush and the GOP's takeover of Congress, the lobbyists have played an instrumental role in expanding the party's fundraising base by advising clients to steer their money away from Democrats. It "translates into a lack of money for Democrats," Coehlo lamented.

Before Republicans won control of the House in 1994, they received about 40 percent of business contributions. Now they get 60 percent or more, according to the nonpartisan Center for Responsive Politics. Rep. Mike Rogers (R-Mich.) said the shift is ending a "disconnect" in which Democratic lobbyists persuaded companies to give to Democrats.

Moreover, by placing Republicans in these high-paying jobs, a whole new class of wealthy donors has been created. Most high-level lobbying jobs pay at least \$300,000 per year, and some lobbyists are pulling down two or three times that amount annually.

Dan Mattoon -- who left the National Republican Congressional Committee a few years ago to partner with Democrat Tony Podesta to represent several corporations -- and his wife contributed \$90,000 in the last election, with almost all of it going to GOP candidates.

"There is a recognition that Republicans are in a position to continue to control both houses of Congress for the next 10 years, and the K Street community should be reflective" of the party with power, Mattoon said.