

News Release

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LOBBYISTS ADDING PACS TO THEIR TOOLS OF INFLUENCE

In its latest rankings of the most influential lobbyists, the N.C. Center for Public Policy Research finds that nearly three-fourths of these lobbyists have at least one client with a political action committee (PAC) able to make contributions to state political campaigns. The Center also finds that lobbyists representing either side in the debate over a proposed state lottery did well in this year's rankings. Former legislators who are lawyers continue to dominate the top spots, while 13 newcomers entered the ranks of the 48 "most influential lobbyists in the N.C. General Assembly." The rankings are based on surveys by the Center of all state legislators, registered lobbyists based in North Carolina, and the capital news media.

"Influential lobbyists tend to have a number of tools in their toolboxes – for example, providing accurate information for legislators and mobilizing calls from lawmakers' home districts," says Ran Coble, executive director of the Center. "But the relatively new hammer in the toolbox is the ability to make contributions to legislators' campaigns."

Companies and Groups That Hire Top Lobbyists Also Have PACs

Nearly three quarters of the lobbyists ranked among the most influential represent at least one client able to donate money to state political campaigns. Of the 697 businesses, nonprofit organizations, and government agencies with lobbyists registered with the Secretary of State's office at the end of the 2001 session, 303, or 43 percent, have at least one lobbyist ranked among the 48 most influential. Of those 303 groups, 72, or 24 percent, have a state or federal political action committee (PAC) eligible to make donations to state political campaigns. Of the 48 most influential lobbyists, 35, or 73 percent, represent at least one of the 72 companies or interest groups with PACs.

For example, **Zebulon D. Alley**, who ranked 1st in this year's rankings for the eighth consecutive session, represents 13 clients, of which the N.C. Vendors' Association, Progress Energy, and Sprint have PACs. The second highest ranked lobbyist, **Don Beason**, represents 14 clients, of which BB&T, BellSouth Telecommunications, and Progress Energy have PACs. And, at least four law firms engaged in lobbying have PACs registered under the names of their firms. Three of those firms -- Parker, Poe, Adams and Bernstein; Jordan, Price, Wall, Gray and Jones; and Kennedy, Covington, Lobdell and Hickman -- have at least one lobbyist who made the rankings.

When the legislature is not in session, PACs and lobbyists may contribute up to \$4,000 per election (primary and general election) to candidates for state office. The degree to which a lobbyist is involved with a PAC varies as each client chooses. The Center says some PACs involve their lobbyists in raising funds, making decisions on contributions, and disbursing funds, while others do not.

Influential lobbyists who do not have clients with PACs include **Paula Wolf** (ranked 12th), who lobbies for the Covenant with North Carolina's Children, a coalition of nonprofit groups advocating for children; **James**

B. Blackburn III (tied for 44th), who represents the N.C. Association of County Commissioners; and **Leanne Winner** (46th), who lobbies for the N.C. School Boards Association.

Lobbyists on Both Sides of Lottery Debate Gain Influence

Eight of the 48 most influential lobbyists worked on one side or the other of the debate over a proposed state lottery. Of these eight, three improved their rankings from the previous legislative session, and three made the list for the first time.

Pro-lottery lobbyists ranked among the most influential included contract lobbyists **Al Adams** (ranked 6th) and **Jack Cozort** (ranked 17th), who represented GTECH, a company which operates lotteries in 25 states and 42 foreign countries. Gov. Mike Easley is pushing for the lottery, and two of his lobbyists, **Franklin Freeman** (10th) and **Kevin Howell** (40th), were ranked among the most influential.

The Center's survey showed that anti-lottery lobbyists from different points in the political spectrum also had influence with legislators. **Dan Gerlach** (ranked 11th) lobbied against the lottery while at the liberal-leaning N.C. Budget and Tax Center, as did **Charles B. (Chuck) Neely, Jr.** (ranked 16th) a former Republican state Representative who is the volunteer chairman of the bipartisan Citizens United Against the Lottery, and **William Brooks** (38th) of the conservative N.C. Family Policy Council. Ironically, after the 2001 session, Gov. Easley hired Gerlach, the highest-ranked anti-lottery lobbyist, and turned him into a pro-lottery lobbyist in the 2002 session.

"Each session, hot issues make hot lobbyists," says the Center's Coble. "This session, lobbyists involved in the debate over a proposed state lottery spent lots of time in the legislature. Their influence hit the jackpot and rose as a result."

Lawyers and Former Legislators Still Dominate Top Spots in Influence

Lawyers and former legislators continue to dominate the top spots in the lobbyist rankings. Twenty-seven of the 48 most influential lobbyists, or 56 percent, are lawyers, the highest percentage in more than a decade. Nine of the 48 most influential, or 19 percent, are former legislators. Five of the lobbyists who are former legislators and also lawyers finished in the top 16 in influence.

The six former legislators who also are lawyers are: **Zebulon D. Alley** (ranked 1st); **J. Allen Adams** (6th); **Alexander P. "Sandy" Sands, III** (9th); **Marvin D. Musselwhite, Jr.** (13th); **Charles B. Neely, Jr.** (16th); and **Samuel H. Johnson** (30th). The three non-lawyer former legislators in the rankings are **Roger W. Bone** (3rd); **Phillip J. Kirk, Jr.** (14th); and **Ann Q. Duncan** (18th). One of the most influential lobbyists, **Deborah Ross** (15th), a lawyer who represented the American Civil Liberties Union of North Carolina last year, is running to become a legislator this year.

Thirteen Newcomers in the Rankings

Thirteen lobbyists made their first appearance in the rankings this session, including one former legislator appearing for the first time, two women, and one African American. The lobbyists making their first appearances this year are: **Dan Gerlach** (11th); **Charles B. Neely, Jr.** (16th); **Jeff Van Dyke** (20th); **Leon M. "Chip" Killian, III** (32nd); **Hugh H. Tilson, Jr.** (33rd); **William G. Scoggin** (35th); **G. Peyton Maynard** (36th); **Kevin Howell** (40th); **Henry Jones** (42nd); **Tony L. Adams** (43rd); **Leanne Winner** (46th); **Lisa Piercy** (47th); and **Kenneth Wright** (48th). Two lobbyists bounced back into the rankings after missing the list in 1999. **Christopher A. Valauri** (26th) of the N.C. Beer and Wine Wholesalers Association and **S. Ellis Hankins** (tie for 44th) of the N.C. League of Municipalities each has been ranked five times among the most influential lobbyists. **Charles B. Neely, Jr.** (16th), who resigned from the General Assembly in 1999 to make a bid for the Republican nomination for Governor, is the latest former legislator to make the rankings. **Leanne Winner** (46th) a lobbyist for the N.C. School Boards Association, and **Lisa Piercy** (47th), a contract lobbyist

with The Capitol Group, are the two women who are newcomers to the rankings. In commenting on learning the business, Piercy says, "The people in this business that I admire have been good role models. They taught me it takes hard work, long hours, and ethical behavior." **Kevin Howell**, (40th), a legislative liaison for Governor Easley, is only the second African American ever to be ranked among the most influential.

How and Why the Rankings Are Done

This is the eleventh time the N.C. Center for Public Policy Research has released its lobbyist rankings. "The rankings of the most influential lobbyists are useful because voters need to know what key interests have clout with legislators in North Carolina, as well as who is *not* represented in the legislature," says the Center's Coble. "The rankings shed light on what is often an invisible process and illustrate changes in which issues are hot and in the lobbying profession itself."

The rankings are based on results from a survey conducted in early 2002 after adjournment of the regular session of the N.C. General Assembly in December 2001. All 170 state legislators, as well as 321 registered lobbyists and legislative liaisons based in North Carolina, and the 28 capital news correspondents were asked to list the most influential lobbyists or legislative liaisons of the 2001 General Assembly session. Survey respondents received a list of all lobbyists and legislative liaisons registered with the Secretary of State at the end of the 2001 session.

Seventy-two of the 120 House members (60 percent) responded to the Center's survey, as did 27 of the 50 Senators (54 percent), 146 of the 321 registered lobbyists who regularly work in the legislature and who are based in North Carolina (45 percent), and 15 of the 28 capital news correspondents (54 percent). The overall response rate was 50 percent.

During the 2001 session, 580 lobbyists were registered with the Secretary of State, representing 657 different companies or organizations. The Center's calculations of the number of lobbyists avoids double-counting by counting each lobbyist only once, even if the lobbyist represented more than one client. There were also 168 legislative liaisons representing 40 different state government agencies and licensing boards, but the Center surveys only the lead liaison for each agency.

The N.C. Center for Public Policy Research is an independent, nonpartisan, nonprofit organization created to study key public policy issues facing North Carolina and to evaluate state government programs. The Center receives general operating support from the Z. Smith Reynolds Foundation in Winston-Salem, 11 other foundations, 190 corporate contributors, and nearly 900 individuals and organizational members across the state. The Center publishes a magazine, *North Carolina Insight*, and book-length research reports, including a citizens' guide to the legislature and textbooks for teachers who teach courses on state and local government. The Center recently has conducted studies on the pros and cons of state lotteries, the charter schools movement in North Carolina, and challenges and opportunities facing Eastern North Carolina. The Center currently is studying the governance of public universities and ways to improve elections and increase voter participation.

The new rankings of the Most Influential Lobbyists are available from the Center for \$10. A set of three publications – including *Article II: A Guide to the 2001-2002 N.C. Legislature* (\$25), rankings of legislatures' effectiveness rankings (\$10), and rankings of the most influential lobbyists (\$10) – is available for \$35. To order, write the Center at P.O. Box 430, Raleigh, NC 27602, call (919) 832-2839, fax (919) 832-2847, or order through the Center's website at www.nccppr.org.

For more information about the rankings of the most influential lobbyists, call Ran Coble at the N.C. Center for Public Policy Research at (919) 832-2839.