

ALEC: The Voice of Corporate Special Interests In State Legislatures

People for the American Way: Right Wing Watch

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Introduction

When state legislators across the nation introduce similar or identical bills designed to boost corporate power and profits, reduce workers rights, limit corporate accountability for pollution, or restrict voting by minorities, odds are good that the legislation was not written by a state lawmaker but by corporate lobbyists working through the American Legislative Exchange Council. ALEC is a one-stop shop for corporations looking to identify friendly state legislators and work with them to get special-interest legislation introduced. It’s win-win for corporations, their lobbyists, and right-wing legislators. But the big losers are citizens whose rights and interests are sold off to the highest bidder.

Who Founded and Funds ALEC?

The American Legislative Exchange Council (ALEC) was founded in 1973 by Paul Weyrich, who helped build a nationwide right-wing political infrastructure following the reelection of Richard Nixon. In the same year, he helped establish the Heritage Foundation, now one of the most prominent right-wing policy institutes in the country. One year later, Weyrich founded the Committee for the Survival of a Free Congress, the predecessor of the Free Congress Foundation. In 1979, he co-founded and coined the Moral Majority with Jerry Falwell, and in 1981 he helped establish the ultraconservative Council on National Policy.

ALEC’s major funders include Exxon Mobil, the Scaife family (Allegheny Foundation and the Scaife Family Foundation), the Coors family (Castle Rock Foundation), Charles Koch (Charles G. Koch Charitable Foundation and the Claude R. Lambe Charitable Foundation), the Bradley family (The Lynde and Harry Bradley Foundation) and the Olin family (John M. Olin Foundation). These organizations consistently finance right-wing think tanks and political groups.

Members of ALEC’s board represent major corporations such as Altria, AT&T,

GlaxoSmithKline, Johnson & Johnson, Koch Industries, Kraft, PhRMA, Wal-Mart, Peabody Energy, and State Farm. Such corporations represent just a fraction of ALEC's approximately three hundred corporate partners. According to the American Association for Justice, over eighty percent of ALEC's finances come from corporate contributions.

Who's Behind ALEC?

ALEC's activities reflect its founding, funding, and control by corporate interests. According to the American Association for Justice, "the nuts and bolts of lobbying and crafting legislation is done by large corporate defense firm Shook Hardy & Bacon." This firm plays a significant role in managing ALEC's legislative and governmental advocacy programs.

The American Bar Association Journal describes Shook Hardy & Bacon as the "darling of corporate America." Their tenacious defense of the tobacco industry "made Shook Hardy the firm many of the world's biggest companies turn to at the first hint of trouble with one of their products." A New York Times report on Shook Hardy said "tobacco is their middle name," and the firm's lawyers have been viewed as "industry propagandists, apologists and co-conspirators." Shook Hardy represents clients from the pharmaceutical, energy, food, banking and tobacco industries, like Pfizer, Bayer, Eli Lilly, Cargill, Kraft, Bank of America, Philip Morris, Lorillard Tobacco, and British American Tobacco. ALEC's monthly periodical Inside ALEC demonstrates the significant role of Shook Hardy, as members of the law firm contributed essays criticizing environmental protection efforts¹, endorsing corporate immunity from lawsuits², and defending abusive insurance company practices³.

The clout of corporations and corporate-backed groups comprising ALEC is unmistakable: Victor E. Schwartz, a Shook Hardy partner and head of its Public Policy Group, chairs ALEC's Civil Justice Task Force; Tom Moskitis, the American Gas Association's Director of External Affairs, chairs the Energy, Environment and Agriculture Task Force; Bob Williams, founder and senior fellow of the corporate-funded Evergreen Freedom Foundation, chairs the Tax and Fiscal Policy Task Force; Bartlett Cleland, director of the corporate-financed Institute for Policy Innovation, chairs the Telecommunications and Information Technology Task Force, and Emory Wilkerson, associate general counsel for State Farm Insurance, chairs the Commerce, Insurance and Economic Development Task Force.

Simply put, "corporations can implement their agendas very effectively using ALEC," as stated by Edwin Bender of the National Institute on Money in State Politics.

How Does ALEC Work?

ALEC serves as a means for corporations to advise, lobby and sway legislators. By paying hefty dues and sponsorship fees, corporations are able to participate in ALEC ventures, forums and legislative advocacy work and also underwrite conferences, task forces and meetings with politicians. Corporations use ALEC to formulate, present and promote model legislation to elected officials who are ALEC members and sometimes hold leadership roles in the organization.

"Our members join for the purpose of having a seat at the table. That's just what we do, that's the service we offer," explains Dennis Bartlett, an ALEC task force head who is also the

executive director of the American Bail Coalition. “The organization is supported by money from the corporate sector, and, by paying to be members, corporations are allowed the opportunity to sit down at the table and discuss the issues that they have an interest in.”

ALEC propagates a wide range of “model legislation” that seeks to make it more difficult for people to hold corporations accountable in court; gut the rights and protections of workers and consumers; encumber health care reform; privatize and weaken the public education system; provide business tax cuts and corporate welfare; privatize and cut public services; erode regulations and environmental laws; create unnecessary voter ID requirements; endorse Citizens United; diminish campaign finance reform and permit greater corporate influence in elections. In order to draft and promote their “model legislation,” ALEC operates task forces that bring representatives from corporations together with lawmakers. Each ALEC task force is chaired by both elected officials and “private sector” members. According to Jesse Zwick of the Washington Independent, “ALEC’s task forces are better known for crafting legislation that coincides, rather than conflicts, with the interests of its private-sector members. Famous for hosting lavish conferences for state legislators who possess no staff of their own, the group pampers lawmakers while providing them the opportunity to collaborate on legislation often previously researched and introduced by the policy shops of its corporate members.”

According to ALEC, in 2009, of the 826 “model bills” that were introduced in state legislatures, 115 of those bills were enacted into law. That number is sure to grow following the major Republican gains in the 2010 elections.

ALEC was influential in crafting and passing a Texas law, dubbed the “Successor Asbestos-Related Liability Fairness Act, that shielded Crown Cork and Seal, a business that in 1966 acquired a company that used asbestos in its products, from lawsuits from the company’s workers. Even though Crown agreed to pay the company’s liabilities, it wanted immunity from paying damages to workers facing asbestos-related diseases. Crown Cork and Seal turned to ALEC to help shape the Texas law, which put an extremely low cap on liability for companies like Crown who acquired companies which committed wrongdoing, known as a “successor immunity” law.” Mark Behrens, an attorney for Shook Hardy, worked as a lobbyist for both ALEC and Crown to encourage allied lawmakers to introduce and pass the bill. The American Association for Justice writes that “this so-called ‘successor immunity’ has all the hallmarks of an ALEC special interest bill. It is plainly designed not with public policy in mind, but rather a specific industry (or in this case, a specific company).” The Texas Supreme Court ultimately found the cap to be an unconstitutional retroactive protection for Crown that inhibited the rights of people to rightfully sue corporations for damages, but similar ALEC-derived laws are still on the books in other states.

In Arizona, an investigative report by NPR found that ALEC significantly helped one of its clients, the Corrections Corporations of America (CCA), influence the state’s new immigration law. The CCA is a for-profit prison company whose “executives believe immigrant detention is their next big market,” and thought that a law which “could send hundreds of thousands of illegal immigrants” to prison would “mean hundreds of millions of dollars in profits to private prison companies responsible for housing them.” As a dues-paying member of ALEC, the CCA was able to write, present and lobby Arizona policymakers for a draconian immigration bill at an ALEC-hosted conference. “Four months later, that model legislation became, almost word for word, Arizona’s immigration law,” and many of the bill’s cosponsors later received significant

campaign contributions from the CCA. ALEC also helped the CCA by pushing “truth in sentencing” laws that restrict parole eligibility for felons, and consequently increase the number of prisoners.

What Does ALEC Lobby For?

Since the organization claims to only “exchange” legislation, ALEC is not technically a lobbying firm, and does not need to register. However, ALEC’s tactics and operations are strikingly similar to those of registered lobbyists with corporate benefactors.

Undercutting Health Care Reform

After the passage of health care reform, ALEC’s top priority has been to challenge the law by encouraging members to introduce bills that would prohibit the law’s insurance mandate. ALEC’s Health and Human Services task force is led by representatives of PhRMA and Johnson & Johnson, and representatives of Bayer and GlaxoSmithKlein sit on ALEC’s board. The group’s model bill, the “Freedom of Choice in Health Care Act,” has been introduced in forty-four states, and ALEC even released a “State Legislators Guide to Repealing ObamaCare” discussing a variety of model legislation including bills to partially privatize Medicaid and SCHIP. The legislative guide utilizes ideas and information from pro-corporate groups like the Heritage Foundation, the Goldwater Institute, the James Madison Institute, the Cato Institute, the National Center for Policy Analysis and the National Federation of Independent Business.

Corporate Power and Workers’ Rights

ALEC works fervently to promote laws that would shield corporations from legal action and allow them to limit the rights of workers. The group’s model legislation would roll back laws regarding corporate accountability, workers compensation and on the job protections, collective bargaining and organizing rights, prevailing wage and the minimum wage. ALEC is a main proponent of bills that undermine organized labor by stripping public employees of collective bargaining rights and “right to work” laws. They also push “regulatory flexibility” laws that lead to massive deregulation. It is no surprise that the director of ALEC’s Commerce, Insurance and Economic Development Task Force previously worked as a Koch Associate at the Charles G. Koch Charitable Foundation.

Tax Policy

As states face challenging budget deficits, ALEC wants to make it more difficult to generate revenue in order to close shortfalls. Bills include the “Super Majority Act,” which makes it so complicated for legislatures to change tax policy that California voters overturned the law; the “Taxpayer Bill Of Rights,” which brought fiscal disaster to Colorado; and measures to eliminate capital gains and progressive income taxes. The main beneficiaries of ALEC’s irresponsible fiscal policies are corporations and the wealthiest taxpayers.

Private School Vouchers

Despite constitutional problems, negative impacts on public schools, bias against disadvantaged students, and comprehensive studies in cities like Washington DC, New York, Milwaukee, and

Cleveland which demonstrate that private school voucher programs failed to make any improvements to the education system, ALEC sees vouchers as a way to radically privatize the public education system. Under the guise of “school choice,” ALEC pushes bills with titles like “Parental Choice Scholarship Act” and the “Education Enterprise Act” that establish private school voucher programs.

Voter ID and Election Laws

ALEC is directly tied to the emerging trend among state legislatures to consider voter ID laws. Using false allegations of “voter fraud,” right-wing politicians are pursuing policies that disenfranchise students and other at-risk voters,--including the elderly and the poor--who are unlikely to have drivers’ licenses or other forms of photo ID. By suppressing the vote of such groups, ALEC’s model “Voter ID Act” grants an electoral advantage to Republicans while undermining the right to vote. In addition, ALEC wants to make it easier for corporations to participate in the political process. Their Public Safety and Elections taskforce is co-chaired by Sean Parnell of the Center for Competitive Politics, one of the most vociferous pro-corporate election groups, and promotes model legislation that would devastate campaign finance reform and allow for greater corporate influence in elections.

Obstructing Environmental Protection

At the bidding of its major donors like Exxon Mobil and Koch Industries, ALEC is behind state-level legislation that would hinder the ability of government to regulate and curb polluters. ALEC has previously said that carbon dioxide “is beneficial to plant and human life alike,” and promotes climate change denialism. The group’s model legislation assails EPA emissions guidelines and greenhouse gas regulations, destabilizes regional climate initiatives, permits free-reign for energy corporations, and pushes for massive deregulation. Unsurprisingly, ALEC’s “Energy, Environment and Agriculture” task force is led by Tom Moskitis of the American Gas Association and Martin Shultz of Brownstein Hyatt Farber Schreck, a major lobbyist firm for oil and gas companies like ConocoPhillips. The group receives funding from ExxonMobil, Shell, Chevron, Texaco, Amoco, the American Petroleum Institute, and the American Electric Power Association.

Conclusion

Americans are increasingly recognizing and speaking out against the disproportionate power of corporations in shaping public policy and steering politicians, and ALEC is a prime example of how Corporate America is able to buy even more power and clout in government. Rather than serve the public interest, ALEC champions the agenda of corporations which are willing to pay for access to legislators and the opportunity to write their very own legislation. It helps surrogates and lobbyists for corporations draft and promote bills which gut environmental laws, create a regressive tax system, eliminate workers’ rights, undermine universal and affordable health care, privatize public education, and chip away at voting rights. It's no wonder that so many big corporations view ALEC as a wise investment. ALEC represents an alarming risk to the credibility of the political process and threatens to greatly diminish the confidence and influence ordinary people have in government.