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For more information,
call Ran Coble at the
N.C. Center at (919) 832-2839

ELECTRIC DEREGULATION SPARKS POWER SURGE IN LATEST LOBBYIST RANKINGS

Electric deregulation was one of the most contentious issues in the 1999-2000 legislative session, and lobbyists who worked on this issue are among the most influential in the latest rankings of lobbyists' influence conducted by the N.C. Center for Public Policy Research. Lobbyists representing the major utility companies, ElectriCities, the N.C. Association of Electric Cooperatives, and the N.C. Coalition for Customer Choice in Electricity all garnered spots in the latest rankings of the "50 Most Influential Lobbyists in the N.C. General Assembly." The rankings are based on surveys by the Center of all legislators, registered lobbyists based in North Carolina, and the capital news media.

Other notable trends highlighted by the Center include a new generation of lobbyists becoming influential as 14 newcomers move into the rankings. Women also continue their rise in influence with 10 now ranked in the top 50, including three newcomers. And, the top 13 places in the rankings are still dominated by former legislators, with yet another legislator-turned-lobbyist, former Rep. Linwood Mercer, moving into the rankings this year.

Hot Issues Make Hot Lobbyists

"Each session, hot issues make hot lobbyists," says Ran Coble, the Center's executive director. "This session, lobbyists involved in such issues as electric deregulation, tobacco settlement funds, and growth and the environment had to spend a lot of time in the legislature. Their influence rose as a result. You might say the issue of electric deregulation in particular sparked a power surge for some lobbyists working to shed light on this issue."

However, so many powerful lobbyists weighed in on the issue that it remains on the agenda for the next legislative session. Utility companies Carolina Power & Light Company and Duke Energy Corporation were represented by lobbyists Zebulon D. Alley (ranked #1 in the latest rankings of the most influential), Don Beason (#3), John Bode (#5), B. Davis Horne (#20), P.E. "Gene" Upchurch III (#21), John W. McAlister (#44), and Robert W. Kaylor (#48). Advocating a different side of the issue are lobbyists representing ElectriCities, the trade organization for the 51 cities in North Carolina that issued bonds in the late 1970s and early 1980s to purchase shares in power plants but now are saddled with \$5.5 billion in debt. Highly ranked lobbyists for ElectriCities include Marvin D. Musselwhite Jr. (#11),

John McMillan (#12), Jennie Dorsett (#23), and Alice Garland (#38). Lobbyists for the N.C. Association of Electric Cooperatives, Blue Ridge Electric Membership Cooperative, the N.C. Coalition for Customer Choice in Electricity, and the N.C. League of Municipalities also ranked highly.

Former legislator Marvin Musselwhite says, "Lobbyists for various interests worked to educate legislators about the [electric deregulation] issue and to inform them that it will need to be addressed. The real work will take place between now and the 2001 session with the study commission and during the 2001 session."

Other hot issues that led to high rankings were tobacco settlement funds and smart growth and other environmental issues. The legislature set up the Golden Leaf Foundation and two trusts that will decide how to spend the \$4.6 billion North Carolina will receive from tobacco companies under a settlement reached with the states. Six lobbyists for tobacco companies R. J. Reynolds, Philip Morris, Lorillard, and Brown and Williamson gained places among the most influential, as did lobbyists for tobacco growers (Graham Boyd, a newcomer to the rankings at 28th) and health interests such as the American Cancer Society and American Lung Association of North Carolina (represented by Randolph Cloud at 27th).

On issues concerning growth and the environment, Bill Holman -- a long-time nonprofit environmental advocate and current Secretary of Environment and Natural Resources -- ranked 15th. Ranking 6th as a lobbyist for the N.C. Home Builders Association was J. Michael Carpenter, who often lobbied for development interests from a different perspective.

Women Lobbyists Continue To Rise

Ten women are ranked among the most influential lobbyists, with Leslie Bevacqua of N.C. Citizens for Business and Industry, a statewide chamber of commerce, leading the way at 7th. She is joined in the top 25 by former state legislator Ann Duncan, a contract lobbyist with the law firm of Womble Carlyle Sandridge and Rice, at 13th; Paula Wolf, the highest-ranking newcomer to the rankings at 18th, representing the Covenant with North Carolina's Children; Deborah Ross of the American Civil Liberties Union of North Carolina at 22nd; and contract lobbyist Jennie Dorsett at 23rd.

In describing how she approaches lobbying, Wolf says her work is like a triangle. "One angle is to talk to and educate legislators about child advocacy issues. The next angle is to talk to the press and enlist members of the coalition to write letters to the editor, op ed pieces, etc. The third angle is educating and stirring up the grassroots."

Lobbying for Governor Hunt or State Agencies

Lobbying for Governor Jim Hunt continues to carry clout in the legislature. Four of the top 50 lobbyists have served as the governor's legislative liaison at some time during Hunt's four terms, including Franklin Freeman (ranked #26) in the 1999 session. Freeman is now a Justice on the N.C. Supreme Court. Zebulon Alley (#1), Jack Cozort (#24), and Jim W. Phillips Jr. (#41) all have lobbied for the governor in past legislative sessions but now are contract lobbyists.

Other state agencies with lobbyists who are viewed as influential are Bill Holman of the N.C. Department of Environment and Natural Resources (#15) and Ann Berlam of the N.C. Department of Public Instruction (#40). Berlam recently announced her retirement after a 26-year career with the department. For the first time since 1982, no lobbyist for the university system was named among the most influential in the 1999 session.

What Didn't Change: Former Legislators and Lawyers Dominate the Top Spots

The top 13 spots in the rankings are still dominated by former legislators and lawyers. Former legislator and lawyer Zeb Alley, a contract lobbyist for clients in business and industry, continues his reign as the most influential lobbyist for the seventh session in a row. Former legislator Roger Bone finished at #2, with Don Beason at #3. Both Bone and Beason are contract lobbyists for multiple clients. Former legislator Al Adams ranked 4th, and attorney and contract lobbyist John Bode finished at #5. Former legislators Phil Kirk, Alexander P. "Sandy" Sands III, Samuel H. Johnson, Marvin D. Musselwhite Jr., and Ann Duncan ranked 8th, 9th, 10th, 11th, and 13th, respectively.

Explaining why legislators make good lobbyists, Musselwhite says, "Having been there, they know the system and how it works -- also, the relationships built when you served with some of the current members of the General Assembly, and the trust and respect that were established. All I have to sell is my trust."

How The Rankings Are Done

This is the tenth 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 the state's economy and in the lobbying profession itself."

The rankings are based on results from a survey conducted during the fall of 1999 after adjournment of the regular session of the N.C. General Assembly. All 170 state legislators, as well as 328 legislative liaisons and registered lobbyists based in North Carolina, and the 28 capital news correspondents were asked to list the most influential lobbyists or legislative liaisons of the 1999 General Assembly session. Survey respondents received a list of the lobbyists and legislative liaisons registered with the Secretary of State.

Eighty-four of the 120 House members (70 percent) responded to the Center's survey, as did 37 of the 50 Senators (74 percent), 142 of the 328 lead legislative liaisons and registered lobbyists based in North Carolina (43 percent), and seven of the 28 capital news correspondents (25 percent). The overall response rate was 51 percent.

During the 1999 session, 492 lobbyists were registered with the Secretary of State, representing 594 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 338 legislative liaisons representing 31 different state government agencies and licensing boards.

About the N.C. Center for Public Policy Research

The N.C. Center for Public Policy Research is an independent, nonpartisan nonprofit created to study 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, with additional funding from 13 other foundations, 190 corporate contributors, and nearly 1,000 individuals and organizational members across the state. The Center publishes a citizens' guide to the legislature, *North Carolina Insight* magazine, and book-length research reports. The Center recently has conducted studies of children with special needs, Hispanic/Latino health issues, wood chip mills and state forestry management, and trends and changes in North Carolina's citizen legislature. The Center currently is studying the governance of public higher education in all 50 states, the state's record in sustaining public school reforms, and state lotteries.

The lobbyist rankings are available from the Center for \$8.00. This publication is a companion piece to *Article II: A Guide to the 1999-2000 N.C. Legislature*, which is available with the rankings of legislators' effectiveness for \$35.00. *Article II* is a directory of legislators serving in the 1999-2000 session. It includes each legislator's educational background, occupation, committee assignments, bills sponsored, voting records on 15 important bills, and rankings of effectiveness. 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.ncinsider.com/nccppr.

For more information, contact Ran Coble, the Center's executive director, at (919) 832-2839.