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**LOTTERY AND VIDEO POKER PROPEL NEWCOMERS TO RANKS OF
MOST INFLUENTIAL LOBBYISTS**

A new state lottery and a ban on video poker were hot issues during the last legislative session. And, six of the 11 newcomers in the latest rankings of the Most Influential Lobbyists in the N.C. General Assembly worked for or against lotteries and video poker. Overall, at least 17 of the 50 most influential lobbyists had a stake in the gambling debates. The new rankings by the N.C. Center for Public Policy Research are based on surveys of all legislators, registered lobbyists based in North Carolina, and the capital news media.

"Each session, we see hot issues lead to rising influence for lobbyists involved in those issues," says Ran Coble, the Center's executive director. "This session, lobbyists involved in the debate over a new state lottery and a ban on video poker spent lots of time in the legislature. That time and their skills helped them hit the jackpot as their numbers came up strong in influence," he adds.

Eleven Newcomers Among the 50 Most Influential Lobbyists

Eleven lobbyists are ranked among the most influential for the first time. They are contract lobbyist Theresa Kostrzewa (at 10th), Andy Ellen of the N.C. Retail Merchants Association (11th), former N.C. Attorney General and now contract lobbyist Rufus Edmisten (20th), lottery lobbyist Meredith Norris (23rd), Rolf Blizzard of N.C. Citizens for Business and Industry (24th), and Kathy Hawkins of Progress Energy (31st). Also new to the rankings are Stephanie Simpson of the N.C. Association of Realtors (33rd), Michael Houser of the N.C. Association of Educators (47th), contract lobbyist Dana Simpson (48th), Bob Hall of Democracy North Carolina (49th), and John Rustin of the N.C. Family Policy Council (50th).

The Center's Coble says the rankings show a lot of turnover this time. "With 11 lobbyists entering the rankings and 16 dropping out, we're seeing significant changes in who has the most influence with legislators," he says. "Just a few sessions ago, the hot lobbyists were concerned with hog farms, electric deregulation, crime victims' rights, and concealed weapons."

The highest-ranked newcomer – and the only woman in the top 10 – is Theresa Kostrzewa, a contract lobbyist representing video poker, specialty beer, and the pork industry. She became the first newcomer since 1990 to debut in the top 10 of the most influential lobbyists.

Kostrzewa got her start working for Rep. Leo Daughtry (R-Johnston) when he was Majority Leader in the Republican-led state House in 1995. She later started a bipartisan lobbying practice at a law firm headed by two former governors – Democrat Terry Sanford and Republican Jim Holshouser. After two years, she co-founded her own lobbying firm.

Kostrzewa attributes part of her success this session to her representation of video poker and specialty beer interests. "Rankings are often correlated with issues that are front and center," she says. "Part of it is what you are working on at the time." And, she notes there are few women contract lobbyists. Overall, only seven women are ranked in the 50 most influential lobbyists this year.

Lobbyists on Both Sides of the Video Poker and Lottery Debates Gain Influence

Former N.C. Attorney General and Secretary of State Rufus Edmisten also made the rankings for the first time. Edmisten is a contract lobbyist representing video poker interests, for-profit colleges, and real estate investors. On the opposite side and successfully lobbying for a ban on video poker was John Rustin of the N.C. Family Policy Council who made his first appearance in the rankings.

Eleven of the 50 most influential lobbyists worked on one side or the other of the debate over a new state lottery. Of these, two improved their rankings from the previous legislative session, and four were ranked for the first time this year.

Pro-lottery lobbyists ranked among the most influential included contract lobbyists Jack Cozort (8th) and Al Adams (12th), who represented GTECH, a company which operates lotteries in 26 states and 47 foreign countries. Gov. Mike Easley pushed for the lottery, and two of his lobbyists, Franklin Freeman (7th) and Kevin Howell (13th), were ranked among the most influential. Meredith Norris, a former staff aide to Speaker of the House Jim Black, lobbied for Scientific Games, another company which operates lotteries. Norris is banned from lobbying in the next legislative session because she was found guilty of failing to register as a lobbyist for Scientific Games.

The Center's survey showed that anti-lottery lobbyists from different parts of the political spectrum also had influence with legislators. Lobbying against the lottery were Andy Ellen (ranked 11th) of the N.C. Retail Merchants Association; Chuck Neely (ranked 34th), a former Republican state Representative who was the volunteer chairman of the bipartisan Citizens United Against the Lottery; and John Rustin (50th) of the N.C. Family Policy Council.

Top 10 Spots See Little Change

Seven of the 10 most influential lobbyists from last session remained in the top slots. Contract lobbyists Don Beason (1st), Zeb Alley (2nd), and Roger Bone (3rd) all retained their top spots in the rankings. Beason, Alley, and Bone have traded the top three places with each other for 10 years. There are three new faces in the top 10 this session – Kostrzewa and contract lobbyists John Bode (9th) and Jack Cozort (8th). Bode returned to the top 10 for a sixth session after being ranked 14th in 2003-04. Cozort, representing health care, business clients, and state lottery vendor GTECH, moved up from 34th in 2003-04. Seven of the top 10 lobbyists are lawyers and three are former legislators – Alley, Bone, and Alexander "Sandy" Sands (4th). Overall, 26 of the 50 most influential lobbyists are lawyers.

Nine of the top 10 are contract lobbyists representing multiple clients. Overall, 26 of the 50 most influential lobbyists now are contract lobbyists as lobbying has become a full-fledged profession.

The Revolving Door: Former Elected Officials and Agency Staffers Turn to Lobbying

Six of the 50 most influential lobbyists are former members of the General Assembly. The former legislators are Zebulon Alley (ranked 2nd), Roger Bone (3rd), Sandy Sands (4th), Al Adams (12th), Chuck Neely (34th), and Marvin Musselwhite (43rd). One top-ranked lobbyist, Rufus Edmisten, is a former statewide elected official in the executive branch, and two top lobbyists are former appellate judges – Franklin Freeman and Jack Cozort. At least 11 other top lobbyists are former staffers in executive agencies or the legislature, such as Paul Wilms of the N.C. Home Builders Association, who formerly headed the N.C. Division of Environmental

Management, and Rolf Blizzard, who had worked for the President Pro Tempore of the state Senate before lobbying for N.C. Citizens for Business and Industry.

The legislature took steps in 2005 to slow the revolving door between the General Assembly and the lobbying corps. In 2007, when a new law on lobbying takes effect, North Carolina will become one of 30 states that require some form of “cooling off” period between public office and becoming a lobbyist. However, N.C.’s new law applies only to legislators. And, the new six-month waiting period here is shorter than the required “cooling off” time in all of the other 25 states that currently specify a time between legislative service and lobbying for private clients.

The only lobbyist for a state agency in the executive branch ranked in the top 10 is Franklin Freeman (7th), Governor Mike Easley’s lobbyist and one of five state agency lobbyists among the 50 most influential. The others are Mark Fleming (16th), then representing the UNC system and now with Blue Cross and Blue Shield of NC; Kevin Howell (13th), representing the Governor and soon to be with N.C. State University; Rob Lammé (41st), representing the N.C. Department of Health and Human Services; and Linda Suggs (42nd), representing the N.C. Department of Public Instruction and the State Board of Education.

How and Why the Lobbyist Rankings Are Done

This is the thirteenth time the N.C. Center for Public Policy Research has released its lobbyist rankings. “The rankings of the most influential lobbyists help citizens understand which key interests and organizations have clout with legislators in North Carolina,” says the Center’s Coble. “The rankings shed light on what is often an invisible process. They also show changes in the lobbying profession and illustrate which issues were the hottest,” he adds.

The Center’s lobbyist rankings are based on results from a survey conducted during January, February, and March 2006. At that time, all 50 state Senators, 120 Representatives, 442 registered lobbyists (including the lead state agency legislative liaisons), and 16 state capital news correspondents were asked to list the 10 most influential lobbyists and state agency legislative liaisons during the 2005 session of the North Carolina General Assembly. Survey respondents received a list of all lobbyists and legislative liaisons registered with the Secretary of State at the end of the 2005 session.

Eighty-one of the 120 House members (68 percent) responded to the Center’s survey, as did 36 of the 50 Senators (72 percent), 173 of the 442 lobbyists and lead legislative liaisons who regularly work in the legislature and who are based in North Carolina (39 percent), and 10 of 16 capital news correspondents (63 percent). The overall response rate was 48 percent.

At the end of the 2005 session, 638 lobbyists (up from 567 in 2003) were registered with the Secretary of State, representing 727 different companies or organizations. The Center’s calculations of the number of lobbyists count each lobbyist only once, even if they represent more than one client. The Secretary of State’s records also listed 68 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 research corporation created in 1977 to evaluate state government programs and to study public policy issues facing North Carolina. The Center receives general operating support from the Z. Smith Reynolds Foundation in Winston-Salem, with additional funding from eight other private foundations, 120 corporate contributors, and about 600 individual and organizational members. The Center publishes a journal, *North Carolina Insight*, and book-length research reports, including a biennial citizens’ guide to the legislature. The Center recently has conducted in-depth studies on governance of public universities in North Carolina, the teacher shortage, domestic violence, and economic development in Eastern North Carolina.

The new rankings of the *Most Influential Lobbyists in the N.C. General Assembly* are available from the Center for \$10. A set of three publications – including *Article II: A Guide to the N.C. Legislature* (\$25); rankings of legislators' effectiveness, attendance, and roll call voting participation (\$10); and rankings of the most influential lobbyists (\$10) – is available for \$40. To order, write the Center at P.O. Box 430, Raleigh, NC 27602, call (919) 832-2839, fax (919) 832-2847, or order by email from tbromley@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.