



Julia Michel
Energy & Democracy Advocate, VPIRG
802-223-5221 ext. 21

VPIRG Testimony on S.93 An Act Relating to Disclosure of Lobbying Advertisements

February 20, 2015

Good afternoon. My name is Julia Michel, and I am the Energy and Democracy Advocate at VPIRG, the Vermont Public Interest Research Group. For over 40 years, VPIRG has advocated for the public interest in policy debates concerning the environment, health care, consumer protection and democracy, and so I thank you for this opportunity to share our views on S.93.

Let me begin by stating that, among other things, VPIRG is a registered lobbying organization. We engage the public, lobby lawmakers and occasionally purchase advertising to influence the outcome of legislative debates. Therefore, the bill before you would apply to VPIRG, just as it would apply to anyone else working as a lobbyist or paid advocate in this building. And that's a good thing.

VPIRG supports S.93 because we believe responsible, representative government requires public awareness of the efforts of registered lobbyists, lobbying firms, and lobbyist employers—specifically, lawmakers and the public have a right to know when an interest group is responsible for large advertising campaigns designed to influence the legislative process.

A Primer on Lobbying Disclosure

Laws requiring the registration of paid lobbyists and the periodic reporting of their activities are about 60 years old—Congress passed the first federal lobbying law in 1946, but within a few years, state-level laws existed in almost every state. In its 1954 decision upholding the federal law, the Supreme Court wrote that the law “merely provided for a modicum of information from those who attempt to hire to influence legislation or who collect or spend funds for that purpose. It wants only to know who is being hired, who is putting up the money, and how much. It acted in the same spirit and for a similar purpose in passing the Federal Corrupt Practices Act: to maintain the integrity of a basic government process.”¹

Fast forward to today. Here in the State House, registered lobbyists outnumber lawmakers roughly 3 to 1. Scores of organizations, companies and lobbyist firms register and report to the Secretary of State three times a year: January, April and July.² These reports are used by the media, the public, and lawmakers to learn who is spending money to influence public policy. I combed through these reports myself, preparing for today's testimony.

And thanks to a new online system, registering as a lobbyist and reporting expenses is easy and inexpensive.

How Lawmakers and the Public Are Kept in the Dark

The basic problem with the current lobbyist disclosure law is that it doesn't provide lawmakers and the public with enough of the right information at the right time. Let's take the example of the debate on the sugar sweetened beverage tax back in 2013.

¹ U.S. Supreme Court decision in *United States v. Harriss et al.*, decided 1954

² VSA Title 2, Chapter 11 § 264

As you may recall, after weeks of full page newspaper ads, television spots and radio ads lobbying against the tax, then-Chairman of the House Health Care Committee Mike Fisher asked Andy MacLean, lobbyist for the American Beverage Association, how much the association had spent on the advertising campaign. This was in February. According to a news report in *Seven Days*,³ “MacLean told the House Health Care Committee chairman he'd get back to him. Then he reversed course, telling lawmakers and the media they'd have to wait until the official reporting deadline this week.” In April—after the House Ways and Means committee voted down the proposal—Fisher and the public finally got the answer: the Association’s advertising budget clocked in at roughly \$550,000.

We agree with the sentiment expressed by Chairman Fisher: organizations employing lobbyists should be required to disclose how much they're spending on advertising while the legislative debate is still ongoing. That way, lawmakers and the public can weigh the content of the advertising based on their knowledge of who’s paying for it.

There’s more than one instance of major lobbyist advertising campaigns, and I have some of the ads here as reminders. Though the topics are diverse, these ads are all alike in one respect: they were paid for by an organization pays for lobbyists, the organizations paying for these ads all reported spending more than \$1,000 on advertising during that filing period, and lawmakers and the public only learned the full extent of the lobbyists’ advertising campaign after significant legislative milestones had occurred.

The Solution: The Right Information at the Right Time

The most efficient and fair way to get lawmakers and the public the timely information about who’s attempting to influence the legislative process is simple: add two provisions to the current lobbying disclosure law. Number one, require registered lobbyists/lobbyist employers to be listed on ads run during the legislative session (a “Paid for by” requirement) if the lobbyist/employers are required to disclose the dollars spent on these ads under current law. Number two, require registered lobbyists/lobbyist employers to submit an additional disclosure report (within 48 hours) if they make an advertising expenditure that’s over \$1,000.

Again, because lobbyists are currently required to disclose the total number of dollars spent on advertising, as drafted, this bill wouldn’t amend any definitions—it would simply require timelier reporting of large advertising expenditures, and require ads themselves to display the name of the person or organization responsible for submitting the associated disclosure report. In many ways, these provisions mirror current aspects of campaign finance law, which requires candidates—all of you—to report large mass media activities in the 45 day period before an election.⁴

The Bottom Line

Requiring lobbyists to disclose relevant information about large advertising expenditures designed to influence the legislative process is a commonsense proposal, and we believe that’s precisely what the bill before you would accomplish. VPIRG is proud to join all five members of this committee who have co-sponsored S.93 in supporting this necessary reform.

³ “Beverage Industry Spent More Than Half a Million on Soda Tax Ad Blitz” by Paul Heintz, *Seven Days*, 4/26/14

⁴ VSA Title 17, Chapter 061, Subchapter 4 § 2971