

Business lobby ups campaign ante

*Signaling early efforts to influence elections in 2000,
Associated Oregon Industries wants to put \$2 million in its coffers*

By NENA BAKER

Of the Oregonian staff

The table stakes for Oregon's 2000 election are about to take a considerable jump.

The state's biggest business lobbying organization, Associated Oregon Industries, is upping the ante with plans to raise \$2 million for campaign contributions, lobbying, voter education and candidate recruitment.

Reaching that level would instantly vault the association to the forefront of political action committees in Oregon. But the organization - which this legislative session has been pushing for bills that would alter family leave requirements for employers and increase gasoline taxes - concluded that it didn't have a choice.

"The Legislature is changing, the way public opinion is formed is changing, the way issues move is changing," said Dave Moss, chief political liaison for Associated Oregon Industries, which has 19,000 member companies. "Organizations that don't change now are going to regret it someday."

The group's move, coming early in the election cycle, signals the likelihood of another big surge in the campaign-finance arms race that ran spending on legislative races to a record \$11.2 million in 1998. But it also underscores the way in which unregulated campaign spending, term limits and low voter interest together are reinventing the way interest groups work, forcing even entrenched players such as Associated Oregon Industries to add political muscle.

Contributing big bucks directly to campaigns is just one part of the business group's political formula. Another component involves recruiting and training pro-business candidates and enlisting a network of people to help such candidates and causes, said Richard Butrick, the association's president.

"Half the money we intend to raise will go to informing citizens and teaching them how to take action," Butrick said. In that vein, the business group has given its new political action committee a populist name, Center for Citizen Leadership, to reflect its emphasis on voter education and grass-roots advocacy for pro-business candidates, said Barbara Grannell, director of the center.

The group said the concept of grass-roots advocacy is new to business Associations. But the trend of using grass-roots practices to influence elections and legislation is increasingly popular with special-interest groups.

"You create these organizations with all kinds of apple-pie and motherhood language, but beneath it there's a hardball, white-knuckles kind of political purpose," said James Post, a professor of management and public policy at Boston University. In the trade, such practices are referred to as "Astroturf" or "grass-top" campaigning to distinguish them from more traditional grass-roots campaigns that develop from the ground up.

"The question is whether it's truly reflecting broad public opinion or is more of an indirect reflection of special-interest group thinking," said Ed Davis, a spokesman for Common Cause, a public interest lobbying group in Washington, D.C.

Grannell, who will direct the new political action committee for the association, previously headed an organization called the National Coalition for Public Lands and Natural Resources based in Pueblo, Colo. The group, financed mostly by mining, ranching and timber interests, organized about 120 local chapters that encourage the use of land for economic prosperity.

"What we pioneered was organizing rural communities to get involved in the political process on natural resource issues," said Grannell, whose husband, former state Rep, Bill Grannell, R-Coos Bay, founded the Western State Public Lands Coalition in the 1980s.

She said the Oregon business association will draw from the 360,000 managers and workers employed by its member companies. The organization also hopes to conduct "citizen empowerment workshops" at member companies.

Soliciting contributions

Associated Oregon Industries, whose political action committee spent \$112,000 in the last election cycle, plans to solicit members for annual contributions for its beefed up \$2 million war chest. Depending on the size of a member Company, it might be asked to give from, \$25 to \$25,000 a year, Butrick said.

Although an almost twentyfold increase in the amount of the business group's political money sounds breathtaking, "the fact is that money can be used quickly and in a variety of ways that have a political payoff," said Post of Boston University.

Contributions to Oregon legislative campaigns reached a record \$12.4 million in 1998 after courts threw out voter-approved contribution limits that significantly cut the influence of money in the 1996 elections. Leading the spending charge in 1998 were a handful of political action committees dominated by business interests, labor unions and national parties.

Secretary of state Phil Keisling, the state's chief elections officer, said he expects the 2000 election cycle to smash all previous records for spending.

Helping to fuel the increase, he said, will be the battle to control the reapportionment process, in which the 2001 Legislature will redraw the boundaries for legislative and congressional districts. How the boundaries are drawn could have a significant effect on which political party controls the Capitol for another 10 years, so a decade's worth of political leverage is riding on the outcome of the vote.

"If anybody thought 1998 was out of control, 2000 will blow them away," said Keisling, a Democrat.

In addition, the Republican-controlled Legislature has expressed little interest in proposing campaign-finance reform.

As campaign spending has increased, voter participation has declined. One effect of the lower turnout has been to make it easier to put initiative measures on the ballot because the number of signatures required to qualify is linked to votes cast in the previous governor's election.

Turnout in last fall's election was a historic low, so signatures required in the 2000 and 2002 elections will plunge: from 97,681 to 89,048 for constitutional amendments and from 73,261 to 66,786 for statutory changes.

Grannell said Associated Oregon Industries will earmark some of its political money to defend against initiatives that might hurt its members.

In the 1998 election, for example, Oregon businesses spent \$3 million to defeat Measure 64, a proposed ban on logging. But it was public employee unions that set a record for ballot measure spending, dropping \$5.2 million to defeat Measure 59 and to pass Measure 62. Measure 59 would have barred unions from using payroll deductions to raise political cash; Measure 62 protected their right to dues deductions.

More involvement

Butrick said he has been considering how to incorporate voter education, candidate recruitment and citizen networks into the business association's political structure for several years.

"When one-third of the Legislature turns over every session because of term limits, those who are going to serve are going to have to come from the people," he said. "In a way, it's going back to the beginnings of our country by asking citizens to take a turn at government by running for office or accepting an appointment on a commission."

But leaders of unions, which have long relied on citizen networks to further their political causes, questioned whether a grass-roots label should apply to the business association's new political efforts. They say there's a difference between mobilizing a base for a particular end and tapping into the common interest of people.

"When we think of grass-roots, we think of individual citizens," said Irv Fletcher, executive director of Oregon AFL-CIO. "It remains to be seen how many people are going to be mobilized by a federation of businesses."

Fletcher said a business federation - just like union federations - might have a hard time raising money that will be spent by a group. "You often have limited success in getting contributions from affiliates," Fletcher said. "They think they should give in their own name and get the credit."

But others say the business group, like many unions, will be able to collect big sums.

"If the restaurant industry can raise close to \$400,000, the whole business community in the state is easily able to raise \$2 million," said Mike McCallum, a lobbyist for the Oregon Restaurant Association.

Republican fund-raisers downplayed competition emerging between Associated Oregon Industries and other well-heeled political action committees.

"The only reason I started Victory PAC in 1988 was to create a level playing field with unions," said Larry Campbell, a lobbyist and fund-raiser whose political action committee was the top giver to legislative candidates in the 1998 election cycle with contributions of \$480,000 to Republicans. If the AOI is going in that direction now, I'd be happy to step aside."

You can reach Nena Baker at 503-221-8378 or by e-mail at nenabaker@news.oregonian.com.