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Weekly Lobbying Articles

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Lobbyists Have a New Secret Weapon

<https://www.bloomberg.com/news/articles/2018-01-10/lobbyists-have-a-new-secret-weapon>

The tax plan that Congress just passed was most notable for two things: the size of the overhaul—it's the biggest rewrite of the tax code in 31 years—and the speed with which it came together. Republicans didn't unveil the details of the plan until November, setting up a two-month lobbying frenzy as industries fought to preserve certain loopholes, deductions, and other goodies. Some won, some lost.

Among the biggest winners is the retail sector. That's in part due to the success it had earlier in the year killing a provision called the border adjustment tax. The plan was a favorite of House Speaker Paul Ryan, and it called for taxing imports while allowing companies to deduct revenue from exports, effectively letting U.S. sales abroad go tax free. The rule would've had major consequences for the U.S. economy, particularly retailers, which waged a swift and lethal lobbying campaign against it.

One company that lobbied particularly hard against the BAT was Wal-Mart Stores Inc. From February until July, when the tax was removed from consideration, the company tailored messages to specific lawmakers to communicate how the tax could have a "chilling effect" on consumers—ranging from cheese production in Wisconsin to port cities on the Eastern Seaboard. Walmart's campaign came together quickly thanks in part to a piece of computer code designed in a Harvard dorm room a few years ago,

which now serves as the backbone of a D.C.-based consulting firm trying to push Washington's oldest industry into the 21st century.

While the face of lobbying is often a polished government relations executive trekking the halls of Capitol Hill armed with talking points, attending luncheons, and writing op-eds, the hidden side of the business entails hours of research and grunt work. And despite the billions of dollars that corporations pour into lobbying efforts each year, the work has remained relatively low-tech. Part of the problem is knowing how to sift through reams of information. That's hardly unique to the lobbying business, but in many ways it's been slow to catch up. Industries from finance to manufacturing to marketing have been using algorithms and big data to solve some of their biggest challenges. Those tools are now starting to catch on in lobbying.

Alex Wirth, a 24-year-old Harvard grad, co-founded Quorum Analytics Inc. in his dorm in 2014. In June 2015 he moved to Washington. The idea was to give lobbyists the tools to automate some of the more rote, labor-intensive parts of their work. Wirth claims that Quorum has built the world's most comprehensive database of legislative information. The company's software pulls a wide array of government data from across the internet. The technology collects data from press releases, tweets, Facebook posts, legislative bills, and other sources, and compiles it in a searchable database. Quorum then adds an analytical layer that runs on top of that. Clients can refine searches to, say, the number of legislative assistants from Texas who work on banking issues, or how many times a member of Congress has co-sponsored a fellow member's legislation. That can all save weeks of work.

Quorum's algorithm helped Walmart eliminate hours spent on tedious tasks like sifting through documents, allowing government relations employees to spend their time more effectively, on such things as building relationships and trust with elected officials. "Now it's not 'I gotta block four hours out of my day to manage this stuff,'" says Gerard Dehrmann, Walmart's senior vice president for government relations. "I get through it with a few clicks. It's allowed more time for hand-to-hand lobbying."

When Walmart set out to lobby officials on the border adjustment tax, it already had a curated group of policymakers from lobbying for its U.S. manufacturing policy road map. The lobbying team knew which state-level officials were interested in U.S. manufacturing initiatives, and used the overlap between manufacturing and trade policy to reach out to the right people.

“Rewind five or 10 years, and we were sending letters, postcards, or emails,” says Dehrmann. “Quorum has taken the inefficiencies out of our system and built a whole new muscle for our team in how we communicate efficiently and effectively.”

Wirth estimates that about 10 other competitors exist. One of those, GovPredict, is used by the second-biggest lobbying firm in the country, Brownstein Hyatt Farber Schreck LLP. Elizabeth Gore, Brownstein’s government relations director, says the abundance of information in the digital age has made lobbying more complicated. Algorithms provide a fast way to cut through the clutter and isolate sought-after information. “Lobbyists need to find a way to break through all of the noise that’s swirling around,” she says. “Now you have an algorithm that does it for you.” Bloomberg Government, owned by an affiliate of Bloomberg LP, also competes in this space, providing data and analytics to government affairs and government contracting clients.

For Toyota Motor Corp., Quorum has provided an inlet to an entire world of political dialogue that it previously wasn’t privy to. Stephen Ciccone, head of government affairs for Toyota Motor North America, says much of the conversation that influences policy is now happening online. Using Quorum lets Toyota monitor issues on a much more expansive scale, and then reach out to members of Congress with a more up-to-date understanding of their policy stances. “You could have not understood that someone is an ally because you’re unaware of what they said on social media,” says Ciccone. “If you’re just waiting for them to say something on the floor, you’re probably late to the party.”

Quorum isn’t cheap. Wirth says a yearlong subscription ranges from tens of thousands to hundreds of thousands of dollars. GovPredict Chief Executive Officer Emil Pitkin says his product runs in the \$8,000-

\$40,000 range for standard access, while enterprise solutions are priced case by case. Congress Plus, a simpler product that provides a database without the analytical layer, is advertised at \$3,000 per year.

Issue One, a D.C.-based nonprofit dedicated to campaign finance reform, uses Congress Plus since the price points for more advanced products are beyond its means. “The only lobbying shops in town that can afford to take advantage of these services are the people who already have a lot of money,” says Meredith McGehee, chief of policy programs and strategy at Issue One. “It’s putting rich information in the hands of those who can most afford it.”

McGehee says the algorithmic products are symptomatic of a greater issue: a political system heavily tilted toward moneyed interests. She says Issue One tries to keep up with the corporations using speedy algorithms by hiring a lot of interns.

But regardless of their stances on these products, D.C. lobbyists across the corporate and nonprofit sectors stand unanimously behind one idea: Technology has not and will not replace shoe-leather lobbying. Algorithms serve as a complement, not a substitute. “You can get all this information, but it doesn’t get in a member’s head,” says McGehee. “It’s like building a relationship with dating apps. You can swipe left or right. But if your policy position is bad, this information won’t help you overcome that.”

Orlando Sentinel
January 9, 2018

Commentary: Money, gifts, conflicts set the stage for Florida legislative session

<http://www.orlandosentinel.com/opinion/os-florida-legislative-session-money-conflicts-scott-maxwell-20180108-story.html>

In case you missed it, there are big changes afoot in Tallahassee.

For decades, lobbyists sucked up to legislators and showered the politicians with cash and gifts, which the politicians joyfully accepted.

But now, things are supposedly different.

Now, lobbyists are on notice.

In fact, House Speaker Richard Corcoran's office sent members a memo last week telling them they can accept only ... wait for it ... "reasonably sized" floral arrangements from lobbyists on the session's opening day.

Boom!!! Revolution!!!

Take that, special interests!!!

That's right, Big Sugar. If you were thinking of sending the head of the House environmental committee a full-blown bougainvillea bush, think again ... or at least think smaller ... like maybe roses and carnations with a sprinkling of baby's breath.

See, legislators so love the tradition of receiving flowers on the opening day of session that, years ago, the politicians exempted the bouquets from the state's gift ban, so they could keep receiving them. Corcoran's office wants to at least keep them small ... for "security and decorum."

Really, though, grassy graft is the least of Tallahassee's issues. As the Sentinel's Gray Rohrer reported, special interests have funneled enough campaign cash to legislators to fill a greenhouse.

Corcoran alone has filled his political committee with millions of dollars in recent months — \$20,000 from a casino company, \$25,000 from Big Sugar, \$100,000 from the Big Business consortium of Associated Industries and \$100,000 from a West Palm Beach law firm.

And that was just over three days in November.

And we're worried about floral arrangements?

All told, Corcoran's PAC has taken more than \$5.4 million over the past six months — more than twice the amount collected by the entire Florida Democratic Party during the same time.

That's certainly not to say Democrats wouldn't love to suck up more special-interest money. They desperately wish they could. But since Democrats in Florida are about as relevant these days as pagers and floppy disks, they don't collect as much.

Still, the Democratic Party's six-month haul includes \$10,000 from timeshare interests, \$15,000 from the state teacher's union and \$25,000 from the Seminole Tribe of Florida. All of these donors want things from the party's policy makers.

Then there's Gov. Rick Scott. He won the respect of many Floridians when he first ran in 2010 by spending more than \$70 million of his own money. A lot of people liked that he didn't need money from special interests.

Maybe back then. Since he got elected, Scott has morphed into an industrial-strength vacuum cleaner, sucking up tens of millions of dollars — more than \$50 million in the last three years alone.

Scott's campaign committee has taken more than \$600,000 from U.S. Sugar, \$150,000 from Amscot, \$100,000 from Duke Energy, \$50,000 from Charter Communications (parent company of Spectrum) and on and on.

All of this money — given to Scott, the Democrats, Corcoran, everyone — comes from companies that need things from the politicians they are showering with cash.

Suddenly, a bougainvillea bush seems downright quaint.

There are also the conflicts of interest, which Tallahassee officials don't view as conflicts.

Just before the holidays, the state's ethics commission essentially gave its blessing to a legislator who sponsored a bill drafted by his own employer, a law firm.

A member of Sarasota Republican Greg Steube's former firm drafted a bill that firm officials told investigators helped the firm make \$200,000 the first two years after it passed in 2013. The firm even sent out a newsletter praising Steube and his co-worker for their work getting the deal done.

But the ethics commission decided that was all ethically fine after the firm declared that the additional revenue was "insignificant" compared to the tens of millions of dollars it makes in other ways.

This is why the system is sick. There are conflicts, cash and constant perks. (As another small example, Uber — which convinced legislators to ban local governments from regulating their ride-sharing services — offered free rides home from a pre-session party Monday night.)

Corcoran has taken on some vested interests and at least improved transparency by forcing lobbyists to at least disclose which bills they are trying to pass, kill or alter. It's a good step.

But the city is just as financially swampy as ever ... no matter how sensibly sized the floral arrangements are.

**Missourian
January 8, 2018**

House prepares to fast track lobbyist gift limit yet again

https://www.columbiamissourian.com/news/state_news/house-prepares-to-fast-track-lobbyist-gift-ban-yet-again/article_f569af2a-f493-11e7-844e-abbb6e10a5dc.html

Ethics reform has once again gotten off to a fast start in the Missouri House.

The House General Laws Committee unanimously voted Monday in favor of House Bill 1303, which would limit lobbyist gifts. The bill could see a full vote of the House by the end of the week.

It's the third consecutive year that a bill limiting lobbyist gifts has been sent to the House floor within the first month of the session. Last year, House Bill 60 passed overwhelmingly but sat untouched by the Senate after a committee hearing.

This will also be the third year that Rep. Justin Alferman, R-Hermann, has sponsored a bill to limit lobbyist gifts. House Bill 1303 bans all lobbyist expenditures for public officials, but includes an exemption for group expenditures and seven instances for individual expenditures. The bill would also remove lobbyist reporting requirements for individual gifts, since the bill would ban them.

Alferman was at the hearing Monday to testify and answer questions from committee members about the bill.

"When the public thinks about what is a gift, I think that sporting event tickets, steak dinners and copious amounts of alcohol are really the root of what we're trying to eliminate here in this bill," Alferman said. "What would be allowed are the grass-roots-driven events that happen in and around the state."

For example, some interest groups hold breakfasts or other events to reach lawmakers; those events would be allowed.

Three amendments to the bill were offered — and voted down — by Reps. Lauren Arthur, Tracy McCreery and Peter Meredith, all Democrats. Arthur's amendment would have removed the group expenditure exemption. Individual exemptions include such items as distribution of books and pamphlets, contributions to candidate committees and items of relatively little value.

"If we're trying to eliminate the public's perception that there is a transfer of goods to lawmakers in exchange for some sort of influence — and the public sees that \$800,000 is being spent on meals for lawmakers — do you think that this does an adequate job of addressing some of the public's concerns?" Arthur, D-Kansas City, asked Alferman during his testimony.

Alferman responded by saying he expects the number of such events to decrease because the bill would require all statewide elected officials and members of the General Assembly to be invited. Currently, events are held for smaller groups.

“It would be really easy to just have a bill that says, ‘OK, none of these events can happen going forward;’ I don’t think that is practical,” Alferman said. “There are 10 states that don’t have a gift ban, Missouri is one of them. Most, if not all, of the remaining 40 have some type of an exemption like this.”

The amendment proposed by Meredith, D-St. Louis, would have kept reporting requirements for three of the individual exemptions, and McCreery’s amendment would have made penalties for violating the law apply to lawmakers as well as lobbyists.

Last year, the bill was sent to the Senate Rules, Joint Rules, Resolutions and Ethics Committee, chaired by Sen. Mike Kehoe, R-Jefferson City. He told the *Missourian* last session the hold-up was deciphering the definition of a gift.

Kehoe is in support of a gift ban, but said the trouble will be “threading the needle” to find common ground with other legislators on the fine tuning of a bill.

“The people in the state’s perception is different from what I see actually, physically happening here,” Kehoe said. “I don’t see a lot of people in our body, either party, who say ‘I just have to get all the gifts I can,’ but Missourians think that’s what’s happening, and so I think we need to clean that up.”

A nonprofit group, The Clean Missouri Initiative, is spearheading a ballot initiative that would tackle several ethics areas. The initiative seeks to ban lobbyist gifts over \$5, limit campaign contributions and change the redistricting process, among other things.

Alferman said the legislature should take it upon themselves to institute ethics reform.

“Regardless of what is going to be on the ballot, this is an extremely popular opinion. It clearly demonstrates that there is a movement afoot in the state of Missouri to get this done,” Alferman said. “I

think we should step up to the plate and pass it in statute and stop relying solely on initiative petitions to tackle our tough issues.”

The Baltimore Sun
January 5, 2018

Feds: Indicted Baltimore state senator confessed to taking cash payments

<http://www.baltimoresun.com/news/maryland/crime/bs-md-ci-oaks-confession-20180105-story.html>

Federal prosecutors revealed in new court documents that indicted state Sen. Nathaniel T. Oaks confessed to taking cash payments in exchange for official business before becoming an FBI cooperator and upending another bribery investigation.

The allegations come as Oaks prepares to begin his 30th legislative session in the General Assembly, which begins Wednesday. While the U.S. attorney’s office says Oaks confessed both to taking cash payments and to interfering with an investigation, he has pleaded not guilty and has a trial scheduled for mid-April, right after the legislative session concludes.

Neither Oaks nor his defense attorney could be reached for comment Friday evening.

Oaks, a Baltimore Democrat, is accused of taking \$15,300 in cash from someone he thought was a “wealthy Texas businessman” but who was working for the FBI, prosecutors said in the new filing. After agreeing to cooperate with investigators, Oaks recorded himself accepting a \$2,600 cash payment from an FBI target under a table at an Annapolis restaurant in March 2017 and told the target he would talk to legislators about a bill favorable to the bail-bond industry, federal prosecutors wrote.

But in subsequent encounters, at a St. Patrick’s Day party at an Annapolis bar and separately before a caucus meeting, Oaks told the FBI target: “I’m going to ask you for something. Just say no,” according to court documents.

The person who gave the \$2,600 to Oaks, identified in court papers only as “Person #1,” was confronted by the FBI, and prosecutors say he admitted paying Oaks and another undisclosed elected official

thousands of dollars over the years. The person paid for parties hosted by Oaks, as well as round-trip flights and hotel rooms in Las Vegas, according to documents.

Oaks was convicted in 1989 of stealing thousands of dollars out of his campaign account while serving in the House of Delegates. He regained his seat in 1994 and was appointed to the state Senate last year to replace a legislator who stepped down because of ill health. His salary as a state senator is \$50,330 a year.

Senate President Thomas V. Mike Miller, a fellow Democrat, asked earlier this week whether Oaks should remain in his chamber, said it would be “unfair” for the legislature to vote to remove Oaks before he has his day in court.

Republican Gov. Larry Hogan said flatly that Oaks should resign. “No question he should be removed from office,” Hogan said Friday.

The person targeted by the FBI using Oaks told authorities that he needed the senator to support legislation favorable to the bail-bond industry, according to court documents. The documents say the person had ownership interests in a bail bond business as well as a company that provided home health care services.

The role of cash bail in pretrial release was one of the most heavily debated and aggressively lobbied issues of the 2017 session.

After a Court of Appeals ruling that limited the role of cash bail in pretrial release decisions, members of the bail-bond industry mounted a lobbying campaign to persuade the General Assembly to block or at least weaken the decision, which they believed threatened their business.

According to the federal filing, Oaks agreed at one point to speak with Del. Curt Anderson, chairman of the Baltimore House delegation, at Person #1’s request. Anderson initially co-sponsoring a bill favored by the industry, but switched sides and became a leading opponent.

The court papers mention nothing about what Oaks and Anderson might have discussed.

Anderson said it's likely that at some point he talked with Oaks, as he did with most members of the city delegation.

"I don't recall him trying to persuade me one way or the other," Anderson said.

Federal prosecutors previously said they had been investigating Oaks since 2014, "based on historical reporting that Oaks was associated with individuals who were involved in illegal activities, and that Oaks had inappropriately accepted money and other things of value from businesspersons and lobbyists in his capacity as a state delegate."

FBI agents had the purported Texas businessman meet multiple times with Oaks, asking him for help with a development project outside Oaks' district, court documents say. Authorities said Oaks accepted \$15,300 in cash payments and filed paperwork on his official letterhead.

In January 2017, Oaks visited a downtown Baltimore hotel room for what he thought was a meeting with the businessman, known to him as "Mike Henley." Instead, Oaks was met by FBI agents who showed him recorded encounters of him taking cash payments.

"After watching the videos, Oaks stated that he was 'in a predicament' and that he wanted to cooperate with the FBI," federal prosecutors wrote.

Oaks "told the agents about his contacts and activities with a variety of individuals," including the unidentified person pushing bail-bond legislation, according to the documents.

"Oaks told the agents that he believed Person #1 would be willing to make corrupt payments to him and other politicians in order to advance Person #1's business interests," the prosecutors wrote.

After that meeting, authorities said, Oaks agreed to cooperate and record all of his interactions with the person, and at one point accepted the \$2,600 payment under a table at an Annapolis restaurant.

But Oaks tipped off the person at the St. Patrick's Day party, which prosecutors said rendered their investigation "no longer viable."

The FBI confronted the person, who told them he had given Oaks and at least one other elected official “thousands of dollars in cash over a number of years,” according to court documents.

“Person #1 stated that he could call on Oaks when he needed help and that due to Oaks’ official position, Oaks could give Person #1 access to other important elected officials.”

The bail industry scored a victory in the Maryland Senate, which passed a bill it endorsed. But that legislation ran into heavy opposition in the House of Delegates, where it died.

Oaks was indicted in April 2017 on wire fraud charges, and was charged in the fall with obstruction of justice for tipping off the FBI target. The federal prosecutors’ new details about the case were revealed in a motion opposing Oaks’ attorneys request that the bribery and obstruction charges be tried separately.

Boston Herald
December 11, 2017

U.S. commerce lobby to wage war on Elizabeth Warren

http://www.bostonherald.com/news/us_politics/2018/01/us_commerce_lobby_to_wage_war_on_elizabeth_warren

The head of the U.S. Chamber of Commerce vowed to wage war against Bay State U.S. Sen. Elizabeth Warren and “extremes in both parties,” comparing her to Steve Bannon and suggesting the pro-business lobbying group will pour money into the 2018 Senate race to defeat the progressive champion before she can mount a White House run.

“We’re going to fight back against the extremes in both parties — the Steve Bannons and the Elizabeth Warrens of the world — who do not represent the best interests of this country,” said Thomas Donohue, the president and CEO of the chamber in his annual “State of American Business” address. “We need to rebuild the middle in Congress.”

Hours later, Warren blasted Donohue as a “millionaire lobbyist,” and relished his criticism.

“Here’s the basic problem in Washington,” Warren tweeted. “Big business lobbyists are so used to running the place that they label anyone willing to stand up to them as extreme. When Tom Donohue and the @USChamber attack me for standing up to corporate interests, I know I’m doing my job.”

But Warren’s GOP foes used the speech as an opening to label her an uncompromising liberal purist.

“We used to have a fine tradition in our state of getting past the partisanship once an election is over,” said Republican Senate hopeful Beth Lindstrom. “Sadly, that is not the case with Elizabeth Warren.”

“I don’t think there’s a more radical, progressive, left-wing voice than Elizabeth Warren,” said state Rep. Geoff Diehl, another GOP U.S. Senate candidate, adding he believes the contest will attract national attention. “I’d expect this race will certainly get a lot of interest from groups, including the U.S. Chamber.”

The Chamber has picked plenty of fights with Warren before.

In 2012, the group spent approximately \$300,000 targeting Warren in the 2012 Senate race against Republican Scott Brown, according to the Center for Responsive Politics.

When it endorsed Brown that summer, the chamber, in a statement from its political director, charged that “no other candidate in 2012 represents a greater threat to free enterprise than Professor Warren.”

The eventual Warren victory was symbolic of a brutal 2012 campaign cycle for the chamber, which spent \$31.5 million on 35 candidates — with only seven races producing favorable outcomes.

Since then, the chamber and Warren have remained fierce political foes.

The Bay State senator was one of two authors of a Democratic Senate report in 2016 slamming the chamber for lobbying against the positions its members hold on tobacco use and climate change.

About a week later, Donohue ripped Warren in a speech, accusing her of trying to orchestrate a power grab.

“Senator Warren and her allies don’t have a reform agenda, they have a big government agenda,” Donohue said. “They want to centralize all decision-making in Washington, D.C.”

**The Post and Courier
December 10, 2017**

Dominion running all-out media, lobbying push to win over South Carolina

https://www.postandcourier.com/business/dominion-running-all-out-media-lobbying-push-to-win-over/article_82812e6c-f555-11e7-96c7-032c3459259f.html

Less than a week after announcing a proposed takeover of SCANA, Dominion Energy is in an all-out push to win over lawmakers, regulators and, most of all, South Carolina electric customers, who could help sway public opinion.

SCANA and Dominion top executives are set to brief the South Carolina Public Service Commission about the proposed acquisition Thursday. But Virginia-based Dominion isn't simply waiting to see what the state's seven utility regulators and SCANA's 700,000 power customers think of the deal.

The \$49 billion utility giant, which operates in 17 states, is hard at work trying to overcome the public distrust created by the \$9 billion cancellation of two nuclear reactors at V.C. Summer station in Fairfield County by SCANA subsidiary, S.C. Electric & Gas.

The company laid out a plan that would cut what customers are paying for the abandoned nuclear reactors from roughly \$27 per month to around \$20 — a cost that would last for the next 20 years. And it promoted a \$1,000 refund for the average SCE&G customer, which, as it turned out, is money people were entitled to anyway.

Last week, Dominion's CEO Thomas Farrell visited SCANA's Cayce headquarters to announce the \$14.6 billion acquisition.

Then Dominion started running ads touting the refund and rate rollback in promoted Facebook and Twitter posts. It took out full-page ads in newspapers The State of Columbia and The Post and Courier in Charleston. Its executives were interviewed on morning news segments at local television stations. And the company announced more than \$1 million in charitable donations to groups throughout South Carolina.

The powerful utility company doled out \$13,500 in campaign contributions to South Carolina lawmakers and legislative caucuses in the last three months of 2017, according to records.

And it recently increased its number of lobbyists in the Statehouse from five to nine, including former Democratic Gov. Jim Hodges.

Hodges, who has worked with Dominion in the past as a partner in Virginia-based law firm Maguire Woods, said he's not spoken with South Carolina legislative leaders, the governor or state regulators about the SCANA sale and has no immediate plans to do so. Still, he said he filed as a lobbyist to be safe.

"I'm just a boring lawyer," Hodges quipped, "though I do have some experience doing business in the state. I'm here if I can be helpful."

Members of the state House and Senate recognized the outsized pressure that is being placed on them earlier this week. As several senators called for lawmakers to take their time on proposed utility laws, Senate Majority Leader Shane Massey told his colleagues they should prepare themselves.

"It's probably going to be one of the most intense lobbying efforts you've ever seen," Massey said. "It's coming."

Farrell will testify before a House panel next week to help explain the sale to lawmakers who developed legislation meant to reimburse SCE&G customers for money paid for the abandoned reactors and stop future payments.

Dominion spokesman Chet Wade said Dominion hadn't yet set a budget for its lobbying and public relations push in South Carolina. The company is also conducting polls to craft its message and figure out what ratepayers want to know. A key question so far, he says, is when customers will receive their refund checks.

"It is clear from the overwhelming response that SCE&G customers and others want as much information as they can get about what the proposed merger means to them," Wade said in an email. "We are committed to reaching out every way we can."

Lawmakers are considering a raft of utility changes this session, including a bill that would halt the roughly \$37 million a month SCANA continues to charge its customers for the unfinished reactors. That bill would repeal the Base Load Review Act, the 2007 law that SCANA used to charge customers for the reactors before they were complete.

Dominion has effectively told lawmakers that if they follow through on their promises to repeal the utility-friendly law, the Virginia-based company is likely to back out of its deal to takeover SCANA.

Gov. Henry McMaster, who would be responsible for signing any law to repeal the Base Load Review Act, said Wednesday the lobbying effort by Dominion won't affect his decision-making on the issue.

"It's not a question in my view, as far as my office is concerned, of lobbying," McMaster said. "It's a question of discussing, getting facts, getting good analyses, understanding what we're doing and deciding what the best direction to go is for the people of this state."

The State
December 5, 2017

Dominion hires former SC Gov. Hodges as lobbyist as SCANA buyout heats up

<http://www.thestate.com/news/local/article193292209.html>

Dominion Energy, the Virginia utility seeking to buy Cayce-based SCANA, has hired former S.C. Gov. Jim Hodges to lobby state lawmakers as they prepare to debate legislation that could scuttle the proposed \$14.6 billion buyout.

Hodges is among nine lobbyists Dominion has retained to represent its interests in legislative fights, records show. Since Dominion announced the blockbuster deal Wednesday, Hodges and three others have been added to a team of five S.C. lobbyists that Dominion previously employed.

Dominion spokesman Chet Wade said Hodges and the three additional lobbyists were needed to help explain the utility's point of view to S.C. lawmakers.

Some legislators have expressed skepticism about the SCANA buyout proposal and are pushing bills that Dominion says could kill the deal.

"This has drawn a lot of interest in the Legislature," Dominion's Wade said. "He (Hodges) is a well-known and well-respected individual. He understands even better than we do the issues that are important to the state."

Hodges could not be reached for comment Friday. His entry as a lobbyist could carry weight in the Legislature, where he has many contacts.

Hodges served a single four-year term as governor that ended in 2003. Before that, he was a longtime state representative and Democratic House leader.

Wade said Dominion retained the former governor as a consultant long before he registered as a lobbyist this week. Dominion moved into South Carolina about three years ago, buying SCANA's natural gas pipeline network.

Now, the company is trying to buy SCANA, reeling from a nuclear construction fiasco that has halved its stock price and raised a chorus of criticism from customers and legislators.

SCANA, the parent corporation of SCE&G, abandoned building two nuclear reactors in Fairfield County last July after the utility and its junior partner, the state-owned Santee Cooper utility, had spent \$9 billion on the effort. The joint decision left more than 5,000 people out of work and SCE&G customers asking why they had been billed almost \$2 billion for reactors that would not be built.

A key concern for Dominion is whether the Legislature will kill portions of a 2007 law, the Base Load Review Act, which made it easier for SCE&G to charge its customers for the nuclear project before it was finished. The law also allows the utility to keep charging for the plant, even though it won't be built.

As part of the proposed SCANA deal, Dominion offered to pay rebates of about \$1,000, on average, to SCE&G's residential customers, while cutting monthly power bills by \$7. But Dominion insists it must continue to charge some nuclear-related costs to SCE&G customers over the next 20 years.

Critics say the rebate and lower rates are not enough to offset the almost \$2 billion that SCE&G customers already have paid for the abandoned project.

Dominion's nine-person lobbying team joins an already established team of lobbyists that SCANA employs to influence legislators, according to State Ethics Commission records. Those records show SCANA has eight legislative lobbyists, including longtime lobbyist Charlie Rountree.

In addition to Hodges, the lobbyists who registered to help Dominion this week are: Benjamin Homeyer, a former director of legislation for the S.C. House budget committee; John DeWorken, a lobbyist who represents the influential state Manufacturers Alliance; and Sunnie Harmon, who also represents the Manufacturers Alliance, according to state Ethics Commission records and the Energy and Policy Institute, a watchdog organization that tracks energy issues.

They join Dominion's team of S.C. lobbyists, including former state Rep. Billy Boan, who served in the Hodges administration.

Many of the lobbyists, including Hodges and Boan, work for the McGuireWoods firm, which has represented Dominion on legislative matters in Virginia. Hodges is chief executive of the firm.

Dominion has through the years been a major player in Virginia political battles, spending \$10.6 million since 1996 on various campaigns and causes, according to a story last year in the Richmond Times-Dispatch. The company's political clout in Virginia is "overwhelming" the newspaper reported.

A Fortune 500 company headquartered in Richmond, Dominion is one of the nation's largest energy utilities, with holdings from Virginia to New England and the Rocky Mountains.

John Crangle, a government watchdog with the S.C. Progressive Network, was skeptical that Hodges would carry any particular weight in the Legislature, noting he has been out of office for 15 years.

But, Crangle added, it's clear why Dominion is beefing up its lobbying team.

“You know what Dominion is trying to do,” Crangle said. “They are trying to keep provisions of the Base Load Review Act that allow them to impose charges on people for that moribund nuclear reactor project.”