



M U L T I S T A T E

[Coronavirus Stimulus Package Spurs a Lobbying Gold Rush](#)

Restaurants say they need \$325 billion in federal assistance. Boeing wants \$60 billion. The travel industry has requested \$250 billion and manufacturers are seeking \$1.4 trillion in loans to deal with the economic devastation being wrought by the [coronavirus](#).

And that's to say nothing of the casinos, [airlines](#) and franchise owners, all of whom have signaled that they, too, will need relief from the federal government to survive.

Then there are the industries and companies that do not immediately come to mind as front-line casualties but are nonetheless lobbying for their causes to be addressed as Congress [prepares to allocate \\$1 trillion](#) or more in response to the crisis.

The prospect of a bailout of a scale without precedent has set off a rush to the fiscal trough, with businesses enduring undeniable dislocation jostling with more opportunistic interests to ensure they get a share.

The sportswear company Adidas is seeking support for a long-sought provision allowing people to use pretax money to pay for gym memberships and fitness equipment — despite the mandatory [closure of fitness facilities](#) in many jurisdictions during the outbreak.

Drone makers are [urging the Trump administration](#) to grant waivers they have been seeking that would allow them to be used more widely — including to deliver medical supplies or food without risking human contact that could spread the virus.

Movers are [requesting \\$187 million](#) in assistance to make up for revenue lost as a result of a Defense Department order halting moves, while Airbnb is asking Congress to give tax breaks and access to small business loans to people who lost income from a decline in home rentals.

Then there are the pig farmers. They are [citing coronavirus](#) in renewing their call for the federal government to expedite foreign worker visas, with an executive at the National Pork Producers

Council noting in an email “many Americans have experienced empty meat cases in recent days, as we adapt to the surge in demand.”

While the halls of the [Capitol are eerily quiet](#), lobbyists are burning up the phone lines and flooding email inboxes trying to capitalize on the stimulus bills moving quickly through Congress. President Trump has already signed into law a coronavirus relief package including funds to [provide sick leave](#), unemployment benefits, free coronavirus testing and food and medical aid to people affected by the pandemic.

Negotiations over a new bill, which had been estimated to cost [\\$1 trillion](#), kicked off in earnest on Thursday night. Senate Republicans [unveiled legislation](#) that included \$58 billion in loans and loan guarantees for passenger airlines and cargo carriers, \$150 billion for unspecified “eligible businesses” and \$300 billion for small business loans, as well as direct cash payments to many Americans. Democrats in the House and Senate will have their own proposals.

The conditions for a lobbying blitz are ideal. Concerns about costs and deficit spending largely have been moved to the back burner. The process is being rushed, with legislation being written in private and rushed toward votes without much scrutiny of the fine print. Both parties are under intense pressure to deliver for key constituencies.

“The only industry that hasn’t been slowed down by the virus is the lobbying industry,” said Representative Ro Khanna, Democrat of California.

In an interview, Mr. Khanna said lobbyists have been “inundating people on the Hill with emails, calls and texts.”

“It really provides a lens into the part of Washington that most Americans despise,” he continued, “particularly at this time of national crisis.”

Some congressional aides have privately likened the lobbying blitz around the stimulus legislation to a gold rush.

Americans For Prosperity, the conservative group funded by the Koch brothers’ political network, warned lawmakers on Thursday to “not exploit this crisis to push their own special interests’ policy agendas” or “to bail out shareholders or to reward favored industries.”

Craig Holman, a lobbyist for the liberal-leaning government watchdog group Public Citizen, argued that many of the industries to which the Trump administration has expressed a

willingness to extend assistance — including the airlines, cruise lines and hotels — do not need or deserve the help.

“These industries already have access to cash reserves from their wealthy investors,” Mr. Holman said, arguing that large corporations “have a very poor track-record when it comes to spending bailout funds, using much of the money to preserve profits for shareholders, stock buybacks and hanging on to reserves.”

His group is backing Democratic proposals to enact conditions on bailout funds for major corporations, similar to those supported by Mr. Khanna, including prohibiting their use for executive compensation and stock buybacks.

Lobbyists and trade groups recognize the possibility of a backlash, “but it doesn’t seem to have stopped the frenzy,” said Dave Oxner, a lobbyist with the firm Cogent Strategies who is assisting clients navigating the coronavirus crisis.

Mr. Oxner helped write the 2008 bailout legislation as a top staff member for the House Financial Services Committee, then became a lobbyist for a trade group representing the finance industry as it struggled to deal with the criticism and loss of public trust that lingered after the bailouts.

“So for those looking for relief amid current crisis conditions, it is important to remember that words like ‘temporary,’ ‘targeted,’ ‘need-based’ and ‘forbearance’ can very quickly turn into a ‘bailout’ in the mind of those Americans who don’t perceive a direct benefit,” he wrote in a [blog post](#) this week warning lobbyists and industry groups to proceed cautiously.

He noted in the post that “some of the requests for aid appear opportunistic on their face, while others seem truly desperate.”

And, in an interview, he predicted “years from now, there could be a reckoning.”

Some lobbyists are proceeding, even as they acknowledge the risks.

“I don’t want to sound tone deaf,” an Adidas lobbyist wrote in an email on Thursday to congressional staff seeking support for the fitness tax break, which has been [pushed for years](#) by a bipartisan group of lawmakers including Senator John Thune, Republican of South Dakota, and which could benefit Adidas and its subsidiary Reebok.

The lobbyist, Ray Bucheger, a partner at FBB Federal Relations, added that he was nonetheless “being told that Senator Thune is looking to include this in an emergency stimulus bill. I am emailing to 1) reinforce Reebok/adidas support; and 2) to ask: have you heard from anyone else on this?”

Congressional analysts have previously estimated the proposed tax break would cost the government about \$3.5 billion in lost tax revenue over 10 years.

Gregory S. Walden, an official with the drone industry trade association, the Small UAV Coalition, did not entirely dismiss the idea that his group was being opportunistic in calling on the Trump administration to waive the regulations it opposes. The change, he said, would assist with the response to the coronavirus outbreak.

“If you’re opportunistic in helping people, that’s the right kind of opportunism,” said Mr. Walden, a former chief counsel of the Federal Aviation Administration.

But Sean Kennedy, an executive at the National Restaurant Association, said the flurry of lobbying in recent weeks has complicated the efforts of groups like his seeking Washington’s support to prop up struggling industries. Many restaurant owners, facing lengthy closures, are laying off their staffs and are fearful of their survival if the crisis goes on for an extended period.

“The challenge for us is that there are people who are using this crisis as a way to revisit past legislative battles that have nothing to do with coronavirus or the people suffering from it,” Mr. Kennedy said. “It’s offensive to the American people.”

He said more than 40 state governments have ordered restaurants to be closed or drastically limited in service, which could lead to the elimination of 5 to 7 million jobs over the next three months. The \$325 billion in assistance his group is seeking includes \$145 billion to help cover operations and pay employees.

“Our goal is not to profit — our goal is simply to survive,” Mr. Kennedy said, dismissing the potential of an anti-bailout backlash.

Likewise, Matt Haller, an executive at the International Franchise Association, which represents franchise businesses, said “there will always be backlash, but we hope that most people will agree about the need to keep businesses afloat and workers on the payroll.”

His association is asking Washington for \$300 billion in loans and other assistance.

“We are literally talking about hundreds of thousands of small franchise businesses — from gyms to day care centers to restaurants and hotels — all without customers, who need capital now in order to protect the greater public health,” Mr. Haller said.

There is a key distinction between most of the industries seeking help from Washington now and the banks that received bailouts during the 2008 financial crisis, said Tori Emerson Barnes, an executive at the U.S. Travel Association.

“This is an unforeseeable natural disaster, national disaster,” she said. “We’re not talking about people that have been acting badly.”

As such, she suggested she does not believe it is warranted for the federal government to demand seats on the boards of most large companies that might receive assistance in the stimulus measures being debated in Washington.

Her group is requesting \$250 billion in assistance for its member hotels, museums, tour companies and other travel entities.

“I don’t know at the end of the day if it will be enough,” she said. “People can’t shy away from, or be afraid of, a big number, because the entire economy is halted, so we need to do something to stabilize, and to keep things moving until we can physically move again.”

[Washington lobbyists in frenzied battle to secure billion-dollar coronavirus bailouts](#)

A feeding frenzy is under way by lobbyists representing airlines, hotels, cruise lines, casinos and other powerful interests as Congress and the Trump administration craft a \$1tn stimulus bill to provide hundreds of billions each for big industries, small businesses and individuals hurt by the coronavirus crisis.

US coronavirus news: Mexican border closed to non-essential travel as New York ordered to stay at home – live

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Washington lobbyists and watchdog groups say that in their lobbying blitzes industries have been vying aggressively with each other in a compressed timeframe to grab multibillion-dollar bailout loans and other assistance.

Lobbying yielded huge dividends on Thursday when a giant stimulus plan authored by Senate Republicans and the Treasury was released. The Republican measure, which Democrats were

shut out of, calls for \$500bn in direct payments to individuals; \$300bn in small business assistance; and \$200bn, mainly in loans, for big industries such as airlines, cruise companies and hotels hurt financially by the pandemic.

The package also contains support for healthcare professionals and patients and corporate tax cuts.

However, the Senate minority leader, Chuck Schumer, and House speaker, Nancy Pelosi, quickly criticized key parts of this Republican package, and are presenting alternative measures in a newly released \$750bn Democratic Senate plan while a House one is being crafted. The two Democrats issued a statement backing plans that “put workers first”, with stronger provisions to prevent companies using bailout loans for stock buybacks and executive pay hikes.

But industry lobbyists scored big in the Republican stimulus plan and are expected to keep the pressure on as Congress works to forge a compromise.

The Republican bill provides passenger airlines and air cargo carriers up to \$58bn in loans, while a mix of hotels, cruise ships, shopping malls and other sectors were given \$150bn to help weather the economic downturn.

Hours before the Republican measure was released, Trump said he expected the package would provide help for the airlines, cruise lines and “probably hotels”. On Tuesday, Trump met with hotel industry executives who reportedly asked for \$150bn in help and another \$100bn for their suppliers.

Watchdog groups are raising red flags about the \$50bn loan package for America’s big passenger airlines which in recent years have drawn growing consumer complaints, while spending tens of billions on stock buybacks. And the \$150bn in the Republican bill for the well-connected hotel industry – which Trump’s family business is heavily engaged in – and other industries have also generated criticism.

“An emergency like this highlights the inequities of a system where well-connected industries can lobby directly for specific carve-outs and potentially cushion wealthy executives,” said Robert Maguire, research director at the watchdog Crew.

“In the Trump era, however, that imbalance comes with the unprecedented conflicts of interest that arise from the fact that the president still owns and profits from businesses in industries that are calling for billions in taxpayer assistance – which, if approved, would benefit him personally.”

Other tensions have been sparked by heavy lobbying by financially battered and scandal tarred aircraft maker Boeing which has sought billions in help

Trump said on Wednesday: “We have to protect Boeing.” But one airline industry lobbyist said he sees “no sympathy for Boeing during the coronavirus crisis”. It’s not clear if the Republican bill gives them a shot at financial help.

Senator Ron Wyden, the top Democrat on his chamber’s finance panel, in a statement told the Guardian he will not back a “no-strings attached bailout laden with corporate tax goodies that primarily benefits CEOs. These industries got massive tax breaks just two years ago, spending billions on stock buybacks for wealthy shareholders, so there would need to be significant guardrails on any assistance.”

Some lobbyists warn of a public backlash if the stimulus package turns into a big honeypot where money is disbursed to big business with too few controls. “I think the public is going to look very skeptically at special industry bailouts that don’t address critical needs in the midst of the crisis,” said John Jonas, a veteran healthcare lobbyist with Akin Gump, a giant law and lobbying firm.

“This kind of economic package is going to create a lot of mischief,” said Don Duncan, who used to run the DC office of oil giant ConocoPhillips. “Congress and the administration need to clearly define where such economic help is justified and needed most to avoid misuse of tax dollars.”

Unlike many big lobbying skirmishes, this one has been moving at warp speed. Other veteran influence peddlers say the lobbying frenzy has been spurred by the huge sums of money up for grabs. “When you’re dealing with a \$1tn package, many industries will put their hats in the ring,” quipped one lobbyist.

Cruise lines, for instance, have pushed hard for financial help to offset lost business, and may get some special sympathy in an election year since they are a big player in the key battleground state of Florida.

“Florida is the center of the industry, and important in 2020,” said a lobbyist who seemed confident they would get help.

To move the Republican bill out of the Senate quickly, lobbyists and their Republican allies are trying to line up seven moderate Democrats to make it filibuster-proof, and McConnell on Friday said he hoped the Senate would be ready to vote on Monday. But there’s considerable

uncertainty if that will happen without making some major concessions to Democrats, as well as some Republican senators who have various concerns.

Schumer and Pelosi seem committed to more worker protection measures and provisions to ensure that industry loans will not lead to corporate boondoggles. Pelosi and Schumer fired off an early salvo in a joint statement.

“We are beginning to review Senator McConnell’s proposal and on first reading, it is not at all pro-worker and instead puts corporations way ahead of workers.”

The two top Democrats are expected to have significant input into the final bill which could be approved before month’s end by both chambers after significant compromises are hashed out – as lobbyists for airlines, hotels and other industries keep the heat on to get as much as possible.

[Fort Collins ethics board clears Ken Summers of complaint, council holds off on final vote](#)

Fort Collins' Ethics Review Board cleared council member Ken Summers of a [complaint alleging he advertised lobbying services](#) that conflicted with his duties as a city official.

But Fort Collins City Council will wait until March 31 to vote on formally adopting the decision. An incomplete council reviewed the findings at an emergency meeting Friday, but council members said they should wait to vote until the next regular council meeting so more people can comment.

The complaint, filed by Fort Collins resident Rory Heath, cited an advertisement for consulting services on Summers' personal website. The ad includes the tagline “Opening doors; providing access; empowering influence.” The former state representative references legislators, bills and the capitol in his description of services, and his business logo includes an image of the Colorado State Capitol. Summers has repeatedly told council his consulting business has never had a client, and he hasn't been registered as a lobbyist since 2016. He was elected to council in 2017.

Heath said Summers' website serves as a "billboard" advertising government influence for sale. His complaint against Summers accompanied two other complaints against [Mayor Wade Troxell and Mayor pro-tem Kristin Stephens, all related to council's decision to rezone the former site of Colorado State University's Hughes Stadium](#).

Council members, deliberating at an ethics review board meeting in early March, said the complaints against Stephens and Troxell weren't warranted. They said they saw no evidence

Summers had consulted with any clients that would have benefited from his zoning vote, but they were concerned about the appearance that Summers might have provided lobbying or consulting services on city issues while on City Council.

They decided to investigate the complaint further and met again to discuss it on March 13. At that meeting, council members determined that Summers didn't violate any state or local ethics provisions. The board was made up of council members Julie Pignataro, Ross Cunniff, Susan Gutowsky and Emily Gorgol.

"While it is established that Summers has posted a webpage under the business name of KGS Consulting that offers consulting and lobbying services, the webpage is not related to any public decisions or actions absent actual clients or matters in which Summers is or has been engaged," the board concluded. "The board acknowledges that circumstances can be imagined under which a conflict of interest would arise for a council member lobbying for others, most clearly if that lobbying related to a city issue, but also if it (concerned) Colorado Statehouse issues affecting the city. Nonetheless, there is not an inherent conflict of interest arising as a result of lobbying or political consulting activities, and in the complete absence of a lobbying or political consulting project, there is no relationship to any matters or interests coming before Summers as a city council member that can even be evaluated."

State ethics code doesn't prohibit a city official from working as a lobbyist; it only bars officials from voting on issues that would benefit them privately or "directly and substantially benefit a business or undertaking in which (they have) a substantial financial interest, or by which (they are) engaged as counsel, consultant, representative or agent," read the board opinion, citing state statutes.

Summers called Heath's complaint "ridiculous" and "ignorant" of the nature of lobbying. He said he founded KGS Consulting in 2014 in an effort to supplement his disability income by providing lobbying services for nonprofits. He provided the ethics review board with the state-mandated financial disclosure documents he submitted when he consulted or testified on a few pieces of state legislation before he ran for City Council. He said the money he made in that time was "a fraction of what a lobbyist makes" in a contract.

"Bottom line: Did I earn income as a lobbyist while I served on City Council? No," he said at the March 13 meeting.

