

IN FOCUS

RIGHT WING WATCH



ALEC

AMERICAN LEGISLATIVE EXCHANGE COUNCIL
The Voice of Corporate Special Interests in State Legislatures



A project of People For the American Way and People For the American Way Foundation

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INTRODUCTION

When state legislators across the nation introduce similar or identical bills designed to boost corporate power and profits, reduce workers rights, limit corporate accountability for pollution, or restrict voting, odds are good that the legislation was not written by a state lawmaker but by corporate lobbyists working through the American Legislative Exchange Council. ALEC is a one-stop shop for corporations looking to identify friendly state legislators and work with them to get special-interest legislation introduced. It's a win-win for corporations, their lobbyists, and right-wing legislators. But the big losers are citizens whose rights and interests are sold off to the highest bidder.



Charitable Foundation), the Bradley family (The Lynde and Harry Bradley Foundation) and the Olin family (John M. Olin Foundation).² These organizations consistently finance right-wing think tanks and political groups.

Members of ALEC's board represent major corporations such as Altria, AT&T, GlaxoSmithKline, Johnson & Johnson, Koch Industries, PhRMA, Peabody Energy, and State Farm. Such corporations represent just a

fraction of ALEC's [approximately three hundred corporate partners](#).³ According to the Center For Media and

Democracy, over 98% of ALEC's [funding](#) comes from corporations, special interests, and sources other than legislative dues (which run \$50 per year for legislators).⁴

WHO FOUNDED AND FUNDS ALEC?

The American Legislative Exchange Council (ALEC) was [founded](#) in 1973 by Henry Hyde, Lou Barnett, and Paul Weyrich, who helped build a nationwide right-wing political infrastructure following the reelection of Richard Nixon.¹ In the same year, Weyrich helped establish the Heritage Foundation, now one of the most prominent right-wing policy institutes in the country. One year later, he founded the Committee for the Survival of a Free Congress, the predecessor of the Free Congress Foundation. In 1979, he co-founded and coined the Moral Majority with Jerry Falwell, and in 1981 he helped establish the ultraconservative Council on National Policy.

ALEC's major [funders](#) include Exxon Mobil, the Scaife family (Allegheny Foundation and the Scaife Family Foundation), the Coors family (Castle Rock Foundation), Charles Koch (Charles G. Koch Charitable Foundation and the Claude R. Lambe

WHO'S BEHIND ALEC?

ALEC's activities reflect its founding, funding, and control by corporate interests. After paying to get a seat at the table, corporations are able to introduce bills at ALEC conferences that are written by corporate law firms, and that are specifically designed to benefit their industries. Many of these ALEC bills are written by corporate lawyers at defense firms like Shook Hardy & Bacon.

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The American Bar Association Journal describes Shook Hardy & Bacon as the "[darling of corporate America](#)."⁵ Their tenacious defense of the tobacco industry "made Shook Hardy the firm many of the world's biggest companies turn to at the first hint of trouble

with one of their products." A New York Times report on Shook Hardy said "[tobacco is their middle name](#)," and the firm's lawyers have been viewed as "industry propagandists, apologists and co-conspirators."⁶ Shook Hardy represents clients from the pharmaceutical, energy, food, banking and tobacco industries, like Pfizer, Bayer, Eli Lilly, Cargill, Bank of America, Philip Morris, Lorillard Tobacco, and British American Tobacco. ALEC's monthly periodical Inside ALEC demonstrates

the significant role that corporate lawyers like those from Shook Hardy play in the organization, as members of the law firm have contributed essays criticizing environmental protection efforts,⁷ endorsing corporate immunity from lawsuits,⁸ and defending abusive insurance company practices.⁹

The clout of corporations and corporate-backed groups comprising ALEC is unmistakable: Victor E. Schwartz, a Shook Hardy partner and head of its Public Policy Group, chairs ALEC's Civil Justice Task Force; Tom Moskitis, the American Gas Association's Director of External Affairs, chaired the Energy, Environment and Agriculture Task Force; Bob Williams, founder and senior fellow of the [corporate-funded](#) Evergreen Freedom Foundation, chairs the Tax and Fiscal Policy Task Force; Bartlett Cleland, director of the [corporate-financed](#) Institute for Policy Innovation, chairs the Telecommunications and Information Technology Task Force; and Emory Wilkerson, associate general counsel for State Farm Insurance, chairs the Commerce, Insurance and Economic Development Task Force.¹⁰

Simply put, "corporations can implement their agendas very effectively using ALEC," as [stated](#) by Edwin Bender of the National Institute on Money in State Politics.¹¹

HOW DOES ALEC WORK?

ALEC serves as a means for corporations to advise, lobby and sway legislators. By paying hefty dues and sponsorship fees, corporations are able to participate in ALEC ventures, forums and legislative advocacy work, and also underwrite conferences, task forces and meetings with politicians. Corporations use ALEC to formulate, present and promote model legislation to elected officials who are ALEC members, and hold leadership roles in the organization.

"Our members join for the purpose of having a seat at the table. That's just what we do, that's the service we offer," [explains Dennis Bartlett](#), an ALEC task force head who is also the executive director of the American Bail Coalition. "The organization is supported by money from the corporate sector, and, by paying to be members, corporations are allowed

ALEC'S BOARD OF DIRECTORS

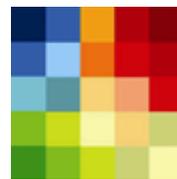
Johnson & Johnson

Koch INDUSTRIES INC

Peabody PhRMA

gsk
GlaxoSmithKline

at&t



Altria



the opportunity to sit down at the table and discuss the issues that they have an interest in."¹²

ALEC propagates a wide range of "model legislation" that seeks to make it more difficult for people to hold corporations accountable in court; gut the rights and protections of workers and consumers; encumber health care reform; privatize and weaken the public education system; provide business tax cuts and corporate welfare; privatize and cut public services; erode regulations and environmental laws; create unnecessary voter ID requirements; endorse Citizens United; diminish campaign finance reform; and permit greater corporate influence in elections.

In order to draft and promote their "model legislation," ALEC operates task forces that bring representatives from corporations together with lawmakers. Each ALEC task force is chaired by both elected officials and "private sector" members, who have an equal vote on introduced bills. According to Jesse Zwick of the [Washington](#)

[Independent](#), “ALEC’s task forces are better known for crafting legislation that coincides, rather than conflicts, with the interests of its private-sector members. Famous for hosting lavish conferences for state legislators who possess no staff of their own, the group pampers lawmakers while providing them the opportunity to collaborate on legislation often previously researched and introduced by the policy

“[ALEC] IS SUPPORTED BY MONEY FROM THE CORPORATE SECTOR, AND, BY PAYING TO BE MEMBERS, CORPORATIONS ARE ALLOWED THE OPPORTUNITY TO SIT DOWN AT THE TABLE AND DISCUSS THE ISSUES THAT THEY HAVE AN INTEREST IN.”

-DENNIS BARTLET, ALEC TASK FORCE HEAD

shops of its corporate members.”¹³

According to ALEC, in 2009, of the [826 “model bills”](#) that were introduced in state legislatures, 115 of those bills were enacted into law. As ALEC’s former Executive Director wrote in 1995, “I would say that ALEC is a good investment. Nowhere else can you get a return that high.”¹⁴

ALEC was influential in crafting and passing a Texas law, dubbed the “[Successor Asbestos-Related Liability Fairness Act](#),” that shielded Crown Cork and Seal, a business that in 1966 acquired a company that used asbestos in its products, from lawsuits from the company’s workers. Even though Crown agreed to pay the company’s liabilities, it wanted immunity from paying damages to workers facing asbestos-related diseases. Crown Cork and Seal turned to ALEC to help shape the Texas law, which put an extremely low cap on liability for companies like Crown who acquired companies which committed wrongdoing, known as a “successor immunity” law. Mark Behrens, an attorney for Shook Hardy, worked as a lobbyist for [both ALEC and Crown](#) to encourage allied lawmakers to introduce and pass the bill.¹⁵ The American Association for Justice [writes](#) that “this so-

called ‘successor immunity’ has all the hallmarks of an ALEC special interest bill. It is plainly designed not with public policy in mind, but rather a specific industry (or in this case, a specific company).”¹⁶ The Texas Supreme Court ultimately found the cap to be an [unconstitutional](#) retroactive protection for Crown that inhibited the rights of people to rightfully sue corporations for damages, but similar ALEC-derived laws are still on the books in other states.¹⁷

In Arizona, an investigation by Beau Hodai [documented](#) that a long-time member and leader of ALEC, the Corrections Corporation of America (CCA) stood to benefit from the state’s new immigration law that was approved by the ALEC Public Safety and Elections Task Force on which CCA’s Senior Director of Business Development sat as a member. CCA is a for-profit prison company which reported “\$1.7 billion in gross revenue for 2009, attributing about 40 percent of this business to its federal clients ICE, the BOP and the U.S. Marshals Service, all of which house immigrant detainee populations,” according to Hodai’s investigation. As a dues-paying member of ALEC, CCA was present when Arizona’s draconian immigration bill was voted on at the ALEC task force before it was introduced in the state legislature by then-Senate President Russell Pearce, who was an ALEC leader before he was recalled from office last year. The bill was approved by that ALEC task force, at which CCA claims it did not vote, and became Arizona’s immigration detention law, SB 1070, a few months later almost word for word. Many of the bill’s cosponsors received campaign contributions from CCA, and CCA lobbyists have close ties to the Governor of Arizona, Jan Brewer, who is also an ALEC alum.¹⁸ For years, ALEC has also helped increase the number of people in jail for longer sentences by [pushing](#) “truth in

IN 2009, OF THE 826 ALEC-AUTHORED “MODEL BILLS” THAT WERE INTRODUCED IN STATE LEGISLATURES, 115 OF THOSE BILLS WERE ENACTED INTO LAW.

sentencing” laws that restrict parole eligibility for felons, which is another ALEC model bill that helps keep CCA’s “occupancy rates” high along with its profits.¹⁹

WHAT DOES ALEC LOBBY FOR?

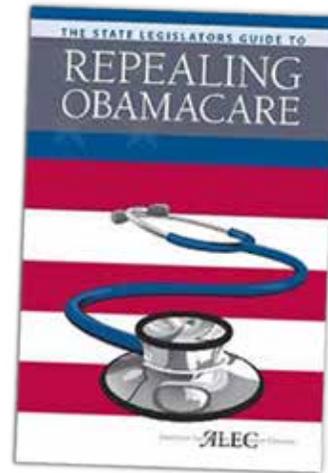
ALEC claims it “does not lobby in any state.”²⁰ However, ALEC’s tactics and operations are strikingly similar to those of registered lobbyists with corporate benefactors. Beyond distributing model legislation, ALEC provides its members with “issue alerts,” “talking points,” and “press release templates” expressing support or opposition to state legislation. The organization tracks the status of its model bills in legislatures, and sends its employees to testify in support of its bills in state houses across the country.²¹

UNDERCUTTING HEALTH CARE REFORM

After the passage of health care reform, ALEC’s [top priority](#) has been to challenge the law by encouraging members to [introduce bills](#) that would prohibit the law’s insurance mandate. ALEC’s Health and Human Services task force is led by representatives of [PhRMA and Johnson & Johnson](#), and representatives of Bayer and GlaxoSmithKlein sit on [ALEC’s board](#). The group’s model bill, the “Freedom of Choice in Health Care Act,” has been [introduced in forty-four states](#), and ALEC even released a “[State Legislators Guide to Repealing ObamaCare](#)” discussing a variety of model legislation including bills to partially privatize Medicaid and SCHIP. The legislative guide utilizes ideas and information from pro-corporate groups like the Heritage Foundation, the Goldwater Institute, the James Madison Institute, the Cato Institute, the National Center for Policy Analysis and the National Federation of Independent Business.²²

CORPORATE POWER AND WORKERS’ RIGHTS

ALEC works fervently to promote laws that would shield corporations from legal action and allow them to limit the rights of workers. The group’s model legislation would roll back laws regarding corporate accountability, workers compensation and on the job protections, collective bargaining and organizing rights, prevailing wage and the minimum wage. ALEC is a main proponent of bills that undermine organized labor by stripping public employees of collective bargaining rights and “[right to work](#)” laws. They also push “[regulatory flexibility](#)” laws that lead to



ALEC RELEASED A “STATE LEGISLATORS GUIDE TO REPEALING OBAMACARE” DISCUSSING A VARIETY OF MODEL LEGISLATION INCLUDING BILLS TO PARTIALLY PRIVATIZE MEDICAID AND SCHIP.

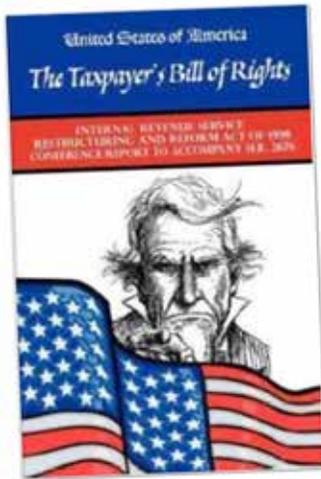
massive deregulation. It is no surprise that the director of ALEC’s Commerce, Insurance and Economic Development Task Force previously worked as a [Koch Associate at the Charles G. Koch Charitable Foundation](#).²³

TAX POLICY

As states face challenging budget deficits, ALEC wants to make it more difficult to generate revenue in order to close shortfalls. Bills include the “Super Majority Act,” which makes it so complicated for legislatures to change tax policy that California voters [overturned](#) the law;²⁴ the “Taxpayer Bill Of Rights,” which [brought fiscal disaster](#) to Colorado; and measures to eliminate capital gains and progressive income taxes.²⁵ The main beneficiaries of ALEC’s irresponsible fiscal policies are corporations and the wealthiest taxpayers.

PRIVATE SCHOOL VOUCHERS

Despite constitutional problems, negative impacts on public schools, bias against disadvantaged students, and comprehensive studies in cities like [Washington DC](#), [New York](#), [Milwaukee](#), and [Cleveland](#) which demonstrate that private school voucher programs failed to make any improvements to the education system,²⁶ ALEC sees vouchers as a way to radically privatize the public education system. Under the [guise of “school choice,”](#) ALEC pushes bills with titles like “Parental Choice



ALEC'S "TAXPAYER BILL OF RIGHTS," BROUGHT FISCAL DISASTER TO COLORADO.

Scholarship Act" and the "Education Enterprise Act" that establish private school voucher programs.

VOTER ID AND ELECTION LAWS

ALEC is [directly tied](#) to the [emerging trend among state legislatures](#) to consider voter ID laws.²⁷ Using [false allegations](#) of "voter fraud," right-wing politicians are pursuing policies that disenfranchise students and other at-risk voters -- including the elderly and the poor -- who are unlikely to have drivers' licenses or other forms of photo ID.²⁸ By suppressing the vote of such groups, ALEC's model "Voter ID Act" grants an electoral advantage to Republicans while undermining the right to vote. In addition, ALEC wants to make it easier for corporations to participate in the political process. Their Public Safety and Elections taskforce is co-chaired by Sean Parnell of the Center for Competitive Politics, one of the most vociferous pro-corporate election groups, and promotes model legislation that would devastate campaign finance reform and allow for greater corporate influence in elections.²⁹

OBSTRUCTING ENVIRONMENTAL PROTECTION

At the bidding of its major donors like Exxon Mobil and Koch Industries, [ALEC is behind state-level legislation](#) that would hinder the ability of government to regulate and

curb polluters.³⁰ ALEC has previously [said](#) that carbon dioxide "is beneficial to plant and human life alike," and [promotes climate change denialism](#).³¹ The group's model legislation assails EPA emissions guidelines and greenhouse gas regulations, destabilizes regional climate initiatives, permits free-reign for energy corporations, and pushes for massive deregulation. Unsurprisingly, ALEC's "Energy, Environment and Agriculture" task force is led by Tom Moskitis of the American Gas Association and Martin Shultz of Brownstein Hyatt Farber Schreck, a major lobbyist firm for [oil and gas companies](#) like ConocoPhillips.³² The group [receives funding](#) from ExxonMobil, Shell, Chevron, Texaco, Amoco, the American Petroleum Institute, and the American Electric Power Association.³³

CONCLUSION

Americans are increasingly recognizing and speaking out against the disproportionate power of corporations in shaping public policy and steering politicians, and ALEC is a prime example of how Corporate America is able to buy even more power and clout in government. Rather than serve the public interest, ALEC champions the agenda of corporations which are willing to pay for access to legislators and the opportunity to write their very own legislation. It helps surrogates and lobbyists for corporations draft and promote bills which gut environmental laws, create a regressive tax system,



ALEC'S MODEL "VOTER ID ACT" GRANTS AN ELECTORAL ADVANTAGE TO REPUBLICANS WHILE UNDERMINING THE RIGHT TO VOTE.

eliminate workers' rights, undermine universal and affordable health care, privatize public education, and chip away at voting rights. It's no wonder that so many big corporations view ALEC as a wise investment. ALEC represents an alarming risk to the credibility of the political process and threatens to greatly diminish the confidence and influence ordinary people have in government.

(ENDNOTES)

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ALEC:

AMERICAN LEGISLATIVE EXCHANGE COUNCIL

The Issues ALEC Lobbies For:

Undercutting Health Care Reform

Pulling out all the stops to weaken the health care reform law.

Corporate Power and Workers' Rights

Curbing protections for workers while eliminating checks and regulations on corporations.

Voter ID and Election Laws

Boosting corporate clout by making it harder for young and low-income Americans to exercise their right to vote.

Tax Policy

Encouraging tax cuts for the rich that exacerbate state budget problems.

Private School Vouchers

Taking aim at public education by bolstering risky, wasteful, and ineffective private school voucher programs.

Obstructing Environmental Protection

Using energy industry dollars to fight climate change policies and regulations on polluters.

Corporations on ALEC's Board of Directors:



People For the American Way Foundation is dedicated to making the promise of America real for every American: Equality. Freedom of speech. Freedom of religion. The right to seek justice in a court of law. The right to cast a vote that counts. The American Way.

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