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Corporate campaign fundraising picks up speed

Business and conservative groups see a chance to influence the midterm election because of rising anger at Democratic policies and recent court rulings on political spending.

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Reporting from Washington

Driven by increasing anger at Democratic policies and by recent Supreme Court **Advertisement** decisions unshackling corporate contributions, business and conservative groups are preparing a flood of campaign money to try to wrest control of Congress from the Democrats. ■

The U.S. Chamber of Commerce, the biggest collection point for corporate contributions, has increased its spending for the congressional election in November from \$35 million in 2008 to a projected \$75 million this year. Officials say it may go even higher.

The chamber has been joined by new conservative fundraising organizations — such as American Crossroads, affiliated with Republican strategist Karl Rove — that have committed to raising tens of millions of dollars.

One report circulating among Democratic leaders on Capitol Hill last week estimated that more than \$300 million has been budgeted for the campaign by a group of 15 conservative tax-exempt organizations.

"A commitment of \$300 million from just 15 organizations is a huge amount, putting them in record territory for groups on the right or left," said Sheila Krumholz, executive director of the nonpartisan Center for Responsive Politics, which tracks campaign contributions. "With control of Congress hanging in the balance, this kind of spending could have a major impact."

The money's power is magnified because it will be concentrated in a relatively small number of swing states and districts. Of the 435 House and 37 Senate seats at issue in November, about

100 House seats and 18 in the Senate are considered competitive.

The conservative fundraising commitment has stunned Democrats.

"It's raising the alarm bell," said Rep. Chris Van Hollen (D-Md.), chairman of the Democratic Congressional Campaign Committee, which spent \$177 million in all of 2008 for congressional races.

Labor unions and allied liberal groups also plan to spend heavily. The Service Employees International Union, for example, has budgeted \$44 million on election-related spending this year.

But the momentum and the new money appear — at least at this moment — to be coming from business and its allies.

"What we are seeing is that major businesses and industries are taking advantage of the recent court ruling and favorable political environment," said Anthony J. Corrado Jr., a political scientist at Colby College in Maine and a leading expert on money and politics. "They are already committing substantially more money than they have in any previous election cycles."

Two recent Supreme Court decisions have encouraged corporate and union participation in political advertising campaigns. This year, the court decided in [Citizens United vs. Federal Election Commission](#) that corporations and unions could spend directly on elections, overturning a century of laws limiting such spending.

Chamber of Commerce officials say a more significant ruling was the 2007 decision in [Federal Election Commission vs. Wisconsin Right to Life](#) that lifted the ban on political issue advertising close to an election, allowing corporations and unions to spend unlimited sums on these ads at the last minute.

The rulings have given all sides powerful tools to influence the outcome of elections.

Business leaders see high stakes in the midterm election. They were concerned about the sweeping healthcare overhaul passed this year and a far-reaching bill passed last month to establish greater federal monitoring and regulation of the financial system. Energy firms are particularly concerned about how Democratic-dominated Washington will regulate their businesses after the oil spill in the Gulf of Mexico.

Scott Talbott of the Financial Services Roundtable, a trade group for major financial firms, said banks and investment houses were participating in fundraising and lobbying at an unprecedented pace, partly because of concern over thousands of pages of new regulations that will be written to implement the laws, as well as who will be picked to head new government entities, such as the [consumer protection agency](#) for banking and securities.

President Obama's sagging approval ratings, which have dropped to 44% in some polls, have created an opportunity that could allow Republicans to gain control of the House and cut into the Democrats' majority in the Senate.

Valerie Jarrett, White House liaison to business, said many of the chief executives she talked with appreciated the administration's economic policies and the chance to participate in developing new regulatory ground rules. The threatening rhetoric from the Chamber of Commerce and like-minded groups is nothing unusual, she said.

"Special-interest groups have always been able to raise a lot of money in Washington, but the last presidential campaign demonstrated that regular, everyday Americans can participate as well — and they will when they believe there is a candidate looking out for their interests," she said.

Democrats as well as Republicans point out that the political spending by business is still largely speculative and that in some early primaries, labor outspent business.

But current indications are that spending for the midterm election will break all records. Campaign advertising has already soared to \$153 million, almost twice the \$77 million spent at this point in the last midterm election in 2006, said Evan Tracey of the research firm Campaign Media Analysis Group.

Efforts to bring greater transparency to political ad campaigns by requiring disclosure of donors were blocked in the Senate last week by Republicans, after heavy lobbying by the Chamber of Commerce.

Conservatives have found plenty of fertile ground for fundraising.

Roger Nicholson, a senior vice president of International Coal Group, a mining company, wrote fellow executives Tuesday, urging them to raise money to deal with the "fiercely anti-coal" Democrats who rule Washington.

Specifically, he called for funds to defeat Democratic candidates, including Kentucky's Jack Conway, who is running for the Senate, and incumbent Rep. Nick J. Rahall II of West Virginia, chairman of the House Natural Resources Committee.

Similarly, the Center for Public Integrity [reported](#) last week that five of the nation's largest health insurers, including Aetna Inc., Cigna Corp. and United HealthCare Inc., have been discussing bankrolling a new nonprofit group with about \$20 million to influence tight congressional races and boost the industry's image. The head of the insurers' Washington trade association, Karen Ignagni, declined to comment on the report.

The Chamber of Commerce has focused its efforts on 10 Senate races and about 40 contests in the House.

The chamber has spent more than \$1 million over the last four weeks on two Senate races — between Democrat Joe Sestak and Republican Pat Toomey in Pennsylvania, and Democrat Lee Fisher and Republican Rob Portman in Ohio. It has never invested so much in a campaign so early.

Plans call for more. In early August, the chamber is expected to throw its weight behind Republican Carly Fiorina in her bid to defeat Democratic Sen. Barbara Boxer in California, adding more fuel to a race that may be one of the most expensive ever. Already the two candidates have raised \$30 million.

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