## Congress of the United States Washington, DC 20515

October 16, 2020

The Honorable Mitch McConnell Majority Leader United States Senate 317 Russell Senate Office Building Washington, D.C. 20510 The Honorable Charles Schumer Minority Leader United States Senate 322 Hart Senate Office Building Washington, D.C. 20510

Dear Leader McConnell and Leader Schumer,

One of the most important lessons of the Trump administration is the need to stop putting corporate officers and lobbyists in charge of our government. If we are to maintain the trust of the American people, neither party can credibly accuse the other of putting the demands of allied special interests before the public good and then doing the same thing when elected to govern. We therefore write to you today to urge you to oppose Senate confirmation of any nominee to an executive branch position who is currently or has been a lobbyist<sup>1</sup> for any corporate client or c-suite officer for a private corporation, in this or any future administration.

Sen. Schumer, you rightly opposed<sup>2</sup> President Trump's nomination of Rex Tillerson, the former CEO and chairman of Exxon Mobil Corporation, to be secretary of state. In fact, you have frequently voted against Trump nominees with significant corporate or lobbyist backgrounds, including Commerce Secretary Wilbur Ross, who spent decades in investment banking and private equity<sup>3</sup>; Environmental Protection Agency Administrator Andrew Wheeler, who represented Murray Energy and other fossil fuel producers

<sup>1</sup> Lobbyist should be understood to encompass both registered lobbyists and those who provide "lobbying support," as defined by the American Bar Association's Report of the Task Force on Federal Lobbying Laws: "(a) provision of strategic advice; (b) monitoring of legislative and administrative developments related to lobbying goals; (c) advice and assistance with earned media (press/communications) related to bills or topics disclosed by the registrant on one or more lobbying reports; (d) polling related to lobbying goals; (e) expenditures for advice on or production of public communications (paid media, phone banks, mass emails, websites, advertising, etc.) related to bills or issues disclosed by the registrant on one or more lobbying reports; and (f) expenditures for coalition building, that is, payments provided or received for the purpose of encouraging organizations to support or oppose the bills or take action with regard to the topics identified by the registrant on one or more lobbying reports, including, but not limited to, the costs of creating formal or informal coalitions of organizations for such purposes." Lobbying Law in the Spotlight: Challenges and Proposed Improvements. Task Force on Federal Lobbying Laws. Administrative & Regulatory Practice Section of the American Bar Association. January 3, 2011.

https://campaignlegal.org/sites/default/files/ABA Task Force Reprt - Lobbying Law in the Spotlight -Challenges and Proposed Improvements.pdf

<sup>2</sup> Roll Call Vote, 115th Congress - 1st Session, Nomination #PN25, Feb. 1, 2017.

https://www.senate.gov/legislative/LIS/roll\_call\_lists/roll\_call\_vote\_cfm.cfm?congress=115&session=1&vote=000 37

<sup>&</sup>lt;sup>3</sup> Roll Call Vote, 115<sup>th</sup> Congress – 1st Session, Nomination #PN32, Feb. 27, 2017.

https://www.senate.gov/legislative/LIS/roll\_call\_lists/roll\_call\_vote\_cfm.cfm?congress=115&session=1&vote=000 73

as a lobbyist before coming to the administration<sup>4</sup>; and Interior Secretary David Bernhardt, who lobbied for Halliburton, the Independent Petroleum Association of America, and other fossil fuel interests before coming to the administration<sup>5</sup>.

You have rightly pointed to Trump officials' conflicts of interest as a chief reason to doubt their independence. As you admonished President Trump on the Senate floor on May 15, 2018:

[W]hat happened when the president got to Washington? He filled his federal government with industry lobbyists and rich executives with sprawling conflicts of interest. [...] No president, at least in my career, has done as much to fill up the swamp as much as President Trump. If the American people look at his actions, not his rhetoric, the swamp has gotten much worse, and a lot of it is because of what President Trump did. Mr. President, you can't say you're draining the swamp, and then have an administration that is abound with conflicts of interest, abounding with people who favor the wealthy and hurt the middle class.<sup>6</sup>

We agree entirely, and the logic of your remarks requires lawmakers to apply this standard consistently. If the CEO of a fossil fuel corporation should not be put in charge of U.S. diplomacy or an oil lobbyist should not be put in charge of the Interior Department under a Republican administration, there is no reason to believe that an officer or lobbyist at a major bank or financial firm should be put in charge of financial policy under a Democratic administration. This thinking applies across the board. Severe conflicts of interest exist regardless of which party one works for or how one is personally registered to vote.

Sen. McConnell, you said in November of 2016 – after President Trump's election – that this is not an issue Americans care about<sup>7</sup>:

[A]sked about Trump's pledge to drain the swamp recently, Senate Majority Leader Mitch McConnell (R-Ky.) was not grabbing for the buckets.

He said he didn't think that's the sort of thing voters want, or that it would affect their lives.

[...]

"We're going to address the real concerns of the American people," McConnell said.

We respectfully disagree. The severe power imbalance in Washington that favors well-funded corporate interests has been well documented, as has the public's unhappiness with it. As *The Atlantic* reported as far

<sup>&</sup>lt;sup>4</sup> Roll Call Vote 116th Congress – 1st Session, Nomination #PN22, Feb. 28, 2019.

https://www.senate.gov/legislative/LIS/roll\_call\_lists/roll\_call\_vote\_cfm.cfm?congress=116&session=1&vote=000 33

<sup>&</sup>lt;sup>5</sup> Roll Call Vote 116<sup>th</sup> Congress – 1st Session, Nomination #PN503, April 11, 2019.

https://www.senate.gov/legislative/LIS/roll\_call\_lists/roll\_call\_vote\_cfm.cfm?congress=116&session=1&vote=000 77

<sup>&</sup>lt;sup>6</sup> Schumer Floor Remarks on the Trump Administration's Judicial Nominees and the President's Failure to Deliver for America's Middle Class, May 15, 2018. <u>https://www.democrats.senate.gov/newsroom/speeches/schumer-floor-remarks-on-the-trump-administrations-judicial-nominees-and-the-presidents-failure-to-deliver-for-americas-middle-class</u>

<sup>&</sup>lt;sup>7</sup> *Mitch McConnell Doesn't Think Draining the Swamp Is a 'Real Concern' of Regular People*, HuffPost, Nov. 25, 2016. <u>https://www.huffpost.com/entry/mitch-mcconnell-drain-the-swamp\_n\_5835fbafe4b09b60560014cf</u>

back as 2015, that imbalance – which has only worsened in the intervening years – has become impossible to ignore<sup>8</sup>:

Corporations now spend about \$2.6 billion a year on reported lobbying expenditures—more than the \$2 billion we spend to fund the House (\$1.18 billion) and Senate (\$860 million). It's a gap that has been widening since corporate lobbying began to regularly exceed the combined House-Senate budget in the early 2000s.

Today, the biggest companies have upwards of 100 lobbyists representing them, allowing them to be everywhere, all the time. For every dollar spent on lobbying by labor unions and public-interest groups together, large corporations and their associations now spend \$34. Of the 100 organizations that spend the most on lobbying, 95 consistently represent business.

This contrasts sharply with public opinion on the remarkable level of corporate power in America, as polling found just ahead of the 2018 midterms<sup>9</sup>:

76 percent of respondents were either somewhat or very concerned that "big corporations have too much power over your family and your community." The figure grew when asked whether big corporations have too much power over politicians: a stunning 88 percent were at least somewhat concerned, with 71 percent very concerned.

## [...]

Even Trump voters pronounced themselves wary of corporate power by a 61-38 split and concerned about the political power of corporations by 83-12. Fifty-four percent of Trump voters said that the government should bust monopolies, with only 28 percent opposed.

Ending the practice of filling cabinet and sub-cabinet posts with current or former corporate officers and lobbyists is not to offer a commentary on each individual person's character. It is to make a statement of principle. After four years of the Trump administration, the traditional defense of hiring lobbyists and corporate officers – that they have "invaluable expertise"<sup>10</sup> that cannot be replaced by anyone without such experience – has been shown, once and for all, to be nothing more than an unsustainable excuse for inside dealing and corporate favoritism. While it might be tempting to dismiss the lessons of the Trump years as aberrations that raise no larger questions, we stand with the American people who think it's time to stop letting the same people write important regulations, leave government service to lobby against enforcement of those regulations, then return to government service again when the right political party is in power.<sup>11</sup>

No administration, Democratic or Republican, can credibly tell the American people it intends to reduce the influence of corporate money in politics if it continues the outdated tradition of putting corporate lobbyists and officers in charge of federal decision-making. The skill set required to maximize profit for a specific corporation or client is not comparable, and in some cases is antithetical, to the expertise needed to make difficult governing decisions in the public interest, as President Barack Obama understood when he

<sup>&</sup>lt;sup>8</sup> *How Corporate Lobbyists Conquered American Democracy*, The Atlantic, April 20, 2015. <u>https://www.theatlantic.com/business/archive/2015/04/how-corporate-lobbyists-conquered-american-democracy/390822/</u>

<sup>&</sup>lt;sup>9</sup> Attacking Monopoly Power Can Be Stunningly Good Politics, Survey Finds, The Intercept, Nov. 28, 2018. https://theintercept.com/2018/11/28/monopoly-power-corporate-concentration/

 <sup>&</sup>lt;sup>10</sup> Game On, Government Executive, Jan. 5, 2010. <u>https://www.govexec.com/oversight/2010/01/game-on/30597/</u>
<sup>11</sup> Lawmakers Regulate Banks, Then Flock to Them, New York Times, April 14, 2010.

https://www.nytimes.com/2010/04/14/business/14lobby.html

strengthened limits on hiring lobbyists in his administration – a step that Vice President Joe Biden supported wholeheartedly.<sup>12</sup> Contrast his approach with the widespread expectation of a lobbyist-filled Mitt Romney administration ahead of the 2012 presidential election<sup>13</sup>:

Some of the highest-level positions in a potential Romney administration are expected be filled by former lobbyists and Washington insiders. Health care consultant Mike Leavitt, who served as the head of the Environmental Protection Agency for Bush, is leading Romney's transition effort. He's considered a shoo-in for either White House chief of staff or Treasury Secretary. Campaign spokesman Kevin Madden, of JDAFrontline, is expected to get the job of White House spokesman.

Other senior campaign advisers are former lobbyists, as well, including Ron Kaufman, a former lobbyist at Dutko Worldwide, and Drew Maloney, who left Ogilvy Government Relations to lead Romney's congressional outreach. Romney's campaign has also relied heavily on K Streeters to organize high-dollar fundraisers, including David Tamasi of Rasky Baerlein Strategic Communications, Jack Gerard of the American Petroleum Institute, [and] Wayne Berman and Mark Isakowitz of Fierce, Isakowitz & Blalock.

To understand the need to end this practice, just imagine explaining to the American people why those names, with those affiliations, are unacceptable, but similar names with similar-sounding affiliations are not only unobjectionable, but necessary to the proper functioning of the federal government. The revolving door needs to stop, not just change direction every few years.

As elected leaders, we should stop trying to make unsupportable distinctions between which corporate affiliations are acceptable for government service and which are not. We should be honest about the fact that such distinctions are nothing more than partisanship dressed up in transparently false claims of necessity. We respectfully call on you both to set a firm standard and oppose future executive branch nominees with such ties, either as a c-suite officer or lobbyist.

Respectfully,

Raúl M. Grijalva Member of Congress

James P. McGovern Member of Congress

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Jesús G. "Chuy" García Member of Congress

Barbara Lee Member of Congress

<sup>&</sup>lt;sup>12</sup> Obama's Lobbying Limits, Forbes, Jan. 21, 2009. <u>https://www.forbes.com/2009/01/21/washington-lobbying-obama-biz-cx\_bw\_0121lobby.html</u>

<sup>&</sup>lt;sup>13</sup> Lobbyists expect comeback with Mitt, Politico, Oct. 15, 2012. <u>https://www.politico.com/story/2012/10/k-street-mood-brightening-082415</u>

Katie Porter Member of Congress

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Pramila Jayapal Member of Congress

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Ayanna Pressley Member of Congress

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Eleanor Holmes Norton Member of Congress

Lloyd Doggett Member of Congress

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Alexandria Ocasio-Cortez Member of Congress

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Rashida Tlaib Member of Congress

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Adriano Espillat Member of Congress

Nydia M. Velázquez Member of Congress

Rep. Grijalva's Revolving Door Letter is endorsed by the following organizations:

Action Center on Race & the Economy (ACRE), Alianza Nacional de Campesinas, Amazon Watch, American Economic Liberties Project, Blue America, Center for Biological Diversity Action Fund, Center for Constitutional Rights, Center for International Policy, Climate Hawks Vote, CODEPINK, Common Defense, Communications Workers of America, The Debt Collective, Demand Progress, Earth Action Inc., Equality Labs, Family Farm Action, Friends of the Earth Action, Greenpeace USA, Historians for Peace and Democracy, Indivisible, In the Public Interest, Jamaal Bowman, Just Foreign Policy, Justice Democrats, Oil Change U.S., Open Markets Institute, Our Revolution, Pax Christi USA, Peace Action, People's Action, Progressive Change Campaign Committee, Progressive Democrats of America, Public Citizen, Revolving Door Project, Social Security Works, Sunrise Movement, Tax March, Veterans for Peace (Chapter 113-Hawaii), and Win Without War