

LOBBY WATCH



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Stereo Speakers: Low-Fidelity Donors Give To Both Laney & Craddick

In the November 2002 elections, the Republican Party won the last vestige of state Democratic control: the Texas House. As conservative Democratic House Speaker Pete Laney passed the speaker's gavel to conservative Rep. Tom Craddick--the first Republican House Speaker in 130 years--speculation abounds over how this transition will affect state policies.

In a critical respect, however, the new boss looks like the old boss. More than half of the campaign money that Craddick raised in the 2002 election cycle came from the very same special-interest lobby that bankrolled Laney in 2000. Of the \$2.5 million that these powerful legislators raised in those time periods, 53 percent came from 202 donors who stocked the war chests of both men. A solid core of the special-interest lobby practices a low-fidelity pragmatism, plugging into the speaker--no matter who he or she might be.

As an incumbent speaker, Laney faced different circumstances in 2000 than Craddick faced in 2002.

Throughout most of the 2002 cycle, donors faced much greater uncertainty about who would be the speaker during the 2003 legislative session. Speculation abounded over whether or not Republican-controlled redistricting would yield a GOP House majority, topple Laney's reign or anoint Craddick or some other new speaker. After the November 5th election, however, it became increasingly clear that the GOP-controlled House would choose Craddick, its longest-serving Republican, as its new leader when it convened in January.

As the accompanying table shows, Craddick raised an astounding \$1 million in the brief "late-train" period after the election. This torrent of money flowing to the man most likely to be king accounted for 92 percent of all the money that Craddick raised in the 2002 cycle. Here again, almost half of Craddick's late-train money came from pragmatists who also had armed Laney's war chest in the previous election cycle.

Stereo Speaker Aficionados Give To Both Laney and Craddick

Speaker (Election Cycle)	Total Raised In Period	Total From Shared Donors	% From Shared Donors	Post-Election 'Late Train' Amount	Late Train % From Shared Donors
Laney ('00)	\$1,388,104	\$767,997	55%	\$274,678	57%
Craddick ('02)	\$1,095,536	\$557,887	51%	\$1,003,645	49%
TOTALS:	\$2,483,640	\$1,325,884	53%	\$1,278,323	51%

Pragmatists

The Texas Association of Realtors led the pragmatist donors, giving \$35,000 to Laney in the 2000 cycle and buying a \$25,000 ticket on the Craddick late train. Prominent among the lions of the special-interest lobby that bankrolled both speakers are seven energy interests, led by the Bass family and Texas Petroleum

Marketers. Led by Akin Gump, five law firms made the cut, including one plaintiff firm: Baron & Budd. Five health-industry interests also appear, led by the Texas Dental Association. The leading individual pragmatists were lobbyist Rusty Kelley and HEB grocery CEO Charles Butt.

New Speaker, Same Old Tune?

Major Donors Backing Both Laney and Craddick	Total To Laney ('00 and To Craddick's '02) 'Late Train'	Laney Total In 1999 and 2000	Craddick 'Late Train' (Nov-Dec '02)	Craddick Pre-election '01 and '02
TX Assn. of Realtors	\$60,000	\$35,000	\$25,000	\$2,000
Akin Gump Strauss Hauer & Feld	\$40,000	\$30,000	\$10,000	\$1,000
Bass family PACs (oil fortune)	\$35,000	\$10,000	\$25,000	\$10,000
TX Bell Employee PAC	\$32,500	\$22,500	\$10,000	\$5,000
TX Dental Assn.	\$30,000	\$20,000	\$10,000	\$2,000
TX Medical Assn	\$30,000	\$17,500	\$12,500	\$0
TX Petroleum Marketers	\$30,000	\$20,000	\$10,000	\$1,000
Vinson & Elkins	\$30,000	\$20,000	\$10,000	\$0
Russell T. Kelley (lobbyist)	\$25,413	\$15,413	\$10,000	\$0
Charles C. Butt (HEB grocery)	\$25,000	\$20,000	\$5,000	\$0
TX Health Care Assn	\$22,500	\$7,500	\$15,000	\$0
Texas Utilities	\$22,500	\$15,000	\$7,500	\$0
Albert Huddleston (Hyperion oil)	\$20,000	\$10,000	\$10,000	\$0
Robert McNair (Cogen Tech.)	\$20,000	\$10,000	\$10,000	\$0
TX Optometric PAC	\$20,000	\$10,000	\$10,000	\$0
HUBPAC	\$18,173	\$8,173	\$10,000	\$0
Fulbright & Jaworski	\$17,000	\$10,000	\$7,000	\$0
TX Manufactured Housing Assn.	\$17,000	\$12,000	\$5,000	\$0
Real Estate Council of Austin	\$15,900	\$10,900	\$5,000	\$0
Baron & Budd	\$15,000	\$10,000	\$5,000	\$0
Houston Fire Fighters PAC	\$15,000	\$10,000	\$5,000	\$0
TX Automobile Dealers Assn.	\$15,000	\$10,000	\$5,000	\$0
TX Ophthalmological Assn.	\$14,000	\$12,000	\$2,000	\$0
Assoc. Gen'l Contractors of TX	\$13,500	\$11,000	\$2,500	\$0
Reliant Energy	\$13,500	\$10,000	\$3,500	\$0
Compass Bancpac	\$12,500	\$10,000	\$2,500	\$0
Independent Insurance Agents	\$12,500	\$10,000	\$2,500	\$2,500
Jack L. Martin (lobbyist)	\$12,500	\$10,000	\$2,500	\$0
TX Assn. of Builders HOMEPAC	\$11,000	\$2,500	\$8,500	\$0
Koch PAC (oil)	\$11,000	\$10,000	\$1,000	\$0,000
Locke Liddell & Sapp	\$11,000	\$6,000	\$5,000	\$1,500
TOTALS:	\$667,486	\$415,486	\$252,000	\$25,000

Partisans

Each speaker also had big loyalist donors who were more partisan or exclusive than the lobby's pragmatists. The biggest partisan, the Texas State Teachers Association (TSTA), gave \$30,000 to Laney in 2000 but did not give to Craddick in the 2002 cycle. With TSTA support, Laney used the speaker's gavel to fend off a "voucher system" that would let private schools tap public school funds. Vouchers stand a much better chance on Craddick's watch.

Less fluidity is expected from Craddick partisans, who now have even less incentive to support Democratic candidates for state leadership positions than they did before the last election. One of Craddick's top partisan backers is homebuilder Bob Perry, the single largest individual political donor in the state.

Like the new speaker, two top Craddick-only donors (Donald Wood and Julia Jones Matthews) have West

Big Laney-Only Contributors

Texas oil fortunes (Wood also sold a big chain of convenience stores in 2001). Until recently, another notable on the list, lobbyist Bill Miller, simultaneously served as a spokesman for Farmer's Insurance and the new speaker's transition team.

Another big Craddick-only donor is the PAC of investor Geoffrey Raynor, who may not want to extend radical tort reform

Contributor	Description	Location	Amount '99-'00
TX State Teachers Assn	Teachers union	Austin	\$30,000
*Coastal Employees PAC	Oil & gas company	Houston	\$15,000
McGinnis Lochridge & Kilgore	Corporate law firm	Austin	\$10,000
Tigua Indian Reservation	Tribal casino	El Paso	\$10,000
James D. Pitcock, Jr.	Williams Bros. Construction	Sugar Land	\$10,000
Coalition for Better Transpo.	Highway construction PAC	Dallas	\$10,000
Stratus Properties PAC	Real Estate developer	Austin	\$9,000
Technet TX PAC	High-Tech industry	Austin	\$7,500
Bernard/Audre Rapoport	American Income Life Ins.	Waco	\$7,500
Coca Cola Enterprises PAC	Beverage PAC	Atlanta	\$7,000

* El Paso Corp. acquired Coastal Corp. in 2001.

Similarly, the Tigua Indians bet against the House when they looked to the Democrats and Speaker Laney to stop their Speaking Rock Casino from being shuttered. Neither the Tiguas nor the teachers boarded Craddick's late train. While some business interests on the Laney-only list may start giving to Craddick when fundraising season opens again on June 3, liberal labor union insurer Bernard Rapoport and now-defunct Coastal Corp. are unlikely to join them.

to the financial industry. A Cayman Island entity that Raynor apparently controls filed two lawsuits last year against Ernst & Young. The litigation seeks to recover a \$52 million investment in the bonds of a telecommunications company that failed.

Big Craddick-Only Contributors

Contributor	Description	Location	Craddick 'Late Train' (Nov-Dec '02)	Craddick Pre-Election '01 and '02
Donald E. Wood	Convenience store chains	Odessa	\$10,000	\$0
Julia Jones Matthews	Dodge Jones Fdn. oil heir	Abilene	\$10,000	\$0
Dian Graves Stai	Ex-Chair Owen Healthcare*	Abilene	\$10,000	\$0
Bob Perry	Bob Perry Homes	Houston	\$10,000	\$0
Q PAC	Investor Geoffrey Raynor	Fort Worth	\$5,155	\$2,000
Bill Miller	Lobbyist	Austin	\$7,096	\$0
Friends of University PAC	UT boosters	Austin	\$5,000	\$2,000
Bennie Bock II	Attorney, ex-legislator	New Braunfels	\$6,000	\$0
American Electric Power	Electric utility PAC	Austin	\$5,000	\$1,000

*Manages hospitals' drug purchases.