

# ROLL CALL



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## Lobbying Beyond the Beltway Gains Attention in Washington

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ROLL CALL STAFF



John Bazin

Lobbying in the 50 state capitals can be a scrappy, unscripted, round-the-clock scene. What happens beyond the Beltway can impact a client's bottom line just as what happens in Washington, D.C. And it's a situation not lost on lobbying firms based in the nation's capital.

The Livingston Group, Dutko Worldwide and several other firms recently have acquired state practices and announced plans to expand services to help their clients at the state and local level.

Now, a new firm is entering that market. Dubbed Jefferson FifthCo, the enterprise is a collaboration of Democratic lobbyist Tom Hogan of F/S Capitol and John Bazin, who ran state government affairs for several companies including Anheuser-Busch and the former holding company Cendant. The other partners include Hogan's brother, Jack.

Six governorships and 10 state legislative chambers went from Republican-controlled to Democratic-controlled (while the GOP flipped one and one went to a tie). As a result, Hogan said, "companies may need to look at new strategies."

The firm will be based in D.C. and will help clients track state and local issues, find lobbyists and grass-roots firms in cities and states, and focus on lobbying compliance and ethics requirements in all the states, said Hogan and Bazin.

Jefferson FifthCo, like Livingston and Dutko, is entering a market with some longtime players.

"For the last 22 years, our firm has been growing consistently," said Marcie McNelis, a partner at Alexandria, Va.'s

MultiState Associates. "The less that can get done at the federal level, because of gridlock, the more that the states respond."

McNelis said 160,000 bills are introduced in the 50 states each year and about 24 percent of them pass. "There's a lot going on in the states all the time," she said.

MultiState has about 55 employees and more than 200 clients, she added. The firm does legislative tracking and regulatory work in all 50 states and helps clients find on-the-ground lobbyists.

She said lobbying is growing even at the local level, with major cities taking up bans on trans-fats; foie gras, food made from goose or duck liver that animal rights activists say is inhumane; and big-box stores.

**Tom Hogan, who's helping found a new firm focused on lobbying in the states, says the numerous changes in party control in the governorships and state legislatures on Election Day means that many clients will now need to reassess their old strategies.**



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Constance Campanella, president and chief executive of Stateside Associates, another established player in state lobbying, said new companies pop up to provide state relations frequently.

“If I were to count all the folks who came and went!” said Campanella, whose company has been around for almost 19 years and has about 50 employees. “There’s a lot of business out there. Our attitude with competitors is, ‘You all come!’”

Bazin and Hogan — who got to know each other when Bazin was working in-house for Anheuser-Busch and Hogan represented the company as an outside lobbyist — said they were both working on parallel pursuits of starting state and local lobbying practices and decided to merge into one.

“We’re creating a firm that is more than a supplier of tracking services and referrals,” said Bazin, whose other former employers have included Bristol-Meyers Squibb and Waste Management.

While working for Cendant — which owned Century 21, Avis Rent A Car System, Orbitz, Days Inn and Ramada hotels, among other properties — Bazin managed the company’s government work in all 50 states. “I know the players and how to find the players,” he said.

Hogan said that he and his partners at Jefferson FifthCo will monitor legislation at the state and local level, interview and hire local lobbyists and negotiate their fees. They also will audit a company’s existing lobbying operations, all for a monthly retainer. They are pitching their services as a cheaper alternative to full-time in-house employees and will look to big lobbying and law firms as potential clients.

Bazin said the contracts for state lobbying are typically smaller than those for federal work, with the amount ranging

from a few thousand dollars per month to into the more than-\$20,000 range. Jefferson FifthCo also would try to negotiate cheaper rates with local firms they work with regularly.

Such deals are not unheard of. McNelis of MultiState said that the lobbyists her firm taps for its clients “provide us highly preferred rates.”

The Jefferson FifthCo name joins an already crowded field of Jefferson monikers in the lobbying world. Bazin said it draws on Thomas Jefferson as well as Jefferson City, Mo., where he grew up. The FifthCo refers to the break up of his former employer Cendant, which spun off into four companies. At that time, Bazin said, he started helping some of the spin-off companies with legislative strategies and decided to stick with the idea of a “fifth company” when he started his own shop.

Hogan, who left Providence, R.I., to open the federal outpost for his firm in 1999, has not been able to escape what he calls the “Wild West” atmosphere of state government relations.

“When clients heard I had a state House background, they asked for help at the state level,” he said.

For one client, Feld Entertainment — the parent of the Ringling Bros. and Barnum & Bailey circus — Hogan found himself helping locate lobbyists able to navigate the Denver City Council as it considered an animal-welfare measure that could have prevented the circus from performing in the Mile High City. So he got the idea to start a new business.

When it comes to state legislatures, many meet for only a few months every year or two, but Bazin said he tells clients it pays to have a strategy going all year long.

The actual session, he said, “is like a play when all the practicing and choreography has already gone on. So if you wait for the first day, you’re too late.”

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