

The lobbyists behind the lawmakers

Lobbyists are often seen as bullies who push powerful interests' agendas. And some do. But some offer expertise relied upon by politicians with limited time and resources to learn every issue.



Chris Morris

By [J. Patrick Coolican](#)

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SIX LOBBYISTS YOU SHOULD KNOW ...

The role of lobbyists in business-friendly Nevada is a complex and, at its best, symbiotic relationship.

“The importance of lobbyists in a citizens Legislature that only meets every other year is obvious,” said Pete Ernaut, former assemblyman and chief of staff for Gov. Kenny Guinn and a lobbyist with R&R Partners. “You don’t have the luxury of a huge expert staff. In Nevada, it’s a unique situation in which lobbyists often times become the experts on specific issues to the benefit of legislators.”

Below are six of Nevada’s many influential lobbyists, listed in no particular order.

Billy Vassiliadis, CEO, R&R Partners

In brief: Early in his career, he ran political campaigns; he’s the man behind the “What Happens Here” campaign. As an early backer of Barack Obama, he has a friend in the White House.

On the Web: www.rrpartners.com

Pete Ernaut, Principal, R&R Partners

Former assemblyman and chief of staff for former Gov. Kenny Guinn, he was a stand-up comedian and is known for his towel-snapping wit. Clients encompass all the big hitters, including gaming and mining.

On the Web: www.rrpartners.com

James Wadhams Partner, Jones Vargas

In brief: Behind the former insurance commissioner's aw-shucks Nebraska demeanor is a ruthless Stanford Law intellect. Traditionally, his clients included just about everyone except gaming, and this session he's added the Las Vegas Convention and Visitors Authority.

On the Web: www.jonesvargas.com

Danny Thompson, Secretary-treasurer, AFL-CIO

In brief: Former assemblyman possesses longtime relationships, and, by being in charge of the Nevada chapter of the AFL-CIO, he can bring tens of thousands of union members to bear.

On the Web: www.aflcionevada.com

Pilar Weiss, Political director, Culinary Union

In brief: Regarded as a savvy operative, she works for a union representing more than 50,000 workers. Machiavelli would fear her. She came to Las Vegas from the parent union's Washington, D.C., headquarters in 2002.

On the Web: www.culinaryunion226.org

Greg Ferraro, President and founder, Ferraro Group

In brief: Formerly of R&R until he struck out on his own. Close to Senate Minority Leader Bill Raggio, and has been a go-to Republican campaign consultant.

On the Web: www.theferrarogroup.com

... AND ONE BUSINESS EXECUTIVE WITH INFLUENCE

Steve Hill, Board chairman of the Las Vegas Chamber of Commerce

He's also vice president and general manager of CalPortland Company's Nevada and Arizona Materials Group. Though not a professional lobbyist, his group will likely play a big role in the legislative session, and he's respected for abandoning anti-tax nostrums in exchange for long-term spending reforms.

On the Web: www.lvchamber.com

In the final hours of the 2005 legislative session, well-meaning lawmakers unanimously approved big tax breaks for companies that build environmentally-friendly buildings.

Halfway through the 2007 session, the Legislature's budget writers realized the tax breaks gave a windfall to some of the biggest gaming companies on the Strip, including MGM Mirage and Las Vegas Sands, which were in the middle of a building spree.

MGM spent from \$125 million to \$225 million to make CityCenter a green development, but was set to receive \$390 million in tax breaks; one estimate concluded the law would cost the state as much as \$900 million over 10 years — money for teachers, cops and social workers, gone forever.

It was classic Nevada: Legislators trying to do right, but moving ahead without the requisite data to know the long-term costs of the measure.

One group was well-aware of the implications of the 2005 law, however: The lobbyists, and particularly one of MGM Mirage's representatives at the time, Tim Crowley.

Once the 2005 measure was in place, lobbyists sprang into action, working over state officials whose task it was to write administrative regulations governing the new law, boosting their clients' savings in the process.

This episode is a stark example of how business often gets done here.

MONEY TALKS

The Legislature, which meets for just 120 days every other year, has a small and overworked research staff, often leaving lawmakers in the hands of a nattily dressed army of lobbyists equipped with expertise and information, as well as money for campaigns.

Lobbyists are well paid — \$10,000 a month per client is standard. They outnumber legislators more than 10-to-1. And they are descending on Carson City for Monday's opening of the 2009 session. For the next four months, they will spend their time persuading, cajoling, feeding and feting legislators, and will sometimes write — and nearly always influence — the laws that legislators will enact.

The story behind their immense influence is rooted in Nevada's idiosyncratic history.

Desperate for commerce and people for many decades before the modern era, state government treated business like a hand-in-hand partner. The state's libertarianism eschewed a professional legislature and didn't produce the kind of liberal good government groups, common in other states, that seek to curb special interests.

Geography has also played a role: Picture your family determining family rules and deciding on a budget — 450 miles from home. Only rich family members could participate fully.

Indeed, when the Legislature went to fix the green tax break fiasco, MGM Mirage and its lobbyists stepped up to protect a significant chunk of its windfall.

Although the law was cleaned up in 2007, the state's coffers were significantly lighter when all was said and done.

Lobbyists are often caricatured as cigar chomping bullies or con artists. One veteran offers a knowing, self-deprecating critique: “My clients are greed and avarice.”

In fact, though, what they do is make arguments on their clients’ behalf. If they have credibility, their expertise will be relied upon by lawmakers who have limited time and resources to learn every issue.

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OVERLAPPING ROLES

In a sense, state government has often outsourced policy expertise to special interests, making Nevada a friendly place for those who represent the state’s most powerful players — the Strip, developers, mining, insurance, hospitals and big retailers.

How cozy is it? The state Senate has two members who are part — more or less — of the lobbying corps, with Sen. Mark Amodei, R-Carson City, having just stepped down from the Nevada Mining Association in time for the session, giving way to Crowley, while Sen. Warren Hardy, R-Las Vegas, heads up the Associated Builders and Contractors. Senate Minority Leader Bill Raggio, R-Reno, is a partner in one of the most powerful lobbying firms in Nevada, Jones Vargas.

With so much power vested in so few hands, political scientists say the state’s special interests — and the professionals who represent them in Carson City — have more sway than in other states, where power is more diffuse.

“Interest groups have as much or more clout in Nevada as you’ll find in any state,” said Eric Herzik, a UNR political scientist who studies interest group politics. “You’ve heard of a company town. We’re a company state,” he quipped, channeling Sun columnist Jon Ralston and referring specifically to the powerful gaming industry.

The stories — some apocryphal, some not — are legion: Lobbyists delivering bills from the Assembly to the Senate, adding amendments on the fly; a powerful lobbyist using the office of a past Assembly majority leader, feet up on the desk as he held court; a glass partition in the Assembly, built to prevent the meddling of longtime lobbyist Harvey Whittemore; the Las Vegas Sands executive whose limousine drove up onto the sidewalk in front of the Legislative Building so he wouldn’t have to walk from the parking lot; bottomless bottles of wine for legislators at Carson City’s two most expensive restaurants, Adele’s and Glen Eagles.

The 2009 Legislature offers a strong independent streak compared to the past, legislators and lobbyists interviewed for this story say.

Assembly Speaker Barbara Buckley has an encyclopedic mind for what’s happening in her chamber, and a set of progressive principles that often put her at odds with business lobbyists. (A popular parlor game of the 2007 session was guessing who would be foolish enough to represent the payday lending industry, her least favorite.)

Assemblywoman Sheila Leslie, D-Reno, said the Assembly is stocked with veteran legislators who have developed expertise, which has engendered further independence from lobbyists.

New Senate Majority Leader Steven Horsford, meanwhile, was once a lobbyist for one of the state's top firms, R&R Partners, so he knows the game well, and he is a dedicated liberal who will break with powerful interests at times.

THE FIRST STRING

Still, as always, lobbyists' presence will be felt.

Who's the best?

The same names pop up in interviews with lobbyists and legislators.

Billy Vassiliadis and Pete Ernaut of R&R Partners, Greg Ferraro, James Wadhams of Jones Vargas, and this session in particular, Steve Hill of the Las Vegas Chamber of Commerce is expected to make a mark.

Pilar Weiss of the Culinary Union and Danny Thompson, a former assemblyman who heads up the AFL-CIO, are powerful advocates for the labor movement, but also for the Strip because their interests often converge.

What makes a good lobbyist?

Powerful clients, to start. For R&R Partners, that means gaming, as well as NV Energy and the mining association, among others.

Ernaut said there are two types of lobbyists, broadly speaking. There are specific issue experts, such as Irene Porter of the Southern Nevada Homebuilders Association. Then there are those who cultivate relationships, such as Richard Perkins, the former Assembly speaker who lobbies full-time now; he retains relationships nurtured over years in Carson City, especially with Assembly Majority Leader John Ocegüera.

Vassiliadis brings another dimension, lobbyists and legislators say — a keen understanding of how issues will play with other legislators and the public, a skill picked up over decades of running and advising political campaigns, as well as marketing corporate clients and consulting on crisis communications. (R&R created the Las Vegas Convention and Visitors Authority's "What Happens Here" campaign.)

One common trap for the state's lobbyists: clients with conflicting interests and goals.

In 2007, 67 lobbyists represented 10 clients or more each, creating inevitable conflict.

WORKING BOTH SIDES

Sometimes the conflicts are amusing. R&R represented both the Indoor Tanning Association and the Nevada Cancer Institute.

Other times, they're more serious. In 2005, for instance, Bob Ostrovsky managed to shepherd a bill through the Legislature that designated golf courses as open space, saving golf course owners millions in property taxes. Ostrovsky also represented Las Vegas, which stood to lose considerable tax revenue as a result of the law.

Crowley and his partner, Josh Griffin, a former assemblyman, found themselves in an untenable situation in 2007, as they represented both MGM Mirage and Clark County, which stood to lose tens of millions from the green tax breaks that MGM so assiduously sought.

Ostrovsky, echoing other lobbyists, said he discloses conflicts to his clients, and sometimes brokers agreements between the conflicting parties.

This kind of deal making is another key skill, and lobbyists are likely to play an even bigger role in shaping legislation and negotiating agreements in the future.

As term limits take effect and begin booting longtime legislators out of Carson City, including Buckley and 18 others, lobbyists are likely to become more powerful, given their knowledge of policy and process.

Is there any sign that the power of these paid talkers is abating?

President Barack Obama's campaign here energized thousands of new activists. It's conceivable they could create grass-roots energy and overwhelm the status quo.

Not likely, one veteran lobbyist noted. "In the end there will be 300 people involved in the process," he said.

A chest-high table stands in the foyer of the Legislature. Lobbyists gather there to swap gossip while thumbing their BlackBerrys.

Legislators will come and go, but that table and the people around it are expected to remain.