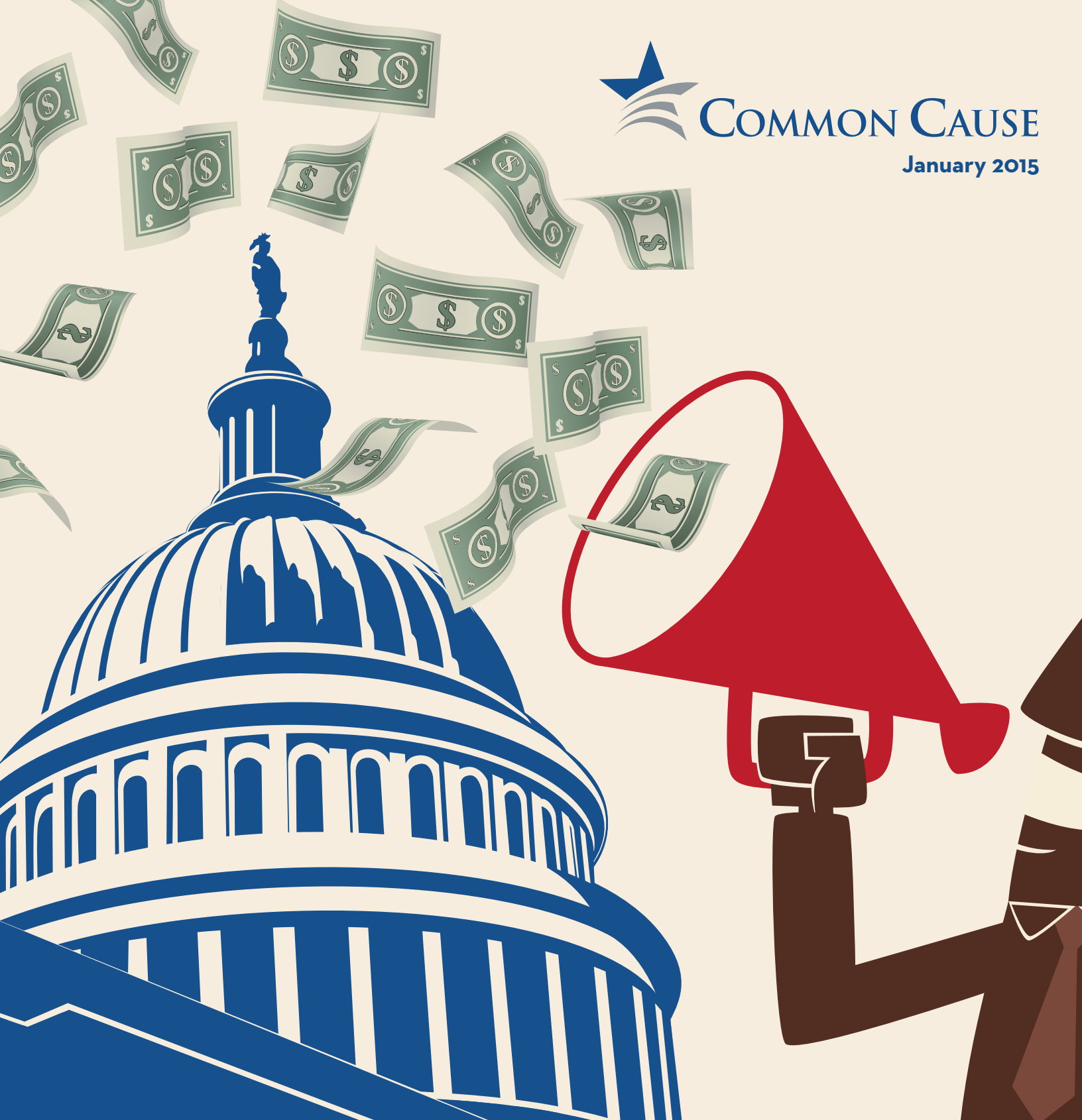




COMMON CAUSE

January 2015



**Whose Government?
Whose Voice?**

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This Common Cause report is part of #Money14, a series of independent reports exposing the role of money in American politics. Join us for an event around the fifth anniversary of Citizens United to hear more about the participating organizations' innovative research and work together for a more inclusive, participatory democracy.

Common Cause is one of the nation's oldest and largest nonpartisan citizen advocacy organizations, founded in 1970 by John Gardner. With offices in Washington, DC and 35 states, and 400,000 members and activists across the country, Common Cause is dedicated to restoring open, honest and accountable government that works for all Americans, not special interests.

The Common Cause Education Fund supports Common Cause's work through research, litigation and public education.

CONTENTS

Introduction	3
Minimum Wage: As Economic Inequality Continues to Rise, Big Business Spends Its Capital to Keep Wages Low.....	5
Gun Control: As Mass Shootings Haunt the United States, the Gun Lobby Spends Big Against Background Checks	7
Climate Change: As the Planet Gets Warmer, Polluter Money Plagues Our Democracy	9
Student Loans: As Interest Rates Rise, Wall Street Invests in a Congress that Works for Them	12
Open Internet: As the Digital Revolution Accelerates, Telecom Giants Spend Big to Control Access to the Fast Lane	14
Conclusion: What's Next	17

INTRODUCTION

In November 2008, American voters made history by electing Barack Obama, a dynamic newcomer to national politics and the first African American to be chosen as President. He came into office on a wave of hope, built largely on his promise to change the way Washington works. America is more than a collection of “red states” and “blue states,” he once famously declared. “We are one people, all of us pledging allegiance to the stars and stripes, all of us defending the United States of America.”

But as President Obama moves into the fourth quarter of his presidency, America is more divided and Washington is more dysfunctional than ever. Officially, our economy has recovered and most of the troops we sent to Iraq and Afghanistan after the 9/11 attacks have come home. But for most Americans, prosperity remains elusive. Our government seems unable to address the nation’s most pressing problems, and when it manages to act, it often does so in ways that work more for powerful special interests than for the rest of us.

We have a big country and a complex society; none of us should be under the illusion that our problems can be solved easily. But in these pages, Common Cause makes the case that we will not begin to solve them until we rein in the power of big money in our elections and our government.

Progress toward that goal has been severely undermined by the current Supreme Court’s drive to deregulate election spending and vest corporations with constitutional rights. Our report examines how a string of decisions by the Court, culminating in the *Citizens United* decision of January 2010, has opened the floodgates to big money influence in our democracy, giving special interests and the wealthy more control over our government and economy than they’ve enjoyed since the Gilded Age of the late 19th century.

A growing amount of that money has come from elaborately concealed donors, individual and corporate, allowing them to drown out the voices of the rest of us and to block legislation designed to ease the economic burdens facing millions of families, make our kids and our streets safer, stabilize our climate, and protect the free flow of information that is vital to democracy and a 21st century economy.

That leaves the rest of us asking whether government of, by and for the people is a thing of the past, and what we can do to get it back.

This Common Cause report explores five key issue areas where unfettered political spending and influence have blocked progress on solutions that large, bipartisan majorities of Americans support.

- **STAGNANT WAGES:** More than 70 percent of Americans support an increase in the national minimum wage of \$7.25 per hour. But minimum wage legislation is frozen in Congress. Part of the reason is big political spending by low-paying employers. In the 2014 cycle, Walmart alone spent \$14.8 million on political contributions and lobbying. The U.S. Chamber of Commerce spent over \$35 million in independent expenditures.
- **GUN CONTROL:** While 90 percent of Americans support background checks, and even as the massacres at Virginia Tech and Sandy Hook Elementary School stunned the nation and spurred calls for sensible gun controls, the National Rifle Association spent more than \$31.4 million during the 2014 election cycle in a successful drive to stave off reform.

- **CLIMATE CHANGE:** Floods and droughts are now devastating large areas of America, providing more evidence of the disastrous impact of climate change. But legislation to attack the buildup of carbon in our atmosphere has stalled as the energy sector has poured money into our elections, spending nearly \$100 million just on the 2014 elections. That total doesn't include millions more invested by fossil fuel-backed "dark money" groups that conceal their donors. This is despite the fact that two-thirds of Americans acknowledge climate change is a problem.
- **STUDENT DEBT:** As Americans face \$1.2 trillion in student loan debt and 60 percent of Americans support a plan to give students the same interest rates as big banks, Wall Street banks – many of which profit off student loans – spent more than \$100 million on the 2014 election.
- **NET NEUTRALITY:** More than 80 percent of Americans support regulations that would keep the Internet open to everyone. But net neutrality is hanging by a thread, as telecom industry giants and the anti-net neutrality lobby spent more than \$42.8 million on the 2014 elections to elect candidates who would give them free rein to eliminate important consumer protections and establish fast and slow lanes online.

Issue	Support from the American People	2014 Special Interest Spending
Raise The Minimum Wage	70%	\$68.9 million by the U.S. Chamber, NFIB, National Restaurant Association, and some of America's largest big-box employers
Universal Background Checks	90%	\$31.4 million by the National Rifle Association
Address Climate Change	65%	\$103.9 million by Energy/Natural Resources interests
Solve Our Student Debt Crisis	60%	\$102.3 million by Wall Street banks & financial institutions
Guarantee An Open Internet	81%	\$42.8 million by Comcast, AT&T, Verizon, Time Warner Cable, and the National Cable & Telecommunications Association

MINIMUM WAGE: As Economic Inequality Continues to Rise, Big Business Spends Its Capital to Keep Wages Low

Salomon “Sal” Fuentes once had a good paying job as a machinist in Southern California, making \$18 an hour. But when the company he worked for started buying goods from China, Salomon was laid off. Over the next several months, Sal repeatedly applied for jobs in order to continue to provide for his family. He went back to school, worked in various short-term jobs, and even tried driving a taxi to make ends meet. Sal’s only choice for a “stable” job was an offer from Walmart to work for \$8.45 an hour, less than half of what he’d been making as a machinist. Knowing he had to support his family and thinking it would help him make ends meet until he found a better job, Sal began working at Walmart in 2006. “It was troubling, but it was a job,” he said. Soon, though, the economy crashed and Walmart began cutting hours and staff, while adding extra tasks for employees. There were fewer jobs to apply for, so Sal felt trapped at Walmart.

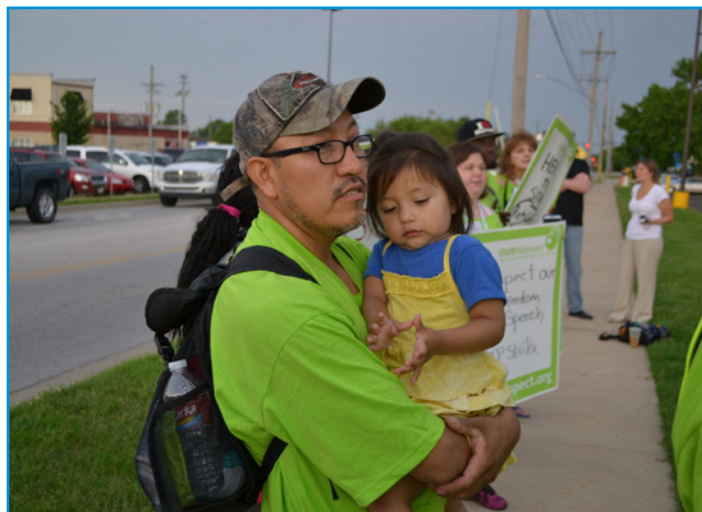


PHOTO: OUR Walmart

“I felt alone and helpless,” he said. Sal’s turning point came when one of his pregnant coworkers was feeling ill but the manager would not allow her to go home early. Soon, the pregnant employee fell to the ground and someone had to call 911. When management didn’t change any of their policies, Sal joined the OUR Walmart campaign to stand up for himself and his coworkers.

Sal is proud that he has a job, but understands that it comes with low wages and injustice. “I struggle to make it at the end of month,” Sal says. “I can’t save any money. If my daughter gets sick and needs to go to the doctor, I can’t afford it.”

Sal’s story is not uncommon. Millions of Americans are working in low wage jobs. When they talk about raising the minimum wage or passing paid sick leave, they are not looking for a handout, they are looking for justice. And the American people agree with them. A recent poll by CNN¹ showed nearly 3 out of every 4 Americans favor raising the current \$7.25 federal minimum wage.

With economic inequality growing in the United States, the battle to raise the minimum wage has come to the forefront of American political debate. The federal minimum wage is now 23 percent lower² than its inflation-adjusted value in 1968. A 2013 report by the Economic Policy Institute³ shows that raising the federal minimum wage to \$10.10 by 2016 would increase the pay of 27.8 million Americans and grow the GDP by about \$22 billion, resulting in the creation of 85,000 new jobs.

Despite both the need and widespread support for a higher minimum wage and other measures that help low-wage workers, a small number of big-money donors have spent millions of dollars to keep wages low. Perhaps there is no better example than Sal’s employer, Walmart.

The Walton family, worth \$148.8 billion, has more wealth than nearly half (42 percent) of American families combined.⁴ Between 2000 and 2012, the **Waltons and the Walmart PAC** spent more than \$17 million on federal elections.⁵ During the 2014 cycle alone, Walmart spent nearly \$14.8 million on campaign contributions and lobbying.⁶

Political donations clearly are not about partisanship for the Waltons, as their personal and corporate political spending gets funneled to both Democrats and Republicans. Instead, the family's spending is about power. Robert Reich, Common Cause's chairman and a former U.S. Secretary of Labor, notes⁷ that Walmart sets the "wage floor" as the largest employer in America, with 1.4 million U.S. workers. When Walmart and other companies pay such low wages that employees can't get by or get out of poverty, the American taxpayer ends up subsidizing the corporations through public assistance to those workers.

Walmart is far from alone in spending big money on politics to protect its power and its profits. Perhaps the largest spender in support of low wages is the **U.S. Chamber of Commerce**. The U.S. Chamber represents America's largest corporations and spends millions each election cycle to elect candidates who support the interests of its members in lowering corporate taxes and blocking consumer protection laws. In the 2014 cycle alone, the U.S. Chamber shelled out more than \$35.4 million⁸ on "independent" political expenditures, largely to support Republican candidates across the country. That's nearly the same amount the U.S. Chamber spent in 2012, when the presidency as well as control of Congress was at stake. Meanwhile in Washington DC, the Chamber spent more than \$166 million⁹ between 2013 and 2014 on lobbying the federal government against raising the minimum wage, consumer protections, and campaign finance reform.

Like the U.S. Chamber, **Charles and David Koch**, the billionaire owners of Koch Industries, have invested millions on U.S. elections in an effort to keep wages low. Charles Koch has called for eliminating the minimum wage altogether.¹⁰ The brothers have a combined worth of \$84 billion, making them the sixth and seventh richest people in the United States. Their political network, one of the most powerful forces in American politics, raised \$400 million for the 2012 elections¹¹ and planned on spending \$290 million in the 2014 elections.¹²

The **National Federation of Independent Business (NFIB)** is another big political spender and supporter of low wages. The NFIB, heavily funded by the Koch brothers' Freedom Partners and Republican strategist Karl Rove's Crossroads GPS, spent more than \$2.4 million¹³ on the 2014 elections. Over the years, the NFIB has lobbied against the minimum wage, paid sick leave, and collective bargaining.¹⁴

The **National Restaurant Association**, a trade association known as the "other NRA," spent nearly \$1.3 million¹⁵ on the 2014 elections. In addition to fighting efforts to provide workers with a living wage and paid sick leave, the restaurant group has worked to silence tipped workers who want to raise the federal tip wage of \$2.15 per hour. Organizations representing tipped workers, such as the Restaurant Opportunities Centers United (ROC), note that that minimum has not been adjusted since 1991. Despite the poverty wages tipped workers receive, the National Restaurant Association has turned to Rick Berman, a controversial public relations strategist known for working for corporations and conservative groups, to launch smear campaigns against their opponents over the years.

The political clout of companies and corporate trade associations that employ low-wage workers is growing thanks to *Citizens United* and the erosion of campaign finance laws. According to a recent report from Demos,¹⁶ big-box retailers such as Walmart, Home Depot, and Target spent more than \$30 million on elections and lobbying in the 2014 election cycle; that's almost \$6 million more than they spent in 2000 and equals the combined annual incomes of about 2,000 minimum wage workers.

"This company is huge," Sal said in questioning why Walmart can't afford to pay its employees a living wage with respect in the workplace.

GUN CONTROL: As Mass Shootings Haunt the United States, the Gun Lobby Spends Big Against Background Checks

On the morning of April 6, 2007, Lori Haas was going about her day as usual, shopping with her church's minister. Soon, though, she would receive a call that would change her life forever. Her daughter Emily had been shot during a French class at Virginia Tech University. Lori has called her 200-mile drive from her home in Richmond to Blacksburg, Virginia that day "the most horrifying moment of my life." Although her daughter survived, Lori could not sit idly by while knowing that 32 other families had lost a son or daughter. Lori is now the Virginia State Director for the Coalition to Stop Gun Violence, where she promotes awareness of gun violence and lobbies the Virginia General Assembly and Congress to adopt sensible gun laws.¹⁷



PHOTO: Everytown for Gun Safety

Despite the massacres at Virginia Tech and Sandy Hook Elementary School in Connecticut and the outcry to reform our gun laws, the gun industry's astonishing political spending has helped it secure a stranglehold on politicians at the state and federal levels. The National Rifle Association (NRA) remains the most effective avenue for the gun industry to influence Congress and our elections. Perhaps no organization has more political clout.

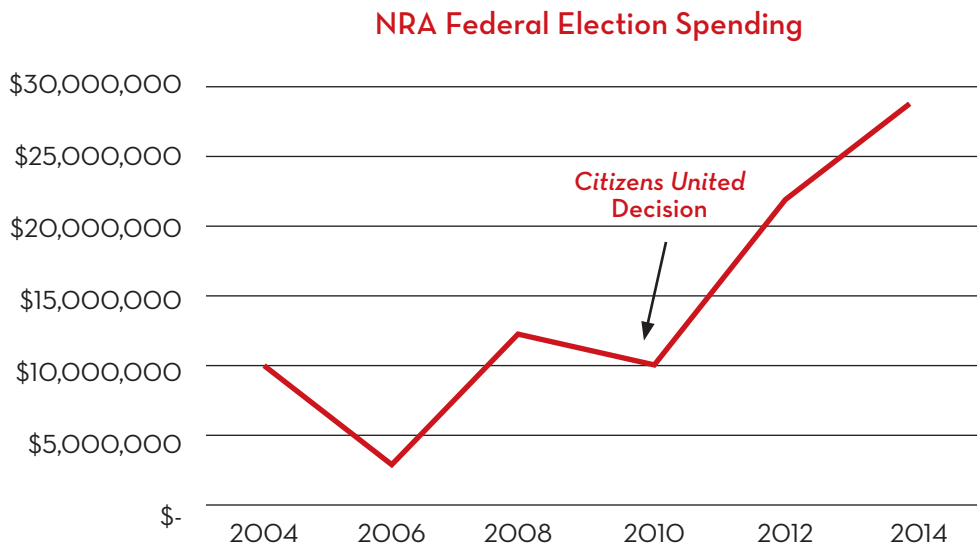
Common Cause estimates that the NRA spent at least **\$31.4 million** on the 2014 midterm elections.

NRA 2014 SPENDING ¹	
2014 State Contributions	\$1,522,493
2014 Federal Contributions	\$900,252
2014 Outside Spending (Federal)	\$27,341,024
2014 State TV Ad Spending	\$1,700,000
TOTAL	\$31,463,769

Although the NRA has always been a major political force in Congress and in state capitols, its political spending has skyrocketed since the U.S. Supreme Court overturned numerous campaign finance laws and issued the 2010 *Citizens United* decision. In the 2006 midterm elections, the NRA spent a little more than \$3 million on federal elections. Fast forward eight years to 2014 -- after *Citizens United* -- and the NRA's total federal political spending jumped by almost 1,000 percent. In fact, in the 2014 midterms the NRA spent more than it had in the 2012 presidential and congressional elections combined.

1 [Common Cause analyzed data from the Center for Responsive Politics, the Institute for Money in State Politics, and the Center for Public Integrity.]

The NRA increasingly operates through independent political groups rather than direct donations to candidates. In the 2006 midterms, independent expenditures accounted for about 66 percent of the NRA’s total federal political spending. During the 2014 cycle, that number grew to 97 percent. In addition to its electoral spending, the NRA has spent \$35 million on federal lobbying since 1998.¹⁸



SOURCE: Center for Responsive Politics

To protect its ability to spend unlimited amounts in elections, the NRA has taken a strong position against campaign finance reform. Most recently, the NRA lobbied against a proposed constitutional amendment to overturn *Citizens United*, warning members of Congress that they “will consider votes on this legislation in future candidate evaluations and notify our members accordingly.”¹⁹ In 2010, when Congress considered the DISCLOSE Act, which would require political dark-money nonprofits to disclose their donors, the NRA persuaded Congress to include a provision that would have exempted it from the bill’s requirements.²⁰ A Senate filibuster ultimately killed the legislation.

It should come as no surprise that the NRA has been successful in stopping gun control legislation, including proposals to require background checks on prospective gun buyers at gun shows. Polls show nearly 90 percent of Americans supported background checks, yet the bill died when it failed to get the 60 votes in the Senate needed to overcome a filibuster in 2013.²¹ At the same time, the Senate voted down a proposed ban on assault weapons, even when the measure had the support of the majority of Americans.²²

The Sunlight Foundation, a nonpartisan government transparency organization, estimates the NRA’s Political Victory Fund saw a 95 percent return on investment in 2014, with 95 percent of the candidates the NRA funded in the 2014 midterms winning election. However the NRA is not the only political heavyweight advocating against gun control. Hunting organizations such as the Safari Club International and the National Shooting Sports Foundation spent more than \$600,000 on political contributions during the 2014 cycle.²³ Other major players include the National Association for Gun Rights and the Gun Owners of America.

“The truth is, [NRA leaders] are drunk on money and power,” Lori Haas asserts.²⁴

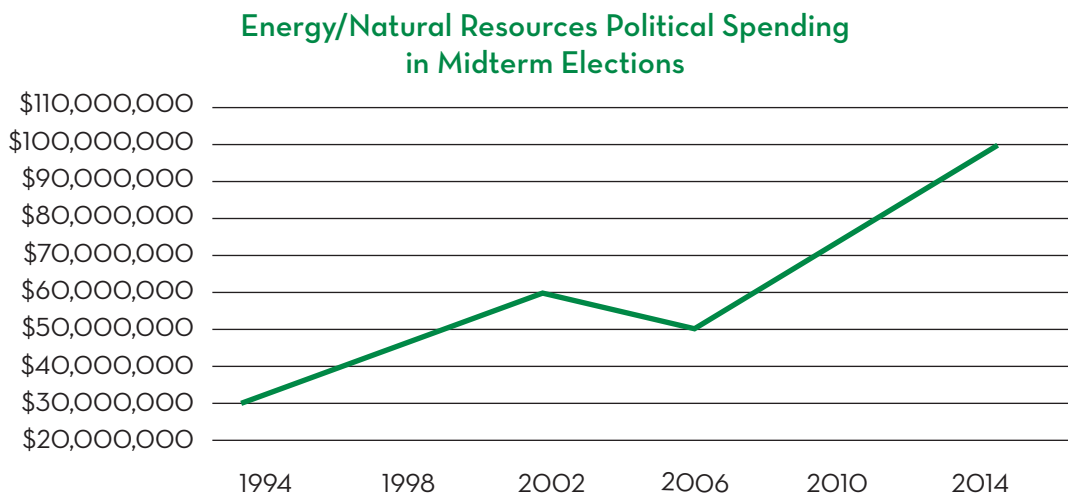
CLIMATE CHANGE: As the Planet Gets Warmer, Polluter Money Plagues Our Democracy

Kisha Baldwin lives with her daughter in Newark, New Jersey. Renting out part of her two-family home was one of Kisha's primary sources of income. In the fall of 2012, Kisha's house was severely damaged by strong winds from Hurricane Sandy. Her front porch fell apart and the lower level of her two-family home became uninhabitable. The federal agencies and contractors hired by the state were largely unresponsive to her. "Funds are not going to the people," Kisha said. It's gotten so bad that Kisha has to heat her home by running her gas stove. Today, Kisha is waiting on grants that were once guaranteed to her to fix her home.

Kisha's story is not unique. The earth's changing climate is increasing the frequency and severity of extreme weather events like the one that caused damage to Kisha's home.²⁵ Ranchers and farmers have experienced extreme droughts, destroying their crops and sources of income.²⁶ Business owners in southern Florida have had their stores flooded due to rising sea levels.²⁷ Across the country, Americans are seeing the effects of climate change in their everyday lives.

Despite a scientific consensus and growing recognition of the threats of climate change by business, military and government leaders around the world, many of our elected officials refuse to acknowledge the problem. "I'm not a scientist," say many (mostly Republican) elected officials, including Florida Gov. Rick Scott and the new Senate Majority Leader, Mitch McConnell of Kentucky.²⁸ Democratic Senator Joe Manchin of West Virginia famously released a television ad in which he was seen shooting a copy of the Obama administration's cap-and-trade bill with a rifle.²⁹ Then-Sen. Mary Landrieu (D-LA) even launched an effort for the U.S. Senate to approve the Keystone XL pipeline in a last-ditch attempt in her 2014 reelection campaign. She came up one vote shy.³⁰

What these politicians have in common is the money they receive from the fossil fuel industry and the political power the industry wields in their states. The money pumped into American elections by big oil and polluter companies is staggering. In the 2014 election, energy special interests spent nearly **\$100 million** on federal elections, more than a \$20 million increase from industry spending on the 2010 midterm elections.³¹ It should be no surprise that Koch Industries is the largest spender in this category at \$6.4 million.³²

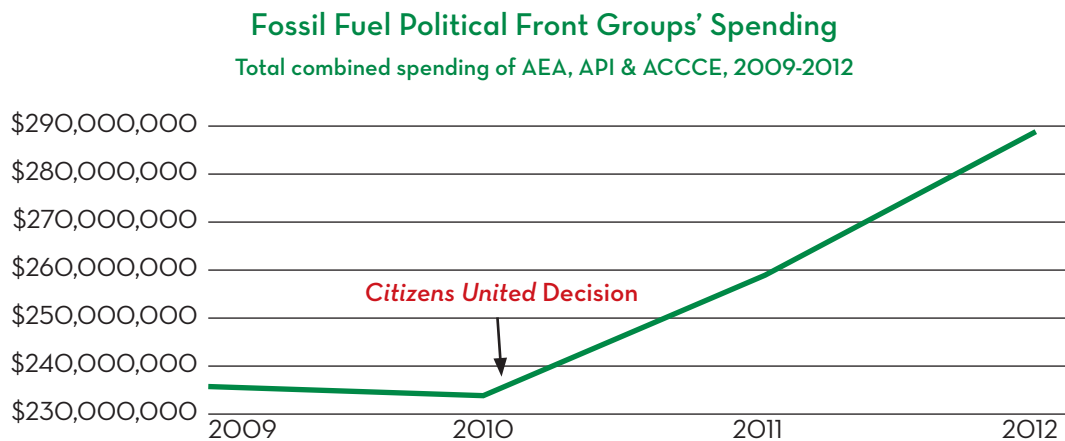


SOURCE: Center for Responsive Politics

“We hear frequently, constantly from Republican lawmakers who say, we see climate change as a huge problem and we want to talk about ways to do this, but for now they’re afraid to talk about it, because of the political repercussions,” said Rob Sisson, president of the group ConservAmerica (formerly Republicans for Environmental Protection.)³³

Where does all this leave us? Two out of three Americans believe the earth is warming and support new emission limits for power plants, according to a Pew poll,³⁴ but nine out of ten Republican leaders in Congress deny the problem even exists. In 2013, the Center for American Progress found that more than 58 percent of congressional Republicans were climate change deniers. Those same representatives reaped \$58.8 million from the fossil fuel industry in campaign contributions.³⁵

Increasingly, the industry is funneling its money through dark money groups that are not required to disclose their donors. Three groups in particular have led the recent political and electoral effort for the fossil fuel industry: the **American Energy Alliance** (AEA), the **American Petroleum Institute** (API), and the **American Coalition for Clean Coal Electricity** (ACCCE).



Since *Citizens United*, these groups have spent millions on “issue ads” via TV, radio and print, targeting elected officials and their stance on energy issues. These groups aggressively exploit reporting loopholes, so we don’t know how much they spent on the 2014 election. However, their overall spending increased from \$233 million in 2010 to \$290 million in 2012.

Shortly after the *Citizens United* decision in 2010, the American Petroleum Institute announced it would create a political action committee. In a 2011 interview, API’s executive vice president for government affairs Martin Durbin said it was “adding one more tool to our toolkit.”³⁶ During the 2014 campaign, the American Energy Alliance launched political attack ads in several states, including West Virginia,³⁷ Alaska³⁸ and North Carolina.³⁹

In its 2012 tax filings, ACCCE claims that it spent more than \$23.5 million on “communications programs.” While ACCCE’s advertisements generally do not mention or endorse specific candidates, they have clear political and electoral implications. For example, just one day before the first 2012 presidential debate, ACCCE launched an ad that mimicked the messages Mitt Romney used in his “war on coal” ads.⁴⁰ The ACCCE ad criticized “our current leadership in Washington,” while showing a picture of the White House and encouraging viewers to vote for candidates who favor coal. Another one of ACCCE’s 2012 “issue ads” urged voters to “send leaders to Washington that will put us on a path to low-cost American coal.”⁴¹

Other dark money groups fronting for the fossil fuel industry include the U.S. Chamber of Commerce, Karl Rove's American Crossroads/Crossroads GPS, and the Koch brothers' Americans for Prosperity (AFP). All have run attack ads in recent years dealing with energy and climate issues. Americans for Prosperity even launched a "Hot Air" tour in 2008 to campaign against "global warming alarmism" and "climate alarmists."⁴² "If we win the science argument, I think it's game, set, and match," said AFP president Tim Phillips.

The silencing of debate on climate change legislation – and the deep-pocket attacks on climate science itself – should serve as a loud warning about how powerful special interests and unlimited political spending can distort our democracy.

STUDENT LOANS: As Interest Rates Rise, Wall Street Invests in a Congress that Works for Them

Contessa Jackson knew she was making a good investment when she enrolled at Eastern Kentucky University. She was part of the first generation in her family to attend college and earned a bachelor's degree in health sciences. Once she graduated, though, she realized the hardship that would come with paying off her student loans. Forced to bear an interest rate nearly double the normal market rate at 3.86 percent, Contessa took on numerous low-wage jobs in the health care field, working more than 70 hours a week to make ends meet. She never looked for a handout, and paying for her college education was important to her, but the cost of her degree was increased by more than \$2,000 a year due to high interest rates on student loans. Contessa's student loan debt left her struggling to pay her car payments, save for retirement, buy a home, and start a family.



PHOTO: The Courier-Journal

"I hardly feel empowered on this issue regardless of my vote," Contessa told us.

No one needs to tell Contessa or any other recent college graduate that student loan debt is one of the most serious economic problems facing the U.S. At more than \$1.2 trillion,⁴³ our nation's student loan debt has surpassed the amount Americans owe on our credit cards and auto loans. Meanwhile, 5 million student loan borrowers are in default, more than half of recent college graduates are unemployed, and college tuition costs continue to rise. Between the end of 2011 and May 2013, student loan debt shot up another 20 percent.⁴⁴

Although mounting debt among college students and graduates threatens to ignite another economic crisis, Congress has failed to address the problem, hamstrung by obstruction and gridlock. At the same time, members of Congress have taken millions in political contributions from corporations and banks that profit the most from growing student loan balances.

One plan to fix the student loan crisis, sponsored by the Center for American Progress and titled "Higher Ed Not Debt," includes providing additional support to borrowers and changing funding structures. The proposal has not moved in Congress. Senator Elizabeth Warren's bill⁴⁵ to allow an estimated 25 million people to refinance their student loans at lower interest rates also stalled in 2014 when the Senate minority blocked it with a filibuster, even though recent polling shows that 60 percent of American voters support Senator Warren's plan.⁴⁶

According to a report by MapLight,⁴⁷ a money-in-politics research organization, senators who voted against Sen. Warren's student loan bill received 58 percent more in political contributions from banks, lending institutions and student loan companies than did the Senators voting for it. Senator Mitch McConnell, a strong opponent of Warren's bill, topped the list with nearly \$1 million in industry funding since 2001.⁴⁸

One big company making money off student loans is Sallie Mae, a publicly traded corporation that owns about 20 percent of all student loan debt. Since 1992, Sallie Mae has spent more than \$7.4 million on political contributions⁴⁹ to members of Congress and more than \$39 million⁵⁰ on lobbying.

The result? Sallie Mae has a stronger voice in Congress than do the 37 million Americans saddled with student loan debt. Those Americans are largely unable to renegotiate their interest rates with Sallie Mae, and the law bars them from including student loan debt when they have to declare bankruptcy.

Sallie Mae is not the only corporation profiting from student loans. It is estimated that higher education generates around \$45 billion in profits for Wall Street corporations⁵¹ each year, much of it flowing from student loan debt. Furthermore, Wall Street banks and financial corporations are increasingly exploiting student loan debt as a new potential revenue stream.⁵²

These same banks and corporations are also some of the biggest contributors in our political system. A Common Cause analysis of political spending during the 2014 midterm elections shows that Wall Street banks and financial institutions spent more than **\$102.3 million** on federal political contributions in the 2014 cycle. Political spending by big banks in the 2014 midterm elections was more than double what the sector spent in 2010 (\$40.4 million) and nearly triple the industry’s 2006 midterm contributions (\$37 million).

Election Cycle	Wall Street Federal Political Contributions ²
2014	\$102,356,523
2012	\$109,247,076
2010	\$40,026,143
2008	\$57,608,296
2006	\$36,982,924
2004	\$40,437,812

The special interest group with the most money has the loudest voice in Congress. When Wall Street faced financial catastrophe after the 2008 crash and needed Congress to act quickly, lawmakers responded with a \$700 billion bailout bill. And while Wall Street banks enjoy a tiny 0.75 percent interest rate⁵³ on loans from the Federal Reserve, former students pay 6.8 percent or more on their federal student loans and much higher interest rates on private student loans.

“Although big banks are spending millions in elections, they fail to recognize the detrimental impact student loan debt has on students like myself,” Contessa Jackson told us. “Student loan reform would mean hope for my future...I’ve worked hard to achieve my current accomplishments, yet I fear I won’t reap any benefits because of my outstanding student loan debt and interest rate.” Contessa and millions of other Americans struggling with student loan debt continue to wait for real reform. Meanwhile, Congress is hard at work representing the interests of big financial institutions seeking to profit from student debt.

2 [Common Cause analyzed data from the [Center for Responsive Politics](#) on total spending in the 2014 cycle by the following industries: Commercial Banks, Financial/Credit Companies, Hedge Funds, Mortgage Banking, Private Equity & Investment Firms, Savings & Loans, Securities & Investment, and Student Loan Companies]

OPEN INTERNET: As the Digital Revolution Accelerates, Telecom Giants Spend Big to Control Access to the Fast Lane

In fall of 1945, Vrest and Mildred Orton started selling hard-to-find items through a catalog printed on a printing press in the Orton's garage in Weston, Vermont. Seventy years and three generations later, the couple's three grandsons – Gardner, Eliot, and Cabot – run The Vermont Country Store, employing more than 450 people in their home state. Today, a growing portion of their business, 40 percent, comes from Internet sales. Like many small businesses, the Vermont Country Store relies on the Internet to compete in the new age of retail and consumer products.



PHOTO: VT Digger

Cabot Orton recently testified in support of open Internet protections at a Senate Judiciary Committee field hearing in Vermont. “We don’t want to imagine an America with two Internets: a fast one for giant corporations and a slow one for everybody else,” Orton said. Orton added that he supports net neutrality protections “to safeguard Internet commerce from a troubling future” and “to guarantee that every person with an idea and real perseverance has a fair shake at achieving the American dream.” As a small business owner, Orton and his family need net neutrality, which he says will “keep the biggest corporations from gaming the system and seizing unfair access to Internet fast lanes, simply because they have the money to buy them.”⁵⁴

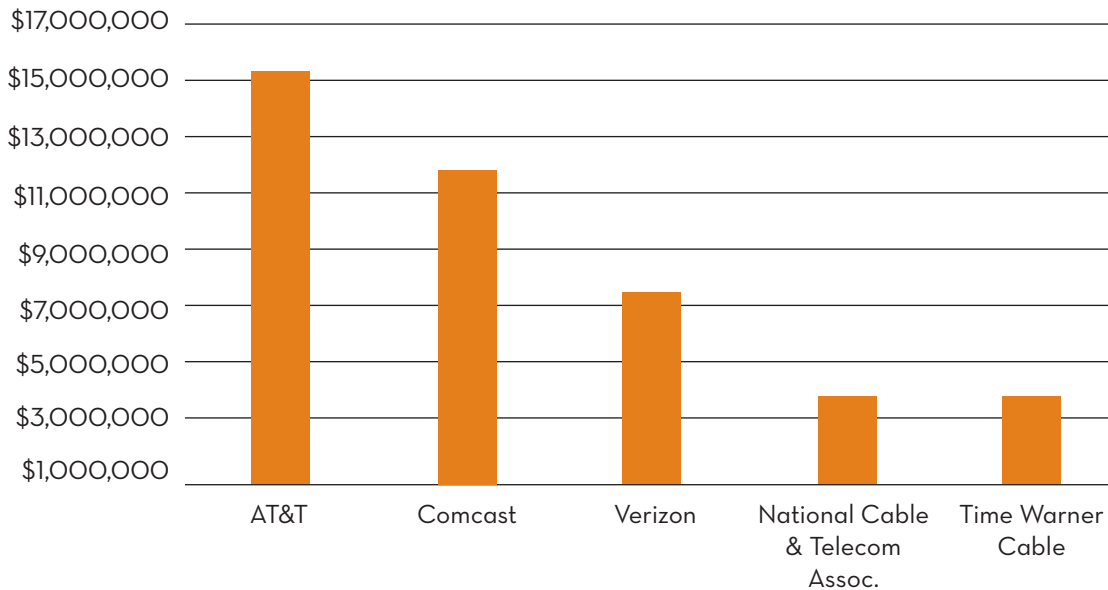
Recent polling shows open Internet protections are supported by 81 percent of Americans.⁵⁵ But, to no one’s surprise, telecom industry giants vigorously oppose real net neutrality protections that classify the Internet under Title II of the Communications Act so the Internet is treated like a utility, with the same service guaranteed to every customer.⁵⁶ That opposition is backed up by some serious political cash. Common Cause estimates that Comcast, AT&T, Verizon, Time Warner Cable, and the National Cable & Telecommunications Association made more than **\$42.8 million** in political contributions to state and federal candidates during the 2014 election cycle. Members of congressional committees that oversee Internet regulation received more than \$1.8 million of that money.

Company/Trade Group	2013-2014 Federal Contributions	2013-2014 State Contributions	2013-2014 Total State & Federal
AT&T	\$4,085,976	\$11,317,332	\$15,403,308
Comcast	\$4,482,122	\$7,312,134	\$11,794,256
Verizon	\$3,189,608	\$4,302,438	\$7,492,046
National Cable & Telecom Assn	\$2,640,150	\$1,423,650	\$4,063,800
Time Warner Cable	\$1,011,488	\$3,045,537	\$4,057,025
Group Total	\$15,409,344	\$27,401,092	\$42,810,436

SOURCE: Common Cause analysis of data from the Center for Responsive Politics and the National Institute for Money in State Politics.

The largest telecom spender was AT&T, which spent \$11.3 million on state campaigns and more than \$4 million on federal races. Comcast ranked second, with \$7.3 million in state contributions and close to \$4.5 million in federal contributions. These totals do not include money these companies and related trade groups funneled to dark-money political nonprofits that are not required to disclose their donors.

2014 Election Campaign Contributions



SOURCE: Common Cause analysis of data from the Center for Responsive Politics and the National Institute for Money in State Politics.

WHO GOT THE MOST?

The top recipients of big telecom’s funding on the federal level are party committees, and the industry spreads its wealth to Republicans and Democrats alike. Candidates receiving the most in 2014 include House Speaker John Boehner (\$98,175 from Comcast) and then-Senator Mark Pryor of Arkansas (\$88,650 from Comcast, TWC, and National Cable and Telecom Assn.).

Federal Party Committees’ 2014 Funding from Big Telecom	
National Republican Congressional Committee	\$496,807
Democratic Senatorial Campaign Committee	\$262,206
National Republican Senatorial Committee	\$252,125
Democratic Congressional Campaign Committee	\$204,954
Republican National Committee	\$113,291
Democratic National Committee	\$85,445

SOURCE: Center for Responsive Politics

At the state level, the largest recipient of telecom funds was the Florida Republican Party, landing contributions totaling \$727,350 from Comcast, AT&T, and Verizon. Governors in California and New York, the only two states where public service commissions are reviewing the Comcast-Time Warner Cable merger proposal, also took big money from both Comcast and Time Warner Cable. New York Governor Andrew Cuomo received \$60,800 from both Comcast and Time Warner Cable (totaling \$121,600). California Governor Jerry Brown received \$54,400 from Time Warner Cable and \$27,200 from Comcast. AT&T also gave both Cuomo and Brown big donations (\$108,800 for Brown and \$56,500 for Cuomo).

The Koch brothers also have weighed in. The Sunlight Foundation⁵⁷ reports that a group called “American Commitment” organized a letter-writing campaign to the Federal Communications Commission in opposition to net neutrality. American Commitment⁵⁸ is a key organization in the Kochs’ network of dark money groups; nearly all of its known funding has come from other Koch groups, and it’s led by Koch political operative Sean Noble and by Phil Kerpen, the former vice president of Americans for Prosperity.

The future of the open Internet remains unknown. In 2014, after the U.S. Court of Appeals for the D.C. Circuit threw out the FCC’s open internet rules in *Verizon v. FCC*, supportive members of Congress introduced a bill to reinstate open internet protections, but it fell victim to the same industry-backed gridlock that bottles up other positive reform measures. The FCC is set to issue net neutrality rules in early 2015, but Congress recently froze the FCC’s funding, making it harder for the commission to conduct its business.

CONCLUSION: What's Next

The *Citizens United* decision and the massive amount of money it has brought into American politics has led to a government that is no longer of, by or for the people, but instead works for those who can write the biggest campaign checks.

The decision is at the root of the major challenges facing our country. We will not secure the decent wages due Salomon Fuentes, or the safe streets and campuses Lori Haas has devoted her life to pursuing unless we break the power of big money in politics. We won't address the climate changes behind the destruction of Kisha Baldwin's house until we tame the financial hurricane roaring through our politics. Today's elementary and high schoolers will face the same mountain of college debt confronting Contessa Jackson, and the open Internet that Cabot Orton's business depends on will remain in danger so long as big money calls the tune in Congress and our statehouses.

So what can we do? Here are some places to start.

- Push Congress, state legislatures, the Securities and Exchange Commission (SEC), the Internal Revenue Service (IRS), and the Federal Elections Commission (FEC) to require disclosure of the donors behind the dark-money groups that are pouring millions into attack ads and electioneering at the state and federal level.
- Implement small-donor, matching-fund systems to pay for campaigns at all levels of government and allow candidates to compete and win without relying on big money.
- Demand stronger ethics and transparency laws to end the coordination between "independent" political action groups and politicians.
- Amend the U.S. Constitution to overturn the 2010 *Citizens United* decision and permit sensible limits on political spending.
- Strengthen voting rights and increase voter turnout to diminish the power of big donors.

None of these things will be easy. Indeed, lifetimes already have been devoted to the fight against big money and more lifetimes may be needed to win it.

But this week, as we prepare for our annual celebration of the life of Dr. Martin Luther King Jr., it's worth recalling his admonition that "in this unfolding conundrum of life and history, there is such a thing as being too late. This is no time for apathy or complacency. This is a time for vigorous and positive action."

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