

WASHINGTON POST - AUGUST 17, 2006

Democrats' Stock Is Rising on K Street Firms Anticipate A Shift in Power

By Jeffrey H. Birnbaum

Washington lobbying firms, trade associations and corporate offices are moving to hire more well-connected Democrats in response to rising prospects that the opposition party will wrest control of at least one chamber of Congress from Republicans in the November elections.

In what lobbyists are calling a harbinger of possible upheaval on Capitol Hill, many who make a living influencing government have gone from mostly shunning Democrats to aggressively recruiting them as lobbyists over the past six months or so.

"We've seen a noticeable shift," said Beth Solomon, director of the Washington office of Christian & Timbers, an executive search firm that helps to place senior lobbyists and trade association heads.

In June, one of Washington's largest lobbying law firms, DLA Piper Rudnick Gray Cary LLP, transferred the chairmanship of its government affairs practice from a Republican, Thomas F. O'Neil III, to a prominent Democrat, James J. Blanchard, a former governor and congressman from Michigan.

"Being a Democrat didn't hurt me, that's for sure," Blanchard said. "This is going to be a big Democratic year."

At Patton Boggs LLP, another lobbying powerhouse, the calculation is similar. "Democrats' stock has clearly risen in the interviewing process this year as the chances for a Democratic takeover [of the House] have increased," said John F. Jonas, the head of Patton Boggs's health practice. "Serious hiring" of Democrats, he added, has become "a high priority here at Patton Boggs."

"Earlier this year, the propensity was to look mostly at Republicans" as candidates for lobbying jobs, said W. Michael House, director of the legislative group at the law firm Hogan & Hartson. "Now, we're looking at both Republicans and Democrats closely."

Lobbying managers have for years tended to hire Republicans because both Congress and the White House are controlled by the GOP, and access to officials at both places is lobbying's stock in trade. But, in recent months, many of Washington's top lobbyists said in interviews that their decision-making has been altered by an emerging consensus among election experts that the Democrats will boost their

numbers in the House and the Senate in the midterm elections Nov. 7 and have a strong shot of winning a majority in the House.

As a result, the job market for Democrats has expanded, and the K Street Project -- shorthand for efforts by Republican lawmakers and lobbyists to pressure corporations and trade groups to hire GOP lobbyists only -- has faded away.

For example, earlier this month, the Biotechnology Industry Organization, or Bio, named Jeffrey A. Joseph, a well-known Democrat, as its vice president of communications. This followed other, high-profile Democratic hires this spring and summer, including Cory Alexander, former chief of staff to Rep. Steny H. Hoyer (D-Md.), who joined housing finance giant Fannie Mae, and Mark Schuermann, former chief of staff to Rep. Harold E. Ford Jr. (D-Tenn.), who went to Public Strategies Inc., a large government relations firm.

In the spring, former Democratic congressman Calvin M. Dooley of California was named to head the major trade association that will result from the merger of the Food Products Association and the Grocery Manufacturers Association. The longtime and soon-to-retire chief executive of the Grocery Manufacturers Association, C. Manly Molpus, is a Republican.

Lobbying firms have also increased their Democratic numbers. Venn Strategies LLC, a bipartisan lobbying firm that specializes in tax legislation, lost a junior Democratic lobbyist earlier this year but replaced her in recent months with two senior Democrats, Jessica Battaglia, a former counsel to Rep. John Lewis (D-Ga.), and Lori A. Neal, previously a legislative assistant to Sen. Blanche Lincoln (D-Ark.). Stephanie E. Silverman, a principal of Venn Strategies, explained the move: "We fully expect that the political outcome this fall will be such that we will have to deal on a more senior level with Democrats."

Even some all-Republican lobbying firms are starting to hire Democrats this year. The Federalist Group has added three Democrats to its once-all-GOP roster, including former representative Chris John (D-La.). And Tarplin, Downs & Young LLC, an all-Republican, all-female health lobbying company, is actively looking for a Democratic lobbyist. Both firms said the election outlook had nothing to do with their decision to bring in Democrats.

Indeed, most Washington lobbying outfits already employ lobbyists affiliated with both parties. But Democrats are being sought more eagerly in lobbying offices than they have been for years. "A couple of years ago, there was a bias against hiring Democrats for practical reasons," said Peter T. Metzger, vice chairman of Christian & Timbers, the executive search company. "Now there's an openness to both sides of the aisle."

The prospect of partisan change in Congress has also altered the way lawmakers and their aides are thinking about jobs on K Street. Some Democrats who had been looking for work "downtown" have postponed their switch, thinking that they might want to experience being in the majority for a change, according to Eric Vautour, who leads the Washington office of Russell Reynolds Associates Inc., an executive search firm.

In addition, Vautour said, a sizable pool of Republicans -- including two lawmakers seeking reelection whom he declined to identify -- "are willing to talk about becoming a lobbyist or an association head" even before Election Day.

At the same time, some lobbying managers see peril in trying to guess which way voters will turn. "Reading tea leaves can be tough; it's hard to time the political market," said David M. Carmen, president the lobbying firm the Carmen Group Inc. "There will always be time to make adjustments if that needs to happen after the election."

That is one reason some firms are putting off their hiring until after November. "People haven't been rushing to hire lobbyists anyway; it hasn't been the bang-up year," said Gregg L. Hartley, chief operating officer of Cassidy & Associates. "To the extent I can hold off hiring until the first of next year, I will."

In the meantime, Democrats are finding K Street a much more hospitable place. "There are certainly a growing number of groups that are much more open to hiring Democrats than they were six months to a year ago," said Nels B. Olson of Korn/Ferry International, an executive search firm.