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**Business Interests Outspent Citizens' Groups Five to One on
Issue Ads Aimed at Policy-Makers, Annenberg Research Shows**

Over \$404 million was spent on broadcast and print issue advocacy during the 108th Congress, with business interests outspending citizen-based advocacy groups by more than five to one, according to a new report released today by the Annenberg Public Policy Center of the University of Pennsylvania. The report, *Legislative Issue Advertising in the 108th Congress*, found that business interests purchased an estimated \$320 million worth of ads directed at policy-makers in the Washington, DC area, while citizen-based advocacy groups purchased an estimated \$58 million in ads.

The report also found that major legislative debates that had significantly unbalanced issue ad spending were more often decided in favor of the side that spent more during the 108th Congress. Each of the top six issues in terms of spending had the balance of spending favoring the winning side of the issue. For example:

- 100% of the \$96.0 million in total spending on the issue argued against greater oversight of government sponsored enterprises such as Fannie Mae and Freddie Mac and the bill (HR 2575) died in committee.
- 99% of the \$40.5 million in total spending on the issue argued in favor of the prescription drug benefit and the bill (PL 108-173) passed.
- 87% of the \$39.9 million in total spending on the issue argued in favor of the deregulation of the local telephone market and the Federal Communication Commission crafted regulations to that end.

“Over half of the major issues tracked had all of the spending supporting one side of the debate with zero spending on competing points of view,” noted Gordon McDonald, a Senior Researcher at Annenberg. Of the 52 specific issues tracked, only three had competitive spending: drilling in the ANWR (60% supporting, 40% opposed), President Bush’s 2003 tax-cut plan (51% opposed, 49% supporting), and prescription drug re-importation from Canada (59% supporting, 41% opposed). All told, 94% of the issues examined were subject to unbalanced persuasive efforts.

The report also identified at least \$18.5 million worth of issue ads sponsored by organizations with potentially misleading or ambiguous names. The largest spender among these organizations was Americans for Balanced Energy Choices with an estimated \$9.1 million in spending. The

organization is in fact a coalition of mining companies, coal transporters, and electricity producers who support coal-based electricity. Voices for Choices, a coalition of telecommunications companies spent an estimated \$2.7 million purchasing issue ads arguing against the deregulation of the local telephone market. Citizens for Asbestos Reform, a coalition of insurance companies, spent an estimated \$750,000 urging congressional action on asbestos litigation reform.

The top five issue ad sponsors in terms of estimated individual spending were Fannie Mae (\$87.2 million), GlaxoSmithKline (\$33.5 million), SBC Communications (\$26.0 million), AARP (\$20.7 million) and Boeing (\$17.7 million). The issue ads run in the Washington, DC area purchased by these five largest spenders accounted for \$185.1 million in advertising or 46% of the issue ad spending total.

Based on Annenberg's method of identifying issue ads, comparisons between our 2003 issue ad spending estimates and the reported 2003 lobbying expenditures for these organizations suggest that six of the top ten ad spenders for 2003 appear to have spent more on inside-the-beltway issue advertising than they were required to report in lobbying expenditures based on the lobbying reporting requirements of the 1995 Lobbying Disclosure Act.

The top five issues in terms of total estimated spending were oversight of government sponsored enterprises (\$96.0 million), prescription drug benefit (\$40.5 million), deregulation of the local telephone market (\$39.9 million), military contracts (\$36.5 million), and government containment of health care costs (\$26.5 million). Advertisements opposing greater oversight of government sponsored enterprises such as Fannie Mae and Freddie Mac accounted for one-quarter of the total spending on issue ads during the 108th Congress, whereas issue ads on various health care issues accounted for one-fifth of the total spending.

Issue ads are distinct from candidate ads in that they seek to mobilize constituents, policy makers, or regulators in support of or in opposition to current or proposed public policies. For the period covering the 108th Congress, Annenberg researchers examined legislative print and television issue ads that ran in the Washington, D.C. metropolitan area in *Roll Call*, *National Journal*, *CQ Weekly*, *The Hill*, *Congress Daily AM*, *The Washington Post*, *The Washington Times*, the Washington edition of *The New York Times*, and those that were broadcast on D.C. television stations or ran nationally on cable or the networks. They estimated the costs for the air time or print space for these ads but not the full cost for purchasing and producing the ads.

A copy of this release, the executive summary of the report and the report itself can be found at www.annenbergpublicpolicycenter.org/issueads05/. *Legislative Issue Advertising in the 108th Congress* is report no. 47 in the Annenberg Public Policy Center Report Series and was made possible by a grant from the Carnegie Corporation of New York.