

AT&T wields enormous power in Sacramento

By Shane Goldmacher and Anthony York, Los Angeles Times

SACRAMENTO – As the sun set behind Monterey Bay on a cool night last year, dozens of the state’s top lawmakers and lobbyists ambled onto the 17th fairway at Pebble Beach for a round of glow-in-the-dark golf.

With luminescent balls soaring into the sky, the annual fundraiser known as the Speaker’s Cup was in full swing.

Lawmakers, labor-union champions and lobbyists gather each year at the storied course to schmooze, show their skill on the links and rejuvenate at a 22,000-square-foot spa. The affair, which typically raises more than \$1 million for California Democrats, has been sponsored for more than a decade by telecommunications giant AT&T.

At the 2010 event, AT&T’s president and the state Assembly speaker toured Pebble Beach together in a golf cart, shaking hands with every lawmaker, lobbyist and other VIP in attendance.

The Speaker’s Cup is the centerpiece of a corporate lobbying strategy so comprehensive and successful that it has rewritten the special-interest playbook in Sacramento. When it comes to state government, AT&T spends more money, in more places, than any other company.

It forges relationships on the putting green, in luxury suites and in Capitol hallways. It gives officials free tickets to Lady Gaga concerts. It takes lawmakers on trips around the globe and all-expenses-paid retreats in wine country. It dispenses millions in political donations and employs an army of lobbyists. It has spent more than \$14,000 a day on

political advocacy since 2005, when it merged with SBC into its current form.

A handful of labor unions and trade groups have spent more on a combination of lobbying and direct political giving, but state records show that in the last seven years, no single corporation has spent as much trying to influence lawmakers as AT&T. At the same time, a tide of consumer protections has ebbed and the company has been unshackled from the watchful eye of state regulators.

Efforts to force phone companies to be more transparent about fees on cellphone bills died; so did an attempt to end monthly charges to unlist a phone number. The charge for that kind of privacy rose sixfold in a three-year period, and those fees generate \$50 million annually for AT&T, according to a 2009 legislative analysis.

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