

AGENDA
SPECIAL TRANSPORTATION AND ROAD IMPROVEMENT
COMMITTEE
Village of Hoffman Estates
April 4, 2011

7:45 pm

Members:	Ray Kincaid, Chairperson	Karen Mills, Trustee
	Gary Pilafas, Vice Chairperson	Jacquelyn Green, Trustee
	Gary Stanton, Trustee	Anna Newell, Trustee
		William McLeod, Mayor

I. Roll Call

NEW BUSINESS

1. Request approval of a Professional Service Agreement with mCapitol Management, Washington, DC, and Chicago, IL, for federal lobbying services.

II. Adjournment

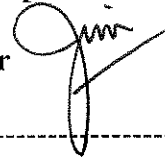
COMMITTEE AGENDA ITEM VILLAGE OF HOFFMAN ESTATES

SUBJECT: Request approval of a Professional Service Agreement with mCapitol Management, Washington, DC, and Chicago, IL, for federal lobbying services

MEETING DATE: April 4, 2011

COMMITTEE: Special Transportation & Road Improvement Committee

FROM: James H. Norris, Village Manager



PURPOSE: Request approval of a Professional Service Agreement for federal lobbying with mCapitol Management for federal lobbying services especially related to the Barrington Road interchange at the rate of \$4,000 per month for one (1) year.

BACKGROUND: The Village of Hoffman Estates has had the Barrington Road interchange as a priority project for a number of years and recently the State of Illinois included \$18 million in the Highway Improvement Program to allow this project to progress further. The Village has become the lead agency and we have a joint letter of intent with both IDOT and ISTHA governing our respective roles in the process leading to the construction of a full interchange at Barrington Road. Most recently, IDOT agreed to advance funds to share the cost with the Village for the Phase I engineering study.

DISCUSSION: Even with the State funds of \$18 million, the estimate to construct the full interchange ranges from \$50 to \$70 million, inclusive of utility relocation, rights of way acquisition, engineering and construction. The Illinois Tollway policy on interchanges includes a contribution of up to 50% of qualified construction costs. Therefore, the Village and this project is in need of a significant amount of additional funding. The only real source of the funding is the federal government.

FISCAL IMPACT: mCapitol Management's fee is \$4,000 per month per year for a total of \$48,000. There is \$25,000 available in the Traffic Improvement Fund and the balance will have to come from the General Fund Fund Balance.

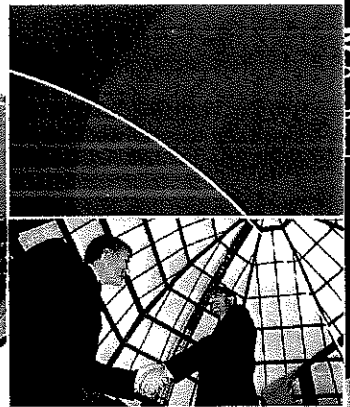
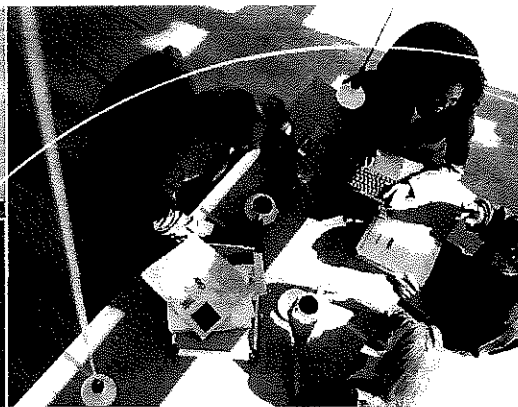
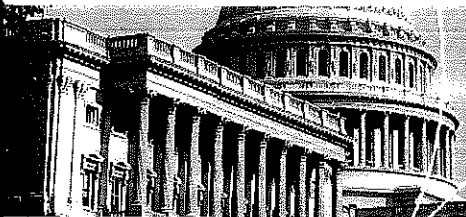
RECOMMENDATION: Because the Village has been so successful with the use of a lobbyist at the state level, it is recommended that the Village award a Professional Service Agreement to mCapitol Management at the rate of \$4,000 per month, or \$48,000 for one (1) year.



*Forging Business and
Government Relationships*

a proposal for
Village of Hoffman Estates

**Federal Advocacy and
Consulting Services**



March 23, 2011

Mayor William D. McLeod
Village of Hoffman Estates
1900 Hassell Road
Hoffman Estates, IL 60169

Re: Federal Advocacy and Consulting Services

Dear Mayor McLeod:

mCapitol Management is pleased to submit our qualifications to represent the Village of Hoffman Estates. Our bipartisan team brings decades of experience in government, politics and business, making us an ideal partner for the Village of Hoffman Estates. Our principals have built long-standing relationships with key decision makers in the White House, Congress, federal agencies, state legislatures and local government, as well as campaign and political operatives. Through this extensive network of relationships, mCapitol Management can best represent our clients issues and concerns from consultation through execution.

mCapitol Management is nationally known for its success in working with government leaders on complex public policy issues. Our team will direct a successful government relations campaign by establishing clear reporting standards, setting goals, regularly monitoring progress and delivering results.

mCapitol Management has a proven track record of responding to and following through on assignments both large and small for our clients. We see this as an opportunity to bring our resources and network into play to assist you in meeting your immediate goals and realizing your vision for the future.

Thank you for taking the time to discuss a potential partnership between mCapitol Management and the Village of Hoffman Estates. We are pleased to have the opportunity to present a proposal that we are confident will generate desired results for you.

The mCapitol Management team looks forward to further discussions and stands ready to provide you with immediate representation in Washington, D.C. and elsewhere. If you have further questions or would like additional information, please do not hesitate to contact me at (202) 296-5354 ext 223.

Sincerely,



Gary LaPaille
President

cc: Rebecca Grandi

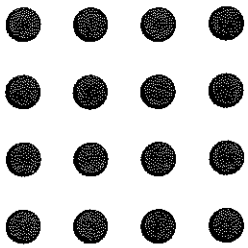


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Section I

mCapitol Management: An Introduction

mCapitol Management is a respected, result-driven government and business consulting firm poised to meet your needs through an unrivaled network of government leaders and key decision makers.

representatives, and corporate government affairs executives. Together, this unmatched business and public service expertise underpins our proven capability to deliver the success that the Village of Hoffman Estates' desires.

Additionally, our bipartisan team has the ability and experience to execute an effective government relations effort without regard to political affiliation. At the same time, our political connections allow us to act on your behalf in an actively partisan role, as needed. Moreover, it is not our intention to intrude upon the individual and unique relationships that you have already established. Instead, it is our mission to utilize and gain from these existing relationships, to build upon the work accomplished and to expand awareness and influence through our international, federal, state and local networks.



mCapitol Locations

Washington D.C. Office

1341 G Street, NW Tel: 202.296.5354
Suite 700 Fax: 202.296.7248
Washington, DC 20005-3131

Chicago Office

175 W. Jackson Boulevard Tel: 312.831.3500
Suite 1900 Fax: 312.831.3509
Chicago, IL 60604-2814



At mCapitol Management, we pride ourselves on successfully utilizing our national and international network of relationships on our clients behalf. Our bipartisan team's unrivaled experience and resources will provide the Village of Hoffman Estates with distinct and effective business partnerships at the international, federal, state and local levels.

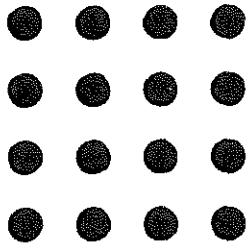
Our success is founded on the strength of our team which has included a former Member of Congress, senior White House Administration and Congressional staff, federal agency officials, Presidential campaign advisors, Democrat and Republican Party officials, state elected repre-



Village of Hoffman Estates

Federal Advocacy and Consulting Services





Section II

Our Services

mCapitol Management is not your typical Washington firm. We partner with our clients, involving them in all phases from strategy development through implementation. We encourage this partnership philosophy on all of our projects and have successfully formalized it in many instances.

Our recommended approach involves forming an integrated Village of Hoffman Estates/mCapitol Management team, which would have an ability to plan, manage and track progress. Our team members will set aside their firm identities, fully integrating with the Village of Hoffman Estates as a direct extension of your staff. This approach ensures continuous information exchange through dialogue and an effective, professional working relationship that remains focused on the Village of Hoffman Estates' goals.

At mCapitol Management, our clients become our business partners, and our success is inextricably tied to their success. Recognizing that the political and business environments are constantly changing, we feel that it is crucial to have an interactive, hands-on approach with our clients in order to effectively represent their interests. Therefore, we have developed a five-step process that encompasses all aspects of mCapitol Management's representation of our clients, from start to finish.

1. Initial Consultation

In the first step, we will sit down with key team members from mCapitol Management and the Village of Hoffman Estates to outline your specific concerns, and to determine how you envision our firm solving the problem.

2. Strategy Development

Next, we will create a government relations roadmap based on our initial meeting that outlines the strategy, creates timetables for success and clearly defines the goals of the Village of Hoffman Estates.

3. Implementation

mCapitol Management believes that a quick response is pivotal to representing your interests. Once we set the strategy, our team can begin working for the Village of Hoffman Estates immediately.

4. Regular Evaluation and Re-Adjustment of Strategy

In our opinion, regular communication and evaluation is necessary to ensure effectiveness. To this end, we will regularly evaluate the progress of the agenda and when necessary, make adjustments to ensure your needs are being fully met.

5. Review

Throughout the entire project and at the time of contract renewal, mCapitol Management will assess our performance based on the goals set forth by the Village of Hoffman Estates, and, if satisfactory, begin working on an effective government relations strategy for the future.

As advocates, managers and public affairs experts, we understand the current business and political landscape. As your partner we navigate it with you on your behalf.

mCapitol Management offers a wide array of resources to readily assist with your government relations needs. We will provide you with the following services:

- Act as a liaison on behalf of the Village of Hoffman Estates with the Congress of the United States and specifically with key congressional committees handling appropriations and legislation of interest to the Village of Hoffman Estates
- Provide assistance to the Village of Hoffman Estates officials to interpret the federal regulations and file comments as appropriate



Village of Hoffman Estates

Federal Advocacy and Consulting Services



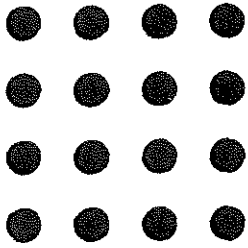
- Assess the Village of Hoffman Estates' needs and priorities for federal funding, develop a comprehensive federal legislative package and organize a Washington "fly-in" to present the Village of Hoffman Estates' priorities to the congressional delegation
- Develop and implement effective short-term and multi-year strategies and action plans that provide for current year and long term gains
- Identify useful and appropriate federal opportunities for the Village of Hoffman Estates relative to appropriations, grants, programs, etc. and secure earmarks in the appropriations process, particularly for costly infrastructure projects
- Track appropriations, legislation and other relevant matters under consideration by Congress and provide quarterly reports to the Senior Government Affairs Specialist on project area(s) to include status, activities (e.g., testimony given, meetings attended, briefing papers produced and distributed), and vehicle used (e.g., committee or sub-committee, sponsor for legislation, etc.)
- Schedule regular consultation with the Village of Hoffman Estates Director and/or his designee and be responsive to requests from the Village of Hoffman Estates Director and the Board of Trustees; and coordinate all responses and/or actions
- Arrange and prepare for presentation of Congressional testimony related to relevant Village of Hoffman Estates issues, deemed appropriate
- Attend meetings and represent the interests of the Village of Hoffman Estates in periodic Village of Hoffman Estates and urban organization meetings in Washington, D.C.
- Provide notices and information on grant opportunities beneficial to the Village of Hoffman Estates; and work to facilitate and track approval of the Village of Hoffman Estates' grant applications submitted to federal agencies as requested by the Village of Hoffman Estates. Provide notices of the availability of federal grants to the Village of Hoffman Estates on a bi-weekly schedule
- Coordinate congressional letters of support from the Illinois congressional delegation for grants when requested by the Village of Hoffman Estates from federal agencies and for appropriations requests
- Schedule regular consultation with the Village of Hoffman Estates Director and/or his designee and be responsive to requests from the Village of Hoffman Estates Manager and the Board of Trustees; and coordinate all responses and/or actions taken
- Provide reports of work performed to the Village of Hoffman Estates when requested
- Work through the legislative process on proposed legislation as directed by the Executive Director or designee with members of the U.S. Congress and other governmental entities.



Village of Hoffman Estates

Federal Advocacy and Consulting Services





Section III

Our Approach

The Village of Hoffman Estates requests qualified individuals and firms to serve in Washington D.C. as the Village of Hoffman Estates Legislative Liaison for Federal Issues. Primarily, we will achieve these efforts by reviewing and tracking federal legislation and relevant policy changes, and by assisting with federal outreach and legislative review efforts.

mCapitol Management will represent the Village of Hoffman Estates before the appropriate federal agencies, legislative committees, members of the House of Representatives and the United States Senate, the Office of the Vice President, and the Office of the President. With our firm's proven track record in advocacy/lobbying at the federal level, we will assist the Village of Hoffman Estates in developing and successfully pursuing its legislative priorities. Such assistance includes but is not limited to:

1. *Preparation of a federal legislative package;*
2. *Drafting proposed legislation and amendments; and*
3. *Appearing before the House and Congress testifying at hearings to advocate legislation which may affect the Village of Hoffman Estates. We shall work with and report directly to the Executive Director or his designee.*

mCapitol Management will also advise the Village of Hoffman Estates of the political and financial feasibility of its key issues and federal appropriations requests; develop appropriate strategies in consultation with the Executive Director to present legislation; facilitate coalition to advance any introduced legislation and represent the Village of Hoffman Estates in terms of communicating the Village of Hoffman Estates legislative priorities to various stakeholders, including, but not limited to, the President, the Vice President, members of the United States Senate, members of the House of Representatives, federal agencies, advocacy groups and organizations.

We will convey the Village of Hoffman Estates' issues in a variety of capacities outlined more fully on the following pages:

Communication of Issues

- We will communicate the Village of Hoffman Estates regional issues and initiatives to appropriate parties, including its existing network of congressional and federal agency representatives.
- Our team will identify appropriate audiences and will target these parties in its communicative efforts.

Develop Partnerships

- Our team will rely on its extensive existing network and establish new partnerships with key federal agencies on behalf of the Village of Hoffman Estates.
- As we raise awareness of the Village of Hoffman Estates' objectives, our team will utilize new and existing relationships in federal agencies, the Senate and House to build and maintain a network of support for the Village of Hoffman Estates' issues and positions.
- As an extension of our DC services, we will also rely on our membership and active participation in the National Association of Clean Water Agencies (NACWA), the Water Environment Federation (WEF) and the U.S. Conference of Mayors, Water Council.

Research and Respond to Relevant Policy Changes

- With the members of our firms bringing decades of experience in politics and government, we are one of the most preeminent sources of political intelligence in Washington, D.C. On behalf of the Village of Hoffman Estates, we will utilize this experience to keep the Village of Hoffman Estates informed of relevant policy changes and will respond to these changes appropriately.

Identify Federal Funding Opportunities

- Our team will research, review and provide information to the Village of Hoffman Estates on federal funding opportunities in the Village of Hoffman Estates focus areas and special projects.



These will include, but need not be limited to:

- Barrington Road Full Interchange
- Beverly Road Interchange
- Widening of Shoe Factory Road
- Preservation of Community Development Block Grant funding
- Extension of Energy Efficiency and Conservation Block Grant funding
- Support for arts and cultural projects
- Federal funding opportunities for law enforcement, homeland security and Assistance to Firefighters grants

Meeting Arrangement

- We will be responsible for arranging meetings with Congressional Members that overlap with the Village of Hoffman Estates' service area and staff who are positioned to assist in our efforts.
- We will prepare information and advocacy material including backgrounders, brief white papers and talking points, as appropriate to the Village of Hoffman Estates meeting objectives.
- We will manage the ongoing advocacy effort and arrange for follow-up meetings and briefings, as needed.

Monthly Report Generation

- We will rely on our its established methods and existing programs to provide tailored monthly reports of federal legislative and policy activity, as relevant to the Village of Hoffman Estates' objectives and goals. Additionally, we will provide our Morning Headlines Report which provides Washington updates from four sources: Politico, Roll Call, Washington Post and Fox News. (See Addendum)

Action Plan

To achieve the goals laid out above, mCapitol Management will follow our five-step representation process, previously outlined in Section II – Our Services. By utilizing this successful method, mCapitol Management will lay the foundations for success in achieving your desired goals.

Initial Consultation

In accordance with our five step process, our strategic planning will commence with a thorough assessment of your organization, including a review of your current pri-

orities and initiatives, past successes, outreach strategies, and other elements of your day-to-day operations and long-term planning.

Strategy Development

Our bipartisan resources and expertise will help to identify who in Congress, the Administration and in Federal Agencies play a vital role in those decisions that have a lasting and profound impact on the Village of Hoffman Estates. Once identified, we will work with the Village of Hoffman Estates to effectively address requests and concerns. Through initial meetings with these officials and an assessment of Presidential budget priorities, we can anticipate where we may be most successful in meeting the Village of Hoffman Estates' requests, and where we may find the greatest obstacles. Once identified, we will work with the Village of Hoffman Estates to organize, assess, and prioritize the various decision makers and implement them into our overall strategy.

Implementation

Upon completion of our review, the team at mCapitol Management will strive to put in place a results-driven operation that will expand your direct contact and interaction with these key-decision makers. As part of this operation, we will develop a sound messaging strategy that will raise your profile among those in key positions and educate them on the services provided by the Village of Hoffman Estates.

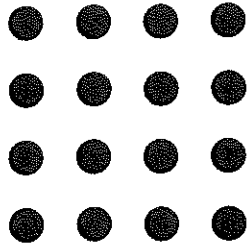
Regular Evaluation and Adjustment of Strategy

At mCapitol Management, we recognize that as the needs of the Village of Hoffman Estates shift, so do our efforts. We make it a priority to consistently evaluate our performance and change strategies to continue to achieve those desired results and maintain the high quality of service that the Village of Hoffman Estates deserves.

Review

Throughout the entire duration of the project and at the time of contract renewal, the mCapitol Management team will assess our performance based on the goals set forth by the Village of Hoffman Estates as described earlier through our initial consultation and strategy development. If necessary, we will adjust our strategy in order to fulfill the needs of the Village of Hoffman Estates as best we are able.





Section IV

Our People

As founding principal of mCapitol Management, Mr. LaPaille's objective is that all client relationships are managed effectively and successfully.

In addition to Mr. LaPaille, your project will also receive expert leadership and guidance from our entire team of seasoned operatives and professionals including former congressional staffers. Our team brings extensive political management experience and has a successful track record of advocacy at the local, state and national levels. We will ensure that the mCapitol Management resources are deployed to meet the goals and tasks of the Village of Hoffman Estates. This will provide 100% coverage of the Village of Hoffman Estate's current and foreseeable government relations needs.



Gary J. LaPaille

President

Gary J. LaPaille is President of mCapitol Management, Inc. mCapitol Management is a respected, result driven government and business-consulting firm that meets your needs through an unrivaled network of government leaders and key decision makers. With offices in Washington, D.C. and Chicago, the firm forges effective relationships at all levels of government and business throughout the nation. mCapitol Management, Inc. represents corporate and government clients in areas such as financial services, health care, construction, engineering, insurance, information technology, accounting and legal services.



Mr. LaPaille was elected as Chairman of the Democratic Party of Illinois for two four-year terms (1990-1998). He was elected President of the Association of State Democratic Chairs and Vice-Chair of the Democratic National Committee from 1997 to 1998.

Mr. LaPaille was an Illinois State Senator and served as the Minority Spokesman of the Senate Local Government and Elections Committee, as well as the Senate Banking and Agriculture Committees. Prior to being elected to the State Senate, Mr. LaPaille served as Chief of Staff to the Speaker of the House.

Mr. LaPaille served as Vice-Chairman of the Democratic Business Council of the Democratic National Committee. He has assisted Presidential, Senatorial, Congressional, Gubernatorial and Mayoral campaigns in his past National and State Party roles. Mr. LaPaille continues his active role in National and State Campaigns throughout the U.S.

As Host State Chairman for the 1996 Democratic National Convention in Chicago, Mr. LaPaille was involved in all aspects of a successful convention and the re-nomination of President Clinton and Vice President Gore. He has been named to serve on the last four Democratic National Convention Site Committees ('92, '96, '00, '04).

Mr. LaPaille is a Corporate Fellow of the National Governor's Association. Also, Mr. LaPaille holds memberships with the Republican and Democratic Governor's Associations, Senate and House Campaign Committees of both parties and both National Committees.

Chicago Mayor Richard M. Daley named then Senator LaPaille to serve on the Planning & Host Committee for the 1996 Democratic National Convention. Mr. LaPaille currently serves on the Finance Council of the Richard M. Daley Mayoral Committee.

Born and raised in Chicago, Mr. LaPaille attended Loyola University of Chicago and received a Bachelors of Business Administration Degree with a major in Finance. He resides in Potomac, MD with his wife Christine and their three children.

Gary J. LaPaille, President
gary.lapaille@mcapitol.com
202.296.5354 x223
www.mcapitol.com



Village of Hoffman Estates

Federal Advocacy and Consulting Services



V. Our Difference

VI. Our Experience

VII. Cost and Fee Structure

VIII. Construction

John D. Milne *Senior Vice President*

John D. Milne brings over thirty years of experience in government affairs to mCapitol Management.

Prior to joining mCapitol Management, he was a Principal in a prestigious Washington, D.C.-based government relations firm. Additionally, Mr. Milne formerly served as Director of Federal Government Affairs for 3M in Washington, D.C., where his responsibilities included a broad range of corporate issues including healthcare, pharmaceuticals, transportation, trade, tax and federal government contracting.



He was appointed by the Governor to serve on the Minnesota Lottery Board and the Transportation Study Board. Mr. Milne also served on the Minnesota High Tech Council and as chair of 3M's Marketing Council. Mr. Milne received his Bachelor of Arts from the University of Wyoming.

John D. Milne, Senior Vice President
john.d.milne@mcapitol.com
202.296.5354 x237
www.mcapitol.com

Mr. Milne's 3M experience also includes government affairs and strategic planning at the state and local government level. He managed sales and marketing operations for 3M, marketing Traffic Control Material products in the highway safety market through contractors under the direct specifications of the U.S. Department of Transportation. As Marketing Director, Mr. Milne managed a team of approximately 40 consultants and developed sales valued in excess of half a billion dollars with state, federal and local governments.

During his tenure at 3M, Mr. Milne developed extensive relationships with governors and state legislators, as well as members of Congress, the Executive Branch and the diplomatic and national business communities. These relationships allow Mr. Milne to communicate his clients' legislative and regulatory priorities to those in positions to effect change.

During his career, Mr. Milne has served on numerous boards of directors, including those of the American Road and Transportation Builders Association, American Highway Users Federation, the Council of State Governments Advisory Board of the Century 21 Fund, the National Industry Advisory Board of the American Association of Motor Vehicle Administrators and BIPAC Project 2000.



Village of Hoffman Estates

Federal Advocacy and Consulting Services



Brad A. Queisser

Senior Vice President

Brad A. Queisser joins mCapitol Management as a Senior Vice President. With offices in Washington, D.C. and Chicago, the firm forges effective relationships at all levels of government and business throughout the United States and internationally.



Mr. Queisser formerly served as Director, Government Relations for the prestigious Wall Street law firm of Cadwalader Wickersham and Taft in Washington, D.C. and New York City. While at Cadwalader, he was responsible for managing federal, state and local government advocacy for clients on issues including transportation, energy, engineering, construction, procurement and real estate.

Mr. Queisser has also held several positions within the Democratic National Committee, including Deputy Executive Director, Senior Advisor to the President of the 2000 Democratic National Convention Corporation, and with the Gore-Lieberman Recount Committee. He has also represented the Democratic Legislative Campaign Committee and the start-up of the 2004 Democratic National Convention Corporation.

Prior to his assignments in Washington, D.C., Mr. Queisser served as Director of Finance and Operations for the Indiana Democratic Party, and has also worked on numerous Democratic political campaigns.

While in Indiana, Mr. Queisser was Vice President of Business Development for an Indianapolis-based construction management and real estate development firm doing work throughout the United States. He also served in the administrations of Governors Evan Bayh and Frank O'Bannon, at one point serving as Assistant Director of the White River State Park Development Commission, a quasi-state agency tasked with development of a 64-acre urban-state park in the center of downtown Indianapolis. He was also on the planning team for the Tenth Pan American Games, held in Indianapolis in 1987.

In 2003, Mr. Queisser was selected to join seven other "rising political figures" from across the United States on an international exchange program to Argentina and Uruguay, sponsored by the American Council of Young Political Leaders, a not-for-profit largely funded by the U.S. Department of State. In 2005, Mr. Queisser was again selected, this time to lead a bipartisan political delegation to India and Pakistan.

A member of numerous boards and commissions, Mr. Queisser has served as the Chairman of the Alumni Advisory Board for The Washington Center Program for Internships and Academic Seminars, the Indiana Literacy Foundation, several inaugural committees and the NCAA Final Four Organizing Committee.

Mr. Queisser is a graduate of Indiana University and attended Indiana University School of Law, Indianapolis.

Brad A. Queisser, Senior Vice President

brad.a.queisser@mcapitol.com

202.296.5354 x225

www.mcapitol.com



Village of Hoffman Estates

Federal Advocacy and Consulting Services



Eric W. Wilson

Vice President

Eric W. Wilson is a Vice President of mCapitol Management. He has over 15 years of experience in governance, operations and environmental management with local, county and federal governments, and specializes in municipal management.



Eric has served as a municipal and federal program manager for Weston Solutions, an environmental and engineering firm; District Director for Congressman John Lewis; Deputy Chief of Staff for the City of Atlanta and Director for the Office of Environmental Justice for Fulton County, Georgia. Eric also served as an elected official for eight years on the Atlanta Board of Education, District 7 At-Large.

Eric W. Wilson holds a Master of City Planning degree from the Georgia Institute of Technology, a Bachelor of Science in Public and Environmental Affairs from Indiana University and received his Commission as a Second Lieutenant from the Indiana Military Academy.

Eric is a member of the following organizations: DeKalb County Chamber of Commerce, Board of Directors; Council of Urban Boards of Education, Member; U.S. Conference of Mayors, Steering Committee; Atlanta Beltline Housing Advisory Board of Directors; Butler St. YMCA, Achievers Mentor Program, Mentor; Habitat for Humanity – Cox and Clark Howard Builds; Omega Psi Phi Fraternity; Fernbank Museum of Natural History, Artemis Board Member; Hands on Atlanta, Volunteer; Eli Broad Foundation-School Leadership, Founding Class; Leadership Atlanta, Class of 2004; Atlanta Who's Who, 2005.

He has served our Country first as a Corporal in the United States Marine Corps Reserves and then as a Captain in the Army National Guard where he completed his service of 17 years. He is married and remains a resident of the Atlanta area and splits his time between Georgia and Washington, D.C.

Eric W. Wilson, Vice President

eric.wilson@mcapitol.com

678.327.2951

www.mcapitol.com



Village of Hoffman Estates

Federal Advocacy and Consulting Services



Larry Werner

Senior Vice President

Larry Werner joins mCapitol Management as a Senior Vice President. He brings extensive experience in both the public and private policy sectors.



Until 1999, Mr. Werner worked as the Legislative Director and Senior Policy Advisor for Senator Harry Reid of Nevada, currently the Majority Leader of the United States Senate, and helped manage three of Mr. Reid's four Senate campaigns. On Capitol Hill, Mr. Werner oversaw all legislative activity of the 16-member issues staff of the Senator's office, as well as the Senator's committee work, including the Defense Appropriations and the Energy and Water Appropriations Subcommittees. He also handled environmental matters while working with the Senate Environment and Public Works Committee. Mr. Werner was also Senator Reid's representative to the Senate Democratic Leadership.

Mr. Werner currently represents several national trade groups on healthcare, consumer protection and energy issues. He also works with first-tier auto suppliers, Native American Tribes and advanced technology companies.

Mr. Werner began his career as a journalist in 1979 with the Associated Press in Salt Lake City, and later became a political and investigative reporter for the largest daily newspaper in Nevada, the Las Vegas Review-Journal. From 1987 to 1991, he worked as an investigative reporter for the Seattle Post-Intelligencer before being hired by Senator Reid to work in the United States Senate.

Mr. Werner earned his undergraduate degree from Brigham Young University in Provo, Utah. He resides in Falls Church, Virginia with his wife and daughter.

Larry Werner, Senior Vice President

larry.werner@mcapitol.com

202.296.5354 x241

www.mcapitol.com



Village of Hoffman Estates

Federal Advocacy and Consulting Services



Jeffrey Breneman

Senior Vice President

Jeffrey Breneman serves as a Senior Vice President at mCapitol Management, bringing significant experience as a public policy consultant in Washington, D.C. and Michigan. Mr. Breneman has worked extensively on alternative energy technology, higher education funding and a wide array of local government and economic development projects.



Prior to becoming a multi-client government policy advisor, Mr. Breneman worked for Bosch, the world's largest automotive supplier. As the first Director of Government Relations for the German-based company's North American subsidiary, Mr. Breneman implemented a corporate strategy for federal, state and community relations for the automotive and non-automotive divisions in the United States.

Prior to Bosch, Mr. Breneman served as Vice President for Legislative Affairs at Western Michigan University, a research university in Kalamazoo, Michigan with over 27,000 students. He led the university's state and federal government relations efforts and also served as Chief of Staff to President Elson S. Floyd. During his time at WMU, Mr. Breneman organized a federal research agenda with campus faculty. As a result, over \$4 million in federal funds were secured through Congressionally-directed funding in a three-year period.

Before joining Western Michigan University, Mr. Breneman spent eight years with Congressman Fred Upton (R-6th MI). He served as his Deputy Chief of Staff and managed his Michigan operations.

Mr. Breneman received his Bachelor of Arts degree in Political Science from Western Michigan University. Mr. Breneman remains a resident of the Kalamazoo area and splits his time between Michigan and Washington, D.C.

Jeffrey Breneman, Senior Vice President

jeffrey.breneman@mcapitol.com

202.296.5354 x234

www.mcapitol.com



Village of Hoffman Estates

Federal Advocacy and Consulting Services



V. Our Difference

VI. Our Experience

VII. Cost and Fee Structure

VIII. Conclusion

Lee Janger

Vice President

Lee Janger serves as a Vice President at mCapitol Management, focusing on federal legislative and regulatory matters.

Mr. Janger's practice focuses on advanced technologies for the automotive industry, including alternative engine technologies, environmental improvements, efficiency standards and trade. Mr. Janger also represents Native American tribes on energy related matters, gaming issues and overall sovereignty.



Mr. Janger holds a J.D. from the John Marshall Law School in Chicago and is licensed to practice law in Illinois, the District of Columbia, and the United States Tax Court. He completed his undergraduate degree at Boston University. Mr. Janger is a member of the District of Columbia Bar Association and the Illinois Bar.

Mr. Janger resides in Bethesda, Maryland with his wife and two children.

Lee Janger, Vice President
lee.janger@mcapitol.com
202.296.5354 x249
www.mcapitol.com

Prior to joining mCapitol Mr. Janger served as a political consultant representing financial services industry clients, as well as first-tier auto suppliers, advanced technology companies, universities and trade associations.

As an attorney in Chicago for over four years, Mr. Janger represented both large and small businesses before Illinois state and federal courts. His advocacy resulted in fifteen jury and bench trial victories. While an associate with two private Chicago law firms, his clients included national insurance carriers, real estate developers, hospitals, local unions and technology companies.

In 1999, he was appointed to serve as an Administrative Hearing Officer to the Chicago Board of Elections. Afterwards, he served under contract with the U.S. Department of Justice where he worked with the Frauds Section of the Department's Civil Division.

Prior to becoming an attorney, Mr. Janger served as an aide to Speaker Michael Madigan of the Illinois House of Representatives where he worked with legislators on agricultural, energy, tax, manufacturing, technology and financial services legislation.



Village of Hoffman Estates

Federal Advocacy and Consulting Services



Anne Knibbs

Client Service Manager

Ms. Knibbs brings several years of PAC management, development and communications to a wide array of clients at mCapitol Management. Ms. Knibbs has occupied senior roles in PAC management ranging from treasurer, communication's director and PAC administrator. Her exceptional skills mark her as the ideal person to play a major role in PAC growth, communications and reporting. Ms. Knibbs has been recognized by many clients for building or increasing their corporate political presence through strong PAC development and implementation.



A major insurance company turned to Ms. Knibbs and mCapitol Management to help them create a PAC. In just two short months, Ms. Knibbs created a program that netted over \$200,000 in PAC revenues during the initial solicitation.

Ms. Knibbs is a member of several public affairs associations and regularly attends FEC compliance seminars and conferences. She has also served as a Fundraising Director to various National, State and Local political & charity committees.

Born and raised in Chicago, Ms. Knibbs attended Saint Xavier University of Chicago, and received a Bachelor of Business Administration Degree with a major in Management. She resides in Chicago with her husband Don and their four children.

Anne Knibbs, Director of PAC Management Services

anne.knibbs@mcapitol.com

312.831.3502

www.mcapitol.com



Daphne Bryson Jackson

Local Affairs Advisor

Daphne Bryson Jackson brings over 20 years of experience in community and government relations to her position as founder and principal of GovLink, Inc, a strategic consulting firm providing clients with dynamic strategies to access local government relationships and procurement opportunities. The firm also has extensive experience in crisis communications, fundraising, public/private partnerships and development of effective community/public involvement programs.



Prior to founding GovLink, Ms. Jackson served as the Managing Director for the Georgia office of Washington, DC-based Stewart Partners where she managed federal and local lobbying relationships with Fortune 100 companies. Ms. Jackson's successfully developed business development strategies for corporate clients which allowed them to secure procurement opportunities within both federal and local agencies.

Prior to working with Stewart Partners, Ms. Jackson served as Director of Legislative Affairs for one of Georgia's largest counties, DeKalb County, where she developed the county's legislative agenda and successfully lobbied on behalf of DeKalb county before the Georgia state legislature. Prior to joining DeKalb County, Ms. Jackson served as a senior staff member for two former Presidents of the Atlanta City Council. In that capacity she held the positions of Community Affairs Manager and Policy Analyst for the City of Atlanta. As Community Affairs Manager she developed relationships with regional business, community and political leaders to gain support and consensus for City of Atlanta initiatives and programs. As Policy Analyst, she served as Legislative Liaison to the Georgia State Legislature and researched national public policy and legislative issues relevant to the City of Atlanta.

A love for politics led Ms. Jackson to political campaign management where she has experience both as campaign manager and finance director. Ms. Jackson's career has also included an assignment as Manager of Business Development for one of Atlanta's largest minority-owned construction firms where she successfully secured contracts in excess of \$25 million. Prior to working in government, Ms. Jackson

was a successful Account Executive for Xerox Corporation and Ethicon, Inc. (a Johnson & Johnson Company).

Since its inception in 2002, GovLink, Inc. has worked with clients in a wide range of industries including architecture, engineering, construction, cable, telecommunications, housing, insurance, manufacturing, transportation and county, municipal and quasi-government agencies. Considered a specialist in governmental affairs and legislative strategy, Ms. Jackson has been retained by organizations such as MARTA to provide strategic counsel with the specific goal of supporting/opposing legislation and gaining consensus around specific issues. Managing all of the county's appropriations, grant and stimulus funds requests, is one of Ms. Jackson's current responsibilities as the local liaison for DeKalb County CEO Burrell Ellis' federal lobbying team.

Ms. Jackson is a native Atlantan and resides in the city with her son Bryson. Ms. Jackson is a graduate of Stephens College and is a member of Delta Sigma Theta Sorority, Inc., Jack & Jill of America and currently serves on the board of several local non-profit organizations. Most recently she was appointed and approved by both the Atlanta City Council and Fulton County Board of Commissioners to serve a two-year term as a member of the Beltline TAD Advisory Committee. In 2009 Ms. Jackson was a member of the national Finance Committee for the Kasim Reed for Mayor campaign which concluded in the successful election of the city's 59th Mayor.

Daphne Bryson Jackson,
Local Affairs Advisor
djackson@govlinkinc.com
404.309.1048 office
404.379.3226 cell
www.govlinkinc.com



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VI. Our Experience

VII. Cost and Fee Structure

VIII. Conclusion

Eric K. Brown

Legislative Assistant

Eric K. Brown joins mCapitol Management as a Legislative Assistant, bringing extensive experience in Congressional Policy and Appropriations.



Prior to joining mCapitol, Mr. Brown served as Legislative Assistant to Congressman Joe Knollenberg (R-MI). In that role, he served as one of Congressman Knollenberg's key advisors on issues related to Appropriations, specifically water resources, energy, manufacturing, financial services, and environmental policy. In this capacity, Mr. Brown served as a point of contact with the House Appropriations Committee, managing funding requests and Appropriations Policy.

Mr. Brown worked for the former Congressman beginning in 2005 and assumed management duties over a number of policy initiatives, including authorizing and securing funding for a number of water quality improvement projects in Michigan. Mr. Brown was also responsible for leading an extensive manufacturing policy team that greatly increased federal funding to improve the competitiveness of small to medium sized manufacturing firms throughout the U.S.

Mr. Brown also has significant campaign experience. Serving as a Field Director for the Knollenberg for Congress Committee, he implemented and oversaw a massive Get-Out-The-Vote Program in addition to managing day-to-day operations in a southeast Michigan field office.

A native of Bloomfield Hills, Michigan, Mr. Brown received his Bachelor of Arts in Political Theory and Constitutional Democracy from Michigan State University in East Lansing, Michigan.

Eric K. Brown, Legislative Assistant

eric.brown@mcapitol.com

202.296.5354 x224

www.mcapitol.com



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Daniel S. Broom

Legislative Assistant

Daniel S. Broom joins mCapitol Management as a Legislative Assistant and brings experience in an extensive array of legislative issues, including budget, tax, healthcare, transportation, agriculture and small business.



Prior to joining mCapitol Management, Mr. Broom served as a Legislative Aide to United States Senator Evan Bayh (D-IN). In that role, he led analysis and advised the Senator on his non-defense Appropriations portfolio, which included managing each Appropriations Bill as it was brought to the Senate floor. Mr. Broom was also the outreach liaison with Indiana mayors, universities, advocacy groups and constituents on behalf of the Senator and assisted in crafting state and national press releases.

Mr. Broom worked for Senator Bayh commencing in 2007. Before becoming a Legislative Aide, Mr. Broom served as both a Research Assistant to the Senator and a Legislative Correspondent. In these roles, Mr. Broom advised the Senator and senior staff on a variety of legislative issues and assisted in drafting legislation and amendments to advance the Senator's priorities. Beginning his work for the Senator as a Staff Assistant, Mr. Broom assisted in managing the day-to-day operations in Senator Bayh's Washington, D.C. office.

In addition to his work for Senator Bayh, Mr. Broom worked for former United States Congressman Lane Evans (D-IL-17). He has significant campaign experience. Serving on United States Senator Hillary Rodham Clinton's Presidential campaign, Mr. Broom staffed members of Congress as they campaigned for the Senator in Indiana, Kentucky and South Carolina. He also served on the campaign for Illinois State Senator Mike Frerichs (D-IL-52).

Mr. Broom received his Bachelor of Arts with a major in Sociology and a minor in History from Indiana University in Bloomington, Indiana.

Daniel S. Broom, Legislative Assistant

daniel.broom@mcapitol.com

202.296.5354, x240

www.mcapitol.com



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Rebecca Grandi

Special Assistant to the President

Ms. Grandi joins mCapitol Management as the Special Assistant to the President. She will also assume responsibility for managing the firm's administrative operations. Ms. Grandi's experience includes over a decade of leadership and management roles as well as executive-support in political, government and non-profit organizations.

Prior to joining mCapitol Management, Ms. Grandi worked as a political director for the Commissioner of the Revenue, the chief tax assessor for the City of Virginia Beach. She worked directly alongside him, providing daily strategic advice and overseeing his political operations, including managing his three successful re-election campaigns. Ms. Grandi was also instrumental in developing the strategy for him to challenge an incumbent member of Congress in one of the most closely-watched, competitive House races of 2006.

Ms. Grandi has worked with several local, state and federal campaigns in New Jersey, North Carolina and Virginia where she gained significant experience with grassroots-organizing, messaging, public relations, media, strategy, and campaign management. In 2004, she was elected Chair of the Virginia Beach Democratic Committee. Her behind-the-scenes work with key political and community leaders, members and volunteers helped resurrect the committee, making it viable again and setting the stage for future statewide recognition and continued electoral success for local and statewide Democrats. Ms. Grandi has also served as treasurer for two campaigns, a political party committee and a political action committee. She has been directly involved in activities resulting in more than \$2,500,000 raised in campaign and committee contributions.

Prior to her involvement in politics, Ms. Grandi worked for the United Way of South Hampton Roads' Agency Relations division. The primary scope of her work included working on compliance matters, coordinating and managing various panel and committee meetings, and serving as a staff liaison for local executive directors and volunteer executives during the agency evaluation and fund distribution process.

Ms. Grandi graduated with a Bachelor of Arts degree in History from Taylor University in Upland, Indiana and a Master of Business Administration degree from the College of William and Mary. She currently resides in Fairfax County, VA.

Rebecca Grandi, Special Assistant to the President

rebecca.grandi@mcapitol.com

202.296.5354 x221

www.mcapitol.com



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Daniel Trope

Legislative Assistant

Daniel Trope joins mCapitol as a Legislative Assistant. He brings with him a solid record managing issues related to foreign relations, national security, armed services, terrorism, veteran's affairs, banking, housing, labor and education.

Prior to joining mCapitol Management, Mr. Trope, originally from Kansas, served as a Legislative Correspondent for United States Senator Evan Bayh (D-IN). During his time working alongside the Senator, Mr. Trope gained hands-on experience providing analysis and developing insight on issues pertinent to both the Senate Armed Services and Intelligence committees, thus enabling him to draft accurate, precise and focused memos for the Senator's review.

Mr. Trope also served at the Department of Transportation in Atlanta, Georgia and as a campaign assistant for United States Congressman Dennis Moore (KS-D). He attended the United States Air Force Command and Staff College, the American University in Cairo, Egypt, and is a graduate of Indiana University with a degree in Political Science and Near Eastern Language and Culture where he graduated Cum Laude. He is literate in Arabic and has a basic understanding of Hebrew.

Mr. Trope is a Truman National Security Scholar, a recipient of the Indiana University Faculty Award, the Robert S. Patton Scholarship and was a Member of the Dean's List.

Daniel Trope, Legislative Assistant

daniel.trope@mcapitol.com

202.296.5354, x222

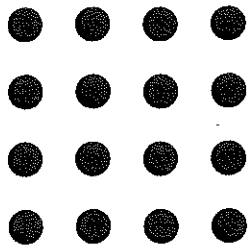
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Village of Hoffman Estates

Federal Advocacy and Consulting Services





Section V

Our Difference

mCapitol Management is committed to the Village of Hoffman Estates' success. As your needs change, we repeatedly demonstrate our value as we evolve strategies and tactics to continue to deliver those desired results.

mCapitol Management is selective. By limiting our clients, we are able to ensure that each client benefits from the individual expertise of every team member.

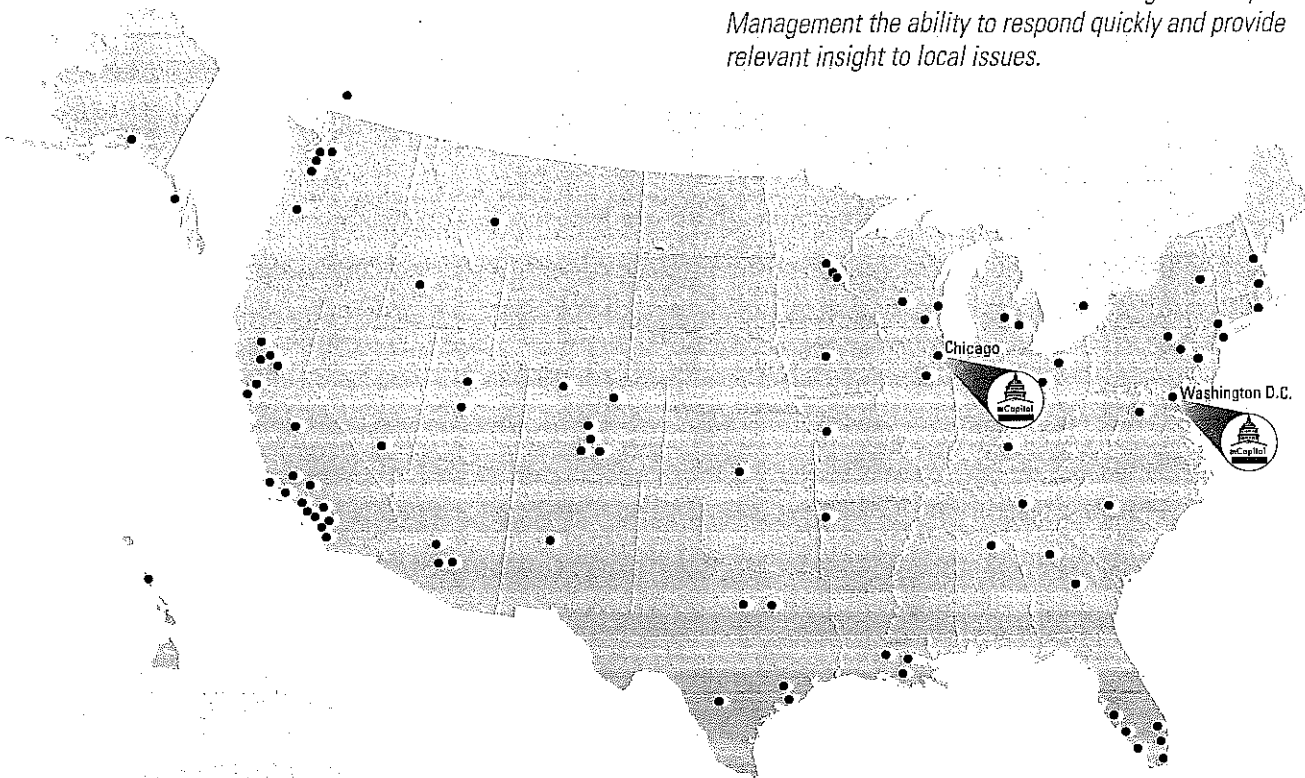
mCapitol Management is passionate. We are excited about what we do, but more importantly, we are excited about what our clients do. Our enthusiasm and curiosity inspire

and enable us to effectively represent their interests and advocate their position

mCapitol Management is connected. We maintain strong relationships with government relations and public affairs partners at the local, state, federal, and international levels of government. This network of consultants can be activated at any time to enhance our ability to provide regional expertise on a variety of issues.

The mCapitol Network

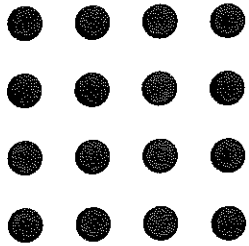
Our extensive network of affiliate offices gives mCapitol Management the ability to respond quickly and provide relevant insight to local issues.



Village of Hoffman Estates

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Section VI Our Experience

Our Local Government Experience

We are proud to identify the local governments we either currently or recently represented along with our accomplishments on their behalf. Below is a sampling of our local government clients.

- **Battle Creek Unlimited.** Currently consult on federal economic development issues for Battle Creek Unlimited, a public-private economic development arm for Calhoun County, Michigan. (Current mCapitol client.)
- **City of Indian Wells, California.** mCapitol Management is assisting the City of Indian Wells in pursuing Federal assistance for a major highway widening and improvement project through the heart of their city. mCapitol Management is also tasked with seeking grants to assist various programs and services of this local government in California. mCapitol is also assisting with authorization of a crucial water drainage project for the city. (Current mCapitol client.)
- **City of Jeffersonville, Indiana.** mCapitol Management was retained in 2010 to identify federal funding sources for the City's proposed \$52 million - downtown Canal District Project. Federal appropriations were identified and secured through mark-up, as well as, federal competitive/non-competitive grants and funding through the American Recovery and Reinvestment and Reinvestment Act (ARRA). mCapitol Management works as part of a Canal District Project Team including engineering and design professionals, legal counsel, and construction managers to ensure an integrated and coordinated approach to this high profile project. (Current mCapitol client.)
- **City of North Vernon, Indiana.** mCapitol Management worked to obtain federal funding for the City's various projects. Since 2008, with mCapitol's assistance, the City had received over \$6 million in federal funding for their vital water and infrastructure improvements, including \$5.7 million from competitive/non-competitive grants and the American Recovery and Reinvestment Act (ARRA); and, over \$500,000 in direct federal appropriations. (Current mCapitol client.)
- **City of North Vernon, Indiana Municipal Airport Authority.** mCapitol Management was retained by the Airport Authority to coordinate federal funding support between the City of North Vernon, Muscatatuck Urban Training Center, the Indiana National Guard, the United States Department of the Army, and the Municipal Airport Authority for airport improvements that would expand their runway to accommodate C-130 and C-17 cargo planes. Federal Aviation Administration (FAA) funding, among other grant programs have been identified, including, but not limited to annual appropriations requests. (Current mCapitol client.)

Contact:

The Honorable Harold Campbell
Mayor of the City of North Vernon
275 Main Street
North Vernon, IN 47265812-346-4691

Contact:

Mayor Tom Galligan
City of Jeffersonville
500 Quartermaster Court Jeffersonville City Hall
Jeffersonville IN 47130



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- **Clermont County, Ohio.** Represent a coalition of businesses and Clermont County on transportation issues and have successfully secured federal transportation and stimulus funding in excess of \$1.2 million. Through mCapitol's efforts, the county received \$250,000 in the FY 2008 Transportation Appropriations Bill, \$570,000 and \$230,000 in the FY 2009 Transportation and Commerce Appropriations Bill, respectively. (Current mCapitol client.)

Contact:

Mr. Steve Wharton
 Clermont County Capitol Investors
 4673 McKeever Pike
 Williamsburg OH 45176
 ed3c@fuse.net

- **DeKalb County, Georgia.** Currently represent DeKalb County on federal appropriations and policy matters. mCapitol Management worked with DeKalb County, Georgia to secure federal funding for projects addressing critical transportation needs and job creation in the metro Atlanta area. Through mCapitol Management's assistance, monitoring and direct facilitation, DeKalb County was the recipient of tens of millions of federal dollars from direct Congressional appropriations, American Recovery and Reinvestment Act (ARRA), and competitive/non-competitive grants (Current mCapitol client.)

Contact:

Anne Rosenthal,
 Legislative Affairs Director Office of CEO Burrell Ellis,
 Jr. Clark Harrison Building 330 Ponce de Leon Avenue,
 6th Floor Decatur, GA 30030404-371 - 3690

Morris Williams
 Chief of Staff to DeKalb County
 Board of Commissioners
 1300 Commerce Drive, 5th Floor
 Decatur, GA 30030404-371-2274

- **Grand Rapids, Michigan.** Led lobbying team for City of Grand Rapids from 2006-2008. Established city's first-time federal strategy process and secured funding for city priority projects including transportation and after-school literacy programs. (Not currently an mCapitol client.)

- **Jackson Park Community Hospital, Chicago.** mCapitol Management was retained by a Jackson Park Community Hospital, Chicago, to attain federal funds for hospital upgrades. In coordination with the hospital, mCapitol Management was able to secure \$1 million in federal funding for this community hospital in an impoverished area. The money received will be used to build a completely green wing of the hospital. (Current mCapitol client.)
- **Southwest Michigan Alliance.** Organized and established regional federal lobbying alliance consisting of the cities of Kalamazoo and Portage, Michigan; Kalamazoo County; the Kalamazoo Regional Chamber of Commerce; Western Michigan University; and the Kalamazoo-Battle Creek Airport Authority Board. The Alliance secured the largest American Recovery and Reinvestment Act (ARRA) project for the State of Michigan - \$70 million for the widening of Interstate 94. In addition, we secured \$15-20 million for a new airport terminal in Federal Aviation Administration funding. (Current mCapitol client.)

Contact:

Mr. Steward Sandstrom
 Kalamazoo Chamber of Commerce
 346 W. Michigan Ave
 Kalamazoo MI 49007
 (269) 381-4000
 (269) 343-0430
 steward@kazoochamber.com



Below is a sampling of mCapitol Management's current client list.





Section VII

Cost and Fee Structure

mCapitol Management is pleased to submit our cost proposal for performance of the services contained in the request for proposal.

Our fee for services is \$4,000 per month for a period of one (1) year, plus pre-approved reimbursable expenses.*

mCapitol Management understands that reimbursable expenses (such as meals, professional printing services, travel, printing and reproduction costs, postage and shipping, and parking) are in addition to the project cost and will be paid at cost upon approval by the Village of Hoffman Estates. mCapitol Management confirms that all requests submitted for reimbursement will be accompanied by invoices and receipts.

Our engagement will commence on April 16, 2011.

**Please note that mCapitol Management will expend as many hours necessary to achieve the goals of the Village of Hoffman Estates.*





Section VIII

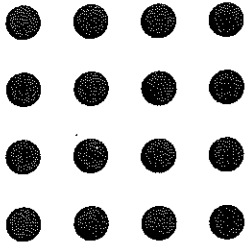
Conclusion

Our bipartisan team of professionals will develop and implement a successful strategy once our agreement has been approved.

What matters most is meeting the Village of Hoffman Estates' needs through the quality and merit of our planned efforts. As you have seen, our tactics are effective because they are carried out by experienced professionals and are strategically managed. The key to mCapitol Management's success is deploying allied resources – at the ground level – in order to activate officials at all levels of government, and guide their positions to benefit the Village of Hoffman Estates.

The mCapitol Management team looks forward to further discussions and stands ready to provide you with immediate representation in Washington, D.C. If you have further questions or would like additional information, please do not hesitate to contact Gary LaPaille, President at 202.296.5354, Ext. 223.





Section IX

Addendum

Crain's Chicago Business — January 7, 2011

*Crain's Chicago Business published an article on Bill Daley's appointment as the new Chief of Staff to President Obama. We felt this article would be of particular interest to you given that Gary LaPaille, President of mCapitol Management, contributes some interesting insight on the pragmatism of the appointment.

Business applauds Bill Daley's new role on White House center stage

By: Paul Merrion January 07, 2011

(Crain's) — For someone known as “No Drama” Obama, naming Chicago banker William Daley his chief of staff was quite a theatrical move.

With one flourish, President Barack Obama turned around the perception that the White House is anti-business, set the stage for better relations with a Republican-dominated Congress and steered his administration back toward the independent voters he'll need to get re-elected next year.

“The more I thought about it, the more logical it seemed to me,” said Chicago attorney Sam Skinner, who served as Transportation Secretary and White House chief of staff in the first Bush administration. “The president is very fortunate to have him on his team. It's a terrifically solid choice.”

Business groups welcomed the appointment.

“He is a very accomplished and strong business leader,” said Jay Timmons, executive vice-president of the National Assn. of Manufacturers. “The NAM had a strong relationship with him during his days as secretary of commerce, and we look forward to working with him again on policies that will move our country forward — especially on job creation, economic growth and global competitiveness.”

“He is pro-business, pro-trade and has a proven track record,” said William Lane, a Washington lobbyist for Peoria-based Caterpillar Inc. who worked closely with Mr. Daley on the passage of NAFTA. “Plus he is just a great guy. In football, he would be called an impact player. In politics, he is a brilliant choice to be chief of staff.”

Perspective from two worlds

A former commerce secretary and banking powerhouse, Mr. Daley can give Mr. Obama real-world advice on economic matters. No stranger to sharp-elbow politics, Mr. Daley can also be a trusted campaign adviser.



“Bill Daley is entirely comfortable in the world of business as in the world of politics,” said William Galston, a longtime associate of Mr. Daley’s and a White House domestic adviser in the Clinton administration.

And while Mr. Daley is soft-spoken, “he has all the toughness of the Daley family, and then some,” said Mr. Galston, now with the Brookings Institution, a liberal-leaning Washington, D.C., think tank.

Mr. Daley is the brother of retiring Chicago Mayor Richard M. Daley and the youngest son of the late legendary Chicago Mayor Richard J. Daley. He is Midwest chairman of J. P. Morgan Chase & Co., overseeing global government relations for the banking giant. He also sits on the boards of other major companies, including local blue chips Abbott Laboratories and Boeing Co., as well as New Jersey-based Merck & Co.

“Obama has always had a philosophy that he needs people who’ve done the job before,” said Dan Shomon, a former top aide when Mr. Obama was an Illinois senator and when he first ran for the U.S. Senate. After winning that primary, the Obama campaign brought in Robert Gibbs — who’s just now departing his latest job as White House spokesman — along with others with experience running Senate campaigns. “He doesn’t like on-the-job training.”

Longtime party operative

Mr. Daley has long been a Democratic operative, both publicly and behind the scenes, in city, state and national politics. In addition to serving as commerce secretary in Bill Clinton’s second term, he was chairman of Al Gore’s 2000 campaign. And despite his closeness to both Bill and Hillary Clinton, he was a key supporter of the Obama presidential candidacy.

Mr. Daley served on the Obama-Biden transition team and considered a run for Illinois governor. He also helped lead his brother’s failed 2009 effort to land the 2016 Olympics. During the Bush administration, he worked for a time in Texas as president of SBC Communications, now part of AT&T Inc.

Some on the left consider Mr. Daley too close to Wall Street. Chase, after all, accepted \$25 billion in federal bank bailout money — if reluctantly. In the early 1990s, he helped then-President Clinton pass the North America Free Trade Agreement, still blamed by many union workers and liberals for helping to move jobs overseas.

Mr. Daley’s chief deputy on that NAFTA assignment was Rahm Emanuel, his predecessor as Mr. Obama’s chief of staff who is now running to replace his brother as Chicago mayor.

Mr. Daley was also one of the first prominent Democrats to urge Mr. Obama to move toward the political center. In an opinion piece published in the Washington Post in December 2009, Mr. Daley said his party must either “plot a more moderate, centrist course” or risk major election losses.

“The Daleys have always run their politics as moderates and focused on swing votes,” said Gary LaPaille, a former chairman of the Illinois Democratic Party who is now a lobbyist in Washington. With the electorate divided on most issues, “He’ll be a loud voice in the room to say how this will play with that 5% you’ll be courting in the election. This does put a good political pragmatist in the Oval Office at a very crucial time for this president. He’s someone who can command attention in a strategy meeting and speak to the issues that will attract that 5%.”



In the genes

In announcing Mr. Daley's appointment Thursday, Mr. Obama said he "possesses a deep understanding of how jobs are created and how to grow our economy." And in a humorous reference to the Daley family dynasty, the president said, "Bill also has a smidgen of awareness of how our system of government and politics work. You might say it is a genetic trait."

Cook County Commissioner John Daley called his brother Bill a good compromiser, a knack he said the Daley children got as youngsters. "They both knew, both my mom and my dad, that people should listen to other people's points of view, and no one is right all the time."

Mr. Daley extends the close-knit fraternity of Chicago advisers in the White House. He's also close to senior presidential adviser David Axelrod, who also is from Chicago and is expected to leave the White House soon.

Mr. Emanuel, who represented Chicago as a congressman, as chief of staff was good in marshaling support in the House from former Democratic colleagues — a talent not as needed now that Republicans have taken the majority.

"The buzz on Capitol Hill (among Republicans) is that he's always somebody they felt comfortable talking to," said Craig Burkhardt, a Washington lobbyist and former Commerce Department official who's close to House Republicans.

Mr. Daley also doesn't have some of the hard edges or volatility that Mr. Emanuel exhibited, said American University political scientist James Thurber.

"He's going to run a businesslike operation, keeping people in the White House focused on their strategy, theme and message," Mr. Thurber said. "He's different than Rahm. His ego is not as big and I think that's good for the White House."

Democratic pollster Doug Schoen, who once worked for Mr. Clinton, said Mr. Obama knows he can't get re-elected unless he moves to the center. Mr. Daley is well-positioned to help the president complete this move, which began with the lame-duck Congress deal to extend Bush-era tax cuts.

"Daley is a pragmatist," Mr. Schoen said. "He's pro-business. He's a centrist. He gets it."

Economic consultant Rob Shapiro, who was commerce undersecretary while Mr. Daley was commerce secretary, said his former boss "has great political experience and instincts."

"He has a real understanding of business and great ties to business," Mr. Shapiro said. "And he has no public ego. He's not interested in the limelight. He just wants to be effective."



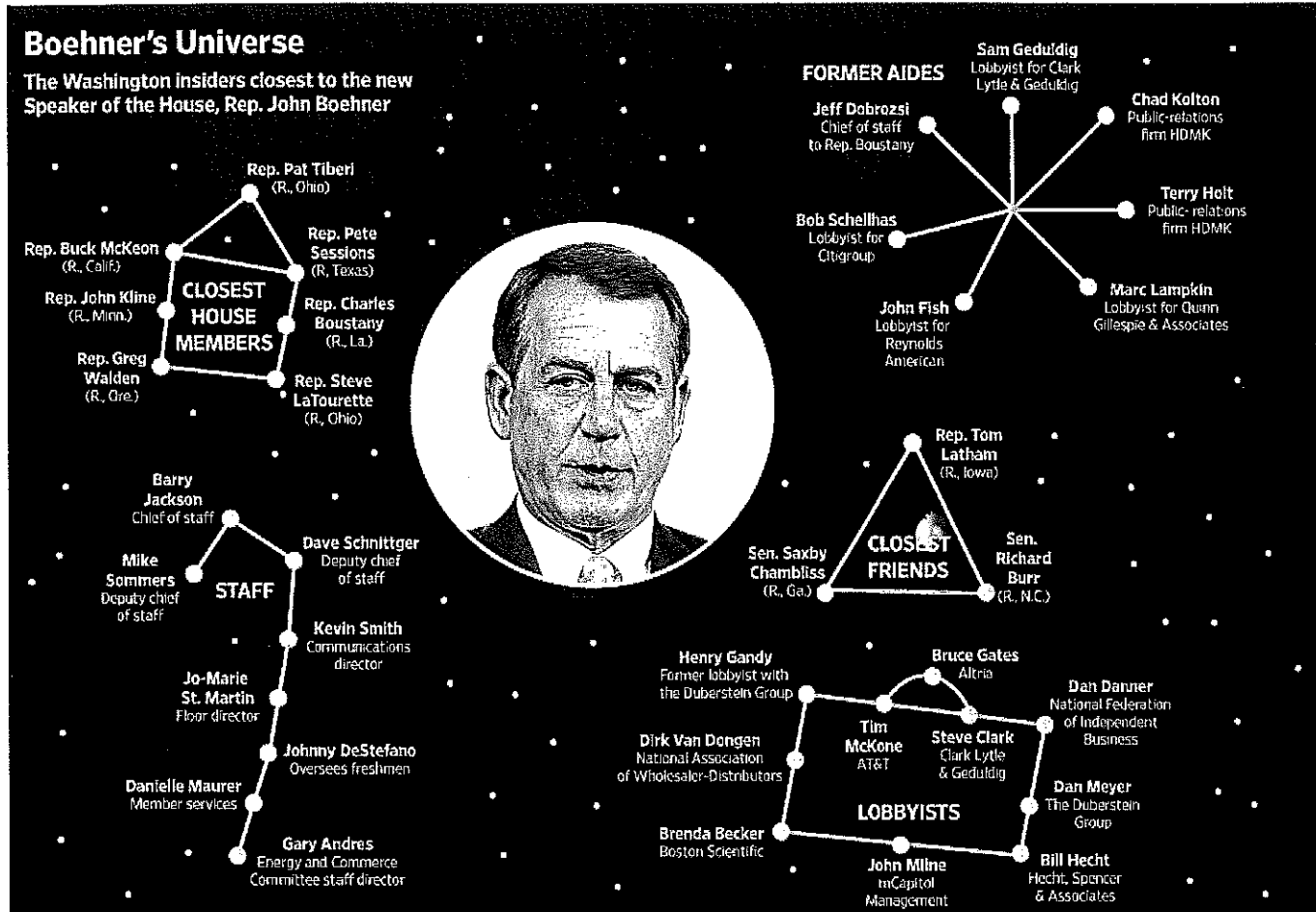
Village of Hoffman Estates

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Wall Street Journal — January 5, 2011

*One of mCapitol Management's senior vice presidents, John Milne is highlighted in an illustration on incoming Speaker of the U.S. House of Representatives John Boehner.



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THE HILL

BUSINESS & LOBBYING

Small firms rake in big business along K Street

By Silla Brush and Jim Snyder

Posted: 08/05/09 08:23 PM [ET]

Small boutique lobbying firms are thriving in an otherwise mixed year for K Street by promising to deliver more bang-for-the-buck than marquee houses.

Revenues at some of Washington's biggest lobbying firms have been falling as companies and trade groups look to cut costs during the recession. Eight of the 10 firms that booked the biggest earnings in the first half of 2008 saw hefty declines in the first half of 2009 — some as high as 18 percent.

But at their smaller counterparts, business is booming. Firms like the Gephardt Group, mCapitol Management and the Raben Group are reporting growth rates between 30 and 200 percent.

An analysis by The Hill, using revenue totals collected by CQ MoneyLine, found that aggregate earnings of the 100 largest firms dropped in the first half of 2009 compared to the same period last year. The largest firms reported revenues of \$414 million, down about 4 percent from the same period in 2008.

While firms ranked 100 to 200 in terms of earnings brought in much less revenue overall — roughly \$125 million — they also saw a combined 3 percent uptick in business.

“There is an increasing recognition that smaller firms hustle more and can do things at a lower price point,” said Stewart Verdery, founder of Monument Policy Group, which saw a roughly 15 percent growth in business. “We have eight people and no support staff. We don't pay for a whole contingent of secretaries and researchers.”

Scott Parven, of Parven Pomper Strategies Inc., said his clients benefit from having all six of the firm's staffers working on every contract.

“The fact that we're small and focused means we can focus on what a client needs on a daily basis and not get too big or too diffuse that we have to juggle too many plates,” said Parven, whose firm saw a 22 percent increase in revenue.

Some of the small firms are benefiting from having big-name Democrats on staff. The Gephardt Group is named after former House Majority Leader Dick Gephardt (D-Mo.). Kountoupes Consulting LLC, which grew by nearly 40 percent in the period, was founded by Lisa Kountoupes, a former legislative affairs staffer under President Bill Clinton. mCapitol Management's president, Gary LaPaille, was the chairman of the Illinois Democratic Party when Barack Obama served in the Illinois state Senate.



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"It doesn't hurt to be someone who is from Chicago or Illinois," LaPaille said. "I don't market it like that, but there aren't that many of us out there."

When it comes to measuring earnings growth, smaller firms also have a mathematical advantage over bigger shops. The money from one or two additional clients will cause larger earnings growth at a firm that makes \$1 million versus one that brings in \$20 million.

And lobbyists at small shops say they've benefited from an aggressive legislative agenda pushed by the Obama administration, on healthcare, financial-services reform and energy and climate change. The activity has helped offset the effects of the recession for firms small and large on K Street.

Lobbyists at boutique shops insist their size is increasingly viewed as an advantage by clients. The firms offer lower overhead and more hands-on services, they say, than do their larger competitors, which appeals to penny-pinching executives.

"At the major shops you have a U.S. senator who does the pitch and then you suddenly have a 26-year-old managing the account," said LaPaille. "The buyer is getting more sophisticated."

The Raben Group has seen a nearly 50 percent increase in revenue during the period, but Robert Raben, the firm's founder, said the growth isn't due to a change in business strategy.

Raben said he has never been successful cold-calling potential clients and continues to win most of his work through referrals. The firm focuses on a range of public policy and advocacy issues, such as reproductive rights, gay rights and affordable housing. Roughly 80 percent of the firm's work is for not-for-profit clients, and the rest for corporate clients with similar goals, Raben said.

While Raben has more clients and has been able to hire more staffers, he said some lobbying work remains mostly off-limits for smaller firms.

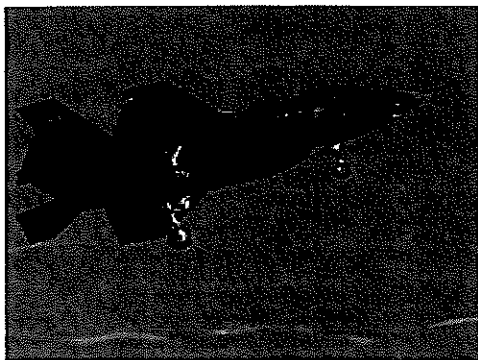
"It remains the case that the largest corporations, the coalitions and definitely the foreign governments are the exclusive domain of the big, mostly law, firms and some lobby shops," Raben said. "And then the boutiques get hired as tactical add-ons."



POLITICO

Lobbyists flex muscles in engine war

By: Nick Schwellenbach - Center for Public Integrity
June 7, 2010 04:31 AM EDT



An intense spending fight over a second engine for the Joint Strike Fighter has partners General Electric Co. and Rolls-Royce and rival Pratt & Whitney deploying armies of representatives on Capitol Hill, as Defense Secretary Robert Gates has made opposition to the second engine the centerpiece of his push for Pentagon procurement reform.

Despite the intensity of the battle, the outcome is uncertain. So far, only one clear winner has emerged: the lobbyists.

This year, 13 different lobbying firms, plus each contractor's in-house lobbyists, are engaging lawmakers on the engine issue — focusing on the defense authorization and appropriations bills in which the engine debate will most likely be decided.

At the root of the disagreement is this question: Are the long-term savings that might come from competition worth several billion dollars more now to fund a second source for the fighter's engine?

"If they [the Pentagon] have to pay for the second engine, something else isn't getting done, ... or they have to ask for more money," said Jack Gansler, a former Pentagon acquisition official during the Clinton administration. "It's a shortsighted perspective . . . It's this year's money versus the big savings."

The development of two different engines was originally part of the plan for the JSF program when it was conceived in the 1990s, but in 2006, the Pentagon ceased its support for a second engine by GE and Rolls-Royce on the grounds that it was wasteful. Since then, Congress has annually overruled the Pentagon and White House by adding funds to continue a second engine's development, with the intention of holding annual competitions between the two engines when the JSF enters wide-scale production in several years.

This year, there are 75 lobbyists working on defense issues at the firms engaged in the second-engine showdown, of whom at least 56 — or 75 percent — are former congressional staffers or executive branch officials. Of those, at least 33 are registered to work on the engine issue specifically.

Rolls-Royce Group, which hired Mattoon & Associates last year, added mCapitol Management in late May for more lobbying firepower specifically on the engine issue. GE took on Stonebridge Strategies last year for engine and rail issues.

GE also scooped up former Senate Defense Appropriations Subcommittee Staff Director Margaret "Sid" Ashworth this year after a brief stint heading her own lobbying firm. Last year, the company poached lobbyist Darby Becker away from Pratt & Whitney's parent company, United Technologies Corp.

But GE's team isn't the only one with former insiders. Another former Senate Defense Appropriations Subcommittee staffer, Kraig Siracuse, is a lobbyist for United Technologies. Siracuse works for Park Strategies LLC, founded by former New York Sen. Alfonse D'Amato, who also lobbies for United Technologies on defense funding.

United Technologies also added lobbying firms Marshall Brachman, Mehlman Vogel Castagnetti and the Podesta Group last year; all are lobbying on defense legislation.

"The fight is just vicious over this," said Leslie Paige of the nonprofit Citizens Against Government Waste, which opposes funding the second engine.



Many are comparing the Pentagon's war against the JSF second engine with last year's F-22 fighter cancellation. But unlike the battle over the F-22, the main companies affected by a potential cut — GE and Rolls-Royce — are putting up a fight. Lockheed Martin Corp. ceased lobbying for the F-22 by April 2009; Lockheed is the maker of the JSF, as well.

The companies have a lot on the line. GE and Rolls-Royce say the end of funding would shut them out of the high-performance combat engine market for decades. For United Technologies, the cessation of alternate engine funding would give it a monopoly on up to a \$100 billion market for engines.

The fight continues to rage, even though 2010 marks the fourth consecutive year of executive branch opposition to the second engine.

"The Bush administration opposed this engine. The Obama administration opposes it. We have recommended for several years now against funding this engine, considering it a waste of money," Gates said at a May 20 news conference.

"And to argue that we should add another \$3 billion in what we regard as waste to protect the billion and a half [dollars] that we believe already has been wasted, frankly, I don't track the logic," Gates said. The \$3 billion is how much the Pentagon estimates it would cost to complete development of a second engine design over the next several years.

After the House voted 231-193 in late May to support the second engine with \$485 million in 2011, President Barack Obama threatened to veto funding for it. "I stand squarely behind Secretary Gates's position on the JSF second engine," Obama said in a statement.

But some key lawmakers whom Gates and Obama counted on to support previous weapons cuts are taking a different view of the JSF engine.

In the case of the F-22, intense lobbying by Gates, the White House and influential Senate Armed Services Committee Chairman Carl Levin (D-Mich.) led to its cancellation. But this time around, that consensus is broken.

Levin supports continued funding for the second engine. "It makes sense to have that competition," Levin told reporters after the House vote on a defense authorization bill last month, adding it is "difficult for me to believe" that Obama would veto the defense funding bill because of the second engine. Although the Senate version of the bill does not contain language supporting a second engine, Levin said he would support House language funding the second engine in a conference committee.

The separate defense appropriations bill, which represents another possible round in the fight, is months away.

There is less consensus against the JSF alternate engine, in comparison to past fights, because GE and Rolls-Royce backers have shrewdly cast the issue as one of defense acquisition reform. Instead of relying on jobs or even national security arguments, the two companies say competition from their second engine is crucial for the Pentagon to keep JSF costs down.

They point to a 2009 study by Congress's Government Accountability Office, a staunch critic of current defense procurement practices, which says annual competition between the GE-Rolls-Royce team and Pratt could deliver savings of at least 10 percent on the estimated \$100 billion to be spent on JSF engines.

The Democratic chairman and top Republican on the House Defense Acquisition Reform Panel sent a letter to their colleagues in late May echoing the GAO's finding.

"In our judgment, we can walk down one of two paths," wrote Reps. Robert Andrews (D-N.J.), and Mike Conaway (R-Texas). "For the next 30 years, we can have two companies engaging in annual competitions to give the American taxpayer the lowest costs and the best performance — or we can give one company a 30-year, \$100 billion monopoly."

Some also view the second engine as a hedge in a troubled aviation program slated to provide up to 95 percent of the U.S. jet fighter force and the bulk of several allied countries' air forces in the coming decades.



On June 1, the Pentagon notified Congress that the JSF program could reach a total cost of up to \$382 billion, based on latest estimates for 2,457 planes, up from the \$328 billion the Pentagon reported in April for the same number of aircraft.

A dependence on one engine means almost the entire U.S. fighter force could be grounded if a serious problem were discovered with that engine. In late 2007, all F-15s were grounded when fatigue of a structural component that did not meet specifications on one F-15 resulted in the plane coming apart in flight. However, the Pentagon was far less dependent on the F-15 than it plans to be on the JSF. The JSF is slated to replace the F-15, F-16, F/A-18, A-10 and AV-8B.

Nick Schwellenbach is a staff writer at the Center for Public Integrity.

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Gary J. LaPaille, president of mCapitol Management.
Image: Diego M. Radzinski/Legal Times

mCapitol Seeks to Engineer K Street Success

Growing lobby shop focuses on the smaller client, believing that the days of the million-dollar retainer are a thing of the past

By Joe Crea
Legal Times
August 21, 2006

Gary LaPaille is consumed with being a different sort of presence on K Street. And this obsession has nothing to do with his thick Chic-gah-goh accent.

LaPaille is president of **mCapitol Management Inc.** And his seven-year-old shop doesn't follow the lobby world's handbook.

For one thing, it's a lobbying firm owned by an engineering firm, the environmental-engineering giant MWH Global Inc.

"You won't find Gary LaPaille recommending to someone how to run a water plant, but I do have engineers telling me how to run politics," he jokes.

But more important, while other shops in Washington court big spenders such as Microsoft or Wal-Mart, mCapitol has not a single million-dollar client to crow about. Nor are efforts being made to acquire any. And don't start looking for a roster of marquee lobbyists on retainer, either. LaPaille would rather have on hand senior Hill staffers. If they are hunting for a new job, Tom Boggs and Bob Livingston should send their resumes elsewhere.

"We don't have drivers waiting on G Street [where the office is located] to drive our clients around," says LaPaille. "When you hire us, you are getting the real McCoy. You're not getting shuffled off to an intern. Some of the bigger shops have a former congressman there for the pitch. But upon hire, that client will deal with their assistant."

Ron Phillips, a senior vice president at mCapitol, says, tongue-in-cheek: "Yeah, I want to meet the Senate staffer that gets to meet with Bob Dole." (The 1996 presidential candidate currently is a senior counselor at **APCO Worldwide Inc.**)

VOLUME, VOLUME, VOLUME

The days of slapping the back of a lawmaker and seeing that something gets done are long gone, says LaPaille. And mCapitol's president should know: He hails from the cozy

world of Chicago politics, where he was once a state senator and was chair of the Democratic Party of Illinois for eight years in the 1990s.

Also gone, according to LaPaille and other players at his firm, are the days of the million-dollar client. LaPaille believes that today's client has wised up since the free-spending ways of fallen lobbyist Jack Abramoff were exposed. Now, he says, people expect more for less.

And tapping into this sentiment by racking up a bevy of small clients is exactly how mCapitol seeks to make its mark. According to Senate disclosure records, mCapitol charged \$580,000 in lobby fees in 2005, though LaPaille says the firm will likely do about \$3.2 million this year, with the bulk of that figure coming from business development in the state and local sector as well as with the federal government. The bipartisan firm specializes in engineering, insurance, energy, homeland security, and telecommunications.

"It's the rise of small firms," says Phillips, a former lobbyist at **Cassidy & Associates** and former senior policy adviser to Rep. Duncan Hunter (R-Calif.), chairman of the House Armed Services Committee.

That may be, but there is still something to be said for the million-dollar client. With 2006 midyear figures for lobby shops emerging, lobbyists are not sitting curbside on K Street waving a tin cup. Heavy hitters are doing well — **Barbour Griffith & Rogers** reported \$11.3 million and **DLA Piper Rudnick Gray Cary** reported \$8.5 million in lobbying in the first half of 2006 alone. These are figures that represent anything but a retreat from business as usual.

But with the number of lobbyists having doubled in recent years, the growth of small, boutique firms is a natural trend for an industry experiencing an increase in business, says Charlie Black, chairman of **BKSH & Associates**. "As the numbers of lobbyists double, they won't all be in big firms," says Black. "It's hard for a generalist to open up a shop, but the small shops that do well offer substantive expertise in a given area, like health care or telecom, to a client."

It's not unusual for lobby firms such as mCapitol to be owned by larger corporations. Last year, the **Federalist Group** was acquired by global public relations giant **Ogilvy Public Relations Worldwide**. And **Dittus Communications** was snatched by another PR entity, **Financial Dynamics**. But an engineering firm acquiring a lobby shop? From a cultural and personality perspective, the two worlds have little in common.

"Engineers are introverted, solution-oriented, and see relationships as an evil necessity," says MWH President and Chief Executive Officer Robert Uhler. "I don't think there's a conflict, but at times engineers don't value mCapitol because they can't pull off a transaction. My response is, they aren't there to pull off transactions. They are there to represent us in the long term and give us feedback on how our strategies would work and where government is going."

MWH acquired Capitol Management Group Inc. (mCapitol's original name) in 1999.



LaPaille says that his book of business at the time was roughly \$600,000 a year. And before the acquisition, MWH didn't have enough business in the legislative process to justify a very large or important operation in Washington on its own, says Uhler.

MWH provides construction, procurement, and program management in energy and power markets in the Americas, Europe, the Middle East, India, Asia, and the Pacific Rim. Uhler says the firm does about \$1.1 billion of gross revenue a year. Recently it was awarded a contract by the **City of Pasadena Water & Power Department** to serve as program manager for the \$5.5 million, 21-month **Geographic Information System program** that's designed to provide the California town with insight into better management of its water and power supplies.

Uhler says that there is no oversight by MWH when mCapitol selects a client. The burden is on LaPaille and other lobbyists to determine if a prospective client is a direct competitor or poses an ethical issue to MWH.

"One hundred percent of the time, Bob finds out about a new client after we've retained them," says LaPaille.

It is this cultural autonomy that has been a draw for many new hires, including Patrick Murphy, a senior vice president who was hired in July along with Philip Maggi, a former staffer for Rep. Nancy Johnson (R-Conn.) and Sen. Olympia Snowe (R-Maine).

"The parent company understands what we do and understands that . . . we are experts in this field like they are experts in engineering and water resources," says Murphy.

The firm has grown over the years. In 2002 its reported lobby revenues were \$340,000. That number dipped in 2003, when it disclosed \$280,000, but climbed in 2004 with \$290,000. And LaPaille has targeted a bevy of low-profile clients to build his practice, the most recognizable ones being Eastman Kodak, Motorola Inc., the National Farmer's Union, and Edison Electric Institute Inc.

Additionally, mCapitol touts that it manages one of the largest private political action committees in town, the MWH Americas Inc. Employee PAC. According to **Federal Election Commission** reports for the 2005-2006 cycle, the PAC began the cycle with \$377,508 and, as of June 30, currently has \$265,012 on hand. It has made sizable contributions to other PACs, including ones for Illinois Reps. Melissa Bean (D), Lane Evans (D), Dennis Hastert (R), and Gerald Weller (R). The PAC has also donated sizably to Friends of Hillary, the PAC created to re-elect Sen. Hillary Clinton (D-N.Y.); the National Republican Senatorial Committee; and the Democratic Senatorial Campaign Committee.

THAT TODDLIN' TOWN

If there's any directive from MWH, it's for LaPaille to "go out and find other Gary LaPailles," he says.

And searching for the next LaPaille might not be that difficult. Despite LaPaille's



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distinctive, outsider approach to his business, he's a highly connected man, a natural fit for brokering deals on K Street.

His political career crystallized during the 1990s, a time of rebirth for Democrats in Illinois, particularly in Cook County. With LaPaille's help, in 1992 the state leaned to Bill Clinton, the first time the state favored a Democrat for president since Lyndon Johnson in 1964. LaPaille also helped ensure Clinton's second presidential victory, having been host-state chairman for the 1996 Democratic National Convention in Chicago.

During his tenure working for powerful Illinois House Speaker Michael Madigan (D), LaPaille was largely perceived as Madigan's right-hand man, faithfully and consistently carrying out his political mentor's wishes, says former Democratic Illinois state Sen. Dawn Clark Netsch.

"He was a very focused, tough-minded guy," says Netsch. "He was very devoted to Mike."

LaPaille's family is no stranger to the world of influence. His wife Christine LaPaille, a Republican, was named vice president for university relations at George Mason University last year after five years as director of communications at the **National Governors Association**.



mCapitol Management

Morning Headlines Report

January 5, 2011

Your daily dose of what is happening in DC and around the US...

Politico

- GOP freshmen step onto the tightrope “Recess is over, and now the incoming Republican class of the 112th Congress must pivot from talking tough to making tough choices. Among their first decisions: How will they work with a Republican leadership team that is steeped in the ways of Washington? “I don’t have a problem with disagreeing and voicing that with a leader if I truly disagree,” Rep.-elect Steve Southerland (R-Fla.) said in an interview with POLITICO. “I won’t do it just for the sake of it, and I find there are elements that want me to go to Washington, D.C., and disagree with leadership on every issue, just for the sake of disagreeing with it. That’s just not acceptable.” The newcomers also may be forced to pick among their political patrons. Many of the Republican freshmen won their seats with help from tea party activism and Washington-based independent groups, fueled with millions in corporate cash. Last year’s lame-duck Congress already exposed cracks in the coalition that proved potent for Republicans during the 2010 midterm elections.”
- Anti-Nancy Pelosi vote looms as Democrats head to minority “House Democrats are closely watching who votes against Rep. Nancy Pelosi during the floor session that officially taps the next speaker of the House — a roll call that may show some lingering anti-Pelosi sentiment among a handful of Democrats. Pelosi aides and allies insist that she is not whipping the symbolic vote or taking any action to tamp down opposition, and they privately claim that they have “no idea” how many of her colleagues will vote against the outgoing speaker. Rep. John Boehner (R-Ohio), the GOP leader, will be chosen as speaker this afternoon, but the floor vote is typically a partisan affair when the minority party votes for their chosen leader as well. Democratic insiders predict roughly a dozen Democratic votes against Pelosi — but that number could grow. Another question is whether any — and if so, how many — Democrats cross over to vote for the Republican rules package that will be also be debated in the opening session of the 112th Congress.”

- White House shake-up could mean Robert Gibbs exit “Administration officials — who long denied that President Barack Obama was planning a major housecleaning in the wake of the disastrous 2010 midterms — aren’t pushing back anymore. Senior adviser David Axelrod has already announced his departure, and press secretary Robert Gibbs has also joined the roster of administration officials likely to leave in the coming weeks. Until recently, many in the building had expected Gibbs to stay. But according to sources, he is now seriously considering an exit from the West Wing — a move that would allow him to work on Obama’s 2012 reelection campaign and act as a media surrogate for the president, the sources say. Gibbs has yet to finalize his decision, and senior administration officials have not decided who would succeed the fiery 39-year-old Alabama native, a pit bull in the briefing room who is one of Obama’s most trusted advisers. The two top candidates are his deputy, Bill Burton, and Vice President Joe Biden’s spokesman, Jay Carney, though White House officials haven’t ruled out exploring other qualified candidates, sources say.”

- The era of Speaker John Boehner begins “John Boehner has had two decades to think about how Congress works — and how it doesn’t. Now, as he takes the speaker’s gavel from Nancy Pelosi (D-Calif.) Wednesday afternoon, he finally gets a chance to refashion the House to match his vision. The Ohio Republican’s blueprint, articulated through years of public comments and a new set of rules for the chamber, promises a House restructured to make it easier to cut rather than boost spending, to empower committee chairmen and rank-and-file lawmakers in the legislative process, to increase transparency, and to rebuild public trust in the institution by using those changes to make a more coherent connection between what people want and what their elected leaders do. If he is successful, Boehner hopes someday to be compared to his model, fellow Ohio Republican Nicholas Longworth, as a speaker of historic consequence. But his skills as a manager and consensus builder will be tested at every turn — by conservatives impatient for faster action, by independents distrustful of ideological governance, by Democrats hungry for a return to power and by a press corps more than willing to point out when he fails to hit his lofty goals.”

Roll Call

- Day One: Let the Battles Begin “John Boehner is about to face the reality of the power he now holds. The Ohio Republican, who will be elevated from Minority Leader to Speaker today, is up against an enormous challenge: He must appease a flock of conservative and



ambitious GOP freshmen while putting in place a strategy for his party to expand its Congressional majority and win the White House in 2012. The 112th Congress already is shaping up to be highly adversarial, with partisan showdowns looming over health care reform, federal spending and the debt, and a proposed Republican House rules package that would allow, among other things, Budget Chairman Paul Ryan (R-Wis.) to craft a budget without Democratic input. Democrats are locked in an internal debate over what kind of minority party to be after four years of wielding the Speaker's gavel and controlling the House agenda."

- Senate Democrats Unveil New Message Operation "Senate Democratic leaders announced Wednesday their new communications structure led by Sen. Charles Schumer that will drive the Conference's messaging for the 112th Congress. Schumer (D-N.Y.) will head the new Senate Democratic Policy and Communications Center and Sen. Debbie Stabenow (D-Mich.) will serve as vice chairwoman. Schumer holds dual roles in leadership — he serves as the Democratic Policy chairman and Conference vice chairman. The new message operation will merge two existing entities: the former Democratic Communications Center with the Democratic Policy Committee, according to a joint release from Schumer and Majority Leader Harry Reid (D-Nev.). "This new structure builds on our past success to ensure that our commitment to the middle class is communicated as effectively as possible to the public, and that we provide the best resources available to our caucus," Reid said in a statement."
- Ethics Must Still Settle Last Year's Issues "The House Ethics Committee will move into new office space in the 112th Congress with a new chairman and a new official name, but it still might need to address some old issues. At the close of the 111th Congress, the panel had yet to publicly resolve its work on multiple inquiries — including allegations involving Rep. Maxine Waters (D-Calif.) and an investigation tied to ex-Rep. Eric Massa (D-N.Y.) — as well as internal staff issues and other matters. Speaker-designate John Boehner (R-Ohio) tapped Rep. Jo Bonner (R-Ala.) in late December to serve as the panel's chairman, but Republican and Democratic leaders must still dole out the committee's remaining nine seats, a universally unpopular assignment among lawmakers. The Ethics Committee is typically among the last committees to organize at the start of a new Congress. Spokesmen for incoming Minority Leader Nancy Pelosi (D-Calif.) and Boehner could not confirm Tuesday when those assignments will be announced."
- This Time, Health Care Advocates Have Edge "For advocacy groups on both sides of the health care debate, the new year rings in a rerun



of the past, as a contentious debate begins over Republican legislation to repeal the sweeping health care law. But this time, liberal coalitions who spent much of last year on the defensive are confident they can win the public relations battle over repeal efforts. In a coordinated response with the White House and Congressional Democrats, liberal groups have a simple message: Repealing the Affordable Care Act will eliminate new benefits, such as filling the gap in Medicare's drug subsidy for seniors. "If you repeal it, are you going to ask folks to give their money back?" said Ethan Rome, executive director of Health Care for America Now, which has been orchestrating efforts among unions, seniors groups and other liberal organizations. The groups, which met Tuesday to plot strategy, have scheduled events around the country to oppose repeal and organize call-ins to House Members' offices."

Washington Post

- GOP agenda: 20 days to undo Obama's initiatives "Almost as soon as they take control of the House at noon Wednesday, Republicans will embark on a 20-day plan aimed at undoing major aspects of President Obama's agenda as they seek to take advantage of the weeks before the Senate's return and the president's State of the Union address. The first move will come Friday, when the House begins the process of repealing the new health-care law. House leaders will then quickly begin to identify tens of billions of dollars in proposed spending cuts and to ease regulations that businesses find burdensome. Much of what Republicans do will be symbolic, given that Democrats still control the Senate and the White House. But the quick action will allow Rep. John A. Boehner (R-Ohio), the incoming speaker, and House Republicans to follow through on campaign pledges and to try to establish their party as a bulwark against what they see as an out-of-control government."
- A milestone for Mikulski, the 'dean' of Senate women "With a new Congress beginning, hundreds of new lawmakers will be sworn in Wednesday. But only one will break a record that's lasted four decades. At the moment Sen. Barbara A. Mikulski (D-Md.) completes the oath to begin her fifth term in the chamber, she will become the longest-serving female senator, surpassing the 24-year tenure of Sen. Margaret Chase Smith (R-Maine). When she took office in 1987, Mikulski recalled in a recent interview, "women were so rare even holding statewide political office. . . . I was greeted with a lot of skepticism from my male colleagues. Was I going to go the celebrity route or the Senate route? I had to work very hard." No one is skeptical

anymore. The Senate will take up a resolution commending her achievement Wednesday, with a bipartisan cast of lawmakers paying tribute. About 25 friends and family members will be there to watch - Mikulski had to bum extra tickets from colleagues to fit them all in. She'll get a reception in her honor in the historic Russell Caucus Room and then attend a private party with her former top aides. Among Mikulski's many firsts is that she was the first female Democrat to serve in both chambers of Congress and the first female Democrat to be elected to the Senate without succeeding her husband or father. In the Senate, she was the first woman to chair an appropriations subcommittee and the first woman to serve on a handful of other panels. And now, she'll be the first woman to serve a quarter-century in the Senate."

- Recitation of Constitution set in House renews debate over Founders' intentions "And the Founders said: Let there be a constitution. And the Founders looked at the articles and clauses and saw that it was good. For more than 200 years, Americans have revered the Constitution as the law of the land, but the GOP and tea party heralding of the document in recent months - and the planned recitation on the House floor Thursday - has caused some Democrats to worry that the charter is being misconstrued as the immutable word of God. "They are reading it like a sacred text," said New York Rep. Jerrold Nadler (D-N.Y.), the outgoing chairman of the House Judiciary subcommittee on the Constitution, Civil Rights and Civil Liberties, who has studied and memorized the Constitution with talmudic intensity. Nadler called the "ritualistic reading" on the floor "total nonsense" and "propaganda" intended to claim the document for Republicans. "You read the Torah, you read the Bible, you build a worship service around it," said Nadler, who argued that the Founders were not "demigods" and that the document's need for amendments to abolish slavery and other injustices showed it was "highly imperfect." "You are not supposed to worship your constitution. You are supposed to govern your government by it," he said."

- Ten members to watch in the 112th Congress "The 112th Congress officially convenes today with dozens of newly elected members -- and newly empowered incumbents -- popping up in the halls of Capitol Hill and on a cable television channel near you. It's virtually impossible to keep track of so many fresh faces -- the Fix's memory ain't what it used to be -- so below is our cheat sheet of ten members to keep an eye on. Consider it a belated new year's gift."



Fox News

➤ Energy Costs Cloud Obama's Hopes for Political Turnaround

"President Obama has rededicated himself to creating jobs this year, but rapidly increasing prices for oil and gasoline threaten that goal. And many argue the president's policies are making things worse. John Hofmeister, former president of Shell Oil says the administration has punted on domestic production. Instead of expanding it, the oil industry says the administration has roped off some 85 percent of the outer continental shelf, leaving the industry few places to go. The president of the American Petroleum Institute, Jack Gerard, argues that "if we open areas that are currently off limits to development, we could create more than 500,000 jobs throughout the economy, and generate an additional \$150 billion in government revenue by 2025." There is one inescapable fact. The U.S. now uses about 20 million barrels of oil a day but produces only 7 million. Hofmeister argues that bolstering that sum to 10 million barrels per day of domestic production would help hold down the price of oil."We'd be talking about trillions of dollars of investment if we were moving to 3 million more barrels a day of production," Hofmeister said. That could mean millions of jobs created and saved in the oil industry, as well as those that rely on oil, such as trucking, plastics and manufactured products of all kinds."

- Battle Brewing Over Federal Debt Limit "As a new and politically divided Congress prepares to convene Wednesday, the newly muscular Republicans and the White House seem to be on a collision course over whether to raise the federal debt ceiling. Some Republican lawmakers have vowed not to vote to raise the debt limit unless there is a plan in place for dealing with long-term obligations, including Social Security, and for returning to 2008 spending levels. But the White House says that refusing to raise the limit would have a "catastrophic" impact on the economy. "That would be a worse financial economic crisis than anything we saw in 2008," White House economist Austan Goolsbee said. A critical showdown could come as early as March with the debt ceiling at \$14.3 trillion, and the debt at nearly \$13.9 trillion and growing daily. The tax cut package that President Obama and Republican leaders negotiated at the end of last year pushed the government about three weeks closer to the debt limit, an official told Fox Business. Republicans have vowed to shrink government and ease federal oversight of the private sector as part of their solution to heal a damaged economy. They have pledged to vote on bills that cut spending at least once a week."

- Napolitano: Israeli-Style Security Won't Work for U.S. "Homeland Security Secretary Janet Napolitano on Tuesday rebuffed suggestions that U.S. airports should adopt the practices of airports in Israel, calling the Israeli air travel system "a very different model." "We share a common goal, which is to protect the people of our countries from terror or other attacks," Napolitano told Fox News ahead of a tour of security facilities at Tel Aviv's Ben-Gurion International Airport. But there are many differences in the United States system versus Israel. Part of that is driven by sheer size." Critics of U.S. security methods, particularly full body scans and the so-called "invasive pat down" used by the Transportation Security Administration, have called for American airports to adopt Israeli-style security measures, which rely heavily on behavioral profiling of travelers. But Napolitano said that what is effective in Israel, a nation of 7.3 million, wouldn't necessarily work for 310 million Americans. Ben-Gurion is Israel's only major international airport. The United States, however, has 450 such facilities. Plus, about 11 million people pass through Israeli airports each year, while 70 times that many passengers go through American airports each year. "So there's a very big difference in terms of size and scale," said Napolitano, who granted Fox News exclusive access to join her on a week-long, security-focused trip to Europe and the Middle East.