

FILL 'ER UP

What Full-Page Ads in *Politico* Reveal About the K Street Playbook

Mark Leibovich, chief national correspondent for *The New York Times* and author of *This Town*, has said the online and print publication *Politico* was “emblematic of the new media revolution and the information revolution which ... has transformed Washington.”

Purchasing a full-page print ad in *Politico*, which is published up to five times per week while Congress is in session, has become part of the formula any well-funded advocacy campaign uses to win over the hearts and minds of members of Congress, executive branch regulators, and other power players in Washington, D.C.

Politico tells advertisers: “Top companies advertise with us to reach thought leaders, with the goal of influencing their view and agendas.” At a published cost of between \$9,720 and

\$14,970 per color ad, this represents an approximate total investment of between \$6.7 million and \$10.4 million (on an annualized basis).*

Forward Observer reviewed PDFs of every print edition of *Politico* from June through September 2014 and identified 202 full-page issue-ads by interest groups and companies, from the United States Chamber of Commerce to the Natural Resources Defense Council. **

“Superior content is the foundation for effective advocacy and strategic communications – that’s the philosophy of our firm,” says Joe Rodota, founder and CEO of Forward Observer. When Washington’s biggest organizations and America’s largest companies use this method to communicate to Washington, what do they say — and how effectively do they say it?

KEY FINDINGS

Approximately one in three *Politico* issue ads from June through September 2014 were 100% fact-free, relying entirely on arguments and images.

Less than 5% of *Politico* ads during this period leveraged a third party study or expert to validate an argument.

The most common denominator in this season of *Politico* ads was “billions.” The word billion appeared a total of 47 times across 28 ads.

Nearly half (46%) of all ads featured in *Politico* during this period were sponsored by corporations. The remaining ads were purchased by trade associations (37%) and advocacy groups (18%).

Nearly two-thirds (66%) of all *Politico* ads did not advocate a clear position on a specific reform or piece of legislation, and instead sought to educate readers on an issue. Of the ads that did state a position, two-thirds (67%) advocated for change, while the remaining third (33%) advocated for the status quo.

A complete review of our findings and commentary – including examples of the best and worst ads appearing in *Politico* during the analysis period – can be found on the following pages.

* Based on *Politico* rates published online as of Septemeber 14, 2014.

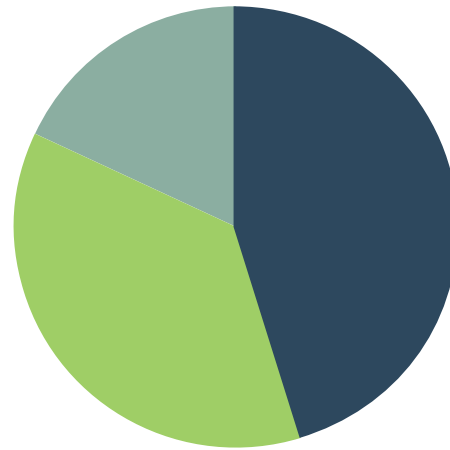
** Our analysis covered all full page ads in *Politico* from June 1 – Sept 15, excluding ads for products and services, college and career fairs, and ads associated with *Politico* itself.

SPONSOR ANALYSIS

Our analysis found that 92 out of 202 (46%) *Politico* ads were sponsored by corporations such as Goldman Sachs, ExxonMobil, and Comcast.

Trade associations (including the US Chamber of Commerce, American Public Transportation Association, and Corn Farmers Coalition) and advocacy groups (including the Natural Resources Defense Council, National Rifle Association, and American Cancer Society) sponsored 74 (37%) and 36 (18%) ads respectively, totaling 110 ads.

**Politico Ads By Industry
(June - September 2014)**



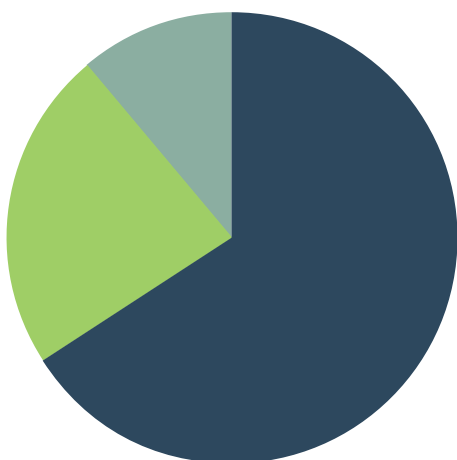
- Corporations
- Trade Associations
- Advocacy groups

ADVOCACY ANALYSIS

Despite telling advertisers that, "top companies advertise with us to reach thought leaders, with the goal of influencing their view and agendas," 133 of the 202 ads (66%) featured in *Politico* did not advocate a certain position on an issue or piece of legislation and instead sought to simply educate the reader on a topic.

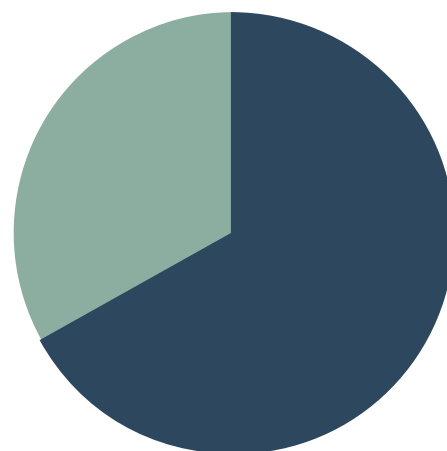
Of the 69 ads that did take a position on a particular issue, 46 (67%) advocated for change, while 23 (33%) advocated for the status quo.

**Advocacy vs. Non-Advocacy Ads
(June - September 2014)**



- Neither/other
- Change
- Status quo

**Status Quo vs. Change Ads
(June - September 2014)**



- Change
- Status quo

FACT-FREE ADS

Approximately one in three *Politico* issue ads over this period were 100% fact-free: they contained arguments and images, but no new information.

For example, the **Innovation Alliance** ad in support of patent reform featured “Mike”, a generic “American Inventor” with no last name, no state of residence, and no employer, and contained only general statements about the need to act. “Current patent legislation threatens to diminish protection of American ingenuity,” they write. “Applying blunt measures instead of targeting the problem is not the answer.”

2 **POLITICO**
TUESDAY, JUNE 3, 2014

Mike
American Inventor



**Keep
American Innovation
Shining Bright.**

PUNISH THE ABUSERS. NOT OUR INVENTORS.
Current patent legislation threatens to diminish protection of American ingenuity. Applying blunt measures instead of targeting the problem is not the answer. Our nation's progress, economic prosperity and job creation are at stake.

Join the movement. Save the American Inventor before it's too late.
SavetheInventor.com

**SAVE THE
AMERICAN
INVENTOR**


*This message brought to you by the Innovation Alliance.

Innovation Alliance, June 3, 2014

A good example of a fact-filled ad (which also addresses patent reform) is one from the **Main Street Patent Coalition**. The ad provides quick facts that the reader can easily visualize:

- “More than 6,000 patent lawsuits were filed in 2013”
- “Increasingly more of these suits come from patent trolls, attributing to upward costs of \$80 billion per year for the economy”


THURSDAY, JUNE 5, 2014 **5** **POLITICO**



On April 23, 2014, patent trolls filed 184 lawsuits in a race against the clock before crucial protections in the Senate's patent reform legislation would take effect for Main Street businesses.

More than 6,000 patent lawsuits were filed in 2013. Increasingly more of these suits come from patent trolls, attributing to a cost upwards of \$80 billion per year for the economy. The Senate has failed to act and left America's businesses at the mercy of patent trolls, but the fight isn't over.

On behalf of Main Street America we call on Congress to get the job done. Every day without comprehensive patent reform costs jobs, innovation and economic growth.



\$80 BILLION
Patent troll litigation costs the U.S. economy \$80 billion per year!

400% increase
The number of patent suits filed in 2013 is 400% more than 2008.

\$2 B USD
The average patent infringement suit costs more than \$2 million.

100,000+ companies
Approximately one-third of American small businesses are potential patent infringement victims.

18% more in 2013
Patent troll lawsuits in 2013 increased by 18 percent over 2012.

● This map reflects the concentration of patent troll suits nationwide. *6,000 patent suits in 2013 - Lex Machina 2013 Patent Litigation Year in Review.

Main Street Patent Coalition, June 5, 2014

THIRD PARTY VALIDATION

A total of nine ads, or less than 5 percent of all *Politico* ads reviewed over this period, referenced third party studies. Third parties cited in *Politico* ads during the period included the Congressional Budget Office; the Progressive Policy Institute; and Frost & Sullivan, a leading market research firm.

An example of the effective use of third party validation can be found in the ad by **Broadband for America**, which stated: "According to the Progressive Policy Institute's annual 'Investment Heroes' report, US internet providers invested over \$46 billion in 2013 to deliver wired and wireless internet to nearly 99% of American homes. This trend has continued for nearly two decades with ISPs investing more than \$1.3 trillion from 1996 - 2013."

At the same time, however, some ads rendered their third party validation ineffective by referencing studies in a confusing or leaden way.

For example, the **Council for Responsible Nutrition** states: "A new economic report from Frost & Sullivan, funded by a grant from the CRN Foundation, demonstrates that the use of specific dietary supplements as preventative levels among those consumers at high risk of experiencing a costly disease-related event can lead to significant health care cost savings."

POLITICO
MONDAY, SEPTEMBER 15, 2014 7

Internet Investment is Powering Our Economy.

The Progressive Policy Institute found that America's Internet service providers are the number one investors in the nation.

Sector	Investment
Internet Service Providers	\$46 Billion
Energy / Mining	\$40 Billion
Internet / Technology	\$23 Billion
Automotive / Industrial	\$11 Billion

Investment in broadband is helping to drive our economic recovery.

According to the Progressive Policy Institute's annual "Investment Heroes" report, U.S. Internet providers invested over \$46 billion in 2013 to deliver wired and wireless Internet to nearly 99% of American homes. This trend has continued for nearly two decades with ISPs investing more than \$1.3 trillion from 1996-2013.

The combination of smart government policy and private investment has created an Internet that touches every part of our lives and supports nearly 11 million jobs across America. Last year alone the 17 leading network providers employed over 869,000 workers, according to the Communications Workers of America.

Now some want the FCC to change the Internet into an outdated Title II telephone service and begin micromanaging your online experience, stifling investment and increasing consumer costs.

Changing the Internet into a public utility would put a pothole on the information superhighway.

**The Internet drives America's economy.
Private investment drives the Internet. Keep it working.
Don't Change the Internet into a Public Utility.**

BROADBAND for AMERICA
BroadbandForAmerica.com
PAID FOR BY BROADBAND FOR AMERICA

Broadband for America, September 15, 2014

18 POLITICO
WEDNESDAY, JUNE 25, 2014

Vitamins.

You find them in nature,
you find them in food,
you find them in supplements.
We've long known they can
improve our health.
Now we know they can also
reduce health care costs.

A new economic report from Frost & Sullivan, funded by a grant from the CRN Foundation, demonstrates that the use of specific dietary supplements at preventive levels among those consumers at high risk of experiencing a costly disease-related event can lead to significant health care cost savings.

Find out more: www.supplementforsmartprevention.org

Vitamins: You find them in healthy people.

Council for Responsible Nutrition
The Science Behind the Supplements **CRN FOUNDATION**

For more information on the dietary supplement industry visit www.crnusa.org.

The Council for Responsible Nutrition (CRN), founded in 1973, is a Washington, D.C.-based trade association representing 100+ dietary supplement manufacturers, ingredient suppliers, and companies providing services to those manufacturers and suppliers. In addition to complying with a host of federal and state regulations governing dietary supplements in the areas of manufacturing, marketing, quality control and safety, our manufacturer and supplier members also agree to adhere to additional voluntary guidelines as well as to CRN's Code of Ethics. Follow us on Twitter @crn_supplements and @wannabewell and on Facebook/lifesupplemented.

Council for Responsible Nutrition, June 25, 2014

BILLIONS AND BILLIONS

By far, the most common denominator in this season of *Politico* ads was “billions.” The word billion appeared a total of 47 times in the ads analyzed. Ads with “billions” appeared in *Politico* 28 times from June to September.

- The American Council of Life Insurance: “The industry pays out **\$1.5 billion every day** to families and businesses...”
- The Main Street Patent Coalition: “Patent troll litigation costs the U.S. economy **\$80 billion per year**.”
- Cancer Action Network: “With... cancer costing our economy more than **\$216 billion this year**...”
- Corn Famers Coalition: “America’s corn farmers exported **\$6.3 billion worth of corn last year** – one of the few U.S. products with a trade surplus.”
- International Self – Care Day: “OTC medicines provide **\$102 billion in savings** to the U.S. healthcare system annually.”
- ResponsibleRegulation.com: “Life insurers pay **\$500 billion in benefits** to Americans every year.”
- Air-Conditioning, Heating, and Refrigeration Institute: “[The industry contributes] **\$5 billion** in worker income annually.”
- U.S. Travel Association: “Visitors from abroad spent **\$184 billion last year alone**.”

In general, “billions” are difficult to comprehend. To a reader, “billions” just means “a lot.” In the examples above, the Main Street Patent Coalition and U.S. Travel Association use “billions” in a tangible and quantifiable way. In contrast, the use of “billions” by the **Air-Conditioning, Heating, and Refrigeration Institute** is confusing. It is difficult to comprehend or picture \$5 billion in worker income.

POLITICO
MONDAY, JUNE 16, 2014 7

**SUPPORTING 1.2 MILLION
AMERICAN JOBS.**

SWEET.

AHRI
AIR-CONDITIONING, HEATING,
& REFRIGERATION INSTITUTE
we make life better™
AHRINET.ORG

It's easy to enjoy life's simple pleasures when you know you're being responsible at the same time. In addition to generating \$5 billion in worker income annually, AHRI member companies invest more than \$11 million each year to independently test and certify that their products are as energy efficient as advertised. All while keeping rooms comfortable, showers hot and, of course, ice cream cold with greater energy efficiency than ever before.

**Air-Conditioning, Heating, and Refrigeration Institute,
June 16, 2014**

BEST AD OF THE SEASON

Given these observations, we determined that the best ad from this period was from the **Aerospace Industries Association**.

The ad features flags of Russia, China and France and states that shutting down the Export-Import Bank "is good for business and creates thousands of jobs . . . IN CHINA, RUSSIA, and FRANCE." The ad is memorable for its use of quick hitting facts and element of surprise. Initially the reader is led to believe that China, Russia, and

France are the antagonists, when actually the ad is criticizing the American politicians who oppose reauthorization of the Export-Import Bank.

Receiving honorable mentions were the two aforementioned ads from the **Main Street Patent Coalition** and **American Bankers Association**, due to their use of quick, rich, and tangible facts.

WEDNESDAY, JUNE 25, 2014 **POLITICO** 5

MEET THE EX-IM BANKS OF CHINA, RUSSIA AND FRANCE.

中国进出口银行
THE EXPORT-IMPORT BANK OF CHINA

EXIAR
EXPORT INSURANCE
AGENCY OF RUSSIA

coface

These countries support efforts by those in Washington seeking to dismantle the U.S. Ex-Im Bank.

WHY? Because shutting down the U.S. Ex-Im Bank is good for business and creates thousands of jobs ... **IN CHINA, RUSSIA AND FRANCE.**

DON'T LET 200,000 AMERICAN JOBS GO OVERSEAS.

AIA
AEROSPACE INDUSTRIES
ASSOCIATION

#ExIm4Jobs

Aerospace Industries Association, June 25, 2014

APPENDIX

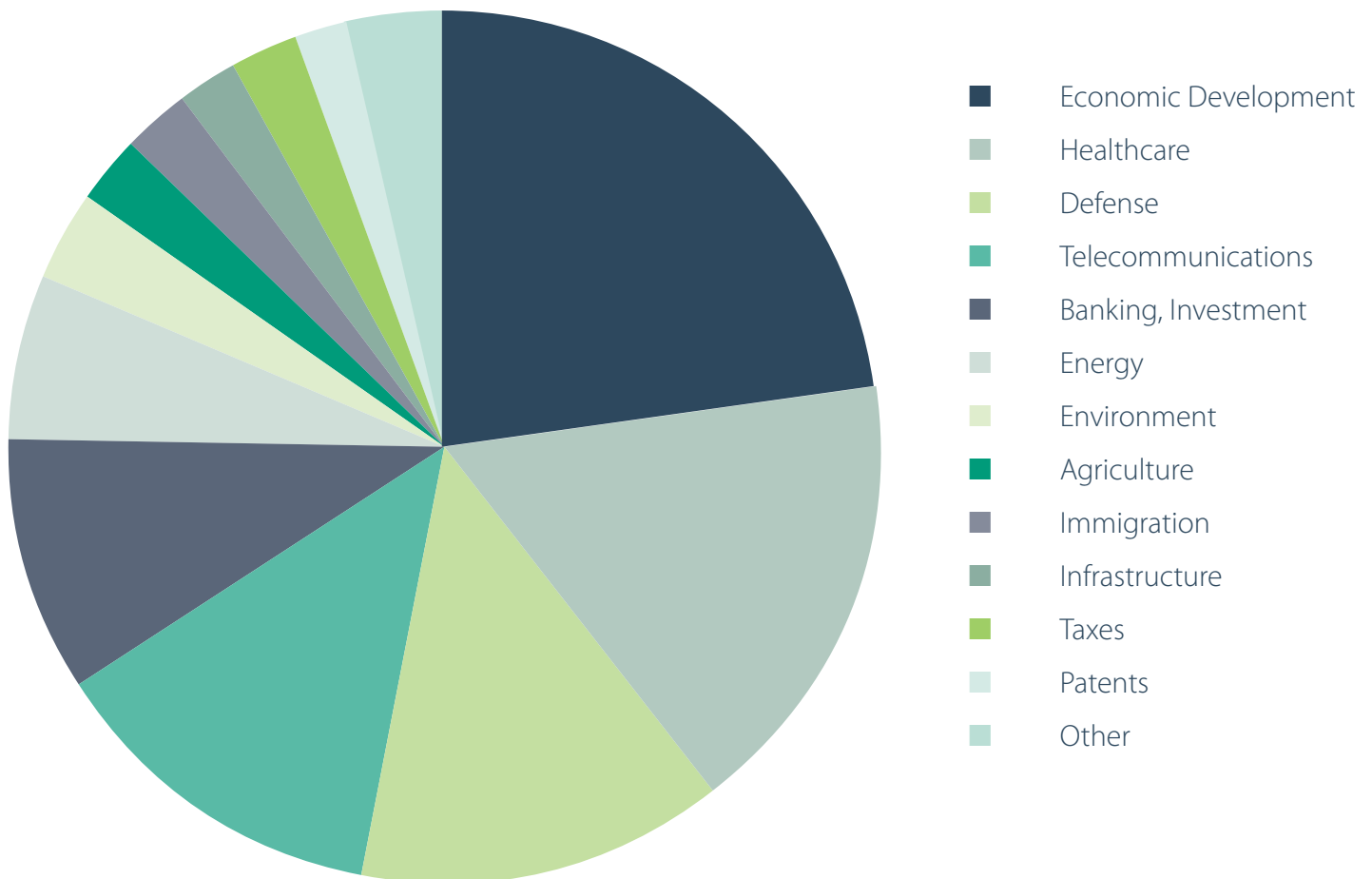
The 202 *Politico* ads Forward Observer analyzed covered a total of 13 issue areas and 83 specific topics.

ISSUE AREA	TOPICS COVERED	NUMBER OF ADS
ECONOMIC DEVELOPMENT	Job Growth; Small Business Growth; Minimum Wage; International Travel; Local Business Support; Innovation and Jobs; Open Skies Initiative; Economic Sanctions; Employee Rights Act; Manufacturing Jobs, Job Creation; Employment	46
HEALTHCARE	Palliative Health Care; Cancer Research; Women's Health; HIV/AIDS Research; Drug Research; Healthcare Innovation; Healthy Meals; Heart Health; Over the Counter Medicine; Healthcare Investment; Sodium Intake; Disability Rights; Heart Disease Research; Vitamins; Pharmacy Innovation; Pancreatic Cancer; Prescription Services	34
DEFENSE	Defense Innovation; LPD 17 Warship; Global Hawk Aircraft; Missile Defense; Air Carriers; Amphibious Warships; Nuclear Weapons Security; Space Innovation; Rocket Launches; US Army Tanks	27
TELECOMMUNICATIONS	Internet Service; Low Cost Internet; Satellite Television Extension and Localism Act; Rural Broadband Access; TV Blackouts; Respect Act; Cloud Conferencing; Targeted Advertising; Cable Regulation; Government Surveillance	26
BANKING, INVESTMENT, AND INSURANCE	Export Import Bank; Puerto Rico Investments; Insurance regulation; Payments Industry; IRS; Small Business Lending; Debt Collection; Life Insurance; Wall Street Reform	19
ENERGY	Nuclear Energy; Energy Investment; Wind Energy; Ethanol	12
ENVIRONMENT	Clean Water Act; EPA	7
OTHER (Animal Rights, Education, Gun Rights, Native American Rights)	Animal Cruelty; Book Suggestions; Education Funding; Gun Rights; Native American Rights	7
AGRICULTURE	Corn; Agriculture Co-ops	5
IMMIGRATION	Immigration Reform; H-1B Visas; E-Verify	5
INFRASTRUCTURE	Highway Trust Fund; Construction Industry; Disaster Relief; Railroads	5
TAXES	Credit Union Tax Exemption; Tax Reform; Online Sales Tax; Corporate Tax Laws	5
PATENTS	Patent Protection	4
TOTAL		202

POLITICO ADS BY TOPIC

Nearly one-quarter (23%) of all ads were related to economic development, which included issues like job growth, job creation, and local business support.

The top five topics – economic development, healthcare, defense, telecommunications and banking, investment, and insurance – combined for 75% of the 202 *Politico* ads analyzed.



97 trade associations, advocacy groups, and corporations featured in our analysis include:

1. ACC Advocacy
2. Aerospace Industries Association
3. Air Conditioning, Heating, and Refrigeration Institute
4. American Bankers Association
5. American Cancer Network
6. American Congress of Obstetricians and Gynecologists
7. American Council of Engineering Companies
8. American Council of Life Insurers
9. American Energy Alliance
10. American Farm Bureau
11. American Future Fund
12. American Heart Association
13. American Public Transportation Association
14. American Stroke Association
15. American Task Force Argentina
16. American Television Alliance
17. Americans for Prosperity
18. Amphibious Warship Industrial Base Coalition
19. Ask Your Candidates.org
20. Associated Builders and Contractors, Inc.
21. Association of American Railroads
22. AstraZeneca
23. AT&T
24. Boeing
25. Bowers and Wilkins
26. British Petroleum (BP)
27. Broadband for America
28. Build Strong Coalition
29. Business Roundtable
30. Cato Institute
31. Center for Health and Gender Equality
32. Center for Union Facts
33. Chevron
34. CME Group
35. Comcast
36. Consumer Electronics Association
37. Consumer Healthcare Products Association
38. Corn Farmers Coalition
39. Council for Global Immigration
40. Council for Responsible Nutrition
41. CVS Health (formerly CVS Caremark)
42. Direct Selling Association
43. Electronic Transactions Association
44. Employment Policies Institute
45. Environment America
46. EPA Facts
47. Exporters for Export – Import Bank
48. ExxonMobil
49. Goldman Sachs
50. Humane Society of the United States
51. Humane Watch
52. Huntington Ingalls Industries
53. Immigration Works USA
54. Independent Community Bankers of America
55. Innovation Alliance
56. International Council of Shopping Centers
57. Koch
58. Main Street Patent Coalition
59. McDonald's
60. Microsoft
61. National Association of Blake Hotel Owners, Operators, and Developers
62. National Association of Broadcasters
63. National Association of Homebuilders
64. National Association of Manufacturers
65. National Black Chamber of Commerce
66. National Cable and Telecommunications Association
67. National Corn Growers Association
68. National Council of Farmer Cooperatives
69. National Rifle Association
70. Natural Resources Defense Council
71. Northrop Grumman
72. Nuclear Matters
73. One Voice Against Cancer
74. Open Our Skies
75. Pancreatic Cancer Action Network
76. Pharmaceutical Research and Manufacturers of America
77. Pfizer
78. Project 72
79. Reform Government Surveillance
80. Religious Coalition for Reproductive Choice
81. Responsible Resource Center
82. Rural Broadband Association
83. Salt Institute
84. Santa Ynez Band of Chumash Indians
85. Siemens
86. Source America
87. TechNet
88. Technology CEO Association
89. The Latino Coalition
90. Transportation Construction Coalition
91. U.S. Travel Association
92. United Health Foundation
93. United Lauce Alliance
94. United States Chamber of Commerce
95. United States Steel Corporation
96. United States Travel Association
97. Wellpoint