

Top House Republican becomes chief US drug company lobbyist

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The Pharmaceutical Research and Manufacturers of America (PhRMA), the Washington lobby representing US drug manufacturers, announced December 15 that it was naming Republican Congressman W. J. “Billy” Tauzin of Louisiana as its president and CEO.

The retiring chairman of the House Energy and Commerce Committee certainly earned the position, believed to pay as much as \$2 million a year, 15 times his congressional salary. He played a leading role in shepherding through Congress last year the Medicare prescription drug bill that will bring a windfall of as much as \$200 billion for the US pharmaceuticals industry.

Tauzin’s elevation is such a brazen payoff for services rendered that it produced a considerable amount of tongue-clucking in the American media, where the domination of giant corporations is normally taken for granted. The *New York Times* and the *Washington Post* both published editorials bemoaning the crassness of the relationship between the corporate bosses and their congressional servants.

The drug bosses initially selected Tauzin as their new chief lobbyist last February, less than two months after Bush signed the new Medicare prescription drug benefit into law. While the plan was portrayed by the administration as a boon to the elderly, it was more of a boondoggle for the drug companies and their big investors.

One provision of the law, in particular, is worth tens of billions to the drug companies: it bars the Centers for Medicare and Medicaid, the federal agency that will run the plan, from negotiating discount prices using its huge buying power. Medicare—to the detriment of the millions of senior citizens it covers—will pay full price. Tauzin was widely credited for that language appearing in the bill. It was inserted in the version passed by the House of Representatives, and prevailed only because the White House backed it against Senate opposition.

Tauzin also insisted on language barring the importation of much cheaper drugs from Canada.

When Tauzin’s plans to leave Congress and go to work for the drug lobby became public, there was a brief media outcry over the obvious conflict of interest. Tauzin gave up his committee chairmanship and declared he had held no discussions with PhRMA about the job during the time the

Medicare bill was being drafted—that would violate even the lax congressional ethics rules. He also boasted of being sought by numerous other lobbies, including the Hollywood trade group MPAA and several telecommunications firms.

The *Wall Street Journal* confirmed some of the seedy details of what it described as a “public auction” for Tauzin’s services. There was little doubt, however, about who the eventual winner would be. PhRMA is one of the wealthiest and most active political lobbies. The association and its member companies poured as much as \$70 million into lobbying and campaign contributions in the 2002 election cycle, and much more during the current year, counting contributions to both presidential and congressional campaigns.

The Tauzin saga was temporarily put on hold when the congressman suffered a bleeding ulcer that was later diagnosed as a rare form of cancer, for which he was successfully treated. Few details of this health crisis have been released, but the irrepressible congressman volunteered that he had been using an experimental drug made available by a leading pharmaceutical firm, an experience that has reinforced his gratitude to his new employers.

Tauzin’s \$2 million annual salary is believed to be the most ever paid an ex-congressman turned Washington lobbyist. This reflects both the escalating price of congressional influence in a capital increasingly dominated by open bribery, and Tauzin’s own top-shelf qualifications as a puller of political strings. The Louisiana congressman’s career could be taken as a model for the politician as corrupt representative of corporate interests, always available to the highest bidder.

Tauzin came to Washington in 1980 as a Democrat, after a special election to fill the seat of Republican Congressman David Treen, who had been elected governor. He was reelected repeatedly, rising within the Democratic caucus to the position of deputy majority whip, and a ranking position on the House Energy and Commerce Committee, one of the most powerful congressional panels.

In 1994, after the Republican Party won a majority in the House for the first time in four decades, Tauzin saw the opportunity to move up even faster. He switched to the Republican Party and soon after became its deputy majority whip. As his congressional web site proudly notes, Tauzin is

“the only person in the history of the US House of Representatives to serve in the leadership of both major political parties.”

This fact only underscores the absence of any fundamental differences between the two big business parties. Far from retaliating against this act of renegacy, the Democratic Party did not even put up a candidate against Tauzin in either 1996 or 1998. That year, the Democrat-turned-Republican voted to impeach President Bill Clinton, whose election he had supported in 1992.

Tauzin reaped other rewards by joining the new majority party. In 1997, by virtue of his seniority, he took over the chairmanship of the subcommittee on Telecommunications, Trade, and Consumer Protection, with jurisdiction over telephone, cable, wire, and Internet communications and commerce, as well as the Federal Communications Commission. He held other committee and subcommittee seats on panels with oversight of the oil and chemical industries. Contributions from these industries accordingly swelled his campaign coffers, although he was never to face a serious reelection challenge.

In January 2001, with the retirement of the previous occupant, Tauzin moved up to the chairmanship of the full Energy and Commerce Committee, one of the most powerful in the House, with jurisdiction over all interstate and foreign commerce, including energy, telecommunications, health care, biomedical research, consumer protection, the environment, and travel and tourism. In that capacity, he supervised the hearings into the collapse of Enron Corp., mixing populist tub-thumping for the television cameras with quiet assurances to corporate America that he would limit the investigation. (From 1990 to 2001, he had received more campaign contributions from Enron’s accounting firm, Andersen, than any other congressman.)

Tauzin’s services to the energy industry drew an ethics complaint, filed with the Louisiana Bar Association by the Washington-based Citizens for Responsibility and Ethics, after internal documents of the Westar Corporation indicated that Tauzin and Senator Richard Shelby of Alabama had traded their votes on an amendment to an energy bill for campaign contributions from the Kansas City-based utility holding company. (The complaint had to be filed with the bar association because the Republican majority changed the rules of the House to limit ethics charges to those filed by members, and no Democratic congressman would raise the issue).

While the congressman is a loyal servant of some of the most profitable US industries, his congressional district is one of the poorest. The Third Congressional District comprises the entire eastern Gulf coast of Louisiana, centered on the Cajun (French-speaking) region south of New Orleans. The district includes the Mississippi Delta, one of the most blighted regions in America, frequently used as a dumping ground for toxic wastes by the oil and chemical industry.

The last episode in Tauzin’s congressional career was his attempt to pass on his House seat to his son, Billy Tauzin III, a 31-year-old employee of BellSouth, one of the giant telecommunications firms subject to the senior Tauzin’s committee. The son had no visible qualifications, other than the family name, but he placed first in an all-party primary in which he concentrated his fire on a conservative Republican opponent, Craig Romero, labeling him a tool of homosexuals and abortionists. The smear campaign was a tactical success, driving Romero down to third place and eliminating him from the runoff.

The tactic ultimately backfired, however, as Romero was so infuriated at being accused of supporting gay marriage and opposing prayer in public schools that he tacitly supported Democrat Charles Melancon in the runoff, sponsoring ads attacking the younger Tauzin’s fitness for office. Melancon won the December 4 runoff by a narrow margin of 57,609 to 57,092, with barely 500 votes separating the candidates. The younger Tauzin lost despite high-profile support from Bush and a visit to his district by Vice President Cheney.

Melancon is indistinguishable from his Republican predecessor. A former state legislator who then became president and general manager of the American Sugar Cane League, he promotes the interests of the sugar refining industry that dominates much of the congressional district. He pledged to fight against the proposed Central American Free Trade Agreement because it would permit easier importation of Central American sugar.

On social issues, according to his own web site, Melancon is strongly anti-abortion, an opponent of all forms of gun control who has earned an “A” rating from the National Rifle Association, an opponent of gay marriage, and a supporter of the death penalty. This newly elected Democrat has also announced that he will not vote for House Democratic Minority Leader Nancy Pelosi because she is too liberal, an indication that he is open to be wooed by the Republican majority into following the example of Tauzin and changing parties.



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