



PROTECTING THE PROFITEER

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Corporations and Trade Groups Opposing Anti-Price Gouging and Profiteering Bills Blanketed Capitol Hill With Nine Times More Lobbying Power than the Bills' Supporters

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KEY FINDINGS

The Groundwork Collaborative and Public Citizen analyzed the lobbying around 27 anti-price gouging and profiteering bills introduced since early 2021. Our analysis revealed that while many households struggled to make ends meet, due in large part to rising prices, companies reaping historic profits deployed their lobbying power to Capitol Hill to fight attempts to crack down on price gouging and profiteering, overwhelming the bill supporters by enormous margins. In other words, corporate America – and its aligned trade groups – used their lobbying power to thwart almost all attempts by Congress to curb price gouging and profiteering.

This analysis focuses on lobbyist engagements, which are instances in which a company, trade group, or non-profit, hires a lobbyist to lobby for or against a bill. Our key findings include:

- Those opposing anti-price gouging and profiteering bills were responsible for more than 2,600 lobbyist engagements on Capitol Hill. Supporters were responsible for fewer than 300, giving those opposed to anti-price gouging legislation a 9-to-1 advantage.
- Two of the country's largest corporate trade associations opposed to the anti-price gouging bills in this analysis, PhRMA and the Chamber of Commerce, blanketed Capitol Hill with more or almost as many lobbyist engagements as the supporters of all of the bills combined. PhRMA was responsible for 436 engagements, 1.5 times more than all the bill supporters combined (286). The Chamber was responsible for 274, nearly as many as the bill supporters.
- H.R.3, the Elijah E. Cummings' Lower Drug Costs Now Act (the signature drug pricing reform bill of the Democrats in the House) resulted in 1,157 lobbyist engagements, the most of any bill in this analysis. 96% of the engagements (1,110) came from corporations, trade groups, and non-profits opposed to the bill, giving the opposition a 24-to-1 advantage.

CORPORATIONS HAVE TAKEN ADVANTAGE OF RISING PRICES, SUPPLY CHAIN DISRUPTIONS, AND THE WAR IN UKRAINE TO BOOST PRICES AND PAD THEIR BOTTOM LINES

Since September of 2021, prices for everything from essential household items, to food, to cars and gas have been on the rise. Overall inflation – as measured by the Consumer Price Index (CPI) – has risen 8.2% and in key areas rising prices have squeezed household budgets and driven hardship for low and moderate-income families. Prices for food, housing, and energy, have shot up 11.2%, 6.6%, and 19.8%, respectively, over the same time period.¹

These price increases have been driven by a host of factors. Many have noted that supply chain disruptions have made it increasingly difficult for companies to quickly move products to meet consumer demand. And the war in Ukraine has similarly exerted an upward force on food and energy prices as crucial supplies of wheat and oil have been constrained, leading to supply and demand imbalances on global markets. But what has garnered less attention is the role of corporate profiteering in further exacerbating inflation – that is, the explicit choice of corporations to take advantage of the pandemic and the uncertainty generated by the war in Ukraine to raise prices well above what increased input costs would require in order to boost profits and enrich their shareholders.

On earnings calls, a quarterly or annual conference call between the management of a public company, shareholders, and the media to discuss the company's financials – CEOs and other high-ranking executives across multiple sectors and industries have made it repeatedly clear to shareholders that they are aggressively increasing prices to boost profits, simply because they can.²

¹ Analysis of Bureau of Labor Statistics Data, Groundwork Collaborative, <https://bit.ly/3U4Mg6p>.

² Groundwork Collaborative staff have listened in on hundreds of earnings calls, where, by law, companies must tell the truth about their company finances and corporate pricing strategies. For a full collection of relevant quotes from publicly traded companies visit www.endcorporateprofiteering.org. See also, Lindsay Owens, *I Listened In on Big Business*. It's Profiting From Inflation, and *You're Paying for It*. The New York Times (May 5, 2022), <https://nyti.ms/3DiSvqf>.

Recent research has drawn clear lines between outsized corporate profits – and, more importantly, profit margins – and the inflation that people are experiencing. An analysis from the Roosevelt Institute found that firms with high levels of market concentration prior to 2020 were able to take advantage of the pandemic to significantly increase their profit margins and drive up prices.³ Research conducted by the Economic Policy Institute went further and found that rising corporate profit margins accounted for roughly 40% of the rise in prices since the pandemic.⁴

Corporations have been able to pass along higher prices relative to past recessions for three major reasons:

- First, decades of government deregulation and market consolidation have given large corporations in specific sectors – for example, meatpacking, shipping, and household essentials – such high levels of market control that consumers, or other businesses dependent on their services, have no choice but to accept higher prices. And such high levels of corporate concentration have not only worked to raise prices directly for consumers, but have also undermined our supply chains. Monopoly power has hollowed out and nearly eliminated supply chain redundancies, leaving the private sector without enough geographic diversification or productive capacity to withstand significant shifts in demand or COVID-induced closures without supply shortages – leading to further price increases.
- Second, many items where prices have gone up significantly are essential items. Medicines and life-saving drugs, for example, are what economists call “price inelastic,” which means that raising the price of the good does not drastically lower demand. That means that companies can raise prices to fatten their profit margins and reward their shareholders without losing consumers. Corporations have, in their own words, corroborated this, noting that despite price increases, demand remains strong⁵. In a recent earnings call, Johnson & Johnson told analysts that their sales increases “were primarily driven by strategic price increases” and declared “our strategy is working” as their own supply chain issues ease and their price hikes take full effect. Rather than easing prices for consumers, they’re using excess profits for \$13 billion worth of stock buybacks and dividends⁶. In the pharmaceutical space, one 2021 analysis found that over 830 drugs increased in price, on average, by 4.6% from the year prior. By comparison, from 2017 through 2020, on average, only 705 drugs saw price increases in a given year⁷.
- Third, the pandemic has provided companies with “cover” as supply chain disruptions, inflation spurred on by the post-pandemic recovery, and cost increases associated with the war in Ukraine, make it harder for consumers to discern what are legitimate price increases and what constitutes corporate profiteering. This lack of clarity reduces the risk that price increases will lead to backlash from consumers. Again, corporations have acknowledged this and are taking advantage. For example, on an earnings call in late 2021 ConocoPhillips’s CEO said the company was no longer hedging for lower prices: “we expect to fully capture the upside of the current price environment⁸.”

These aggressive price hikes have gone well beyond necessary to cover additional input costs and as there are indications that production costs are falling. Global supply chain pressures, for example, decreased in September – falling nearly 30% month over month – and corporations have signaled that they intend to keep prices high⁹. A CEO of one Fortune 500 company said they had increased pricing due to inflation and “that following periods of higher inflation, our industry has historically not reduced pricing to reflect lower ultimate co¹⁰.”

³Mike Konczal and Niko Lusiani, Prices, Profits, and Power: An Analysis of 2021 Firm-Level Markups, Roosevelt Institute (June 2, 2022), <https://bit.ly/3sGIQfW>.

⁴Josh Bivens, Inflation, minimum wages, and profits, Protecting low-wage workers from inflation means raising the minimum wage, Economic Policy Institute (Sept. 22, 2022), <https://bit.ly/3U3Ur35>.

⁵Kimberly-Clark Corporation (KMB) CEO Mike Hsu on Q4 2021 Results - Earnings Call Transcript, Seeking Alpha (Jan. 6, 2022), <https://bit.ly/3TODkCH>.

⁶Johnson & Johnson (JNJ) Q3 2022 Earnings Call Transcript, Motley Fool (Oct. 18, 2022), <https://bit.ly/3FmzL29>.

⁷Tori Marsh, 800+ Drugs Became More Expensive This January — The Largest Number of Increases in Years, GoodRX Health (Feb. 2, 2022), <https://bit.ly/3FzNgeK>.

⁸ConocoPhillips (COP) Q4 2021 Earnings Call Transcript, The Motley Fool (Feb. 3, 2022), <https://bit.ly/3zpmzpk>.

⁹Groundwork Collaborative analysis, Global Supply Chain Pressure Index (GSCPI), Federal Reserve Bank of New York (Estimates for Sept. 2022), <http://nyped.org/3U3whWk> and Research, End Corporate Profiteering, Groundwork Collaborative, <https://endcorporateprofiteering.org>.

¹⁰Autozone, Inc. (AZO) Q3 2022 Earnings Call Transcript, AlphaStreet, (May 25, 2022), <https://bit.ly/3NfX4fO>.

Unsurprisingly, squeezing consumers in times of crisis and boosting prices well above necessary has been very lucrative. Despite slowing economic growth, as of June 2022, nonfinancial corporate profits totaled over \$2 trillion, the highest amount ever recorded – growing by more than 11% from the same point in 2021, which itself had been a record-breaking year¹¹. Corporations are also seeing record-breaking profit margins – the difference between sales revenue and costs. Last year, margins reached over 16%, the highest on record since 1950. And the most recent quarter’s corporate profit margins of 15.8% are still well above historical averages¹².

Companies across industries have enjoyed lavish profits. The three biggest U.S. oil companies – ExxonMobil, Chevron, and Marathon Petroleum – saw profits increase by almost \$90 billion in FY 2021¹³. The biggest pharmaceutical companies – Johnson & Johnson, Pfizer, and AbbVie – saw profits rise by over 90% to \$54 billion¹⁴.

Booming corporate profits and fatter profit margins have not gone unnoticed. Consumers and policymakers alike have become increasingly aware that corporations are taking advantage of the moment and, in response, lawmakers have proposed various bills designed to hold corporations accountable and address rampant price gouging. This report demonstrates that many of the same companies enjoying record profits – including household names such as Chevron, Johnson and Johnson, and Pfizer – are also deploying lobbyists to block these very proposals.

The Groundwork Collaborative and Public Citizen analyzed 27 different bills aimed at addressing price gouging and profiteering. As of the time of this writing, none of the bills have become law (a full list of bills can be found in the Appendix).

These bills vary in subject matter from cracking down on price gouging on drug prices and items crucial during a pandemic, to taxing windfall profits and curbing predatory overdraft fees. But the common thread through all these bills is that they are all focused on holding corporations accountable and providing relief to Americans who are struggling in the midst of a pandemic and record inflation.

9-TO-1: THOSE OPPOSING ANTI-PRICE GOUGING AND PROFITEERING BILLS BLANKETED CAPITOL HILL WITH MORE THAN 2,600 LOBBYIST ENGAGEMENTS, BILL SUPPORTERS ACCOUNTED FOR FEWER THAN 300

Public Citizen and the Groundwork Collaborative analyzed all federal lobbying disclosures submitted from the first quarter of 2020 through the third quarter of 2022. We searched the filings for instances in which a corporation, trade group or non-profit deployed a lobbyist to lobby on one or more of the 27 bills to address price gouging or profiteering.

Doing so revealed more than 3,400 instances in which a lobbyist was hired to lobby on one of the bills (hereinafter, “lobbyist engagements”). Through a detailed process of using public statements, coalition affiliations and reaching out to the lobbying entity, we were able to determine positions of likely or firm support or opposition to one or more of the 27 bills for 2,928 lobbying engagements, 86% of the total engagements. The remaining lobbying entities either had a neutral position or we were unable to obtain any position. A detailed methodology can be found in the Appendix.

Of the engagements for which we were able to obtain a position, 90% came from entities opposing the bills proposing to prohibit or crack down on price gouging and profiteering. Those opposing the bills accounted for 2,642 lobbyist engagements while those supporting the bills accounted for just 286.

¹¹ Groundwork Collaborative analysis, National Income and Product Accounts Table 1.14., Gross Value Added of Domestic Corporate Business in Current Dollars and Gross Value Added of Nonfinancial Domestic Corporate Business in Current and Chained Dollars, US Bureau of Economic Analysis (Accessed October 20, 2022), <https://bit.ly/3DHVdNT>.

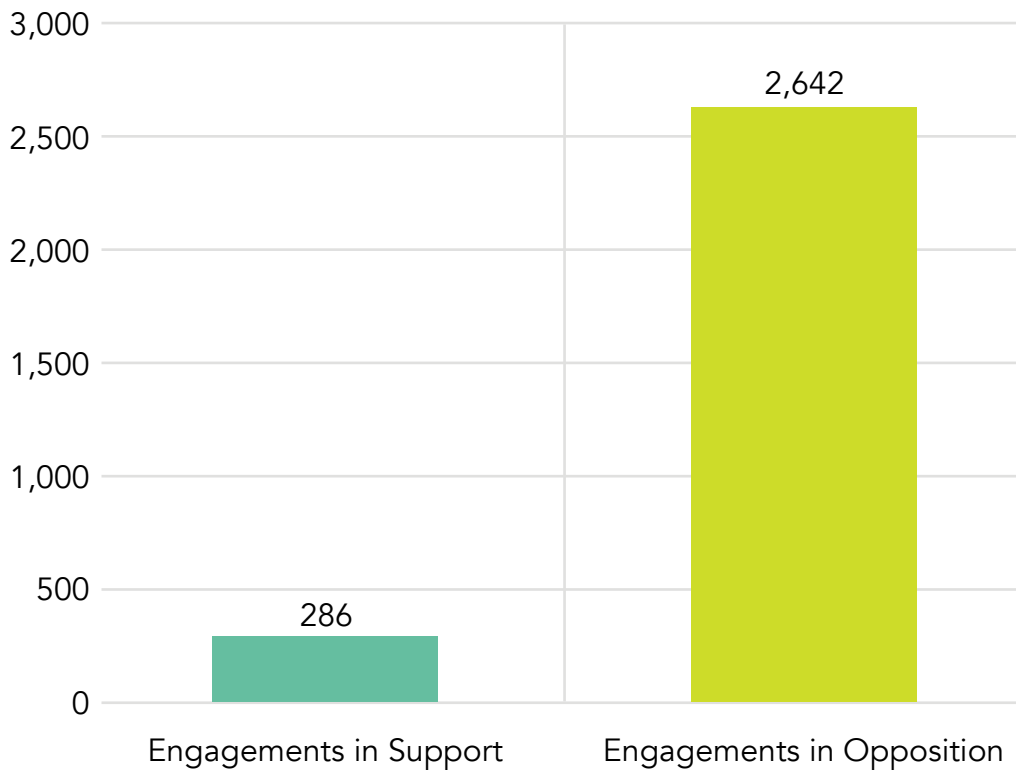
¹² Id.

¹³ Top Corporations in Major CPI Categories Rewarded Shareholders With Over \$140 Billion After Raising Prices on Consumers, Accountable US (March 10, 2022), <https://bit.ly/3zpYpv5>.

¹⁴ Id.

To put it another way, forces opposed to the bills were responsible for more than nine times as many lobbyist engagements as those supportive of the bills. [Figure 1]

FIGURE 1 – TOTAL LOBBYIST ENGAGEMENTS



Bills aimed at combating price gouging and profiteering related to drug prices accounted for 80% of all the lobbyist engagements. And 93% of these drug price bill engagements came from those opposing the bills. [Table 1]

TABLE 1 – LOBBYIST ENGAGEMENTS BY BILL SUBJECT

BILL SUBJECT	NUMBER OF BILLS	LOBBYIST ENGAGEMENTS	
		OPPOSING LEGISLATION	SUPPORTING LEGISLATION
Drug Prices	11	2,170	168
Pandemic / Disaster	8	193	47
Banking / Overdraft	2	153	20
Oil / Gas	6	126	51

The bill that produced the most lobbyist engagements by far was H.R.3, the Elijah E. Cummings Lower Drug Costs Now Act. H.R.3 is House Democrats' signature drug pricing reform bill. An earlier version of the bill passed the House at the end of 2019. 96% of the lobbyist engagements related to H.R.3 were in opposition. [Table 2]

TABLE 2 – TOP TEN ANTI-PRICE GOUGING AND PROFITEERING BILLS WITH THE MOST LOBBYIST ENGAGEMENTS

BILL	BILL SUBJECT	OPPOSING LEGISLATION	SUPPORTING LEGISLATION	% OPPOSING LEGISLATION	TOTAL LOBBYIST ENGAGEMENTS
H.R.3 - Elijah E. Cummings Lower Drug Costs Now Act	Drug Prices	1,110	47	96%	1,157
H.R.2873 - Affordable Prescriptions for Patients Through Promoting Competition Act of 2021	Drug Prices	252	32	89%	284
S.1435 - Affordable Prescriptions for Patients Act of 2021	Drug Prices	258	10	96%	268
H.R.2891 - Preserve Access to Affordable Generics and Biosimilars Act	Drug Prices	149	13	92%	162
S.1428 - Preserve Access to Affordable Generics and Biosimilars Act	Drug Prices	129	32	80%	161
H.R.4277 - Overdraft Protection Act of 2021	Banking / Overdraft	127	16	89%	143
S.909 - Prescription Drug Price Relief Act of 2021	Drug Prices	128	4	97%	132
H.R.7688 - Consumer Fuel Price Gouging Prevention Act	Oil / Gas	59	24	71%	83
H.R.7296 - MMAPPP Act of 2020	Pandemic / Disaster	43	13	77%	56
H.R.2148 - Prescription Drug Price Relief Act of 2021	Drug Prices	53	0	100%	53

PHRMA AND THE CHAMBER OF COMMERCE PRODUCED MORE OR ALMOST AS MANY LOBBYIST ENGAGEMENTS AS THE ENTITIES IN SUPPORT OF ALL THE BILLS, COMBINED

The Pharmaceutical Research and Manufacturers of America (PhRMA), the main pharmaceutical industry trade group that is opposed to all the drug pricing bills in this analysis, blanketed Capitol Hill with 436 lobbyist engagements. The total amounts to 1.5 times more lobbyist engagements than all the combined engagements produced by bill supporters (286).

The Chamber of Commerce, the nation's largest business lobby opposed to all the bills, was responsible for the second most lobbyist engagements, 274, nearly equal to the bill supporters' total.

The Biotechnology Innovation Organization, the biotechnology trade association, ranked third, with 217 lobbyist engagements opposed to the bills. GSK (GlaxoSmithKline) and Genentech, two pharmaceutical companies, rounded out the top five with 113 and 73 lobbyist engagements in opposition, respectively. None of the top 10 entities responsible for the most lobbyist engagements were supportive of the anti-price gouging and profiteering bills. [Table 3]

TABLE 3 – ENTITIES RESPONSIBLE FOR THE MOST LOBBYIST ENGAGEMENTS

LOBBYING ENTITY	POSITION ON BILLS	BILL SUBJECTS LOBBIED ON	NUMBER OF LOBBYIST ENGAGEMENTS
Pharmaceutical Research and Manufacturers of America (PhRMA)	Opposed	Drug Prices, Pandemic / Disaster	436
The Chamber of Commerce	Opposed	Drug Prices, Oil/Gas Prices, Banking/Overdraft	274
Biotechnology Innovation Organization (BIO)	Opposed	Drug Prices	217
GSK (fka GLAXOSMITHKLINE INC.)	Opposed	Drug Prices, Pandemic / Disaster	113
Genentech	Opposed	Drug Prices, Pandemic / Disaster	73
Merck & Co	Opposed	Drug Prices, Pandemic / Disaster	63
Eli Lilly and Company	Opposed	Drug Prices	59
Amgen USA	Opposed	Drug Prices	58
Bristol-Myers Squibb	Opposed	Drug Prices	51
American Bankers Association	Opposed	Banking / Overdraft	49

There is no organization in the country that has more influence over drug price policy than PhRMA.

For example, almost all entities in the top 10 in terms of lobbyist engagements have a connection to PhRMA, either through membership or money. The six drug companies in the top 10 are all PhRMA members¹. The Biotechnology Innovation Organization, the group with the third most lobbyist engagements, received a donation of nearly \$1.1 million from PhRMA in 2019².

¹ Membership, Pharmaceutical Research and Manufacturers of America (Viewed on Oct. 28,2022), <https://phrma.org/About>.

² Form 990, Schedule I, Grants and Other Assistance to Organizations, Governments and Individuals in the United States, Internal Revenue Service (2019), <https://bit.ly/3sDlcO8>.

PhRMA has in the past donated money to the Chamber of Commerce¹, the dark money group responsible for the second most lobbyist engagements in this analysis. “Dark money group” is a term used to describe non-profits that raise and spend money to influence elections and public policy but do not disclose their donors. While dark money groups make up a small number of the nearly 200 entities lobbying on the bills in this analysis, they have an outsize influence in public policy. The Chamber of Commerce is arguably the most powerful dark money group in the country.

In total, 16 entities lobbying against the anti-price gouging and profiteering bills in this analysis donated more than \$12 million combined to the Chamber in the past, according to an analysis by Issue One published in early 2018². The Chamber, along with its’ 16 donors, were responsible for a combined total of more than 1,300 lobbyist engagements. The total amounts to 49% of all the lobbyist engagements in opposition to the bills covered in this analysis. Thus, almost half of the opposition came from a single dark money group and corporations and special interests that have donated to the dark money group in the past. And this is very likely a conservative estimate. We only know about these Chamber donors because the donors themselves disclosed the contributions.

While our analysis focuses on entities that lobbied on the anti-price gouging and profiteering legislation, other dark money groups that did not lobby were involved in efforts to oppose bills by running ad campaigns against the bills. (Ad campaigns and other “grass-roots” lobbying efforts are not reported under the Lobbying Disclosure Act as “lobbying activities.”) And these efforts were in part funded by groups that did lobby.

For example, two weeks after Rep. Frank Pallone (D-NJ) introduced H.R.3, the Elijah E. Cummings Lower Drug Costs Now Act in April 2021, the dark money group the American Action Network (AAN)³ purchased a \$4 million ad buy to try and kill the bill, calling it a “socialist drug takeover plan⁴.”

AAN does not disclose its donors. But because PhRMA discloses its donations, we know it gave AAN \$4.5 million in 2019⁵. This was after PhRMA gave AAN \$2.5 million in 2018⁶ and \$1.5 million in 2017⁷.

ENTITIES OPPOSED TO THE BILLS HAVE SPENT \$820 MILLION ON POLITICAL ACTIVITY DURING THE 2022 CYCLE THUS FAR, SIX TIMES MORE THAN SUPPORTERS

Sending lobbyists to Capitol Hill is just one of the tools corporations and trade groups use to oppose bills that restrict or end their ability to profiteer or price gouge.

According to data from OpenSecrets.org, during the 2022 election cycle thus far, those opposed to anti-price gouging and profiteering legislation have spent more than six times - \$820 million vs. \$129 million - as much as the bill supporters on disclosed political activity, which consists of lobbying expenditures and money spent to influence elections.

¹ Michael Beckel, Dark Money Illuminated, Database of Dark Money Donors, Issue One (Sept. 11, 2018), <https://bit.ly/3zpvEhU> and <https://bit.ly/3WottFo>.

² Michael Beckel, Dark Money Illuminated, Database of Dark Money Donors, Issue One (Sept. 11, 2018), <https://bit.ly/3zpvEhU> and <https://bit.ly/3WottFo>.

³ Krystal Hur, Pharma-Backed ‘Dark Money’ Group Hits House Dems on Drug Pricing Plan, OpenSecrets (May 13, 2021), <https://bit.ly/3NfaGll>.

⁴ AAN Launches \$4 Million+ Campaign in Over 40 Districts To Stop Pelosi’s Socialist Drug Takeover Plan, American Action Network (May 6, 2021), <https://bit.ly/3U2vxkV>.

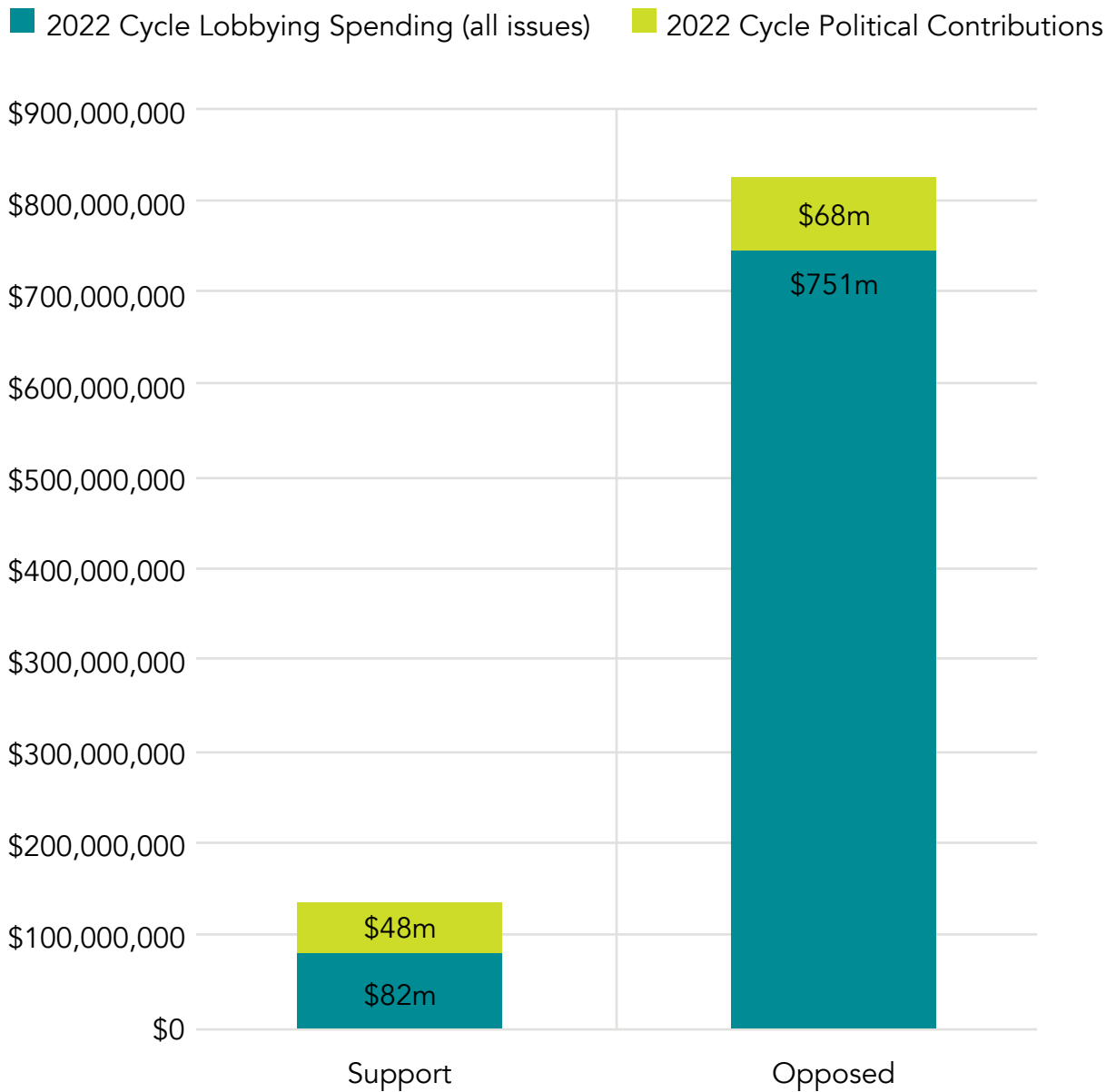
⁵ Form 990, Schedule I, Grants and Other Assistance to Organizations, Governments and Individuals in the United States, Internal Revenue Service (2019), <https://bit.ly/3sDlcQ8>.

⁶ Form 990, Schedule I, Grants and Other Assistance to Organizations, Governments and Individuals in the United States, Internal Revenue Service (2018), <https://bit.ly/3Dmc870>.

⁷ Form 990, Schedule I, Grants and Other Assistance to Organizations, Governments and Individuals in the United States, Internal Revenue Service (2017), <https://bit.ly/3NinSfA>.

Nearly 90% of this money was spent on lobbying. The money spent on lobbying by these entities includes lobbying done on all issues and all bills, not just the bills covered in our analysis. [Figure 2]

FIGURE 2 – POLITICAL SPENDING BY ENTITIES LOBBYING ON ANTI-PRICE GOUGING AND PROFITEERING BILLS, BY POSITION



Source: Analysis of spending totals according to [OpenSecrets.org](https://www.opensecrets.org).

As is the case with total lobbyist engagements, PhRMA and the Chamber of Commerce – two groups vehemently opposed to any anti-price gouging or profiteering bill – lead the pack on political spending. The Chamber of Commerce has spent the most during the 2022 cycle thus far, almost \$130 million, while PhRMA has spent \$53 million, the second most.

When it comes to conventional electioneering spending (e.g., contributions to candidates, PACs, party committees or other outside groups), those opposed to the bills have outspent bill supporters by \$20 million during the 2022 cycle thus far – \$68 million to \$48 million.

CONCLUSION

Failing to address inflation and its underlying drivers will mean more hardship for everyday people while powerful corporations and their shareholders continue to reap the rewards. Tackling the drivers of high prices – the pandemic, supply chain disruptions and the war in Ukraine – is important, and policymakers have already made some positive strides toward addressing these very issues.

In August of this year, Congress passed the Inflation Reduction Act¹. The drug pricing provisions included in the bill will help combat some drug price gouging. The bill empowers Medicare to negotiate drug prices on a limited number of older drugs, with the first set of negotiated prices available to patients beginning in 2026

The bill also requires drug manufacturers to pay rebates to Medicare if they increase prices faster than inflation and it caps the cost of a monthly supply of insulin at \$35 for Medicare patients. It redesigns the Medicare Part D benefit to provide more incentive for Part D plans to obtain lower prices and cover lower-cost medicines, and puts in place a \$2,000 annual out-of-pocket cap for all beneficiaries

While the Inflation Reduction Act is a big step in the right direction and a major blow to the pharmaceutical industry, it has its limits and more can be done. Beyond pharmaceuticals, lawmakers must understand how outsized corporate power has allowed large corporations across many sectors to take advantage of consumers in this moment and act accordingly. Tackling pandemic profiteering and building a healthy, resilient economy requires checking the outsized power that megacorporations hold over our economy. Congress must do its part to address corporate concentration and rein in the unchecked power that these megacorporations exert on prices and our democracy.

Congress should ensure rigorous competition in key product markets at critical nodes along the supply chain by curtailing mergers that further concentrate industries or by breaking up monopolies. The passage of the Ocean Shipping Reform Act, for example, is an encouraging development that will help to re-regulate the large ocean shipping monopolies that are stoking inflation and gumming up critical points in our supply chain.

Lawmakers must strengthen antitrust laws already on the books and continue to urge the FTC to use their existing authority to crack down on extractive and exploitative business practices, including price gouging, as well as further empower regulators at both the state and federal level to identify price gouging and protect consumers. This should include a federal price gouging statute to curtail exploitative pricing during emergencies and targeted price controls where appropriate.

Policymakers should also consider enacting an excess profits tax to reduce the incentive for companies to engage in profiteering behavior as any outsized profits that accrue over a certain threshold are taxed away and diverted to public coffers. Such an approach is not new – as recently as the 1980s, the US had in place a windfall profits tax on oil companies².

Furthermore, spending activity to influence legislation should not be so difficult to uncover. The Lobbying Disclosure Act (LDA) should capture campaign ads and other grass-roots activities that call upon the public to contact government officials to influence legislation as reportable lobbying activities. The DISCLOSE Act – legislation that would require non-profits to disclose their sources of funds used for political purposes and bring an end to dark money – should become the law of the land. President Biden should also exercise executive authority to issue the proposed executive order requiring government contractors to disclose their political spending.

To accomplish this, elected officials must push back against the lobbying onslaught by corporations very much invested in maintaining the status quo.

¹ Actions, H.R.5376 - Inflation Reduction Act of 2022, Congress.gov, <https://bit.ly/3gUZrbN>.

² Jane G. Gravelle and Molly F. Sherlock, Crude Oil Windfall Profits Taxes: Background and Policy Considerations, Congressional Research Service (March 23, 2022), <https://bit.ly/3Wa546e>.

APPENDIX - METHODOLOGY

Anti-price gouging and profiteering bills - Public Citizen and the Groundwork Collaborative created a dataset that includes 27 bills introduced from January 2020 through May 2022 that aim to curb price gouging and profiteering. There are undoubtedly more bills that deal with price gouging in some capacity. But we limited our search to bills that were somewhat narrowly focused on the issue. A full list of the 27 bills included in our analysis appears at the end of this section.

Lobbyist engagements - In order to determine the lobbying energy devoted to anti-price gouging and profiteering bills, we analyzed all quarterly lobbying disclosures filed with the Office of the Clerk of the U.S. House of Representatives from 2020 through the third quarter of 2022.

We pulled out all instances in which a lobbying client (corporations, trade groups or non-profits) reported hiring a lobbyist to lobby on one or more of the anti-price gouging and profiteering bills. We refer to each such instance as a “lobbyist engagement” on the bill.

Determining support or opposition - Our analysis found that 191 different corporations, trade groups and non-profits hired lobbyists to lobby on one or more of the anti-price gouging and profiteering bills. We set out to determine if the lobbying client has a firm or likely position of support or opposition on a bill. We were able to do so for 86% of all the lobbyist engagements we found. We also determined that an additional 9% of engagements came from lobbying clients with a neutral / no position on the bill, bringing the total percentage of engagements for which we determined a position to 95% - though throughout the analysis we focus just on the 86% of engagements for which we found either a support or opposed position.

We determined the position of lobbyists making engagements using five different methods. First, we searched for public statements by the lobbying client stating support or opposition to the bill. Of the engagements we determined to have been deployed in support or in opposition to the bills, 36% of the positions were derived using this first method

Second, using the results of the first method, we scrutinized trade group membership to determine a likely position by its corporate members, if the trade group was found to support or oppose a bill using the first method. For example, PhRMA has explicitly opposed H.R.3, the Elijah E. Cummings Lower Drug Costs Now Act. PhRMA’s membership includes 33 different pharmaceutical companies, including many that also deployed lobbyists to lobby on H.R.3. If we did not find a public statement from a PhRMA member company on a bill, we considered the company’s position to be in line with PhRMA’s. An additional 41% of our support or opposed engagements were determined using this method, and most were due to PhRMA membership.

Our third method for obtaining a position involved looking at public statements on a policy position.. For example, if a company or group is opposed to allowing Medicare to negotiate drug prices but has not expressed a position on a specific bill that would allow Medicare to negotiate drug prices, we labeled that lobbying client as opposed to the bill. 13% of lobbying engagement positions were obtained using this method.

The fourth method we used involved taking lobbyists that were hired by lobbying clients with an explicit position on a bill and considering all the engagements by those lobbyists on that bill to be in line with that position. This method accounted for 10% of our determinations.

Our fifth method included reaching out to many of the lobbying clients for which we could not find a position. Most did not respond. Of the limited responses we did receive, all said they had no position or were neutral.

All Anti-Price Gouging and Profiteering Bill

BILL

H.R.3 - Elijah E. Cummings Lower Drug Costs Now Act

H.R.2873 - Affordable Prescriptions for Patients Through Promoting Competition Act of 2021

S.1435 - Affordable Prescriptions for Patients Act of 2021

S.1428 - Preserve Access to Affordable Generics and Biosimilars Act

H.R.2891 - Preserve Access to Affordable Generics and Biosimilars Act

H.R.4277 - Overdraft Protection Act of 2021

S.909 - Prescription Drug Price Relief Act of 2021

H.R.7688 - Consumer Fuel Price Gouging Prevention Act

H.R.7296 - MMAPPP Act of 2020

H.R.2148 - Prescription Drug Price Relief Act of 2021

H.R.4811 - Medicare Negotiation and Competitive Licensing Act of 2021

H.R.597 - Pandemic Treatment Access and Affordability Act of 2021

H.R.6450 - Price Gouging Prevention Act

H.R.7061 - Big Oil Windfall Profits Tax Act

S.4439 - MMAPPP Act of 2020

S.1323 - End Price Gouging for Medications Act

S.3162 - Affordable Drug Manufacturing Act of 2020

H.R.6472 - COVID-19 Price Gouging Prevention Act

S.2677 - Stop Overdraft Profiteering Act of 2021

S.3802 - Big Oil Windfall Profits Tax Act

H.R.6457 - Disaster and Emergency Pricing Abuse Prevention Act

S.3920 - Gas Price Gouging Prevention Act

H.R.675 - COVID-19 Price Gouging Prevention Act

H.R.7463 - Gas Price Gouging Prevention Act

H.R.2829 - End Price Gouging for Medications Act

H.R.7099 - Stop Gas Price Gouging Tax and Rebate Act

S.3566 - Stop Overdraft Profiteering during COVID-19 Emergency Act of 2021
