

Photos by NADIA BOROWSKI-SCOTT/The Orange County Register

IN THE TRENCHES: Mark Murray, seen last month in front of the state Capitol in Sacramento, spent 10 years lobbying to expand the state's recycling program.

Into Battle

CHAPTER ONE

By Daniel M. Weintraub/The Orange County Register

On the road in California, 1987

Everything Mark Murray needed to know about politics he could have learned from the lowly wine cooler. He just didn't realize it at the time.

If he had, he might not have spent the next 12 years fighting battle after battle against some of the most influential special interests in California, and against his conscience.

But in the summer of 1987 Murray was just a few months out of college, a skinny kid with shaggy brown hair who found himself in the middle of one of the biggest environmental issues of his time.

WHO'S WHO



Californians Against Waste: A nonprofit environmental group, CAW was the state's leading advocate for recycling. The group sponsored the original 'bottle bill' in 1986.



Bill Shireman: As CAW's executive director, Shireman was a pioneer in recycling policy. He gave Mark Murray his first job in politics.

Murray was crisscrossing the state for a fledgling nonprofit group, laying ambush to the bigger but less nimble California wine industry. Driving a blue Chevy wagon he'd borrowed from his parents, wearing the dark suit his father bought him as a graduation gift, Murray was trying to persuade city councils to place a nickel deposit on every wine cooler sold in their towns.

The bottle deposits were designed to boost recycling in the cities that adopted them. They were also weapons in a larger war under way in the halls of the state Capitol.

It was a war Murray felt lucky to be in. At Humboldt State University, on California's rugged north coast, he'd been surrounded by radicals trying to save the Earth. He enjoyed the majestic redwoods as much as anyone, but he didn't know an Italian cypress from a madrone. His passion was politics. His classmates elected him student-body president. And even before he graduated, he helped run a local pol's campaign for county supervisor.

He arrived in Sacramento an unsure 24-year-old, not knowing what kind of job he might land. He didn't seek out recycling, much less know that it would become an obsession. He sort of stumbled into it, hearing through a friend that Californians Against Waste was looking for an intern.

It was a smart move. Recycling looked like The Next Big Thing. A garbage barge, floating off the Atlantic coast for months in search of a place to dump its cargo, drew international attention to the cause. Landfills were filling up and shutting down. Kids and old folks and a lot of people in between were talking about what they could do to reduce, reuse, recycle.

Recycling was the perfect issue for Murray because it provided battles he saw as winnable -

not like saving the whales or shutting down nuclear power. And Murray loved to compete.

As a fifth-grader back in Buffalo, he once scored three goals in a hockey game, then shed his pads for a figure skater's outfit and performed the Dutch waltz in a pairs competition with a neighbor girl. In high school, he turned to distance running and became a marathon champion. Six years later he was still a dedicated runner. He ran hard, and he ran to win. That's how he did everything.



When the Legislature passed the state's first bottle-recycling bill in 1986, requiring deposits and refunds on soda, beer and carbonated water, the wine industry used its clout to gain an exemption for its bottles. The wineries, like most other beverage makers, opposed anything that added a cost to consumers at the checkout line.

But what about wine coolers, a fizzy mix of wine, juice and fruit flavoring that had become popular almost overnight? Gallo made its Bartles & Jaymes brand famous with a sappy ad campaign featuring Frank and Ed. Seagram had its own brand, pitched by Bruce Willis. Californians, especially women, were buying the new drinks by the millions. Recycling advocates argued that coolers were closer to soda pop than to wine, and legislation was proposed to add the bottles to the recycling program. The bill, however, stalled in the Legislature.

Murray's boss, Bill Shireman, sat him down in the shabby offices that Californians Against Waste rented near the Capitol. Like a father explaining the facts of life to his son, Shireman told Murray how Sacramento really worked.

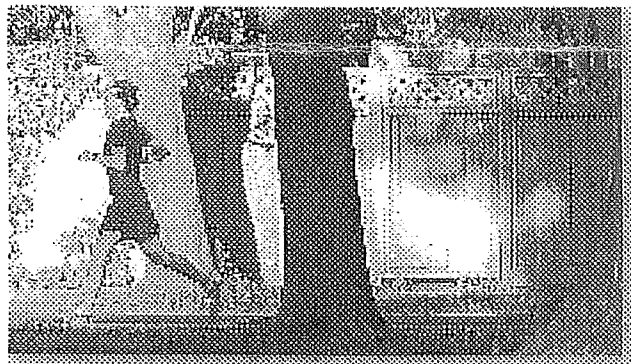
The Legislature, he said, will never cross the wine industry. The lawmakers were simply too dependent on the money the wineries contributed to their campaigns.

The only way to win is to get the wineries to back down. Then the legislators will go along. We can do that, Shireman said, by persuading cities from San Diego to Arcata to pass a patchwork of bottle-deposit laws. Big industries prefer their politics simple and concentrated. Spread them out, skirmish with them on many small fronts, and the wineries will see a single, statewide standard as the better way to go.

So Murray hit the road, sitting late into the night in small, cramped council chambers in strange towns, waiting his turn as the locals debated traffic lights and condominium projects. He won in Davis and Santa Monica, in Imperial Beach and Los Angeles.

Even in Moreno Valley, in the fast-growing and conservative suburbs east of Riverside, Murray prevailed. When the City Council voted his way, he found a phone and called his boss with the news.

If we can win in Moreno Valley, Murray told Shireman, we can win anywhere. This was no Santa Monica. This is like the American heartland. And they sided with us!



LONG DISTANCE: Mark Murray runs through the streets of Sacramento. A marathoner, Murray saw his fight for a recycling bill as an endurance event.

Murray was right. Before the year was out, a half-dozen cities had adopted the deposit laws he was pushing. Another dozen were considering it. Early in 1988, the industry caved. Soon after, the Legislature passed a bill requiring bottle deposits on wine coolers.



Murray knew it looked like a great grass-roots victory. The little guys beat Big Wine. But it wasn't really David against Goliath.

The whole thing was paid for by donations from Coors and Anheuser-Busch. The model ordinances Murray shopped to the cities were written by beer-industry lawyers. The big breweries helped out because beer bottles already carried a deposit. They did not want their competition - the wine coolers - getting a free ride.

But the wine cooler would be the last beverage added to the recycling program. Murray would try and fail for more than a decade to convince the Legislature to expand the program further.

As those years passed, he often drew on the lessons he learned from the wine-cooler episode: Your enemies one day might be your allies the next. Ideals are no more than pleasant thoughts unless you win. To win in Sacramento, you need powerful friends.

Above all, he learned that the fight over recycling, by the time it reached the Capitol, wasn't really about the environment anymore. It was all about money.

- On page one: Letter from the editor.
- Tomorrow: Murray finally gets a seat at the table with the most powerful and unpredictable man in the Senate - a man who can determine Murray's fate with one profane word.

Find this story online at www.ocregister.com/shadow/

HOW WE DID THIS SERIAL

The narrative in this serial was told from Mark Murray's point of view to provide a window for readers into the often-secretive world of lobbying in the Capitol. It does not represent an endorsement of his opinions or his legislation by The Orange County Register.

Murray allowed reporter Daniel M. Weintraub to shadow him throughout 1999 as Murray sought approval for Senate Bill 332. Murray shared his observations and strategy on the condition that the Register not publish them until the bill was passed or killed.

Information for Chapter 1 also came from:
► Murray's former boss, Bill Shireman
► Coors Brewing Co. executive Andrew Mikashus
► Murray's father, Larry Murray
► Ernest & Julio Gallo Winery Vice President Laurence Martin
Dialogue between Murray and Shireman was reconstructed by them from memory.

A HISTORY OF CALIFORNIA LOBBYING: 1910-1916

California's first powerful lobby - the Southern Pacific Railroad - triggered a political backlash whose ripples are felt to this day.

Hiram Johnson was elected governor in 1910 as a Progressive-Republican running on a platform to end the railroad's dominance in the Capitol, where the Legislature was widely viewed as an extension of the compa-

ny's transportation monopoly. Johnson, a former San Francisco prosecutor, made good on his promise.

One of his first moves was to create a Public Utilities Commission with members appointed by the governor. His railroad commission, meanwhile, regulated the rates and practices of the Southern Pacific.

Johnson also won passage of a con-

stitutional amendment to give Californians the initiative, referendum and recall - three tools designed to give residents the ability to overcome a Legislature controlled by powerful special interests. He also created the civil service to shield state employees from political influence.

In a special election in November 1911, Johnson and the Legislature sub-

mitted 23 constitutional amendments to the people. Among them was one giving California women the right to vote in state elections, though the governor was only a lukewarm supporter of universal suffrage.

Johnson ran unsuccessfully for vice president with Teddy Roosevelt in 1912, and in 1916 he was elected to the U.S. Senate, where he served until his

death in 1945.

While his reforms were credited with breaking the railroad's grip on the Legislature, the ballot initiative would later become a tool of the same sort of special interests Johnson intended to overcome.

► Next: Artie Samish - the guy who gets things done.



Photos by NADIA BOROWSKI-SCOTT/The Orange County Register

BIG WHEEL: Mark Murray leaves the elevator with his bicycle in an office building near the state Capitol. Murray was not a typical Sacramento lobbyist.

The Blowup

CHAPTER TWO

By Daniel M. Weintraub/The Orange County Register

Sacramento. August 1998

Mark Murray folded his hands in front of him and stared at them. He tried not to look up as Sen. John Burton's face grew redder.

One thing Murray had learned in his years as a lobbyist was that when John Burton got angry, you stayed out of his way. Ask him for anything during one of his tantrums and you were more likely to lose something instead.

Murray figured he had lost enough in the 11 years since he came to the Capitol straight out of school. He was no longer the scruffy college grad barnstorming the state in his parents' station wagon. Now he was a registered lobbyist, urging lawmakers to expand California's recycling program by requiring deposits on more bottles and cans.

Year after year he'd failed, defeated by interest groups with more money, better connections and more clout. But he never gave up.

He remained a distance runner, disciplined and whipper-thin, accustomed to the long haul. And his drive to expand recycling, once just a job, had become an obsession. It was his political marathon.

With the legislative session coming to a close, Murray suspected that 1998 was not going to be the year for radical reform. But he hoped to make some progress. He managed to insert a small but important provision into a bill Burton was putting together. It would double deposits to 5 cents on the 20-ounce plastic bottles that Coke and Pepsi were selling like crazy. With that kind of incentive - Murray called it the "nickel-20" - far more of those bottles would be recycled rather than ending up in landfills and on freeway shoulders.

Murray was one of about a dozen lobbyists Burton summoned to a large wooden table in his conference room, an ornately decorated chamber befitting the leader of the state Senate and the most powerful member of the Legislature. The glass industry was there, and beer and wine and trash and soft drinks. The supermarkets' lobbyist was in the room, and the recycling centers had a couple of seats at the table.

They were gathered because California's recycling program, once the handsome child of the state's environmental movement, had become an awkward adolescent. It was now in many ways an unwieldy jumble of special-interest deals. The program took \$400 million in bottle deposits and fees from consumers and beverage makers and paid it out to trash haulers, recycling centers, environmental groups and people who returned their beverage containers for a refund. The

whole thing generated enough fees, subsidies and rules to keep 25 or 30 lobbyists employed.

Now, in the summer of 1998, most of the program was about to expire. Burton's bill would have kept the money flowing to the special interests for another year.

The lobbyists, seeing an opportunity, tried to tack on provisions that would help their clients. They bickered as they jostled for position, testing Burton's patience.

Murray believed in open government. But he also needed to fight for his interests. So he was glad to be in that room.

He thought he had Burton on his side. But he knew the senator's help would not come without risk. Burton was neither a master of detail nor an environmental idealist. When he talked about recycling, it was to recall how he and his childhood pals would steal bottles from the back of the neighborhood market and take them around to the front of the store for a refund.

Above all, Burton was a deal-cutter - and a great one. He was interested in this issue mainly because some of the most influential interest groups in the Capitol had a stake in it. Murray could not know what would happen if the concerns of one of those interest groups clashed with what he thought was best for the environment.

■ ■ ■

Burton had heard enough squabbling. He began to rant. Murray studied the ridges in his palms.

Burton snarled, "If someone has a complaint, let me know now and I won't waste my time."

Bruce Young, the retailers' lobbyist, whispered something to the man sitting next to him. Burton caught it.

"Come on, Bruce," Burton teased Young, taunting the beefy lobbyist by using the diminutive form of his name - a Burton trademark. "Tell me what it is. I'm gonna find out anyway. Tell me now."

Young ducked Burton's jab. "Lee Johnson has a concern," he said. Johnson was the president of 20/20 Recycling, one of the companies that operated recycling centers in supermarket parking lots across the state.

Burton's glare swung to Johnson.

The problem, Johnson said, was that his company needed a long-term deal - three years at least. He was going to the banks to finance an expansion. They'd balk if the state subsidies his company was getting through the existing bottle bill were not assured for longer than one year. If you can't do that, Johnson said, we can't support this bill.

That was it. "I'll save you the trouble," Burton seethed.

Then he slid back his chair and, putting his hands on the table, pushed himself up to his full 6 foot 1.

"F... YOU ALL!!!" the senator roared. And he strode from the room.

■ ■ ■

The lobbyists were dumbfounded. Was he serious? They couldn't be sure. Two ran down the hall after Burton, calmed him down and coaxed



CUTTHROAT: Mark Murray sat in on a contentious private session with volatile Senate Leader John Burton. Later, Murray discusses strategy with an Assembly aide.

MONEY TO BURTON

Senate Leader John Burton received \$400,000 in campaign funds in 1998 and 1999 from interests with a stake in Senate Bill 332.

Top contributors by industry group	
Wine	\$186,625
Trash haulers	\$93,300
Beer	\$48,800
Recycling centers	\$40,000
Glass	\$30,000

Source: California Secretary of State

him back into the room.

This guy is nuts, Murray said to himself. He's got all these lobbyists in here - professionals, attorneys, even former legislators - and he's got them scared. But he got them to quit their bickering. They were in awe of him. Murray was too.

Burton dismissed the lobbyists and returned to the Senate floor. The bill would not be changed. It passed in Burton's Senate and in the Assembly.

But Gov. Pete Wilson vetoed the bill. His complaint: He didn't like the proposal to increase deposits on 20-ounce bottles. Murray's precious "nickel-20" had sunk the entire deal.

Wilson's veto threatened to throw the recycling program into chaos. More than \$50 million in government subsidies were going to expire. The companies that depended on those payments were now desperate.

In their desperation, Murray sensed opportunity.

HOW WE DID THIS SERIAL

The narrative in this serial was told from Mark Murray's point of view to provide a window for readers into the often-secretive world of lobbying in the Capitol. It does not represent an endorsement of his opinions or his legislation by The Orange County Register.

Murray allowed reporter Daniel M. Weintraub to shadow him throughout 1999 as Murray sought approval for Senate Bill 332. Murray shared his observations and strategy on the condition the Register not publish them until after the bill was passed or killed.

Information for Chapter 2 also came from:

- ▶ Sen. John Burton.
- ▶ Sen. Byron Sher.
- ▶ Lobbyist Ralph Simon.
- ▶ Coors Brewing Co. executive Andrew Mikashus.

Dialogue from the meeting in Burton's conference room was reconstructed from memory by several of those in attendance.

▶ On Page One: Note to readers on this serial.

▶ Tomorrow: A top legislative aide assigns Murray to write the bill of his dreams. But the assignment comes at a price.



A HISTORY OF CALIFORNIA LOBBYING: 1930S-1940S

To hell with the governor of California, lobbyist Artie Samish once said. "I'm the governor of the Legislature."

After Prohibition was lifted in 1933 and the regulation of liquor was turned over to the states, the alcohol industry needed someone to plead its case in the Legislature. Artie Samish

became that man.

Starting with liquor, Samish added buses, trucking and other interests until he had built an influence empire that pioneered the craft of modern lobbying.

Calling himself "the guy who gets things done," Samish searched out professional and business groups,

persuaded them to form associations, then charged them dues to pay his salary and build a fund he used to influence elections and lawmakers.

Author Carey McWilliams in 1949 described the state Capitol as an auction where economic interests came to bid for preference.

"Mr. Samish," McWilliams wrote,

"is the auctioneer."

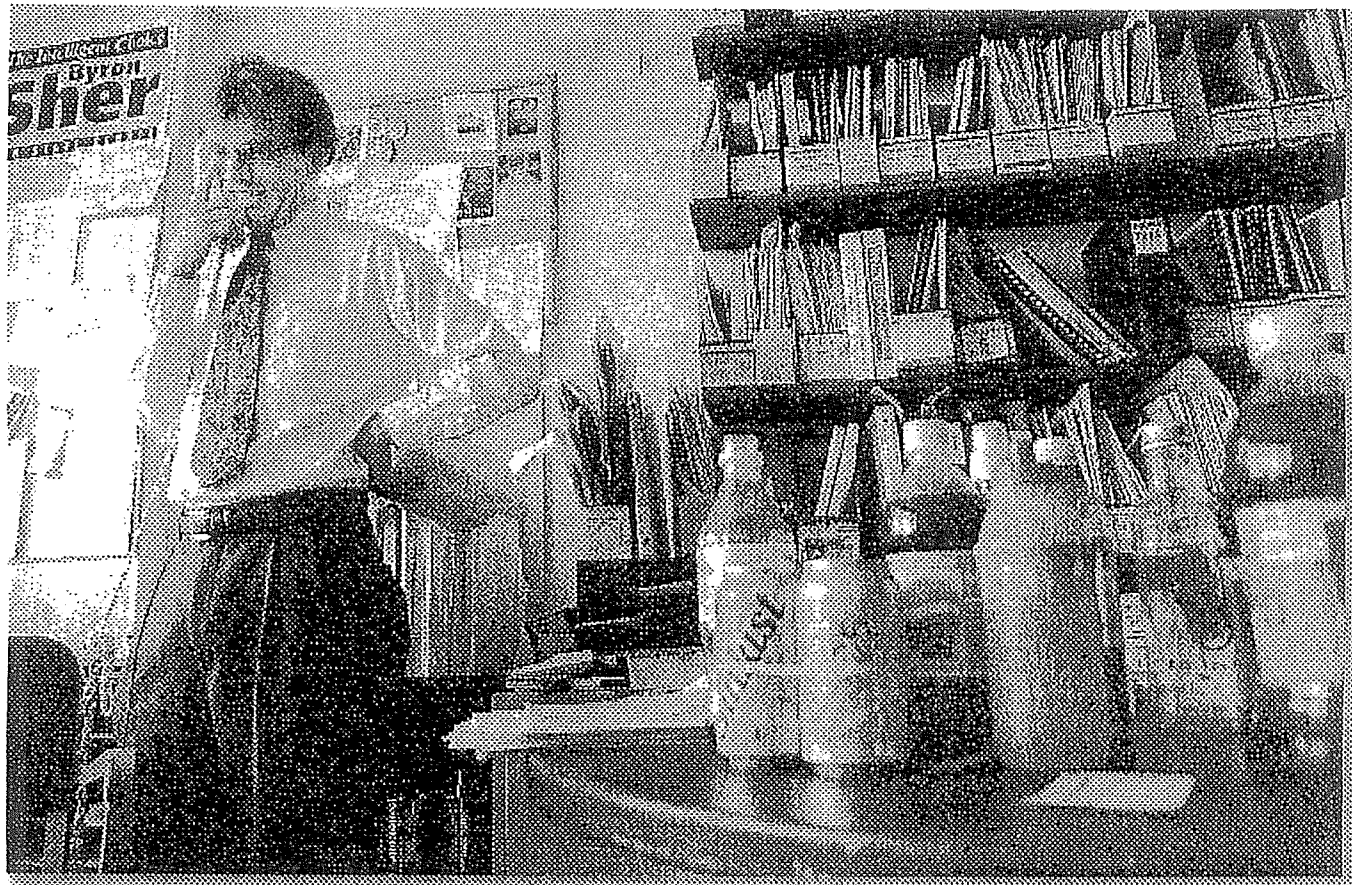
Samish hosted lavish parties and helped create a group for wives of legislators and lobbyists. The group was known as PALS - the Protective Association of Lonesome Souls.

But Samish fell hard after he was featured in Collier's Magazine and posed as a ventriloquist with a

dummy he called "Mr. Legislature." In 1953 he was convicted of income-tax evasion and imprisoned.

His excesses prompted some modest reforms. But it would be more than 20 years before the culture of the Legislature really began to change.

▶ Next: "Big Daddy" and the creation of the professional Legislature.



Photos by NADIA BORDOWSKI-SCOTT/The Orange County Register

AN EARFUL: A Senate aide asked Mark Murray to help draft a bill to expand recycling. Murray is shown later working the phones from his office near the Capitol.

The Assignment

CHAPTER THREE

By Daniel M. Weintraub/The Orange County Register

Sacramento, December 1998.

This was the moment Mark Murray had been waiting for since coming to the Capitol to work for Californians Against Waste. He had climbed from intern to policy director and then to executive director in his 11 years at the nonprofit group. All that time he'd been pushing bills to expand recycling. Every year he'd failed. Opposition from the beverage makers was too great.

Now a new governor - Democrat Gray Davis - was about to take office. A new Legislature with more members sympathetic to the environment had just been seated.

And Kip Lipper, an aide to Sen. Byron Sher, was on the phone.

Lipper told Murray that Sher wanted to carry the bill in the Legislature. The Senate leader, John Burton, would lend his clout. And Lipper wanted Murray to help draft the measure.

WHO'S WHO



Democratic Sen. Byron Sher of Palo Alto was one of the Legislature's most respected members and an expert on environmental policy.



Kip Lipper worked to move Sher's bill forward in the Legislature; became Murray's conduit for what was happening.

"Start with 468," Lipper said, referring to the recycling bill Gov. Pete Wilson vetoed a few months before leaving office. "Add in expansion."

Murray knew what Lipper meant - their long-held desire to require deposits and refunds on 2 billion cans and bottles a year not covered by the state's recycling program. The bill also would include Murray's proposal to double the deposit - to a nickel - on the increasingly popular 20-ounce plastic bottles of soda.

This was the dream assignment. It wasn't totally unexpected, given his expertise on the issue, but Murray was nonetheless flattered. As Sacramento lobbyists went, he was small-time. His nonprofit group had a few thousand members. He rode to work on a mountain bike, not in a Lexus. He carried a canvas backpack instead of a Coach valise. And while his friends included some of the Capitol's most successful lobbyists, men and women with long lists of corporate clients and incomes that reached toward seven figures, Murray had chosen not to play that game.

But he was a man of no small ego. He wanted to be somebody, to be in on the action. He was tired of being on the outside. This would be a rare chance for him to leave at least some small mark on history.

Becoming an insider, however, carried certain obligations. He and Burton and Sher all shared the same goal. But to reach it, the senators might be tempted to cut deals with special interests that Murray loathed. If they did, he realized, he would have to go along. That was the way the Capitol worked.

The first unpleasant deal, an unspoken one, presented itself almost immediately.

Murray worked on the bill for several days, sitting at his computer in a cluttered sixth-floor office overlooking Cesar Chavez Park, and, a block away, Sacramento City Hall. On the floor around his desk he spread manila folders containing previous drafts of bills, newspaper clippings and policy papers he had been saving for years. He cranked up his favorite rock radio station and worked late into the night, finding a use for old deals that had long been searching for a home.

He would eventually give his draft to Lipper, who would present it to Sen. Sher. That was commonplace around the Capitol, where the lobbyists served as a sort of unpaid staff to the legislators. The members, of course, had the final say, as Sher would with this bill. But it was not unheard of for a lobbyist-written provision to find its way into a bill without anyone in the Legislature realizing it was there.

This bill, as Murray drafted it, would rope in Snapple, Gatorade, Frappuccino - and all the iced teas, coffees and fruit drinks invented since the original law was enacted in 1986. No longer would spring water be exempted while consumers paid deposits on carbonated water. Fruit-flavored drinks without bubbles would now carry the same deposit as fruit-flavored sodas sold in identical containers.

It seemed a rather modest proposal to Murray, not something that would take more than 10 years to accomplish. Not something that should take over a person's life. But then, there was nothing easy about going up against the California wine industry.

Murray had long advocated deposits on wine so that more people would recycle the containers. His group sponsored bill after bill targeting the beverage. One year they went after all wine bottles. That failed. Next they tried for just the "fortified" wines - Thunderbird, Ripple - favored by street people. That failed, too. They even drafted a ballot initiative. But they couldn't get any financial backing. The wine industry, which fought anything that would increase the price of its product to consumers, was too strong.

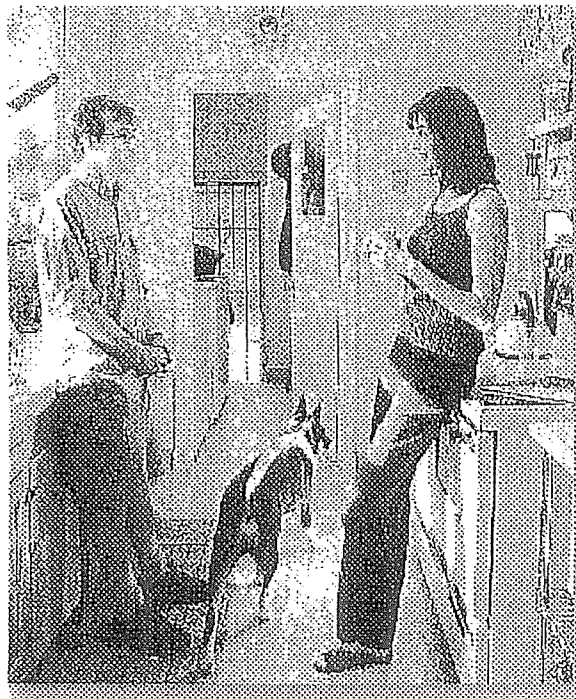
Given that history, Murray felt it was hopeless to even suggest that the senators include wine bottles in this bill. Lawmakers collected millions in campaign contributions from the wineries and did not want to cross them. Even Sen. Burton, the Legislature's most powerful member, would not challenge wine.

Burton's position was driven home for Murray one day shortly after Lipper's call.

That morning, Murray was quoted in a newspaper article - misquoted, he thought - suggesting the bill he was drafting might require deposits on wine bottles. He arrived in his office to find a scathing message on his answering machine. It was from one of Burton's aides.

"What are you doing?" she asked. Murray cringed. Her tone said: *Are you crazy?*

Murray was not crazy. He knew wine had to remain exempt if the bill were to survive. But he was troubled that it wasn't even going to be the subject of public debate. We're wusses, he thought. Sometimes the most significant thing



COFFEE TALK: Heather Strauch was Mark Murray's confidante. The two talk here last month in the kitchen of her Sacramento home.

about a bill was not what you put in but what you left out.

On days like this he would stop by after work to see Heather Strauch, a Sacramento lawyer. A friend for years, she would become his sounding board as he pushed his bill through the Legislature. Murray loved to cook, and he would often fix her dinner after unwinding with a long evening run through the tree-lined streets of her old Sacramento neighborhood.

"Can I tell you about my day?" he would say, his face twisted in frustration, as he stood at her kitchen sink staring out the window into the darkness. They both knew he would tell her whether she wanted to hear it or not.

Murray felt helpless to change the Capitol's priorities. The best he could hope for was to work the system to his advantage by trying to get the big contributors to support his bill.

And who better to turn to first for support, Murray was thinking, than your oldest and most bitter opponent?

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Murray allowed reporter Daniel M. Weintraub to follow him as Murray sought approval for his bill. Murray shared observations and strategy on the condition they not be published until the bill passed or died. Information in Chapter 3 also came from Heather Strauch, Sen. John Burton, Sen. Byron Sher and Assemblyman Mike Machado.

Dialogue between Murray and Kip Lipper was reconstructed by Murray from memory.

► On Page 1: Note to readers about this serial.

► Tomorrow: Murray approaches the glass industry and weighs an offer that would undercut a principle he has been in defending for years.

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A HISTORY OF CALIFORNIA LOBBYING: 1950s-1960s

Jesse Unruh was first elected to the Assembly in 1954, just as legendary lobbyist Artie Samish was facing tax-evasion charges for which he would be convicted and sent to federal prison. But even with Samish gone, the lobbying corps was still revered in Sacramento as the "third house" of the Legislature, after the Assembly and the Senate.

Unruh, who quickly became one of the Legislature's rising stars, at times played the reformer, at times the cynical insider. After two terms in office he famously declared that he and other lawmakers were perfectly able to resist the lobbyists' charms.

"If you can't eat their food, drink their booze, screw their women and then vote against them, you have no

business being up here," said the man known as "Big Daddy."

But it wasn't that easy. In a 1960 interview in Reader's Digest, Unruh, thinly disguised as "Assemblyman X," admitted that the Legislature's dependence on money from special interests presented a dilemma he had not resolved.

"If I had stayed away from the lob-

bysts, I would have been ineffective," Unruh said. "If I take their money and give them nothing for it, I am a cheat. If I do their bidding, I could be cheating the public."

Unruh was chosen Assembly speaker in 1961, and he led the move to create a full-time, professional Legislature. Voters approved that, along with a measure to double lawmakers'

salaries and restrict outside conflicts. By the time he left office in 1970, Unruh was credited with helping to make the California Legislature a model for the nation. But it was a Legislature still very much in the thrall of lobbyists.

► Next: Special interests find a way around the Political Reform Act. It will appear along with Chapter 6.