

MEMORANDUM

To: Kevin Cahill

From: David Roberson

Re: 1998 Elections

Date: July 19, 1998

As you are aware, 1998 is an election year for all statewide offices. This includes all constitutional offices as well as legislative. I will address the Governor and Lt. Governor races and then the legislative.

The incumbent Governor, Fob James, beat his opponent, Winton Blount, in the Republican run-off by 50,000 votes, after leading in the primary by about 27,000. It was not an upbeat campaign but rather mean spirited, with Governor James using race against Blount to bring rural white voters out, a planned tactic which was confirmed by the Governor's campaign manager, Montgomery Mayor Emory Folmar, in the Sunday, July 19, 1998, Montgomery Advertiser newspaper. Lt. Governor Siegelman, the democratic candidate for Governor, had only token opposition and easily gained his party's nomination. Siegelman has about \$6 million committed to him for the fall campaign while James spent most of his money in the primary and run-off and will have to do a lot of fund raising to catch up to Siegelman in funds. Some pollsters predict a close race but James has a lot of appeal to voters while Siegelman is and will continue to be the "trial lawyers" candidate. Historically Siegelman and his law firm have not been friends to business and industry, having sued at least one chemical industry in Mobile. You may want to look at providing some funds for James, either directly or through a PAC.

In the Lt. Governor's race, President Pro Tem of the Senate Dewayne Freeman (Democrat) will face Senator Steve Windom (Republican who used to be a democrat). Windom is the business community candidate while Freeman is also seen as a trial lawyer candidate. A poll last week showed Windom ahead in the race 37% - 35%. Windom had to defeat Senator John Amari for the Republican nomination while Freeman had no opponent so Windom should have more name recognition right now, but that apparently is not the case if the poll is correct. The Alabama Chemical Association has endorsed Windom.

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In the legislature, we have 105 House members, each serving 38,000 Alabamians, while each of the 35 Senators represent 114,000 Alabamians. In the Senate, there will be six new members due to the two running for Lt. Governor (Freeman & Windom), one being beaten in that race in the primary (Amari), one dropping out due to questions regarding campaign finance reporting (Ghee, who represents Solutia in Anniston), and two losing in their respective run-offs (Davidson of Jasper and Bailey of Dothan). We have a real opportunity to place some pro-business members in all six of these spots. The Business Council of Alabama (BCA) openly supported and helped to finance a number of these winning candidates through Progress PAC.

In the House, we saw ten members not seek re-election for one reason or another, while thirty-one members faced no opposition. In some cases that has changed since the primaries ended due to Independent, Libertarian, Taxpayers or Reform party candidates qualifying in July. I don't think that will affect most of the races they entered. Historically you can expect 20-30 new members. One significant defeat was Rep. Al Knight (Republican), who lost to newcomer Mary Sue McClurkin. Rep. Knight chaired the Commerce, Transportation, and Utilities Committee that handles all environmental legislation, and he was a good friend to industry. Incumbents who lost in the primaries were Al Knight, Ernest Johnson, Jim Townsend, and Warren Minnifield. One north Alabama district will have to have a new Republican primary for some reason unknown to me at this time. Almost all incumbents will have an opponent in the November election.

I expect to see Rep. Seth Hammett elected Speaker of the House in January. He has been working hard to gain the votes of the members. He has three opponents who have not worked very hard and in my opinion are only looking to cut a deal to gain an important committee assignment from the new Speaker. Only Rep. Mike Hill could give Seth a run but I don't expect it to happen. Seth is a good friend of ours and will work with me on any issue.

If you want to provide money to any candidate through a PAC other than your own, let's discuss whom we would do that through. I do see the need to provide some contributions we have already discussed and perhaps the Governor's race and Lt. Governor's race should be looked at closely from the company's perspective.

Call me if you have questions or need further information.

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