

Dear Chair Carlson & Members of the Committee,

My name is David Fisher. A resident of Bloomington, MN. I write in support of limitations on lobbying by retired legislators of the State of Minnesota.

Despite years of political bluster, policymakers haven't been able to keep the revolving door from spinning -- legislators retiring and then turning around to lobby their former colleagues. This is partly because critics of the regulator-industry churn are basing their concerns largely on anecdotes, as there's more innuendo than empirical evidence of a big "revolving door" problem. But this is changing as researchers analyze data to learn more about the revolving door and its cousin, "regulatory capture."

Research is establishing just how many people are actually moving between government and industry (and back) and what effects their movement has had on regulators' actions. The findings are also producing some disagreement about how concerned the public should be—and whether the door should continue to spin unabated.

The problem is this: Regulatory capture.

Behind the revolving door is the idea of regulatory capture. Forty-six years ago, the late George Stigler described how a regulatory body tasked with protecting the public interest would ultimately be "captured" to serve the interests of the regulated industry.

Chicago Booth's Sam Peltzman expanded on this theory, arguing that regulations come about through a balancing act involving politicians and interest groups, which can be companies or other affected parties. Politicians seek support from companies seeking more or less regulation in exchange for campaign contributions, and from voters who will trade their votes in exchange for the policies they want. According to Peltzman, a politician will lean in favor of the interest group that keeps her in office.

In Minnesota, at least, this revolving and interactive relationship must end. The public integrity of our legislature and our voters requires it.

Dave Fisher
Minneapolis