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CASH ATTACK 2010: POLITICAL ADVERTISING IN A POST-CITIZENS UNITED WORLD

**WELCOME:
BROOKS JACKSON**

**PANEL 2: “THE REPUBLICANS”
MODERATOR:
BROOKS JACKSON**

**PANELISTS:
ROB COLLINS,
PRESIDENT,
AMERICAN ACTION NETWORK**

**CARL FORTI,
POLITICAL DIRECTOR,
AMERICAN CROSSROADS**

**BRAD TODD,
FOUNDER,
ONMESSAGE**

**CLOSING:
KATHLEEN HALL JAMIESON
DIRECTOR,
ANNENBERG PUBLIC POLICY CENTER**

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BROOKS JACKSON: Well, thank you. We are now resuming our conference, Cash Attack 2010, with our Republican conservative panel. We'll be hearing from – first from Carl Forti, the political director of American Crossroads, which in combination with Crossroads GPS – an affiliate organization – has reported, according to my figures, nearly \$39 million of outside spending in the 2010 elections, making it the largest outside-spending group by that measure.

Carl will tell us how far off that is, and how much more may have been spent – (chuckles) – than was reported. I don't know. Carl.

CARL FORTI: Thank you. Thanks for having me. And I'm just going to give you an overview of what American Crossroads did this cycle and what I thought worked best on the outside because this was something new for those Republicans on the outside. And I do want to thank the Democrats on the panel before us and the other groups that kind of showed us how to do it.

We followed their model from '06, '04 and '08 – and having it come close to the – to the amount of coordination – what they do. But we're trying. And hopefully, one day, we'll succeed in getting close. American Crossroads – super fact 527. Obviously, our goal is to help elect GOP candidates to federal office. And we were – I think we did a fairly successful job of that this cycle.

Our sister group, Crossroads GPS, is a 501(c)(4). As 501(c)(4)s have been mentioned many times earlier today – does not disclose donors. But the primary mission of Crossroads GPS was to promote conservative issues and engage in the issue debate. And secondarily, thanks to Citizens United, we also were able to conduct limited direct advocacy in certain campaigns around the country.

We raised and spent over \$70 million. We had a public goal of \$50 million early on, and we were able to exceed that both from large donors, as was aptly pointed out earlier this morning, and a large number of small donors which was unforeseen. But that's – we didn't – I think we were very successful in what we were able to accomplish there.

Where were we active? We were active in about 11 Senate races around the country, as you can see from the map. All that – you know, from Nevada, Colorado, Kentucky, Missouri, Florida. If there was a major Senate race this cycle, we were there. That was – that was part of our initial mission was to engage these races early, to make sure that we had an impact, that the candidates were able to benefit from that impact.

And we're trying to – we were trying to engage so that – or at a time when others may not be able to. In Nevada, for example, you know, we were on two days after the Republican primary when Sharron Angle did not have any money – when Harry Reid started pounding her

and she needed some support. So we were there. Same in Colorado and some other instances around the country.

In terms of House races, we were involved in over 20 House races – again, throughout the country. And our goal here – which I’ll get to in a second – in terms of the coordination with other outside groups was to expand the playing field. That was our sole goal. Obviously, you know, with what the NRCC was doing and what other groups were doing was all available through the competitive information that TV stations provide.

So we were able to get a direct read of where they were and go other places. This was – you know, I’ve never seen a cycle like this where, you know, we were tracking 120 different House races that we were – that we saw as potentially competitive. And that’s – I couldn’t have imagined even six months ago that the field would ever have been that big.

In addition, we also used our resources for turnout efforts. We did paid phones and mail in the nine states you see here. We did microtargeting on the voter file. We identified who was likely to support our issues, who was likely to turn out to vote for a Republican candidate – and those were the folks we targeted.

In addition to doing the paid mail and phones, we also did do door-to-door in Washington, Colorado and Nevada. And we experimented with online ads, e-mails and texting, which is, you know, something that our side hasn’t done – hasn’t done a ton of – and very successfully, I might add.

And this is – this is really what I wanted to focus on in terms of what American Crossroads and the other outside groups were able to accomplish. And that was the coordination. Never before have the number of outside groups on the Republican side coordinated to this extent. As you can see in the bottom left, I mean, 14 days out, outside groups were in 55 different districts – House districts on TV.

Combined with where the NRCC was, that was over 80 districts that we had somebody on TV for the final two weeks with absolutely no overlap. And that – you know, that’s amazing. And that is – I think that is, by far, the untold story – not untold, I mean, you guys mentioned it – but that is – that is the highlight of what came out of this cycle – was the coordination.

And whether it was the American Action Network, 60 Plus, there were many groups that sat at the table that we were talking to that showed – set aside all egos, all interest in accommodating for themselves. And, you know, the goal was to win seats and that’s what we did.

And you know, we also accomplished the goal – which I’m sure Brad will focus on or talk about – is that we forced the DCCC to spend in places they didn’t want to. I mean, the fact that even the SEIU earlier – I mean, the fact that they’re talking about succeeding in Arizona 7 and winning that race – Arizona 7 shouldn’t have ever been on the table. California 20 – you know, the DCCC first IE out of the cycle, it was in Obey’s district in Wisconsin. That right there in September told you that it was going to be a really rough cycle for Democrats.

And this was – this had to do with the angry electorate. It had nothing to – you know, we took advantage of the angry electorate and made things possible. People didn't get angry because they saw our TV ads. The anger's been growing for two years. People were unhappy. We fed into that unhappiness. We helped – we helped direct it. But it was there. It wasn't something that we – that we were able to just generate. I wish we had that – had that kind of luck.

What did we learn? We learned that it's a good model, that it worked for us this cycle, that, you know, hopefully we can do it as well as the Democrats did in '06. And we're going to continue to try to – to try to accomplish that goal. But – you know, we also learned we're not the party committee. And we're not a campaign. The impact we can have out in the field is limited. You know, going to door to door and organizing that when you can't coordinate with the local party, the state party or the campaigns is hard.

And in the end, you know, the candidates matter. The candidates in Arizona – I'm sorry, Nevada, Colorado – I mean, candidates matter. And there's only so much – it doesn't matter if I spend 10 million (dollars), 50 million, a hundred million on a particular race, if there's a bad candidate – if they're bad on the issues, the voters are going to know that. Voters are a lot smarter than some people give them credit for. And so that's – you know, that's one of the lessons we learned.

But what is our future? Our future from Crossroads GPS is continuing to engage in the issues debate. You know, we've made no secret of that fact. And you'll probably be hearing from us sooner rather than later on that. And for American Crossroads, you know, we're going to continue to be active and try to shape the playing field for 2012. And that's – you know, that's our goal.

And as some people earlier pointed out, redistricting is going to have a big impact on that; what happens legislatively over the next year is going to have a big impact on that. And we are going to try to be flexible enough to take advantage of it however and wherever those opportunities arise. And that's American Crossroads and Crossroads GPS. Thank you.

MR. JACKSON: Thank you, Carl. Our next presenter, Brad Todd, is founder of OnMessage. He is a media consultant and an advisor to the National Republican Congressional Committee. Brad?

BRAD TODD: Well, I appreciate you having us here today, Brooks and Ken. I'm going to focus a little bit on the changing role of party committees and independent expenditure campaigns in the wake of Citizens United. But I also wanted to add an amendment. And that's in the wake of Citizens United and BCRA – Bipartisan Campaign Reform Act – because if you're unhappy about Citizens United, you need to get rid of BCRA.

One shackles the other one. And if you're upset with the wake of it and how it changed campaigns, the only answer is to re-empower candidates and the party committees. But I'll get off my soapbox and go back to analysis here before I get too engaged in it.

I'm going to focus mainly on the House side this year. Independent spending was a – was a very big factor in the House side, both in the party committee and third-party groups. Part of that's due to the fact that House campaigns typically aren't large enough to, what I would say, make their own weather – whereas many Senate campaigns are. House campaign budgets typically are a little bit smaller, and so outside groups tend to play a bigger role.

Real quickly – we think the job – and the changing job of party committee IE is especially – is to drag out the spotlights, show both donors and other third-party groups, this is where the races are. This is the race that matters. This is the agenda in the race that we can win with.

In keeping with that, we ought to take a minute and look at the scoreboard – what happened in money. I'd like to puncture, for if I could, this popular myth that we heard especially this morning from our friends on the left that, oh, there was this avalanche of Republican money. Republicans had so much money. Woe is us; we were so underfunded.

You know, it's as if the sharks want the groupers to become vegetarians. The Democrats had plenty of money this year. The DCCC had \$62 million. The NRCC had \$44 million in its IE. From major IE groups – those that spent more than half-a-million dollars – and then major issue groups on the House side only here, there was a Republican advantage – just a slight one. But in how you look at candidate spending, Democrat candidates had 60 million more dollars than Republican candidates in the top-92 races.

The IEs served and the third-party groups served to level the playing field this year and give the Republican campaigns a chance to get their message out. Party committee spending this year returned to a pretty more normative level. Republicans were at a 43-percent disadvantage to Democrats at party committee spending on the House side.

That's a big change from the last cycle in 2008, when Democrats had a 221-percent advantage over Republicans. And it's perhaps that's why our Democrat friends are so exercised this year – is because they didn't have a 220-percent advantage as they did in 2008. Perhaps they think it's a fair fight when they're 200 percent ahead of us. We think even money is a little bit fairer.

House money board here, again, showing you each category of group. And again, I'm sure Brooks is going to help me pore over these numbers and fact-check them later. There are some estimates in rounding due to the way the FEC data is reported. You can see, basically, Republicans had essentially a \$60 million advantage on the Independent side.

The Democrat candidates had about a \$60 million advantage. So that gives Democrats – I'm sorry, Democrats had a \$60 million advantage on the candidate side. Independent spending was relatively even – couple million dollar advantage for Republicans. I'd call your attention to there, to the circled area.

Major Democrat IE groups – \$50 million off this year. Major Democrat issue groups – another \$18 million off. What happened this year was Democrat donors to third-party groups did not step up in the way they did in 2008. Yes, Republican donors increased their activity. Democrat donors, despite the fact that Barack Obama took the country hard-left, did not respond.

And that's this unwritten story that needs to be focused on this year – you saw an \$85 million gap on the left, a \$39 million increase on the right. It's not just how much you spend, it's when you spend it. We believe September is the new October. And frankly, this is a lesson we learned from Democrats.

The DSCC in 2008 spent 39 percent of its entire IE budget before October 1. It worked. I was involved in the NRSC's IE in 2008 in North Carolina and watched as Democrats caught up, passed and put away Elizabeth Dole all before October 1. That was an operating principle for us this year.

It was for many other Republican outside groups as well. You see the NRCC outspent the DCCC before October 1. Many other Republican groups also were active in the summer. And in September, guess what happened? On October 1, if you were a Republican campaign and you were ahead or even, you were going to win.

The Democrats who were ahead – these are races we tracked in the NRCC IE unit. Democrats were ahead in 28 of our races we tracked. They won about half of them. Almost all of the other ones – we were ahead by October 1, we won. Now, I dwell on this because most Democrat money was spent after October 1st. They simply waited till too late, when their – when their campaigns were already behind.

Case study for this: Florida's 2nd district up in the Panhandle, Allen Boyd. The NRCC invested \$320,000 in the Tallahassee media market – and 320 grand goes a long way in north Florida. Our candidate, Steve Southerland, got ahead by six points in early October. And if you can get an incumbent Democrat down with a three in front of his number in October, he's not going to win. Despite that, the DCCC chased bad – with bad money after good, outspent us 3-to-2 late in the last two weeks – didn't win.

Our theory was if you build it, they will come. The reason we did that is you can look this June 30th category here: In the top-75 House races, the Republican candidate was at a cash disparity against his Democrat incumbent of \$600,000. We had to get our candidates in the game. That's why you saw so much Republican activity over the summer. By September 30th, that gap had dropped remarkably.

What happened next in the first two week – two weeks of October is the Republican challengers outraised the Democrat incumbents. Think about that. Two weeks in October – long-time veteran incumbents like Rick Boucher and Chet Edwards are getting outraised by their Republican challengers – the first two weeks of October, 75 races.

The benefits of our September spending – first off, we got third-quarter rates. We got to do a lot of our damage at third-quarter rates instead of fourth-quarter rates. As anybody

watching TV now sees with all the Christmas advertising, fourth quarter is the most competitive quarter in advertising circles. We saved 13 to 15 percent by spending in September as opposed to October. When you have less money, as we did at the party committee level, that 13 percent is important.

Next, we got to set the agenda. We got the tattoo, the voting percentage for each Democratic candidate, how many times they had voted with Nancy Pelosi on their forehead in September. They had to carry that tattoo around all through October. That was pretty important.

Last, as Carl talked about expanding the field, Democrats cancelled ads in 37 different districts in September and October, moving it to districts they didn't want to be in, paying rates they didn't want to pay. Early places we targeted, we looked at – for cheap markets in red territory, the Macon, Georgias, Dothan, Alabamas, Waco, Texas, Springfield, Missouri, Wausau, Wisconsin. Those are the places we targeted, where a little money could go a long way.

Equally surprisingly, in places Democrats gave us with – for little or no money. Here are nine seats on the board for Democrats through the DCCC spent zero dollars on advertising. These were all must-win seats for us. Steve Driehaus, top recruit for us. Steve Stivers in Ohio 15, top recruit for us. Todd Yoder (sic) in Kansas 3.

We would've broken the bank to save these seats. Democrats let us get them for nearly nothing. In those three races I just mentioned, we actually spent nothing on the air because Democrats did not put any pressure on our resources early. Our original budget in the IE had \$7 million allocated for incumbents. We spent less than half-a-million. Democrats never made us do things we didn't want to do.

Last, I'll start to transition to what we said and kind of what a summary of our messaging. If I had to put it in two words, I would say that lost Independents was the key phrase for how we conducted the House campaigns. We didn't have to convince voters that John Spratt or Rick Boucher or Chet Edwards were bad guys. We had to convince them that they had changed and that since Nancy Pelosi took over, they weren't as Independent as they once were.

Again, on the House side, we were running in a lot of red districts, so we have this – this scenario to deal with of people who'd been survivors, had tough races before. I'll give you a good example of one of those ads.

(Begin video segment.)

NARRATOR: For years, Congressman John Spratt was listening to South Carolina. But since Nancy Pelosi took over, he's become a rubberstamp. The cap-and-trade energy tax – Spratt voted yes. The Wall Street bailout – Spratt, yes. The wasteful stimulus bill – you betcha. And Obama's health-care bill? Spratt, yes, yes, every time. John Spratt. He's not our congressman anymore. He works for her. The National Republican Congressional Committee is responsible for the content of this advertising.

(End video segment.)

MR. TODD: That's the formula. He used to be Independent, now, he's not. Here's how many times he voted with Nancy Pelosi and here are – of which of the big six votes he voted with her on. That's one key thing we had over the Democrats is voters were already agitated over the things we were saying in our ads. Democrats had to say things in their ads that voters weren't agitated about.

We tried to make our campaign a little bit more watchable. We didn't use many personal slurs. We tried to use – stay away from character hits and attacking – what I say attacking motive. I think that was a big mistake Democrats made this year. Their campaign was, he's a bad man; he's an unethical businessman; he hates you. Very nasty in tone. We tried to be a little bit more matter of fact and I think we benefited from it.

(Begin video segment.)

NARRATOR: When Nancy Pelosi pushed a national energy tax, Tom Perriello toed the line. When President Obama pushed a wasteful stimulus bill, Perriello toed the line. Raised the national debt limit – Perriello, yes. And when Congress passed a government takeover of health care, Tom Perriello toed the party line every single time. Government got bigger; taxes went higher. Your burden got heavier. Party-line Perriello – he's making it worse. The National Republican Congressional Committee is responsible for the content of this advertising.

(End video segment.)

MR. TODD: One of the reasons I think Democrats made that mistake is that they learned the wrong lessons from Pennsylvania 12. That May 18th special election was a watershed moment. Democrats thought it was a watershed moment because it meant they were going to hold the majority. Turns out it was a watershed moment the next day on May 19th, when they got together for their postmortem and drew all the wrong conclusions.

They concluded the tax on Pelosi don't work. They concluded we can change a race late if we throw in enough advertising the last two weeks. And they concluded that the way to win was make the Republican unethical. And the lesson they missed was that Mark Critz went on TV and said he'd be a check and balance on his own party. And in the end, that was the only campaign that worked this year. Washington's out of control. I'm going to be a check and balance.

(Begin video segment.)

NARRATOR: In Washington, one party has absolute power. Out-of-control spending, national energy tax, government takeover of health care and Mark Schauer voted for it all. Schauer votes the Pelosi party line on spending, on our economy. On 94 percent of all the votes he cast, too far, too fast in the absolute wrong direction. Put the brakes on Pelosi; replace Mark Schauer. The National Republican Congressional Committee is responsible for the content of this advertising.

(End video segment.)

MR. TODD: To put a measurement on that check-and-balance argument, we're all familiar with the generic ballot question asked by both parties in every race in the country. In the 75 races we were tracking in the RCCIE and the generic ballot was plus-11 points Republican.

However, when you layer in one more component – that's President Obama, the advantage goes to 20 percent. The same survey, same 75 surveys aggregated up, do you favor a Republican candidate who will be a check and balance on President Obama or a Democratic candidate who will support President Obama's policies? Twenty-point advantage.

That says, A, a little bit about the Republican brand wasn't quite as good as it needed to be. It also says that this election was about that gas-pedal, brake-pedal differential. To show you how that worked in a specific race, this is a little polling from Ike Skelton's race in Missouri's 4th district, one of our very hardest races to win this morning. Ike Skelton's been in office since the '70s, had a deep well of public support for a lot of good reasons.

We asked that question – that check-and-balance question, do you want a check and balance or do you want someone who will support the president's policies? We then cross-tabbed that with a different question, which says, Ike Skelton is Independent. He votes for our troops and he voted against health care or Ike Skelton's not Independent because of cap and trade, the debt limit, the stimulus, et cetera.

And if you were a voter who said we need a check and balance on Obama but I still think Ike Skelton's Independent, in this case, it was 17 percent of the electorate – that was the target. Everything we did on advertising went – was based on what those 17 percent thought. We did this in races around the country. Again, the check-and-balance argument was it.

The only argument for a Democrat that allowed them to be reelected is what Heath Shuler did and Joe Donnelly did, which is I'm Independent; I think we're going too far; I'm going to be a check and balance on my own party. That's the only way a Democrat could win this year in a tough race.

Just in conclusion, the last slide here. We talked about – since the election, I've been asked a lot, what could have been done differently? When did this election change? When did Republicans win the majority? And frankly, it – it wasn't because Republicans had so much more money. It's a little offensive to hear that out of my colleagues on the left because it says the voters were duped.

Voters weren't duped. Voters knew exactly what they were doing this year. It wasn't advertising that spun the voter. The voter had plenty – they were angry before the ads started. They were angry on Election Day and they did something about it. Three days that mattered: October 1st, when the Democrats had let us expand the playing field without really engaging us, very important day.

We always feared that in September, they would open up a lot of new fronts, we'd spend a lot of money where we didn't want to. By October 1st, we knew the opposite was going to happen. May 19th, we mentioned that, the day after Pennsylvania 12, when they took off on entirely the wrong direction with their fall campaign. And then lastly, March 21st, the day the health-care bill passed the House.

While the stimulus bill and cap and trade and the debt limit made a lot of appearance in our ads, let's not be mistaken. The voters gave up on the Democrats as a governing majority the day they passed the health-care bill. This question we ask in 75 – 65 districts – what's your greatest hesitation about voting for Candidate Blank on the Democratic side? We let the voters give us their open-ended answer. You could see health care is up there.

We had focus groups in our 10 hardest races. In every single one of those races, it was very clear, the voters said they didn't listen. We told them not to pass it. They did it anyway. We just can't ever get these guys under control. So in conclusion, I think that's – when the race was over, headed that way on March 21st and finished off October 1st. Thanks, Brooks.

MR. JACKSON: Make sure you can hear the next ads – our next presenter, Rob Collins, president of American Action Network. All yours.

ROB COLLINS: All right, welcome – or thank you for having me today, actually. These forums are important and I'm going to stick to the topic pretty closely, which was discuss the thinking behind the ads and the results.

I'll just make one comment, which is – and it kind of collaborates with the folks here on this panel is this year, we did catch lightning in a bottle on the right side, but I would say it was really following the roadmap that was laid out before us. And for all of us, the book map I wrote about – the '04-to-'06 adventure on the left side was really kind of impactful and it kind of showed us what's possible. So we are glad to be part of an effort to kind of catch up and balance the playing field on our side.

But I work for the American Action Network. We're a 501(c)(4). The American Action Network goal – we're trying to create a durable center-right policy organization that impacts policy and policymakers. How do we do that? We had a number of goals and objectives. The first is policy. Policy development in conjunction with the American Action Forum, Doug Holtz-Eakin, Cam Smith over there.

They're building the policy and we're working with them to develop – not only to aggregate center-right policy, but to find new avenues and new places where we can not only take our principles and apply it to challenges of today, but also make it relevant, not only to people who support us, but as you've heard time and time again, those critical Independents, senior and swing voters.

We built on that through education, through message development, advocacy, which we're going to talk about today. We do a host of other things at the American Action Network, but the topic today is advocacy and the ads we ran. So we'll stick to that as we move forward.

But I do want to highlight – we have a policy and messaging arm that is robust and something we’re looking forward to developing in the coming year.

January 13th and 14th, for instance, we’re having a national Hispanic policy forum, co-chaired by Jeb Bush and Secretary Carlos Gutierrez as a further example of our desire to build a durable organization that continues to always impact policy and the policymakers. And last is technology. We’re a huge believer, at the network, of the use of technology, not only to communicate with people, but to educate people and we’ll get to that at the end.

Ads in 2010, I’m just going to talk about our methods, how we got to the ads you’re going to see. First, we looked at a host of national issue polling. We wanted to find out what the landscape was. Some of this was public polling, some of it we did on our own, you know, really just to identify the key issues.

One surprise I found and I’ll get to it in a second as we did a bunch of House polling is how vibrant the House – the health-care issue remained months after the vote. If you’d asked me in June, I would’ve said health care will be in the rearview mirror, a symptom, not a problem. And health care really stayed at the forefront of the American people’s decision-making as they went into the elections.

So after we got through our national issue polling, we went to House and Senate identification. We identified candidates and areas with strong center-right issue advocacy campaigns to be effective. We conducted research. We did some in-depth vote analysis and tried to match up local issues with the national issue polling matrix. We identified – and then we did a deep dive into statewide House polling.

Some of you may remember our sister organization did three rounds of polling of 10 polls each on the East Coast, the middle of the nation and then the West Coast. Those polls were not only helpful in identifying races where we thought there was an opportunity, but also really showed us a couple things and we’ll get to those in a second.

Like I said, health care, jobs and government spending were very critical. Cap and trade was effective regionally and the spending issue, which we’ll get – I’ll show you an ad – was regionally very powerful. It was – it was interesting in different places. In Wisconsin, that was the issue.

In Washington state, it was not the issue. It was an interesting – it was an issue in Washington, but it wasn’t as big an issue as for instance, in Wisconsin, which I think is really what all those races in Wisconsin turned on was size of government, growth in government and debt and spending of our government.

Next, we move into a creative concept development and that is when we produce ads and scripts and all the stuff that you know, we try to frame up issues in a creative way to break through. And then we did something which I was new to, which was one of the most impactful things we did. We focus-grouped it.

We went to suburbs of Akron, Ohio, Pittsburgh, Pennsylvania, and we showed folks our ads in draft form and just got the results. And what was very interesting to me – and you’ll see – I broke it into kind of what I call summer advocacy and our fall advocacy is in the fall, people didn’t want concept ads. They didn’t want big-picture ads. They really want to know the facts. They wanted to know what did my representative vote for and am I for it or against it?

So you’ll see, there’s two – two flavors of our ads and you see they go from more the concept, broad issue ads to a real focused attack – critique of their voting record. After that teamwork, we talk to our friends, make sure we knew where they were going, make sure we didn’t have overlap. As Carl said, we had a number of groups. We went in to 80 races and there was no overlap and there was excellent communication so we understood what everyone else was doing.

And then we’d go into our advocacy phase. Now, like I said, we want – Ken wanted to talk about TV today, so we’re going to. We did a number of other things, including using the Internet, grassroots, phones, all kinds of different methods to motivate folks. Some are advocacy, as I said. These were big themes, big concepts.

I’m going to show you four ads. These ads are designed to break through in the summertime when people aren’t necessarily thinking about election. They’re designed to set a tone and you’ll see these ads are dramatic. They’re designed to get you, as you see it, pause and say, what are they talking about here?

So they’re a little more on the creative side. They’re a little more, kind of like I said, grab your attention. We start out with a positive ad, which I know will make Brooks happy, talking to a local businessman who is talking about his local congressman in the Philadelphia area. Next, we go to Washington.

This is, like I said, an ad that’s designed to grab you; it’s designed to set a tone. Patty Murray came to Congress being the mom in tennis shoes in 1992 so we wanted to not only frame up her record, but take away the ability for her to recapture her reformist mantle that she had 18 years ago.

Florida – this was a very popular ad; I’ll let it speak for itself. And New Hampshire is a – it’s an ad where we talk about cap and trade. Cap and trade was one of those regional issues. Pennsylvania 12, voters didn’t know what cap and trade was, but then you go into West Virginia and they absolutely knew what it was.

And in New Hampshire, even though we were in it in December – or excuse me – in the summer in the midst of a rather hot time in D.C. and I was afraid we’d be criticized for it, my friends up in New Hampshire said, you know, in the late summer is when they buy their home heating oil, so this ad was actually very powerful and resonated with folks.

So I’ll run through these real quick. I don’t know if we have sound. I don’t think we do. We’re good? All right.

(Begin video segment.)

(Music.)

MR. : My work takes me to every part of Pennsylvania. No matter where you are, it's hard to stay afloat. But at least two congressmen know how hard we work to make a dollar and keep jobs here. Jim Gerlach and Charlie Dent – they understand what businesses need. They stand up for responsibility. They keep a sharp on Washington spending and keep my taxes down. Call Congressman Gerlach and Dent. Thank them for standing up for fiscal responsibility because our days are long enough.

(Music.)

MS. : Oh Patty, we had such high hopes that you were different, one of us. Then, you wore your tennis shoes out on our backs. Small business, Washington families and children. You pushed the largest increase in federal spending ever, raised taxes on small businesses. You cost us jobs. Sorry, Patty, it's time you got off our backs. Learn more.

(Music.)

MR. : It's a sure sign that campaign season has begun. A conservative group out of Washington, D.C., spent hundreds of thousands of dollars on a one-week ad blitz against Murray. It was hard to miss those commercials and now, our KING 5 poll indicates they may have had an effect.

NARRATOR: Washington families –

MR. : If you watched any television at all, you saw the ad, portraying Senator Murray's shoes walking on the backs of kids. Did it work? In our KING 5 tracking poll in June, 49 percent of statewide residents polled told SurveyUSA they approve of Murray's job performance. Forty-four percent disapprove.

In our poll this week, her approval rating dropped dramatically into the negative. Forty-one percent approve and now, 54 percent disapprove. The ads came from a conservative group called American Action Network, which claims Murray has been bad for small business.

(Music.)

NARRATOR: You better not mark Charlie Crist's policies in ink. He broke his pledge to oppose job-killing taxes. On the proposed new energy tax, Crist changes as often as the tide. You can't trust Charlie Crist on jobs, either. He supported Obama's budget-busting stimulus bill, then said he never did. No wonder. It's ballooned our deficit while leaving Florida with near-record unemployment. You can't trust Charlie Crist to fight for jobs, unless it's his own job.

(Music.)

(End video segment.)

MR. COLLINS: At numbers seven and six, respectively, two ads paid for by the American Action Network. Why are we highlighting this group? It's a third-party group. Well, it's run by former Republican Senator Norm Coleman of Minnesota. Coleman's group is targeting a guy who's not too popular in Republican circles these days, former Republican Charlie Crist.

(Winning ?) number in Washington state, Republicans think they have a strong candidate in Dino Rossi, and they're going after Senator Patty Murray in this new ad. Those who will remember Patty Murray got to the U.S. Senate as the, quote, "mom in tennis shoes," therefore that's why you see the tennis-shoe reference.

(Begin video segment.)

(Music.)

NARRATOR: Winter's here soon. Guess Congressman Hodes has never spent nights sleepless, unable to pay utility bills. Why else would he vote for the cap-and-trade tax, raise electric rates by 90 percent, increase gas to \$4, cost us another 2 million jobs? Kelly Ayotte would stop the cap-and-trade tax – cold. The American Action Network is responsible for the content of this advertising.

(End video segment.)

MR. COLLINS: Maybe this is the time to stop there. There was a – we have a – you'll see the difference between what I can do and what our interns can do. So that was a version of what they can do with the music. And they had some grassroots stuff we did with a bus trip we took to Pennsylvania 12 at the end there.

Fall advocacy ads are a little different. We're not trying to get someone to stop buying Coke and consider buying another product. These people are ready for a purchase and we want to give them the facts. We want to make sure we're very direct in our pitch, and we want to make sure – and this was critical in our – in what we learned in our focus groups.

They want sources, they want it cited, they want to know why the person did this and they want very direct access to the information. Also, these ads are designed in a very busy political season, with governors and senators and other elections going on – to be able to break through and be memorable. And that was our goal.

The first ad is a Wisconsin statewide ad. It's called "Buck It." It just – like I said, it highlights that regional issue on spending. The next is actually the ad that did the best in our focus groups. It's an ad we called "Secret." It talks about health care. And you'll see the opening clip is with Pelosi, which to the focus group – and we focus-grouped Independent

voters. This was a very powerful statement. And for them – summarized everything that was wrong with the health-care debate.

Next is a backpack ad. You'll see it – very strong with women voters and Independent women, especially. And it did a great job of tying present problems to future problems. And then last is a funny that was designed to kind of break through the clutter. We found it very effective and it was able, in the closing weeks, to really be able to grab your attention. I think you'll be able to see why.

Our focus group conductor said, one thing you never want to do is show too many negative ads in a row. The people want to start throwing chairs at you. So I run that risk and I apologize. But like I said, I want to stay true to our topic and kind of show you some of the concepts we used.

(Begin video segment.)

NARRATOR: We send tax money to Washington and what does Russ Feingold do with it? Eight-hundred billion dollars for the jobless stimulus, 2.5 trillion (dollars) for a health-care plan that hurts seniors, a budget that forces us to borrow \$9 trillion. And when he had a chance at reform, he voted against the balanced budget amendment. Russ Feingold and our money – what a mess. American Action Network is responsible for the content of this advertising.

(End video segment.)

(Begin video segment.)

NARRATOR: Remember this?

SPEAKER OF THE HOUSE NANCY PELOSI: We have to pass the bill so that you can find out what is in it.

NARRATOR: Now, we know what Pelosi and Betty Sutton were hiding: a trillion-dollar health-care debacle, billions (of dollars) in new job-killing taxes. They cut 500 billion from Medicare for seniors, then spent our money on health insurance for illegal immigrants. Congresswoman Betty Sutton – big spender, job killer. Now, we know. American Action Network is responsible for the content of this advertising.

(End video segment.)

(Begin video segment.)

NARRATOR: There's a lot on the backs of our kids today thanks to Congressman Gerry Connolly. Connolly loaded our kids up with nearly 800 billion (dollars) in wasteful stimulus spending, then added nearly a trillion more for Pelosi's health-care takeover – a debt of 14 trillion. Now, Congress wants to pile on more spending. How much more can our children take? Call Congressman Connolly. Tell him, vote to cut spending this November. It's just too much.

MS. : The American Action Network is responsible for the content of this advertising.

(End video segment.)

(Begin video segment.)

NARRATOR: How could you tell the taxpayers in Congressman Martin Heinrich's district? We're not so tough to spot. Heinrich stripped us with the wasteful stimulus, spent the shirts off our backs. Heinrich is taking money from our pockets to put in Washington's pockets.

MR. : Now, I don't have any pockets.

NARRATOR: Now, Congress wants to strip us bare with more spending. Call Congressman Heinrich. Tell him, vote to cut spending this November. The American Action Network is responsible for the content of this advertising.

(End video segment.)

MR. COLLINS: So I guess we'll go to our key findings. Based on what we saw – we had access to about 240 polls. And we watched both the public polls that were – we had private polling and we had the public polling. And things that we found to be impactful – jobs and economy was the number one issue across the nation. It popped up in almost every race wherever we were.

Health care, as I said, I would have guessed that would have been in the rearview mirror for the American public, but it was front and center and it was a deciding factor in a lot of races. Cap-and-trade was a symptom. It played regionally, stronger in other places. Spending and deficits – I've already talked about that as a regionally – a really big issue.

It factored into every race we went into, but it was interesting to see in some states how it was a really major issue and a really unbelievable motivator of voters. Fact-based arguments – as Brad said earlier, personal attacks, divorces, lawsuits – we just didn't get into that. We didn't have to. This election was about policy, and we felt we could win on the policies.

Speaker Pelosi was very impactful. That continues to surprise me. We didn't build our ads around it. But you saw she was present in a lot of that, what was done. We didn't build her up to that. That was what we inherited and what we took advantage of. I was surprised, but our polling really bore that out. And I think you saw it with some other stuff that was done.

Enthusiasm mattered. There's a talk about the enthusiasm gap. Some of the races we looked at, especially in South Dakota – you would never have gone in there because Kristi Noem was down in the head-to-heads. But if you were a motivated voter, she was always up. And we always felt really good about that race.

And then last, social media online, was critical. Not only did it magnify and expand our efforts where we would geotarget our ads – in every ad you saw there was a microsite that was set up. And so if they were at work, they would see an ad that – they would see a banner ad that looked very similar to the ad they were seeing at TV.

We started with zero Facebook fans. We ended up with over 220,000 as a result of that. And these are folks we can carry forward. And as I always said, we're here to create a durable policy organization. And one way we continue that is to talk to folks that are interested in what we're talking about. And the social media was really a powerful, powerful tool.

Less impactful, ideological arguments – too liberal for too long or, you know – for us, this wasn't about red versus blue. This was about results and getting things done and undoing and, as Brad said, pumping the brakes on the Washington, D.C., leadership that had been in the – with the country for two years.

President Obama was – he was always around the election, but – in particular the House races. He wasn't as impactful as Nancy Pelosi. There's an asterisk there that – he may have impacted that Boucher race, I'm not sure, going in that last week. They share a media market with the Virginia 5 – the Robert Hurt race.

And Boucher's in pretty good shape. And then it just went and fell off the table. And we don't – I don't really know why other than that's the only thing I can really point to, which doesn't really impact this conversation. But if I was at the White House, I'd be very concerned about my North Carolina-Virginia status for the next election.

Like I said, corruption and scandal and personal attacks – sometimes these messages are delivered in a tough way, but they're fact-based. It's what the member did. And like I said, we felt we didn't need to get into the politics of personal destruction. We focused on voting records. And we felt that was an effective way.

You know, there were some ads the Democrats came back with. And I said, geez, are we going to lose these races because we aren't being hard enough, we not being tough enough? You know, the speeding tickets issue with Noem, some of the bad person – bad businessman, doesn't-like-America stuff that the left was running was tough stuff and it was personal and it was going through people's private lives.

And we never went there and we – there was a – you know, we all had a conversation, which is, are we missing something, are we going to regret it? And you know, I'm glad we stuck with where we went. And I felt in the end it was – it really made a difference. So I'll conclude there. And I'll take my seat.

MR. JACKSON: Thank you. Well, before we go to the audience for questions, I want to make, first of all, one comment. I think that, Brad, your statistics show kind of the shortcomings of relying on Federal Election Commission data for this sort of thing because what Carl just told us was that his organizations collectively spent \$70 million. I don't think you were shown that much from the entire Republican side.

MR. TODD: No, no. House races only.

MR. JACKSON: House races only? Good point. Thank you for that. But it's true that – I think the Federal Election Commission shows 38 million (dollars), 39 million for Crossroads – Crossroads GPS. So there's 30 million bucks there somewhere that doesn't have to be reported or wasn't reported to the Federal Election Commission – just a cautionary note.

I would – before we go to the audience, I want to ask this group especially, what difference did Citizens United make? Of all the money you spent and the things you did, what could you not have done had it not been for Citizens United?

MR. TODD: I'll take first crack at that, I guess, and say that, you know, in my opinion Citizens United did very little to impact what American Crossroads and Crossroads GPS was able to accomplish.

I mean, what you had this cycle that you didn't have in '08 was a very committed group of donors that wanted to get back into the game. They were deflated in '08. And similar to the message that President Obama had given his donors that we've heard about now since 2010 is that he didn't believe and didn't want his donors to participate in outside groups, that message McCain had given donors in '08.

Well, those donors were all back this time. So I think yes, on the perimeter, Citizens United helped some of them give through a corporate entity instead of personal. But a lot of money we raised – overwhelming amount of money we raised was personal. And that money was coming anyway.

MR. JACKSON: Were there messages that you ran that you couldn't have run without Citizens United?

MR. TODD: Well, I mean, Crossroads GPS was able to do limited direct advocacy. Even had Citizens United not passed, Crossroads GPS could have done issue ads, which we did in August. So there's, you know, yes, we did adapt to the law, but that would not have prevented us from doing advertising in the fall.

MR. JACKSON: So you would – you think you would have spent about the same amount of money with the same effect?

MR. TODD: Pretty similarly, yeah.

MR. JACKSON: Think so? Rob?

MR. COLLINS: Yeah, yeah. I think you're right The law changed, which allowed us (c)(4)s to go into limited advocacy for candidates. But I can't remember a conversation where a donor cared about that. They were just scared.

MR. JACKSON: Our earlier panel, of course, I think, told us the same thing. They did nothing that – because of Citizens United. They would have done the same thing had that decision not happened on their side. But I was – one of the reasons we asked Ilyse to come was to talk about the Target boycott which happened early on.

What I'm curious about is – Target definitely took a lot of heat for making a publicly disclosed donation in that Minnesota race. The chief executive, if I'm recalling it right, actually issued sort of an apology to their employees. Did you see the effects of that? And was that in any way one of the reasons why so much of the money your groups raised is not disclosed – was given anonymously?

MR. COLLINS: I think people are grossly overestimating the amount of corporate money that was involved at all. In companies –

MR. JACKSON: We'd be happy to have you tell us exactly how much there was if you would –

(Cross talk.)

MR. COLLINS: Then you could have the legislators change the law. I mean groups like Target – I mean, they're not – not only they got caught because it became public, but all these corporations have to answer to their shareholders. Even ones, if they gave to the (c)(4), they felt that they still had to disclose that to that donation to their shareholders.

So they chose, you know, not to give. So you know, that there was all this corporate money from these Fortune 100 companies that flew in – or came in, I think that's a gross misrepresentation of what actually happened.

MR. JACKSON: Yeah. Rob?

MR. COLLINS: To summarize your questions –

MR. JACKSON: Well, do you think corporations were – because of the Target boycott and the heat they took, would corporations come to you and say, we want – we want to make a donation but we don't want it to be public?

MR. COLLINS: Because of what –

MR. JACKSON: Well, did that sort of thing make any difference? Was it – was it in any way a motivator for donors to give anonymously?

MR. COLLINS: No. I think – I think Carl's right about his analysis about corporate money. And you know, people do their due diligence and they asked a lot of questions and said, what issues are you going to get involved in? And felt that the network, based on our policy matrix that we set up dealing with energy, health care, education, national security and size of government – growth in government – taxes – felt comfortable with our issue set.

You know, we have three former senators on our board. Four former members of the House on our board, two ambassadors. They felt that we are an organization that was credible and was willing to – like I said – impact for the center-right movement, the policymakers and policy and in the way that they are comfortable with.

MR. JACKSON: If Congress did change the law and you were required to report, do you think you would raise any less?

MR. COLLINS: Do I – no. I mean, the folks that were coming to us felt – you know, the network – we’d – we saw some Senate ads, but we primarily focused on the House. They felt that this president and this Democrat leadership had taken the country in the wrong direction. And they were legitimately scared.

They felt the things that had made them successful were being taken away from them – and the people who followed. And the number one concern from folks who supported us wasn’t about confidentiality; it was about the future of the country. And they were very anxious about that.

MR. JACKSON: Okay. We’re going to take questions from the audience now. We have microphones. Hold up your hand, please. Identify yourself when you – before you ask.

Q: Hi. My name is Lee Fang. I’m from ThinkProgress. My question is for Rob Collins. I saw the Patty Murray tennis shoes ad. And when I saw the ad go up, I saw the citation, “back up,” that she put up to source your claims in that ad. For when you have Patty Murray stepping on the child, I saw the citation was her vote for SCHIP. As someone who leads an allegedly serious policy think tank, can you explain how stepping on a child is akin to voting for health insurance for children?

MR. COLLINS: Can you summarize your question? I mean, you kind of had a long wind-up there.

Q: Okay. So the summary is the ad had Patty Murray stepping on a child. And the back-up claim for that ad in your – in the citation was that she voted for SCHIP. Can you explain how stepping on a child – or voting for SCHIP is akin to stepping on a child?

MR. COLLINS: Well, I think – I mean, you’re clearly trying to make a point. And I appreciate that point. And we have a different point of view.

Q: As a – as a leader of a policy think tank, could you explain that to me?

MR. COLLINS: Our point of view is that an expansion in government decreases the ability for this country – for this country to have economic freedom, the ability – this ad was about small business. And as you increase the size of government, you decrease opportunity. When you – when your – I mean, you’ll have to forgive me. You’re talking about an ad, and we did 53 individual ads that we ran –

Q: I mean, you just – speech of that ad. You’re pretty proud of it. You pan newsreel, but you don’t – (inaudible, audio break) – can’t explain that at all?

MR. COLLINS: Like I said, I mean, you’re trying to make a political point. And I appreciate that. Clearly –

Q: This isn’t – this is about politics and policy. I think – I think it does matter.

MR. COLLINS: Okay.

Q: You can’t – you can’t defend this at all?

MR. COLLINS: I can absolutely defend it. And I defend the ad. We defended the ad. We defended it to four different TV stations. We feel very comfortable with the ad. You’re trying – you’re trying to make a political point, and that’s good for you –

Q: Well, no. This is about policy. You had a back-up that said she voted for SCHIP, and that’s like stepping on a child. You just – you can’t say anything to defend that?

MR. JACKSON: Okay. We can take another question, please? Wait for the mic. D’Angelo (ph), we got three or four up here. This gentleman was first, actually.

Q: Thank you. Ken Vogel, POLITICO again. Actually, two separate questions. One, just open for anyone and one particularly – for Carl. The open question is, you guys – or both Rob and Carl talked a lot about how this is really an effort to even the playing field with what the left has done in prior election cycles.

But 2004, when the left spent the most on these types of efforts – outside spending – they were unsuccessful, at least, in their main – their main goal, the White House. I’m wondering what makes you think that you will be successful at influencing the presidential – if that’s even a goal.

And then, the second, more specific question for Carl is, early on, the folks behind Crossroads – and eventually, the same folks behind Crossroads GPS – talked about how they expected disclosure and transparency to become an issue in the campaign, and as such were committed to transparency.

Well, were committed to it independent of whether they thought it was an issue – but wanting to take it off the table as an issue, and would be disclosing their donors. And I’m wondering what changed that precipitated formation of a (c)(4) doing many of the same types of things without disclosure?

MR. FORTI: Well, the answer to the second question is that, you know, disclosure was very important for us, which is why the 527 was created. But some donors didn’t want to be disclosed, and therefore, a (c)(4) was created.

Q: So it's just that – that there were donors who wouldn't give if their names were disclosed. And you wanted to give them the opportunity to give.

MR. FORTI: Whether they would have – whether they would have given ultimately or not, I don't know. I know they were more comfortable giving to a (c)(4). And so we created one.

Q: And does it have anything to do that with that? The (c)(4), you know, obviously can do more grassroots lobbying. And that was kind of the explanation that was offered when GPS was formed – that it would be focusing on different things. To what extent does that weigh into the – did that weigh into the consideration? Or was it just, you know, merely or primarily –

MR. FORTI: Well, no. I mean, I think if you – if you looked at what GPS did and it continues to do – I mean, for any (c)(4) the majority of the work has to be grassroots lobbying or issue work.

And that's what we spent the majority of our summer doing. You know – and despite the limited direct advocacy that we did which you guys saw and kind of questioned about in terms of the disclosure, there was a lot of other work that went on and continues to go on. I mean, that's where we'll continue to be active in that space over the next year or two.

And answering the first question – and I'll let Rob answer that – I mean, I think we also pointed out that in '06, it was like 221 percent that the Democrats spent more than the Republicans in that cycle. So it wasn't just '04. And in terms of the presidential campaign, I mean, right now I have no idea what American Crossroads will be active in, in 2012 and if we'll be focused on the presidential campaign or other races in the House and Senate like we were this time. That remains to be determined.

Q: Just to follow up – and I do want to hear Rob's response to that same question that I'll also give to the other – Kenneth – (inaudible) – I see very anxiously sitting here. So when Brooks asked if – you know, if there would – if there were – if you thought you would be able to raise the same amount of money were you not to offer anonymity, it sounded like the thought process was, yes, that you thought that you would be able to. But clearly, that's not your thinking on it.

MR. FORTI: Well, again, I don't know if those people who gave to GPS would have given it to the 527 if the (c)(4) wasn't an option or not. I mean, that's impossible to know.

MR. TODD: Ken, one thing you're – you – that this keeps pushing back on is, if it weren't for the \$2400 handcuff, these donors would all rather give to the candidate. And if they couldn't give it to the candidate, they'd rather give it to the party. The fact is, they can give, you know, a limited amount to both of those entities.

It's crazy. It's a complete violation of the First Amendment. The donors, the voters seek other ways to play in this process and seek other ways to engage in political speech because we

have this crazy, abstract artificial system that chains them down and keeps them from exercising their constitutional rights.

And we can ask these questions all day, would this donor have given to that organization, would this donor have given to them – they'd all give to the candidate. That's what they want to do. So the real answer to this is to repeal BCRA, repeal those limits and increase disclosure.

Q: (Inaudible) – do that in 2012.

Q: Ken Doyle from BNA. I'm curious about the longer-term plans of these organizations. If you could flesh out a little bit more – it does seem to me, without arguing about any of the specific ads, that most of the ads were focused on opposition to the administration, the Democratic agenda on a – on a range of issues without talking about specific issues that Republicans would support and where they would want to take the country. And I wonder if that – since the election – if that's been fleshed out at all in terms of the specific issues that you're going to be looking at in policy proposals?

MR. FORTI: Go ahead.

MR. COLLINS: Yeah. You know, the future of the network and the American Action Forum is – we feel very solid. I mean, we have an outstanding group of policy experts who we're talking with. I mean, we just had a health-care forum where Senator Wyden came. And we had a bunch of health-care experts talking about different ways to redo the health-care bill that was passed. We plan to continue to do that. We continue to engage outside experts and Congress and the policymakers.

I mentioned our National Hispanic Network where the best and brightest minds of the center-right movement are going to get together and talk about how we can expand access and opportunity to – from the center-right perspective to the Hispanic community and vice versa – how can we get them talking?

There's a number of things we're going to do along those lines. We're going to continue to develop our message side where we take what we find out through polling and focus-grouping and phrase it in such a way that it makes, as I said, our principles and our policies relevant to the average American.

I think, sometimes, when you come from a strictly theoretical kind of think tank arena, it's hard for folks who are just making a living and working every day to understand what you're talking about and why it matters. So that's something we're really focused on. And so yeah, we plan to be a durable organization that's around for a while.

MR. TODD: I guess I'd like to flip the question back a little bit. You know, there were – the absence of policy discussion could be found this year in Democratic campaigns. There were fewer than 10 Democrats in these target 75 races who mentioned the health-care bill in their advertising.

I don't recall anyone touting cap-and-trade in one of these 75 target districts. No one said raising the debt limit was a great idea. You know, no one said the bailout was the smart thing to do – would pull the economy back from the brink of extinction. The Democrats – the absence of the policy debate this year occurred in their ads.

Their ads were, the Republican's an unethical guy. And then, if that didn't work, they said, the Republican's a really unethical guy. So I think, yes, it is incumbent upon us as the governing majority of the House to do that. The voters will be pretty happy if we stop what's been happening in the last two years.

MR. FORTI: Yeah. Our ads were not based – we were not telling voters what to care about. They told us what they cared about. And that's what we talked about.

Q: But does the agenda then become repeal the health-care –

(Cross talk.)

MR. TODD: That's a huge part of the agenda and the voters demanded it.

MR. JACKSON: One more question from the audience here.

Q: Hi. Margaret Talev with McClatchy. Thanks for doing this. So I had really wanted to ask you about 2012. And it sounds like you don't know exactly what's going to be happening. Is the issue whether you're going to play in the presidential at all, or is the issue whether you're going to choose off sides in a primary or wait until the general?

And I have a quick follow-up, which is, Carl, I think you mentioned North Carolina and Virginia. If you could take both of those out of play for President Obama or maybe even just Virginia, that would be it, right? I mean, that would be the 2012 presidential election. So is there some thought about either of your groups focusing really hard on one or both of those states alone? Thanks.

MR. FORTI: It was Rob that asked about – or brought up Virginia and North Carolina. So I'll him answer that. But to the – I mean, to the 2012, I mean, I think we are, you know, in the process of determining what we will be doing in 2011, and then worry about 2012. We're not looking forward all the way right now to the – to the presidential race. And I would find it – I would – it's difficult for me to imagine that we would ever be involved in a Republican primary.

MR. COLLINS: With regards to Virginia, yeah. I mean, you look at – you look at the Obama coalition, and there are some problems with what they're trying to do is that his map is starting to look a lot like John Kerry's map. And you know, it doesn't mean it – you know, that it's a foregone conclusion.

Just some of the inroads – that you look at Indiana, Wisconsin, Virginia, even Florida, you see the election results of 2010 showing some real challenges to that coalition. And you

wonder if Obama can recreate what he did in 2008. And you start looking at states where he's strong, and it starts to shrink.

And I guess that's the point I was making, is that it was a real question to me how Rick Boucher was seemingly in pretty good shape, and then that race was called before the Perriello race the election night. And it was – it was a shocking turn of developments for us. I thought it would be close, but I didn't think – like I said – that the race would be decided before Perriello.

But then, I guess, you know, conversely, you could say Obama did have the desired effect in Perriello, that he – you know, the voter models said 52 percent of the voters would show up, and it turned out to be 57 percent. So we did elevate his vote but in both – you know, in both elections, his side was unsuccessful.

So you know, the states that have traditionally voted with Republican presidents have kind of snapped back to their – where they were historically. So it's just a challenge for them. I mean, and they have to look and say, we can't run the same program. And if we're going to have a smaller map, how do we do it? And it looks a little more traditional to me than what Obama was able to accomplish in '08.

MR. JACKSON: Well, I'm going to give the last question to one of our subscribers. We asked for questions from our group. Charlotte Euwalds (ph) sent one in. And I'll just preface this by noting that as Carl and Rob both know, we found fault with many of your ads, including that Patty Murray ad that you showcased here. Charlotte asked, aren't you just a bit embarrassed by putting out false information in order to win an election? Basically, the same question we asked of the earlier panel.

MR. FORTI: TV stations have no obligation to run the ads if they believe they're false. And TV stations ran all our ads. We didn't have any ads pulled. So therefore, I think that all of our ads are factually accurate.

MR. JACKSON: If the TV station will take your money, then the ad is accurate.

MR. FORTI: They have a responsibility to show that it's – to prove that it's accurate. They have no responsibility to run the ad whatsoever.

MR. COLLINS: I would just – I'd further say that – I'd further expound on that by saying two things. One, we don't have the protections that candidate ads have, so we face a much more rigorous test. Two, the other side doesn't just let you run these ads. They fight you tooth and nail legally.

You know, there was talk about the Perlmutter campaign. They tried three times through legal counsel and their methods to get the ads pulled, and they were unsuccessful because factually, we were accurate. You know – and I would reiterate a point we've made is that, you know, we weren't saying these were bad human beings. We just said they voted this way, and we think it's wrong.

MR. JACKSON: I want to – I want to thank you all for attending. I'm going to invite my boss, Dr. Kathleen Hall Jamieson, the director of the Annenberg Public Policy Center, to make a few concluding remarks. And then we'll be done. Kathleen?

KATHLEEN HALL JAMIESON: Thank you, Brooks. And thank you, everyone. I'd like to just start with one observation, which is that we're talking in terms of dollars throughout the conference. And we talk in terms of dollars, generally. But a dollar doesn't buy the same amount of access or the same amount of impact in one situation than it does in another.

(Inaudible) – media content can magnify or minimize effect. We saw that throughout this election. Microtargeting makes a real difference in the impact of dollars. And in fact, you could argue that with microtargeting, a dollar now buys more impact than it once did because microtargeting lets you find the persuivable (sic) voter.

Money matters as well. Money microtargeted, potentially, in different kind of media matters differentially. What we saw in 2008 with the National Annenberg Election Survey was that Internet use, even in the presence of controls which should take all other potential effects out of the equation, predicted an Obama vote.

Obama made much more extensive use of the internet to mobilize than did McCain. The effect for Obama was about as strong as talk radio exposure's effect (for producing ?) a McCain vote was for conservatives. We also saw that the Obama campaigns targeting moderate women in radio produced a proportionate effect per dollar spent compared to dollars spent elsewhere – an effect synergized with cable.

So as we talk about money mattering, money may now be far more effective than it once was as the capacity to microtarget increases. I'd like to raise two questions. First, what's the relationship between campaigning not in getting someone elected but in creating climate in which that person can lead or in which a collectivity can actually govern?

Does, for example, the high level of attack in campaigns – a high level increase, we presume, by increased expenditure by those who are offering independent advertising – increase the likelihood that people are not casting a vote for a candidate but casting a vote against the other side? And that the eventual winner has won but at the cost of having weathered large number of attacks that have increased the person's untrustworthiness on the part of large parts of the electorate, and potentially constrained policy options?

Does the climate of campaigning increase polarization in a way that makes it more difficult once people come into governance be able to make the kinds of decisions collectively that the electorate will accept, particularly in circumstances in which there are really no particularly good choices?

Last point: Everybody's made the point in the last panel in answering questions that stations don't have to accept independent expenditure ads. They don't. Here are two questions for the scholarly community and for the reporting community.

One, are the stations actually scrutinizing the ads for accuracy before the opponent comes in place and tries to put his or her argument for the lack of accuracy? That is, are the stations performing any kind of policing function on their own, or are they simply becoming subject to the cross pressures of two campaigns counter-arguing with each other about whether or not something should air?

Second question: Are the stations applying comparable standards to every ad that comes in place? That is, are all ads actually created equal from the station's perspective, or is there any influence if the station's advertisers are part of a community that is advertising? I don't think we know the answer to the question, but I think it's an interesting and potentially important question.

With those questions on the table and that observation, I'd like to thank you for joining us today. Thank all of our panelists, FactCheck.Org and the Annenberg Public Policy Center are pleased that you joined us today. (Applause.)

(END)