# Clinton Presidential Records
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Divider Title: 9

105TH CONGRESS
1ST SESSION

# S. ______

IN THE SENATE OF THE UNITED STATES

Mr. MCCAIN (for himself, Mr. FEINGOLD, Mr. THOMPSON, Mr. WELLSTONE, Mr. GRAHAM, Mr. KERREY, Mr. DODD, Mr. KERRY, Mr. BINGAMAN, Mr. GLENN, Mrs. MURRAY, Mr. KOHL, Mr. WYDEN, Ms. MOSELEY-BRAUN, Mr. FORD, Mr. LEAHY, Mr. CLELAND, Mr. JOHNSON, and Mr. DURBIN) introduced the following bill; which was read twice and referred to the Committee on ______

# A BILL

To reform the financing of Federal elections.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) SHORT TITLE.—This Act may be cited as the "Bipartisan Campaign Reform Act of 1997".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

# TITLE I—SENATE ELECTION SPENDING LIMITS AND BENEFITS

**SEC. 101. SENATE ELECTION SPENDING LIMITS AND BENEFITS.**

(a) IN GENERAL.—The Federal Election Campaign Act of 1971 is amended by adding at the end the following new title:

# "TITLE V—SPENDING LIMITS AND BENEFITS FOR SENATE ELECTION CAMPAIGNS

**"SEC. 501. DEFINITIONS.**

"In this title:

"(1) ELIGIBLE SENATE CANDIDATE.—The term 'eligible Senate candidate' means a candidate who the Commission has certified under section 505 as an eligible primary election Senate candidate or as an eligible general election Senate candidate.

"(2) GENERAL ELECTION EXPENDITURE LIMIT.—The term 'general election expenditure limit', with respect to an eligible Senate candidate, means the limit applicable to the eligible Senate candidate under section 503(d).

"(3) OUT-OF-STATE RESIDENT CONTRIBUTION LIMIT.—The term 'out-of-State resident contribution limit', with respect to an eligible Senate candidate, means the limit applicable to the candidate under section 502(e).

"(4) PERSONAL FUNDS EXPENDITURE LIMIT.—The term 'personal funds expenditure limit' means the limit stated in section 503(a).

"(5) PRIMARY ELECTION EXPENDITURE LIMIT.—The term 'primary election expenditure limit', with respect to an eligible Senate candidate, means the limit applicable to the eligible Senate candidate under section 503(b).

"(6) RUNOFF ELECTION EXPENDITURE LIMIT.—The term 'runoff election expenditure limit', with respect to an eligible Senate candidate, means the limit applicable to the eligible Senate candidate under section 503(c).

**"SEC. 502. ELIGIBLE SENATE CANDIDATES.**

"(a) IN GENERAL.—A candidate is—

"(1) an eligible primary election Senate candidate if the Commission certifies under section 505 that the candidate—

"(A) has met the primary election filing requirement of subsection (b); and

"(B) has met the threshold contribution requirement of subsection (d); and

"(2) an eligible general election Senate candidate if the Commission certifies under section 505 that the candidate—

"(A) has met the general election filing requirement of subsection (c); and

"(B) has been certified as an eligible primary election Senate candidate.

"(b) PRIMARY ELECTION FILING REQUIREMENT.—

"(1) IN GENERAL.—The requirement of this subsection is met if the candidate files with the Commission a declaration that—

"(A) the candidate and the candidate's authorized committees—

"(i)(I) will not exceed the personal funds expenditure limit, primary election expenditure limit, runoff election expenditure limit, or general election expenditure limit; and

"(II) will accept only amounts of contributions for the primary election, any runoff election, and the general election that do not exceed the primary election expenditure limit, runoff election expenditure limit, and general election expenditure limit (reduced by any amount transferred to the current election cycle from a preceding election); and

"(ii) will not accept contributions for the primary election, any runoff election, or the general election that would cause the candidate to exceed the out-of-State resident contribution limit; and

"(B) at least 1 other candidate has qualified for the same primary election ballot under the law of the candidate's State.

"(2) DEADLINE FOR FILING PRIMARY ELECTION DECLARATION.—The declaration under paragraph (1) shall be filed not later than the date on which the candidate files with the appropriate State officer as a candidate for the primary election.

"(c) GENERAL ELECTION FILING REQUIREMENT.—

"(1) IN GENERAL.—The requirement of this subsection is met if the candidate files with the Commission—

"(A) a declaration under penalty of perjury, with supporting documentation as required by the Commission, that—

"(i) the candidate and the candidate's authorized committees—

"(I) did not exceed the personal funds expenditure limit, primary election expenditure limit, or runoff election expenditure limit;

"(II) did not accept amounts of contributions for the primary election or any runoff election in excess of the primary election expenditure limit or runoff election expenditure limit (reduced by any amount transferred to the current election cycle from a preceding election); and

"(III) did not accept contributions for the primary election or any runoff election that caused the candidate to exceed the out-of-State resident contribution limit;

"(ii) the candidate has met the threshold contribution requirement of subsection (d), as demonstrated by documents accompanying the declaration under subsection (b) or the declaration under this subsection; and

"(iii) at least 1 other candidate has qualified for the same general election ballot under the law of the candidate's State; and

"(B) a declaration that candidate and the candidate's authorized committees—

"(i) except as otherwise provided by this title, will not make expenditures in excess of the personal funds expenditure limit or general election expenditure limit; and

"(ii) except as otherwise provided by this title, will not accept any contribution for the general election to the extent that the contribution—

"(I) would cause the aggregate amount of contributions accepted to exceed the amount of the general election expenditure limit, reduced by any amounts transferred to the current election cycle from a previous election and not taken into account under subparagraph (A)(ii); or

"(II) would cause the candidate to exceed the out-of-State resident contribution limit.

"(2) DEADLINE FOR FILING GENERAL ELECTION DECLARATION.—The declaration under paragraph (1) shall be filed not later than 7 days after the earlier of—

"(A) the date on which the candidate qualifies for the general election ballot under State law; or

"(B) if under State law, a primary or runoff election to qualify for the general election ballot occurs after September 1, the date on which the candidate wins the primary or runoff election.

"(d) THRESHOLD CONTRIBUTION REQUIREMENT.—

"(1) IN GENERAL.—The requirement of this subsection is met—

"(A) if the candidate and the candidate's authorized committees have received allowable contributions during the applicable period in an amount at least equal to the lesser of—

"(i) 10 percent of the general election expenditure limit; or

"(ii) $250,000; and

"(B) the candidate files with the Commission a statement under penalty of perjury that the requirement of subparagraph (A) has been met, with supporting materials demonstrating that the requirement has been met.

"(2) DEFINITIONS.—In this subsection:

"(A) ALLOWABLE CONTRIBUTION.—

"(i) IN GENERAL.—The term 'allowable contribution' means a contribution that is made as a gift of money by an individual pursuant to a written instrument identifying the individual as the contributor.

"(ii) EXCLUSIONS.—The term 'allowable contribution' does not include a contribution from—

"(I) an individual residing outside the candidate's State to the extent that acceptance of the contribution would bring a candidate out of compliance with subsection (e); or

"(II) a source described in section 503(a)(2).

"(B) APPLICABLE PERIOD.—The term 'applicable period' means—

"(i) the period beginning on January 1 of the calendar year preceding the calendar year of a general election and ending on the date on which the declaration under subsection (b) is filed by the candidate; or

"(ii) in the case of a special election for the office of United States Senator, the period beginning on the date on which the vacancy in the office occurs and ending on the date of the general election.

"(e) OUT-OF-STATE RESIDENT CONTRIBUTION LIMIT.—

"(1) REQUIREMENT.—

"(A) IN GENERAL.—The requirement of this subsection is met if at least 60 percent of the total amount of contributions accepted by the candidate and the candidate's authorized committees are from individuals who are legal residents of the candidate's State.

"(B) SPECIAL RULE FOR SMALL STATES.—In the case of a candidate to which the general election expenditure limit under section 503(d)(1)(B)(i) applies, the requirement of this subsection is met if, at the option of the candidate—

"(i) at least 60 percent of the total amount of contributions accepted by the candidate and the candidate's authorized committees are from individuals who are legal residents of the candidate's State; or

"(ii) at least 60 percent of the number of individuals whose names are reported to the Commission as individuals from whom the candidate and the candidate's authorized committees accept contributions are legal residents of the candidate's State.

"(2) PERSONAL FUNDS.—For purposes of paragraph (1), amounts consisting of funds from sources described in section 503(a) shall be treated as contributions from individuals residing outside the candidate's State.

"(3) TIME FOR MEETING REQUIREMENT.—The aggregate amount of contributions received by an eligible Senate candidate as of the end of each reporting period under section 304 shall meet the requirement of paragraph (1).

"(4) REPORTING REQUIREMENTS.—In addition to information required to be reported under section 304, a candidate that elects to comply with the requirements of paragraph (1)(B)(ii) shall include in each report required to be filed under section 304 the name and address of and the amount of contributions made by each individual that, during the calendar year in which the reporting period occurs, makes contributions aggregating $20 or more.

**"SEC. 503. EXPENDITURE LIMITS.**

"(a) PERSONAL FUNDS EXPENDITURE LIMIT.—

"(1) IN GENERAL.—The aggregate amount of expenditures that may be made during an election cycle by an eligible Senate candidate or the candidate's authorized committees from the sources described in paragraph (2) shall not exceed the lesser of—

"(A) 10 percent of the general election expenditure limit; or

"(B) $250,000.

"(2) SOURCES.—A source is described in this paragraph if the source is—

"(A) personal funds of the candidate and members of the candidate's immediate family; or

"(B) proceeds of indebtedness incurred by the candidate or a member of the candidate's immediate family.

"(b) PRIMARY ELECTION EXPENDITURE LIMIT.—The aggregate amount of expenditures for a primary election by an eligible primary election Senate candidate and the candidate's authorized committees shall not exceed the lesser of—

"(1) 67 percent of the general election expenditure limit; or

"(2) $2,750,000.

"(c) RUNOFF ELECTION EXPENDITURE LIMIT.—The aggregate amount of expenditures for a runoff election by an eligible primary election Senate candidate and the candidate's authorized committees shall not exceed 20 percent of the general election expenditure limit.

"(d) GENERAL ELECTION EXPENDITURE LIMIT.—

"(1) IN GENERAL.—Except as otherwise provided in this title, the aggregate amount of expenditures for a general election by an eligible general election Senate candidate and the candidate's authorized committees shall not exceed the lesser of—

"(A) $5,500,000; or

"(B) the greater of—

"(i) $950,000; or

"(ii) $400,000; plus

"(I) 30 cents multiplied by the voting age population not in excess of 4,000,000; and

"(II) 25 cents multiplied by the voting age population in excess of 4,000,000.

"(2) EXCEPTION.—In the case of an eligible Senate candidate in a State that has not more than 1 transmitter for a commercial Very High Frequency (VHF) television station licensed to operate in that State, paragraph (1)(B)(ii) shall be applied by substituting—

"(A) '80 cents' for '30 cents' in subclause (I); and

"(B) '70 cents' for '25 cents' in subclause (II).

"(e) EXCEPTIONS FOR COMPLYING CANDIDATES RUNNING AGAINST NONCOMPLYING CANDIDATES.—

"(1) FUNDRAISING IN ANTICIPATION OF INCREASE.—Notwithstanding any other provision of this title, if any opponent of an eligible Senate candidate is a noneligible candidate who—

"(A) has received contributions; or

"(B) has made expenditures from a source described in subsection (a);

in an aggregate amount equal to 50 percent of the primary election expenditure limit, runoff election expenditure limit, or general election expenditure limit, the eligible Senate candidate may accept contributions in excess of the primary election expenditure limit, runoff election expenditure limit, or general election expenditure limit (as the case may be) so long as the eligible Senate candidate does not make any expenditures with such excess contributions before becoming entitled to an increase in the limit under paragraph (2) or (3).

"(2) 50 PERCENT INCREASE.—If any opponent of an eligible Senate candidate is a noneligible candidate who has made expenditures in an aggregate amount equal to 105 percent of the primary election expenditure limit, runoff election expenditure limit, or general election expenditure limit, the primary election expenditure limit, runoff election expenditure limit, or general election expenditure limit (as the case may be of the eligible Senate candidate) shall be increased by 50 percent.

"(3) 100 PERCENT INCREASE.—If any opponent of an eligible Senate candidate is a noneligible candidate who has made expenditures in an aggregate amount equal to 155 percent of the primary election expenditure limit, runoff election expenditure limit, or general election expenditure limit, the primary election expenditure limit, runoff election expenditure limit, or general election expenditure limit (as the case may be of the eligible Senate candidate) shall be increased by 100 percent.

"(f) EXPENDITURES IN RESPONSE TO INDEPENDENT EXPENDITURES.—If an eligible Senate candidate is notified by the Commission under section 304(c)(4) that independent expenditures in an aggregate amount of $10,000 or more have been made in the same election in support of another candidate or against the eligible Senate candidate, the eligible Senate candidate shall be permitted to spend an amount equal to the amount of the independent expenditures, and any such expenditures shall not be subject to any limit applicable under this title to the eligible candidate for the election.

"(g) INDEXING.—The amounts under subsections (b)(1) and (d)(1) shall be increased as of the beginning of each calendar year based on the increase in the price index determined under section 315(c), except that the base period shall be calendar year 1997.

"(h) PAYMENT OF TAXES.—The primary election expenditure limit, runoff election expenditure limit, and general election expenditure limit shall not apply to any expenditure for Federal, State, or local taxes with respect to earnings on contributions raised.

"(i) NOTICE OF FAILURE TO COMPLY WITH REQUIREMENTS.—A candidate who filed a declaration under section 502 and subsequently acts in a manner that is inconsistent with any of the statements made in the declaration shall, not later than 24 hours after the first of the acts—

"(1) file with the Commission a notice describing those acts; and

"(2) notify all other candidates for the same office by sending a copy of the notice by certified mail, return receipt requested.

**"SEC. 504. BENEFITS FOR ELIGIBLE CANDIDATES.**

"If an eligible Senate candidate has an opponent who has qualified for the ballot and who has received contributions (or expended funds from a source described in section 503(a)(2)) in an amount equal to 10 percent or more of the applicable expenditure limit, the eligible Senate candidate shall be entitled to—

"(1) the broadcast media rates provided under section 315(b) of the Communications Act of 1934;

"(2) the free broadcast time provided under section 315(c) of the Communications Act of 1934; and

"(3) the reduced postage rates provided in section 3626(e) of title 39, United States Code.

"SEC. 505. CERTIFICATION BY COMMISSION.

"(a) IN GENERAL.—The Commission shall determine whether a candidate has met the requirements of this title and, based on the determination, issue a certification stating whether the candidate is an eligible Senate candidate entitled to receive benefits under this title.

"(b) CERTIFICATION.—

"(1) PRIMARY ELECTION.—Not later than 7 business days after a candidate files a declaration under section 502(b), the Commission shall determine whether the candidate meets the eligibility requirements of section 502(b)(1) and, if so, certify that the candidate is an eligible primary election Senate candidate entitled to receive benefits under this title.

"(2) GENERAL ELECTION.—Not later than 7 business days after a candidate files a declaration under section 502(c), the Commission shall determine whether the candidate meets the eligibility requirement of section 502(c)(1), and, if so, certify that the candidate is an eligible general election Senate candidate entitled to receive benefits under this title.

"(c) REVOCATION.—

"(1) IN GENERAL.—The Commission shall revoke a certification under subsection (a), based on information submitted in such form and manner as the Commission may require or on information that comes to the Commission by other means, if the Commission determines that a candidate—

"(A) violates any of the expenditure limits contained in this title by making an aggregate amount of expenditures that exceeds any applicable expenditure limit by 5 percent or more;

"(B) uses a benefit made available to a candidate under this title in a manner not provided for in this title; or

"(C) fails to continue to meet the requirement of this title.

"(2) NO FURTHER BENEFITS.—A candidate whose certification has been revoked shall be ineligible for any further benefits made available under this title for the duration of the election cycle.

"(d) DETERMINATIONS BY COMMISSION.—A determination (including a certification under subsection (a)) made by the Commission under this title shall be final, except to the extent that the determination is subject to examination and audit by the Commission under section 506 and to judicial review.

**"SEC. 506. MISUSE OF BENEFITS.**

"(a) MISUSE OF BENEFITS.—If the Commission revokes the certification of an eligible Senate candidate, the Commission shall so notify the candidate, and the candidate shall pay to the provider of any benefit received by the candidate under this title an amount equal to the difference between the amount the candidate paid for such benefit and the amount the candidate would have paid for the benefit if the candidate were not an eligible Senate candidate.

"(b) CIVIL PENALTIES.—

"(1) LOW AMOUNT OF EXCESS EXPENDITURES.—Any eligible Senate candidate who makes expenditures that exceed a limitation under this title by 2.5 percent or less shall pay to the Commission an amount equal to the amount of the excess expenditures.

"(2) MEDIUM AMOUNT OF EXCESS EXPENDITURES.—Any eligible Senate candidate who makes expenditures that exceed a limitation under this title by more than 2.5 percent and less than 5 percent shall pay to the Commission an amount equal to 3 times the amount of the excess expenditures.

"(3) LARGE AMOUNT OF EXCESS EXPENDITURES.—Any eligible Senate candidate who makes expenditures that exceed a limitation under this title by 5 percent or more shall pay to the Commission an amount equal to 3 times the amount of the excess expenditures plus a civil penalty to be imposed pursuant to section 309.".

(b) EXPENDITURES MADE BEFORE EFFECTIVE DATE.—An expenditure shall not be counted as an expenditure for purposes of the expenditure limits contained in the amendment made by subsection (a) if the expenditure is made before the date that is 60 days after the date of enactment of this Act.

**SEC. 102. FREE BROADCAST TIME.**

(a) IN GENERAL.—Section 315 of the Communications Act of 1934 (47 U.S.C. 315) is amended—

(1) in the third sentence of subsection (a) by striking "within the meaning of this subsection" and inserting "within the meaning of this subsection and subsection (c)";

(2) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively;

(3) by inserting after subsection (b) the following:

"(c) FREE BROADCAST TIME.—

"(1) IN GENERAL.—Except as provided in paragraph (3), each eligible Senate candidate who has qualified for the general election ballot as a candidate of a major or minor party shall be entitled to receive a total of 30 minutes of free broadcast time from broadcasting stations within the candidate's State or an adjacent State.

"(2) TIME.—

"(A) PRIME TIME.—Unless a candidate elects otherwise, the broadcast time made available under this subsection shall be between 6:00 p.m. and 10:00 p.m. on any day that falls on Monday through Friday.

"(B) LENGTH OF BROADCAST.—Except as otherwise provided in this Act, a candidate may use such time as the candidate elects, but time may not be used in lengths of less than 30 seconds or more than 5 minutes.

"(C) MAXIMUM REQUIRED OF ANY ONE STATION.—A candidate may not request that more than 15 minutes of free broadcast time be aired by any one broadcasting station.

"(3) MORE THAN 2 CANDIDATES.—In the case of an election among more than 2 candidates described in paragraph (1), only 60 minutes of broadcast time shall be available for all such candidates, and broadcast time shall be allocated as follows:

"(A) MINOR PARTY CANDIDATES.—The amount of broadcast time that shall be provided to the candidate of a minor party shall be equal to 60 minutes multiplied by the percentage of the number of popular votes received by the candidate of that party in the preceding general election for the Senate in the State (or if subsection (e)(4)(B) applies, the percentage determined under that subsection).

"(B) MAJOR PARTY CANDIDATES.—The amount of broadcast time remaining after assignment of broadcast time to minor party candidates under clause (i) shall be allocated equally between the major party candidates.

"(4) ONLY 1 CANDIDATE.—In the case of an election in which only 1 candidate qualifies to be on the general election ballot, no time shall be required to be provided by a broadcasting station under this subsection.

"(5) EXEMPTION.—The Federal Election Commission shall by regulation establish a procedure to exempt from the requirements of this subsection—

"(A) licensees the signals of which are broadcast substantially nationwide; and

"(B) licensees that establish that the requirements of this subsection would impose a significant economic hardship on the licensees."; and

(4) in subsection (d) (as redesignated by paragraph (2))—

(A) by striking "and" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting a semicolon; and

(C) by adding at the end the following:

"(3) the term 'major party' means, with respect to an election for the United States Senate in a State, a political party whose candidate for the United States Senate in the preceding general election for the Senate in that State received, as a candidate of that party, 25 percent or more of the number of popular votes received by all candidates for the Senate;

"(4) the term 'minor party' means, with respect to an election for the United States Senate in a State, a political party—

"(A) whose candidate for the United States Senate in the preceding general election for the Senate in that State received 5 percent or more but less than 25 percent of the number of popular votes received by all candidates for the Senate; or

"(B) whose candidate for the United States Senate in the current general election for the Senate in that State has obtained the signatures of at least 5 percent of the State's registered voters, as determined by the chief voter registration official of the State, in support of a petition for an allocation of free broadcast time under this subsection; and

"(5) the term 'Senate election cycle' means, with respect to an election to a seat in the United States Senate, the 6-year period ending on the date of the general election for that seat.".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date that is 60 days after the date of enactment of this Act.

**SEC. 103. BROADCAST RATES AND PREEMPTION.**

(a) BROADCAST RATES.—Section 315(b) of the Communications Act of 1934 (47 U.S.C. 315(b)) is amended—

(1) by striking "(b) The charges" and inserting the following:

"(b) BROADCAST MEDIA RATES.—

"(1) IN GENERAL.—The charges";

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and adjusting the margins accordingly;

(3) in paragraph (1)(A) (as redesignated by paragraph (2))—

(A) by striking "forty-five" and inserting "30"; and

(B) by striking "lowest unit charge of the station for the same class and amount of time for the same period" and inserting "lowest charge of the station for the same amount of time for the same period on the same date"; and

(4) by adding at the end the following:

"(2) SENATE CANDIDATES.—

"(A) ELIGIBLE SENATE CANDIDATES.—In the case of an eligible Senate candidate (within the meaning of section 501 of the Federal Election Campaign Act), the charges for the use of a television broadcasting station during the 30-day period and 60-day period referred to in paragraph (1)(A) shall not exceed 50 percent of the lowest charge described in paragraph (1)(A).

"(B) NONELIGIBLE SENATE CANDIDATES.—In the case of a candidate for the United States Senate who is not an eligible Senate candidate, paragraph (1)(A) shall not apply.".

(b) PREEMPTION; ACCESS.—Section 315 of the Communications Act of 1934 (47 U.S.C. 315), as amended by section 102(a), is amended—

(1) by redesignating subsections (d) and (e) (as redesignated by section 102(a)(2)), as subsections (e) and (f), respectively; and

(2) by inserting after subsection (c) the following:

"(d) PREEMPTION.—

"(1) IN GENERAL.—Except as provided in paragraph (2), a licensee shall not preempt the use, during any period specified in subsection (b)(1)(A), of a broadcasting station by an eligible Senate candidate who has purchased and paid for such use pursuant to subsection (b)(2).

"(2) CIRCUMSTANCES BEYOND CONTROL OF LICENSEE.—If a program to be broadcast by a broadcasting station is preempted because of circumstances beyond the control of the broadcasting station, any candidate advertising spot scheduled to be broadcast during that program may also be preempted.".

(c) REVOCATION OF LICENSE FOR FAILURE TO PERMIT ACCESS.—Section 312(a)(7) of the Communications Act of 1934 (47 U.S.C. 312(a)(7)) is amended—

(1) by striking "or repeated";

(2) by inserting "or cable system" after "broadcasting station"; and

(3) by striking "his candidacy" and inserting "the candidacy of the candidate, under the same terms, conditions, and business practices as apply to the most favored advertiser of the licensee".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date that is 60 days after the date of enactment of this Act.

**SEC. 104. REDUCED POSTAGE RATES.**

(a) IN GENERAL.—Section 3626(e) of title 39, United States Code, is amended—

(1) in paragraph (2)—

(A) in subparagraph (A)—

(i) by striking "and the National" and inserting "the National"; and

(ii) by inserting before the semicolon the following: ", and, subject to paragraph

(3), the principal campaign committee of an eligible Senate candidate;";

(B) in subparagraph (B), by striking "and" after the semicolon;

(C) in subparagraph (C), by striking the period and inserting a semicolon; and

(D) by adding at the end the following:

"(D) the term 'principal campaign committee' has the meaning given in section 301 of the Federal Election Campaign Act of 1971; and

"(E) the term 'eligible Senate candidate' has the meaning given in section 501 of the Federal Election Campaign Act of 1971."; and

(2) by adding after paragraph (2) the following:

"(3) The rate made available under this subsection with respect to an eligible Senate candidate shall apply only to that number of pieces of mail that is equal to 2 times the number of individuals in the voting age population (as certified under section 315(e) of the Federal Election Campaign Act of 1971) of the State.".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date that is 60 days after the date of enactment of this Act.

## SEC. 105. CONTRIBUTION LIMIT FOR ELIGIBLE SENATE CANDIDATES.

Section 315(a)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(1)) is amended—

(1) in subparagraph (A), by inserting "except as provided in subparagraph (B)," before "to";

(2) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively; and

(3) by inserting after subparagraph (A) the following:

"(B) if the general election expenditure limit, primary election expenditure limit, or runoff limit election expenditure limit applicable to an eligible Senate candidate has been increased under section 503(d), to the eligible Senate candidate and the authorized political committees of the candidate with respect to any election for the office of United States Senator, which, in the aggregate, exceed $2,000;".

## SEC. 106. REPORTING REQUIREMENT FOR SENATE CANDIDATES.

(a) CONTRIBUTIONS BY IN-STATE RESIDENTS.—Section 304(b)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(2)) is amended—

(1) by striking "and" at the end of subparagraph (J);

(2) by striking the period at the end of subparagraph (K) and inserting "; and"; and

(3) by adding at the end the following:

"(L) in the case of an eligible Senate candidate, the total amount of contributions from individuals who are residents of the State in which the candidate seeks office.".

(b) REPORTS BY SENATE CANDIDATES.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) (as amended by section 221) is amended by adding at the end the following:

"(h) SENATE CANDIDATES.—

"(1) EXPENDITURES OF PERSONAL FUNDS.—

"(A) IN GENERAL.—A candidate for the Senate who during an election cycle makes expenditures from sources described in section 503(a)(2) in excess of the personal funds expenditure limit under 503(a) shall report the expenditures to the Commission within 48 hours after the expenditures have been made.

"(B) ADDITIONAL REPORTS.—A candidate shall file an additional report within 48 hours after the date on which the candidate makes expenditures for the general election from sources described in section 503(a)(2) that in the aggregate exceed 25 percent of the general election expenditure limit.

"(2) EXPENDITURES OF PERSONAL FUNDS BY A SENATE CANDIDATE WHO IS NOT AN ELIGIBLE CANDIDATE.—

"(A) IN GENERAL.—A primary election Senate candidate or general election Senate candidate who is not certified as an eligible candidate under section 505 and who has received contributions or made expenditures from sources described in section 503(a)(2) in an aggregate amount that exceeds 50 percent of the general election expenditure limit shall file a report with the Commission within 48 hours after that amount of contributions have been received or expenditures have been made.

"(B) ADDITIONAL REPORTS.—A primary election Senate candidate or general election Senate candidate shall file an additional report within 48 hours after the candidate has received contributions or made expenditures from sources described in section 503(a)(2) in an aggregate amount that exceeds 105 percent or 155 percent of the applicable expenditure limits.

"(3) NOTIFICATION.—Within 48 hours after a report is filed under paragraph (1) or (2), the Commission shall notify each eligible Senate candidate in the election of the filing.

"(4) REPORT AND NOTIFICATION REQUIREMENTS WITHIN 20 DAYS OF AN ELECTION.—

"(A) REPORTS.—If any act which requires the filing of any report under paragraphs (1) or (2) occurs after the 20th day, but more than 24 hours before an election, the report shall be filed by the candidate within 24 hours of the occurrence of the act.

"(B) NOTIFICATION.—For any such report filed under this subsection, the Commission shall notify the appropriate eligible Senate candidate within 24 hours after the filing of such report.

# TITLE II—REDUCTION OF SPECIAL INTEREST INFLUENCE

## Subtitle A—Political Action Committees

**SEC. 201. BAN ON POLITICAL ACTION COMMITTEE CONTRIBUTIONS TO FEDERAL CANDIDATES.**

(a) IN GENERAL.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following:

**"SEC. 324. BAN ON POLITICAL ACTION COMMITTEE CONTRIBUTIONS TO FEDERAL CANDIDATES**

"Notwithstanding any other provision of this Act, no person other than an individual or a political committee may make a contribution to a candidate or candidate's authorized committee.".

(b) DEFINITION OF POLITICAL COMMITTEE.—

(1) SECTION 301(4).—Section 301(4) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(4)) is amended to read as follows:

"(4) The term 'political committee' means—

"(A) the principal campaign committee of a candidate;

"(B) any national, State, or district committee of a political party, including any subordinate committee thereof;

"(C) any local committee of a political party that—

"(i) receives contributions aggregating in excess of $5,000 during a calendar year;

"(ii) makes payments exempted from the definition of contribution or expenditure under paragraph (8) or (9) aggregating in excess of $5,000 during a calendar year; or

"(iii) makes contributions or expenditures aggregating in excess of $1,000 during a calendar year; and

"(D) any committee jointly established by a principal campaign committee and any committee described in subparagraph (B) or (C) for the purpose of conducting joint fundraising activities.".

(2) SECTION 316(b)(2).—Section 316(b)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(b)(2)) is amended—

(A) by inserting "or" after "subject;";

(B) by striking "and their families; and" and inserting "and their families."; and

(C) by striking subparagraph (C).

(e) CANDIDATE'S COMMITTEES.—

(1) CONTRIBUTIONS TO AUTHORIZED COMMITTEE.—Section 315(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)) is amended by adding at the end the following:

"(9) For the purposes of the limitations provided by paragraphs (1) and (2), any political committee that is established, financed, maintained, or controlled, directly or indirectly, by any candidate or Federal officeholder shall be deemed to be an authorized committee of such candidate or officeholder.".

(2) DESIGNATION OF AUTHORIZED COMMITTEE.—Section 302(e)(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432) is amended by striking paragraph (3) and inserting the following:

"(3) No political committee that supports, or has supported, more than one candidate may be designated as an authorized committee, except that—

"(A) a candidate for the office of President nominated by a political party may designate the national committee of such political party as the candidate's principal campaign committee, if that national committee maintains separate books of account with respect to its functions as a principal campaign committee; and

"(B) a candidate may designate a political committee established solely for the purpose of joint fundraising by such candidates as an authorized committee.".

(d) RULES APPLICABLE WHEN BAN NOT IN EFFECT.—For purposes of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), during any period beginning after the effective date in which the limitation under section 324 (as added by subsection (a)) is not in effect—

(1) the amendments made by subsections (a), (b), and (c) shall not be in effect; and

(2)(A) it shall be unlawful for a candidate for election, or nomination for election, to the Senate or an authorized committee of a Senate candidate to accept a contribution from a multicandidate political committee or an intermediary or conduit (within the meaning of paragraph (8)), to the extent that the making or accepting of the contribution would cause the aggregate amount of contributions received by the candidate and the candidate's authorized committees from multicandidate political committees, intermediaries, and conduits to exceed 20 percent of the primary election expenditure limit, runoff election expenditure limit, or general election expenditure limit (as those terms are defined in section 501) that is applicable (or, if the candidate were an eligible Senate candidate (as defined in section 501), would be applicable) to the candidate, and a candidate shall return to the contributor the excess of any contributions received over the amount of contributions allowed to be accepted under this subparagraph; and

(B) it shall be unlawful for a political committee, intermediary, or conduit to make a contribution to any candidate or an authorized committee of a candidate that, in the aggregate, exceeds the amount that an individual is permitted, under section 315(a), to make directly to the candidate and candidate's authorized committees.

## Subtitle B—Provisions Relating to Soft Money of Political Party Committees

### SEC. 211. SOFT MONEY OF POLITICAL PARTY COMMITTEE.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) (as amended by section 201) is amended by adding at the end the following:

### "SEC. 325. SOFT MONEY OF PARTY COMMITTEES.

"(a) NATIONAL COMMITTEES.—A national committee of a political party (including a national congressional campaign committee of a political party), an entity that is directly or indirectly established, financed, maintained, or controlled by a national committee or its agent, an entity acting on behalf of a national committee, and an officer or agent acting on behalf of any such committee or entity (but not including an entity regulated under subsection (b)) shall not solicit or receive any contributions, donations, or transfers of funds, or spend any funds, that are not subject to the limitations, prohibitions, and reporting requirements of this Act.

"(b) STATE, DISTRICT, AND LOCAL COMMITTEES.—

"(1) IN GENERAL.—Any amount that is expended or disbursed by a State, district, or local committee of a political party (including an entity that is directly or indirectly established, financed, maintained, or controlled by a State, district, or local committee of a political party and an officer or agent acting on behalf of any such committee or entity) during a calendar year in which a Federal election is held, for any activity that might affect the outcome of a Federal election, including any voter registration or get-out-the-vote activity, any generic campaign activity, and any communication that refers to a candidate (regardless of whether a candidate for State or local office is also mentioned or identified) shall be made from funds subject to the limitations, prohibitions, and reporting requirements of this Act.

"(2) ACTIVITY EXCLUDED FROM PARAGRAPH (1).—

"(A) IN GENERAL.—Paragraph (1) shall not apply to an expenditure or disbursement made by a State, district, or local committee of a political party for—

"(i) a contribution to a candidate for State or local office if the contribution is not designated or otherwise earmarked to pay for an activity described in paragraph (1);

"(ii) the costs of a State, district, or local political convention;

"(iii) the non-Federal share of a State, district, or local party committee's administrative and overhead expenses (but not including the compensation in any month of any individual who spends more than 20 percent of the individual's time on activity during the month that may affect the outcome of a Federal election) except that for purposes of this paragraph, the non-Federal share of a party committee's administrative and overhead expenses shall be determined by applying the ratio of the non-Federal disbursements to the total Federal expenditures and non-Federal disbursements made by the committee during the previous presidential election year to the committee's administrative and overhead expenses in the election year in question;

"(iv) the costs of grassroots campaign materials, including buttons, bumper stickers, and yard signs that name or depict only a candidate for State or local office; and

(v) the cost of any campaign activity conducted solely on behalf of a clearly identified candidate for State or local office, if the candidate activity is not an activity described in paragraph (1).

"(B) FUNDRAISING COSTS.—Any amount spent by a national, State, district, or local committee, by an entity that is established, financed, maintained, or controlled by a State, district, or local committee of a political party, or by an agent or officer of any such committee or entity to raise funds that are used, in whole or in part, to pay the costs of an activity described in paragraph (1) shall be made from funds subject to the limitations, prohibitions, and reporting requirements of this Act.

"(c) TAX-EXEMPT ORGANIZATIONS.—A national, State, district, or local committee of a political party (including a national congressional campaign committee of a political party, an entity that is directly or indirectly established, financed, maintained, or controlled by any such national, State, district, or local committee or its agent, an agent acting on behalf of any such party committee, and an officer or agent acting on behalf of any such party committee or entity), shall not solicit any funds for or make any donations to an organization that is exempt from Federal taxation under section 501(c) of the Internal Revenue Code of 1986.

"(d) CANDIDATES.—

"(1) IN GENERAL.—A candidate, individual holding Federal office, or agent of a candidate or individual holding Federal office shall not—

"(A) solicit, receive, transfer, or spend funds in connection with an election for Federal office unless the funds are subject to the limitations, prohibitions, and reporting requirements of this Act;

"(B) solicit, receive, or transfer funds that are to be expended in connection with any election other than a Federal election unless the funds—

"(i) are not in excess of the amounts permitted with respect to contributions to candidates and political committees under section 315(a) (1) and (2); and

"(ii) are not from sources prohibited by this Act from making contributions with respect to an election for Federal office; or

"(C) solicit, receive, or transfer any funds on behalf of any person that are not subject to the limitations, prohibitions, and reporting requirements of the Act if the funds are for use in financing any campaign-related activity or any communication that refers to a clearly identified candidate for Federal office.

"(2) EXCEPTION.—Paragraph (1) does not apply to the solicitation or receipt of funds by an individual who is a candidate for a State or local office if the solicitation or receipt of funds is permitted under State law for the individual's State or local campaign committee.".

**SEC. 212. STATE PARTY GRASSROOTS FUNDS.**

(a) INDIVIDUAL CONTRIBUTIONS.—Section 315(a)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(1)) (as amended by section 105) is amended—

(1) in subparagraph (C) by striking "or" at the end;

(2) by redesignating subparagraph (D) as subparagraph (E); and

(3) by inserting after subparagraph (C) the following:

"(D) to—

"(i) a State Party Grassroots Fund established and maintained by a State committee of a political party in any calendar year which, in the aggregate, exceed $20,000;

"(ii) any other political committee established and maintained by a State committee of a political party in any calendar year which, in the aggregate, exceed $5,000;

except that the aggregate contributions described in this subparagraph that may be made by a person to the State Party Grassroots Fund and all committees of a State Committee of a political party in any State in any calendar year shall not exceed $20,000; or".

(b) LIMITS.—

(1) IN GENERAL.—Section 315(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)) is amended by striking paragraph (3) and inserting the following:

"(3) OVERALL LIMITS.—

"(A) INDIVIDUAL LIMIT.—No individual shall make contributions during any calendar year that, in the aggregate, exceed $30,000.

"(B) CALENDAR YEAR.—No individual shall make contributions during any calendar year—

"(i) to all candidates and their authorized political committees that, in the aggregate, exceed $25,000; or

"(ii) to all political committees established and maintained by State committees of a political party that, in the aggregate, exceed $20,000.

"(C) NONELECTION YEARS.—For purposes of subparagraph (B)(i), any contribution made to a candidate or the candidate's authorized political committees in a year other than the calendar year in which the election is held with respect to which the contribution is made shall be treated as being made during the calendar year in which the election is held.".

(c) DEFINITIONS.—Section 301 of the Federal Election Campaign Act of 1970 (2 U.S.C. 431) is amended by adding at the end the following:

"(20) The term 'generic campaign activity' means a campaign activity that promotes a political party and does not refer to any particular Federal or non-Federal candidate.

"(21) The term 'State Party Grassroots Fund' means a separate segregated fund established and maintained by a State committee of a political party solely for purposes of making expenditures and other disbursements described in section 326(d).".

(d) STATE PARTY GRASSROOTS FUNDS.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) (as amended by section 211) is amended by adding at the end the following:

**"SEC. 326. STATE PARTY GRASSROOTS FUNDS.**

"(a) DEFINITION.—In this section, the term 'State or local candidate committee' means a committee established, financed, maintained, or controlled by a candidate for other than Federal office.

"(b) TRANSFERS.—Notwithstanding section 315(a)(4), no funds may be transferred by a State committee of a political party from its State Party Grassroots Fund to any other State Party Grassroots Fund or to any other political committee, except a transfer may be made to a district or local committee of the same political party in the same State if the district or local committee—

"(1) has established a separate segregated fund for the purposes described in subsection (d); and

"(2) uses the transferred funds solely for those purposes.

"(c) AMOUNTS RECEIVED BY GRASSROOTS FUNDS FROM STATE AND LOCAL CANDIDATE COMMITTEES.—

"(1) IN GENERAL.—Any amount received by a State Party Grassroots Fund from a State or local candidate committee for expenditures described in subsection (d) that are for the benefit of that candidate shall be treated as meeting the requirements of 325(b)(1) and section 304(d) if—

"(A) the amount is derived from funds which meet the requirements of this Act with respect to any limitation or prohibition as to source or dollar amount specified in section 315(a) (1)(A) and (2)(A)(i); and

"(B) the State or local candidate committee—

"(i) maintains, in the account from which payment is made, records of the sources and amounts of funds for purposes of determining whether those requirements are met; and

"(ii) certifies that the requirements were met.

"(2) DETERMINATION OF COMPLIANCE.—For purposes of paragraph (1)(A), in determining whether the funds transferred meet the requirements of this Act described in paragraph (1)(A)—

"(A) a State or local candidate committee's cash on hand shall be treated as consisting of the funds most recently received by the committee; and

"(B) the committee must be able to demonstrate that its cash on hand contains funds meeting those requirements sufficient to cover the transferred funds.

"(3) REPORTING.—Notwithstanding paragraph (1), any State Party Grassroots Fund that receives a transfer described in paragraph (1) from a State or local candidate committee shall be required to meet the reporting requirements of this Act, and shall submit to the Commission all certifications received, with respect to receipt of the transfer from the candidate committee.

"(d) DISBURSEMENTS AND EXPENDITURES.—A State committee of a political party may make disbursements and expenditures from its State Party Grassroots Fund only for—

"(1) any generic campaign activity;

"(2) payments described in clauses (v), (x), and (xii) of paragraph (8)(B) and clauses (iv), (viii), and (ix) of paragraph (9)(B) of section 301;

"(3) subject to the limitations of section 315(d), payments described in clause (xii) of paragraph (8)(B), and clause (ix) of paragraph (9)(B), of section 301 on behalf of candidates other than for President and Vice President;

"(4) voter registration; and

"(5) development and maintenance of voter files during an even-numbered calendar year.".

**SEC. 213. REPORTING REQUIREMENTS.**

(a) REPORTING REQUIREMENTS.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) (as amended by section 241) is amended by adding at the end the following:

"(e) POLITICAL COMMITTEES.—

"(1) NATIONAL AND CONGRESSIONAL POLITICAL COMMITTEES.—The national committee of a political party, any congressional campaign committee of a political party, and any subordinate committee of either, shall report all receipts and disbursements during the reporting period, whether or not in connection with an election for Federal office.

"(2) OTHER POLITICAL COMMITTEES TO WHICH SECTION 325 APPLIES.—A political committee (not described in paragraph (1)) to which section 325(b)(1) applies shall report all receipts and disbursements made for activities described in section 325(b) (1) and (2)(iii).

"(3) OTHER POLITICAL COMMITTEES.—Any political committee to which paragraph (1) or (2) does not apply shall report any receipts or disbursements that are used in connection with a Federal election.

"(4) ITEMIZATION.—If a political committee has receipts or disbursements to which this subsection applies from any person aggregating in excess of $200 for any calendar year, the political committee shall separately itemize its reporting for such person in the same manner as required in paragraphs (3)(A), (5), and (6) of subsection (b).

"(5) REPORTING PERIODS.—Reports required to be filed under this subsection shall be filed for the same time periods required for political committees under subsection (a).".

(b) BUILDING FUND EXCEPTION TO THE DEFINITION OF CONTRIBUTION.—Section 301(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)) is amended—

(1) by striking clause (viii); and

(2) by redesignating clauses (ix) through (xiv) as clauses (viii) through (xiii), respectively.

(c) REPORTS BY STATE COMMITTEES.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) (as amended by subsection (a)) is amended by adding at the end the following:

"(f) FILING OF STATE REPORTS.—In lieu of any report required to be filed by this Act, the Commission may allow a State committee of a political party to file with the Commission a report required to be filed under State law if the Commission determines such reports contain substantially the same information.".

(d) OTHER REPORTING REQUIREMENTS.—

(1) AUTHORIZED COMMITTEES.—Section 304(b)(4) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(4)) is amended—

(A) by striking "and" at the end of subparagraph (H);

(B) by inserting "and" at the end of subparagraph (I); and

(C) by adding at the end the following new subparagraph:

"(J) in the case of an authorized committee, disbursements for the primary election, the general election, and any other election in which the candidate participates;".

(2) NAMES AND ADDRESSES.—Section 304(b)(5)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(5)(A)) is amended by inserting ", and the election to which the operating expenditure relates" after "operating expenditure".

## Subtitle C—Soft Money of Persons Other Than Political Parties

### SEC. 221. SOFT MONEY OF PERSONS OTHER THAN POLITICAL PARTIES.

Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) (as amended by section 213) is amended by adding at the end the following:

"(f) ELECTION ACTIVITY OF PERSONS OTHER THAN POLITICAL PARTIES.—

"(1) IN GENERAL.—A person other than a committee of a political party that makes aggregate disbursements totaling in excess of $10,000 for activities described in paragraph (2) shall file a statement with the Commission—

"(A) within 48 hours after the disbursements are made; or

"(B) in the case of disbursements that are made within 20 days of an election, within 24 hours after the disbursements are made.

"(2) ACTIVITY.—The activity described in this paragraph is—

"(A) any activity described in section 316(b)(2)(A) that refers to any candidate for Federal office, any political party, or any Federal election; and

"(B) any activity described in subparagraph (B) or (C) of section 316(b)(2).

"(3) ADDITIONAL STATEMENTS.—An additional statement shall be filed each time additional disbursements aggregating $10,000 are made by a person described in paragraph (1).

"(4) APPLICABILITY.—This subsection does not apply to—

"(A) a candidate or a candidate's authorized committees; or

"(B) an independent expenditure.

"(5) CONTENTS.—A statement under this section shall contain such information about the disbursements as the Commission shall prescribe, including—

"(A) the name and address of the person or entity to whom the disbursement was made;

"(B) the amount and purpose of the disbursement; and

"(C) if applicable, whether the disbursement was in support of, or in opposition to, a candidate or a political party, and the name of the candidate or the political party.".

## Subtitle D—Contributions

### SEC. 231. CONTRIBUTIONS THROUGH INTERMEDIARIES AND CONDUITS.

Section 315(a)(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(8)) is amended by striking paragraph (8) and inserting the following:

"(8) INTERMEDIARIES AND CONDUITS.—

"(A) DEFINITIONS.—In this paragraph:

"(i) ACTING ON BEHALF OF THE ENTITY.—The term 'acting on behalf of the entity' means soliciting one or more contributions—

"(I) in the name of an entity;

"(II) using other than incidental resources of an entity; or

"(III) by directing a significant portion of the solicitations to other officers, employees, agents, or members of an entity or their spouses, or by soliciting a significant portion of the other officers, employees, agents, or members of an entity or their spouses.

"(ii) BUNDLER.—The term 'bundler' means an intermediary or conduit that delivers contributions made by other persons, and that is any of the following persons:

"(I) A political committee (other than the authorized campaign committee of the candidate receiving the funds) or an officer, employee or agent of a political committee.

"(II) A corporation, labor organization, or partnership or an officer, employee, or agent of a corporation labor organization, or partnership, acting on behalf of the corporation, labor organization, or partnership.

"(III) A person required to be listed as a lobbyist on a registration or other report filed pursuant to the Lobbying Disclosure Act of 1995 (2 U.S.C. 1601 et seq.) or any successor law that requires reporting on the activities of a person who is a lobbyist or foreign agent.

"(iii) DELIVER.—The term 'deliver' means to deliver contributions to a candidate by any method used or suggested by a bundler that communicates to the candidate (or to the person who receives the contributions on behalf of the candidate) that the bundler collected the contributions for the candidate, including such methods as—

"(I) personal delivery;

"(II) United States mail or similar services;

"(III) messenger service; and

"(IV) collection at an event or reception.

"(B) TREATMENT AS CONTRIBUTIONS FROM PERSONS BY WHOM MADE.—

"(i) IN GENERAL.—For purposes of the limitations imposed by this section, all contributions made by a person, either directly or indirectly, on behalf of a candidate, including contributions that are in any way earmarked or otherwise directed through an intermediary or conduit to the candidate, shall be treated as contributions from the person to the candidate.

"(ii) REPORTING.—The intermediary or conduit through which a contribution is made shall report the name of the original contributor and the intended recipient of the contribution to the Commission and to the intended recipient.

"(C) TREATMENT AS CONTRIBUTIONS FROM THE BUNDLER.—Contributions that a bundler delivers to a candidate, agent of the candidate, or the candidate's authorized committee shall be treated as contributions from the bundler to the candidate as well as from the original contributor.

"(D) NO LIMITATION ON OR PROHIBITION OF CERTAIN ACTIVITIES.—This subsection does not—

"(i) limit fundraising efforts for the benefit of a candidate that are conducted by another candidate or Federal officeholder; or

"(ii) prohibit an officer, employee, or agent of a corporation, labor organization, or partnership from soliciting, collecting, or delivering a contribution to a candidate, agent of the candidate, or the candidate's authorized committee if the officer, employee, or agent does so by use of the personal resources of the officer, employee, or agent and is not acting on behalf of the corporation, labor organization, or partnership.".

# Subtitle E—Independent Expenditures

**SEC. 241. REPORTING REQUIREMENTS FOR CERTAIN INDEPENDENT EXPENDITURES.**

Section 304(c) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(c)) is amended—

(1) in paragraph (2), by striking the undesignated matter after subparagraph (C);

(2) by redesignating paragraph (3) as paragraph (7); and

(3) by inserting after paragraph (2), as amended by paragraph (1), the following:

"(d) TIME FOR REPORTING CERTAIN EXPENDITURES.—

"(1) EXPENDITURES AGGREGATING $1,000.—

"(A) INITIAL REPORT.—A person (including a political committee) that makes independent expenditures aggregating $1,000 or more after the 20th day, but more than 24 hours, before an election shall file a report describing the expenditures within 24 hours after that amount of independent expenditures has been made.

"(B) ADDITIONAL REPORTS.—After a person files a report under subparagraph (A), the person filing the report shall file an additional report each time that independent expenditures aggregating an additional $1,000 are made with respect to the same election as that to which the initial report relates.

"(2) EXPENDITURES AGGREGATING $10,000.—

"(A) INITIAL REPORT.—A person (including a political committee) that makes independent expenditures aggregating $10,000 or more at any time up to and including the 20th day before an election shall file a report describing the expenditures within 48 hours after that amount of independent expenditures has been made.

"(B) ADDITIONAL REPORTS.—After a person files a report under subparagraph (A), the person filing the report shall file an additional report each time that independent expenditures aggregating an additional $10,000 are made with respect to the same election as that to which the initial report relates.

"(3) PLACE OF FILING; CONTENTS; TRANSMITTAL.—

"(A) PLACE OF FILING; CONTENTS.—A report under this subsection—

"(i) shall be filed with the Commission; and

"(ii) shall contain the information required by subsection (b)(6)(B)(iii), including the name of each candidate whom an expenditure is intended to support or oppose.

"(B) TRANSMITTAL TO CANDIDATES.—In the case of an election for United States Senator, not later than 2 business days after receipt of a report under this subsection, the Commission shall transmit a copy of the report to each eligible candidate seeking nomination for election to, or election to, the office in question.

"(4) OBLIGATION TO MAKE EXPENDITURE.—For purposes of this subsection, an expenditure shall be treated as being made on the making of any payment or the taking of any action to incur an obligation for payment.

"(5) DETERMINATIONS BY THE COMMISSION.—

"(A) IN GENERAL.—The Commission may, upon a request of a candidate or on its own initiative, make its own determination that a person, including a political committee, has made, or has incurred obligations to make, independent expenditures with respect to any candidate in any Federal election that in the aggregate exceed the applicable amounts under paragraph (1) or (2).

"(B) NOTIFICATION.—In the case of independent expenditures made in connection with an election in which an eligible Senate candidate is on the ballot, the Commission shall notify each candidate in the election of the making of the determination within 2 business days after making the determination.

"(C) TIME TO COMPLY WITH REQUEST FOR DETERMINATION.—A determination made at the request of a candidate shall be made within 2 business days after the date of the request.

"(6) NOTIFICATION OF AN ALLOWABLE INCREASE IN INDEPENDENT EXPENDITURE LIMIT.—When independent expenditures totaling in the aggregate $10,000 have been made in the same election in support of an opposing candidate or against an eligible Senate candidate, the Commission shall, within 2 business days, notify the eligible Senate candidate that the eligible Senate candidate is entitled under section 503(e) to an increase in the applicable expenditure limit in an amount equal to the amount of the independent expenditures.".

# TITLE III—ENFORCEMENT

## SEC. 301. FILING OF REPORTS USING COMPUTERS AND FACSIMILE MACHINES.

Section 302(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)) is amended by striking paragraph (11) and inserting at the end the following:

"(11)(A) The Commission may prescribe regulations under which persons required to file designations, statements, and reports under this Act—

"(i) are required to maintain and file a designation, statement, or report for any calendar year in electronic form accessible by computers if the person has, or has reason to expect to have, aggregate contributions or expenditures in excess of a threshold amount determined by the Commission; and

"(ii) may maintain and file a designation, statement, or report in that manner if not required to do so under regulations prescribed under clause (i).

"(B) The Commission shall prescribe regulations which allow persons to file designations, statements, and reports required by this Act through the use of facsimile machines.

"(C) In prescribing regulations under this paragraph, the Commission shall provide methods (other than requiring a signature on the document being filed) for verifying designations, statements, and reports covered by the regulations. Any document verified under any of the methods shall be treated for all purposes (including penalties for perjury) in the same manner as a document verified by signature.".

**SEC. 302. AUDITS.**

(a) RANDOM AUDITS.—Section 311(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 438(b)) is amended—

(1) by inserting "(1)" before "The Commission"; and

(2) by adding at the end the following:

"(2) RANDOM AUDITS.—

"(A) IN GENERAL.—Notwithstanding paragraph (1), the Commission may conduct random audits and investigations to ensure voluntary compliance with this Act.

"(B) SELECTION OF SUBJECTS.—The aggregate amount of contributions received by an eligible Senate candidate as of the end of each reporting period under section 304 shall meet the requirement of paragraph (1).

"(C) LIMITATION.—The Commission shall not conduct an audit or investigation of a candidate's authorized committee under paragraph (1) until the candidate is no longer a candidate for the office sought by the candidate in an election cycle.

"(D) APPLICABILITY.—This paragraph does not apply to an authorized committee of a candidate for President or Vice President subject to audit under section 9007 or 9038 of the Internal Revenue Code of 1986.".

(b) EXTENSION OF PERIOD DURING WHICH CAMPAIGN AUDITS MAY BE BEGUN.—Section 311(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 438(b)) is amended by striking "6 months" and inserting "12 months".

**SEC. 303. AUTHORITY TO SEEK INJUNCTION.**

Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)) is amended—

(1) by adding at the end the following:

"(13)(A) If, at any time in a proceeding described in paragraph (1), (2), (3), or (4), the Commission believes that—

"(i) there is a substantial likelihood that a violation of this Act is occurring or is about to occur;

"(ii) the failure to act expeditiously will result in irreparable harm to a party affected by the potential violation;

"(iii) expeditious action will not cause undue harm or prejudice to the interests of others; and

"(iv) the public interest would be best served by the issuance of an injunction;

the Commission may initiate a civil action for a temporary restraining order or a preliminary injunction pending the outcome of the proceedings described in paragraphs (1), (2), (3), and (4).

"(B) An action under subparagraph (A) shall be brought in the United States district court for the district in which the defendant resides, transacts business, or may be found, or in which the violation is occurring, has occurred, or is about to occur.";

(2) in paragraph (7), by striking "(5) or (6)" and inserting "(5), (6), or (13)"; and

(3) in paragraph (11), by striking "(6)" and inserting "(6) or (13)".

**SEC. 304. REPORTING REQUIREMENTS FOR CONTRIBUTIONS OF $50 OR MORE.**

Section 304(b)(3)(A) of the Federal Election Campaign Act at 1971 (2 U.S.C. 434(b)(3)(A) is amended—

(1) by striking "$200" and inserting "$50"; and

(2) by striking the semicolon and inserting ", except that in the case of a person who makes contributions aggregating at least $50 but not more than $200 during the calendar year, the identification need include only the name and address of the person".

**SEC. 305. INCREASE IN PENALTY FOR KNOWING AND WILLFUL VIOLATIONS.**

Section 309(a)(5)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(5)(B)) is amended by striking "the greater of $10,000 or an amount equal to 200 percent" and inserting "the greater of $15,000 or an amount equal to 300 percent".

**SEC. 306. PROHIBITION OF CONTRIBUTIONS BY INDIVIDUALS NOT QUALIFIED TO VOTE.**

(a) PROHIBITION.—Section 319 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441e) is amended—

(1) in the heading by adding "AND INDIVIDUALS NOT QUALIFIED TO REGISTER TO VOTE" at the end; and

(2) in subsection (a)—

(A) by striking "(a) It shall" and inserting the following:

"(a) PROHIBITIONS.—

"(1) FOREIGN NATIONALS.—It shall"; and

(B) by adding at the end the following:

"(2) INDIVIDUALS NOT QUALIFIED TO VOTE.— It shall be unlawful for an individual who is not qualified to register to vote in a Federal election to make a contribution, or to promise expressly or impliedly to make a contribution, in connection with a Federal election; or for any person to solicit, accept, or receive a contribution in connection with a Federal election from an individual who is not qualified to register to vote in a Federal election.".

(b) INCLUSION IN DEFINITION OF IDENTIFICATION.—Section 301(13) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(13)) is amended—

(1) in subparagraph (A)—

(A) by striking "and" the first place it appears; and

(B) by inserting ", and an affirmation that the individual is an individual who is not prohibited by section 319 from making a contribution" after "employer"; and

(2) in subparagraph (B) by inserting "and an affirmation that the person is a person that is not prohibited by section 319 from making a contribution" after "such person".

**SEC. 307. USE OF CANDIDATES' NAMES.**

Section 302(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(e)) is amended by striking paragraph (4) and inserting the following:

"(4)(A) The name of each authorized committee shall include the name of the candidate who authorized the committee under paragraph (1).

"(B) A political committee that is not an authorized committee shall not—

"(i) include the name of any candidate in its name, or

"(ii) except in the case of a national, State, or local party committee, use the name of any candidate in any activity on behalf of such committee in such a context as to suggest that the committee is an authorized committee of the candidate or that the use of the candidate's name has been authorized by the candidate.".

**SEC. 308. PROHIBITION OF FALSE REPRESENTATION TO SOLICIT CONTRIBUTIONS.**

Section 322 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441h) is amended—

(1) by inserting after "SEC. 322." the following: "(a)"; and

(2) by adding at the end the following:

"(b) No person shall solicit contributions by falsely representing himself as a candidate or as a representative of a candidate, a political committee, or a political party.".

**SEC. 309. EXPEDITED PROCEDURES.**

Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)) (as amended by section 303) is amended by adding at the end the following new paragraph:

"(14)(A) If the complaint in a proceeding was filed within 60 days immediately preceding a general election, the Commission may take action described in this subparagraph.

"(B) If the Commission determines, on the basis of facts alleged in the complaint and other facts available to the Commission, that there is clear and convincing evidence that a violation of this Act has occurred, is occurring, or is about to occur and it appears that the requirements for relief stated in paragraph (13)(A) (ii), (iii), and (iv) are met, the Commission may—

"(i) order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2) (3), and (4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties; or

"(ii) if the Commission determines that there is insufficient time to conduct proceedings before the election, immediately seek relief under paragraph (13)(A).

"(C) If the Commission determines, on the basis of facts alleged in the complaint and other facts available to the Commission, that the complaint is clearly without merit, the Commission may—

"(i) order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2), (3), and (4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties; or

"(ii) if the Commission determines that there is insufficient time to conduct proceedings before the election, summarily dismiss the complaint.".

# TITLE IV—MISCELLANEOUS

**SEC. 401. USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES.**

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by striking section 313 and inserting the following:

**"SEC. 327. USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES.**

"(a) PERMITTED USES.—A contribution accepted by a candidate, and any other amount received by an individual as support for activities of the individual as a holder of Federal office, may be used by the candidate or individual—

"(1) for expenditures in connection with the campaign for Federal office of the candidate or individual;

"(2) for ordinary and necessary expenses incurred in connection with duties of the individual as a holder of Federal office;

"(3) for contributions to an organization described in section 170(c) of the Internal Revenue Code of 1986; or

"(4) for transfers to a national, State, or local committee of a political party.

"(b) PROHIBITED USE.—

"(1) IN GENERAL.—A contribution or amount described in subsection (a) shall not be transferred to a National, State, or local committee of a political party or converted by any person to personal use.

"(2) CONVERSION.—For the purposes of paragraph (1), a contribution or amount shall be considered to be converted to personal use if the contribution or amount is used to fulfill any commitment, obligation, or expense of a person that would exist irrespective of the candidate's election campaign or individual's duties as a holder of Federal officeholder, including—

"(A) a home mortgage, rent, or utility payment;

"(B) a clothing purchase;

"(C) a noncampaign-related automobile expense;

"(D) a country club membership;

"(E) a vacation or other noncampaign-related trip;

"(F) household food items;

"(G) a tuition payment;

"(H) admission to a sporting event, concert, theater, or other form of entertainment not associated with an election campaign; and

"(G) dues, fees, and other payments to a health club or recreational facility.".

**SEC. 402. CAMPAIGN ADVERTISING.**

Section 318 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441d) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1)—

(i) by striking "Whenever" and inserting "Whenever a political committee makes a disbursement for the purpose of financing any communication through any broadcasting station, newspaper, magazine, outdoor advertising facility, mailing, or any other type of general public political advertising, or whenever";

(ii) by striking "an expenditure" and inserting "a disbursement"; and

(iii) by striking "direct"; and

(B) in paragraph (3), by inserting "and permanent street address" after "name"; and

(2) by adding at the end the following:

"(c) Any printed communication described in subsection (a) shall be—

"(1) of sufficient type size to be clearly readable by the recipient of the communication;

"(2) contained in a printed box set apart from the other contents of the communication; and

"(3) consist of a reasonable degree of color contrast between the background and the printed statement.

"(d)(1) Any broadcast or cablecast communication described in subsection (a)(1) or subsection (a)(2) shall include, in addition to the requirements of those subsections, an audio statement by the candidate that identifies the candidate and states that the candidate has approved the communication.

"(2) If a broadcast or cablecast communication described in paragraph (1) is broadcast or cablecast by means of television, the communication shall include, in addition to the audio statement under paragraph (1), a written statement which—

"(A) appears at the end of the communication in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds; and

"(B) is accompanied by a clearly identifiable photographic or similar image of the candidate.

"(c) Any broadcast or cablecast communication described in subsection (a)(3) shall include, in addition to the requirements of those subsections, in a clearly spoken manner, the following statement: '________________ is responsible for the content of this advertisement.' (with the blank to be filled in with the name of the political committee or other person paying for the communication and the name of any connected organization of the payor). If broadcast or cablecast by means of television, the statement shall also appear in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds.".

### SEC. 403. LIMIT ON CONGRESSIONAL USE OF THE FRANKING PRIVILEGE.

(a) IN GENERAL.—Section 3210(a)(6)(A) of title 39, United States Code, is amended to read as follows:

"(A) A Member of Congress shall not mail any mass mailing as franked mail during a year in which there will be an election for the seat held by the Member during the period between January 1 of that year and the date of the general election for that Office, unless the Member has made a public announcement that the Member will not be a candidate for reelection to that year or for election to any other Federal office.".

(b) APPLICATION OF SAVINGS.—It is the intent of Congress that any savings realized by virtue of the amendment made by subsection (a) shall be designated to pay for the benefits of section 104 (relating to reduced postage rates for eligible Senate candidates) provided under section 104.

**SEC. 404. PARTY INDEPENDENT EXPENDITURES.**

Section 315(d) of the Federal Election Campaign Act of 1997 (2 U.S.C. 441a(d)) is amended—

(1) in paragraph (1)—

(A) by inserting "coordinated" after "make"; and

(B) by striking "(2) and (3)" and inserting "(2), (3), and (4)"; and

(2) by adding at the end the following:

"(4) Before a committee of a political party may make coordinated expenditures in connection with a general election campaign for Federal office in excess of $5,000 pursuant to this subsection, the committee shall file with the Commission a certification, signed by the treasurer, that the committee has not and will not make any independent expenditures in connection with that campaign for Federal office. A party committee that determines to make coordinated expenditures pursuant to this subsection shall not make any transfers of funds in the same election cycle to, or receive any transfer of funds in the same election cycle from, any other party committee that determines to make independent expenditures in connection with the same campaign for Federal office.

"(5)(A) A committee of a political party shall be considered to be in coordination with a candidate of the party if the committee—

"(i) makes a payment for a communication or anything of value in coordination with the candidate, as described in section 301(8)(A)(iii);

"(ii) makes a coordinated expenditure under section 315(d) on behalf of the candidate;

"(iii) participates in joint fundraising with the candidate or in any way solicits or receives a contribution on behalf of the candidate;

"(iv) communicates with the candidate or an agent of the candidate (including a pollster, media consultant, vendor, advisor, or staff member), acting on behalf of the candidate, about advertising, message, allocation of resources, fundraising, or other campaign matters related to the candidate's campaign, including campaign operations, staffing, tactics or strategy; or

"(v) provides in-kind services, polling data, or anything of value to the candidate.

"(6) For purposes of paragraphs (4) and (5), all political committees established and maintained by a national political party (including all congressional campaign committees) and all political committees established by State political parties shall be considered to be a single political committee.

"(7) For purposes of paragraph (5), any coordination between a committee of a political party and a candidate of the party after the candidate has filed a statement of candidacy constitutes coordination for the period beginning with the filing of the statement of candidacy and ending at the end of the election cycle.".

**SEC. 405. COORDINATED EXPENDITURES; INDEPENDENT EXPENDITURES.**

(a) DEFINITION OF COORDINATED EXPENDITURE.—

(1) SECTION 301(8).—Section 301(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)) is amended—

(A) in subparagraph (A)—

(i) by striking "or" at the end of clause (i);

(ii) by striking the period at the end of clause (ii) and inserting "; or"; and

(iii) by adding at the end the following:

"(iii) a payment made for a communication or anything of value that is for the purpose of influencing an election for Federal office and that is a payment made in coordination with a candidate."; and

(B) by adding at the end the following:

"(C) For the purposes of subparagraph (A)(iii), the term 'payment made in coordination with a candidate' includes—

"(i) a payment made by a person in cooperation, consultation, or concert with, at the request or suggestion of, or pursuant to any general or particular understanding with a candidate, the candidate's authorized committee, or an agent acting on behalf of a candidate or authorized committee;

"(ii) a payment made by a person for the dissemination, distribution, or republication, in whole or in part, of any broadcast or any written, graphic, or other form of campaign material prepared by a candidate, a candidate's authorized committee, or an agent of a candidate or authorized committee (not including a communication described in paragraph (9)(B)(i) or a communication that expressly advocates the candidate's defeat);

"(iii) a payment made based on information about a candidate's plans, projects, or needs provided to the person making the payment by the candidate or the candidate's agent who provides the information with a view toward having the payment made;

"(iv) a payment made by a person if, in the same election cycle in which the payment is made, the person making the payment is serving or has served as a member, employee, fundraiser, or agent of the candidate's authorized committee in an executive or policymaking position;

"(v) a payment made by a person if the person making the payment has served in any formal policy or advisory position with the candidate's campaign or has participated in strategic or policymaking discussions with the candidate's campaign relating to the candidate's pursuit of nomination for election, or election, to Federal office, in the same election cycle as the election cycle in which the payment is made;

"(vi) a payment made by a person if, in the same election cycle, the person making the payment retains the professional services of any individual or person who has provided or is providing campaign-related services in the same election cycle to a candidate in connection with the candidate's pursuit of nomination for election, or election, to Federal office, including services relating to the candidate's decision to seek Federal office, and the professional is retained to work on activities relating to that candidate's campaign.

"(D) For purposes of subparagraph (C)(vi), the term 'professional services' includes services in support of a candidate's pursuit of nomination for election, or election, to Federal office such as polling, media advice, direct mail, fundraising, or campaign research.

(2) SECTION 315(a)(7).—Section 315(a)(7) (2 U.S.C. 441a(a)(7)) is amended by striking paragraph (B), and inserting the following:

"(B) Payments made in coordination with a candidate, as described in section 301(8)(A)(iii), shall be considered to be contributions to such candidate, and in the case of limitations on expenditures, shall be treated as expenditures for purposes of this paragraph.

(b) MEANING OF CONTRIBUTION OR EXPENDITURE FOR THE PURPOSES OF SECTION 316.—Section 316(b)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(b)) is amended by striking "shall include" and inserting "includes a contribution or expenditure, as those terms are defined in section 301, and also includes".

(c) DEFINITION OF INDEPENDENT EXPENDITURE.—Section 301 of the Federal Election Campaign Act of

1971 (2 U.S.C. 431) is amended by striking paragraph (17) and inserting the following:

"(17) INDEPENDENT EXPENDITURE.—

"(A) IN GENERAL.—The term 'independent expenditure' means an expenditure that—

"(i) contains express advocacy; and

"(ii) is made without the participation or cooperation of, or without consultation with, or without coordination with a candidate or a candidate's authorized committee or agent (within the meaning of section 301(8)(A)(iii)).

"(B) EXCLUSION.—The term 'independent expenditure' does not include an expenditure or payment made in coordination with a candidate (within the meaning of section 301(8)(A)(iii)).".

**SEC. 406. EXPRESS ADVOCACY.**

(a) DEFINITION OF EXPENDITURE.—Section 301(9)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(9)(A)) is amended—

(1) by striking "and" at the end of clause (i);

(2) by striking the period at the end of clause (ii) and inserting a semicolon; and

(3) by adding at the end the following:

"(iii) any payment during an election year (or in a nonelection year, during the period beginning on the date on which a vacancy for Federal office occurs and ending on the date of the special election for that office) for a communication that is made through any broadcast medium, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising by a national, State, district, or local committee of a political party, including a congressional campaign committee of a party, that refers to a clearly identified candidate; and

"(iv) any payment for a communication that contains express advocacy.".

(b) DEFINITION OF EXPRESS ADVOCACY.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) (as amended by section 212(d)) is amended by adding at the end the following:

"(20) EXPRESS ADVOCACY.—

"(A) IN GENERAL.—The term 'express advocacy' includes—

"(i) a communication that conveys a message that advocates the election or defeat of a clearly identified candidate for Federal office by using an expression such as 'vote for,' 'elect,' 'support,' 'vote against,' 'defeat,' 'reject,' '(name of candidate) for Congress', 'vote pro-life,' or 'vote pro-choice', accompanied by a listing or picture of a clearly identified candidate described as 'pro-life' or 'pro-choice,' 'reject the incumbent', or a similar expression;

"(ii) a communication that is made through a broadcast medium, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising that involves aggregate disbursements of $10,000 or more, that refers to a clearly identified candidate, that a reasonable person would understand as advocating the election or defeat of the candidate, and that is made within 30 days before the date of a primary election (and is targeted to the State in which the primary is occurring), or 60 days before a general election; or

"(iii) a communication that is made through a broadcast medium, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising that involves aggregate disbursements of $10,000 or more, that refers to a clearly identified candidate, that a reasonable person would understand as advocating the election or defeat of a candidate, that is made before the date that is 30 days before the date of a primary election, or 60 days before the date of a general election, and that is made for the purpose of advocating the election or defeat of the candidate, as shown by 1 or more factors such as a statement or action by the person making the communication, the targeting or placement of the communication, or the use by the person making the communication of polling, demographic, or other similar data relating to the candidate's campaign or election.

"(B) EXCLUSION.—The term 'express advocacy' does not include the publication or distribution of a communication that is limited solely to providing information about the voting record of elected officials on legislative matters and that a reasonable person would not understand as advocating the election or defeat of a particular candidate.".

# TITLE V—CONSTITUTIONALITY; EFFECTIVE DATE; REGULATIONS

**SEC. 501. SEVERABILITY.**

If any provision of this Act or amendment made by this Act, or the application of a provision or amendment to any person or circumstance, is held to be unconstitutional, the remainder of this Act and amendments made by this Act, and the application of the provisions and amendment to any person or circumstance, shall not be affected by the holding.

**SEC. 502. REVIEW OF CONSTITUTIONAL ISSUES.**

An appeal may be taken directly to the Supreme Court of the United States from any final judgment, decree, or order issued by any court ruling on the constitutionality of any provision of this Act or amendment made by this Act.

**SEC. 503. EFFECTIVE DATE.**

Except as otherwise provided in this Act, this Act and the amendments made by this Act take effect on the date that is 60 days after the date of enactment of this Act.

**SEC. 504. REGULATIONS.**

The Federal Election Commission shall prescribe any regulations required to carry out this Act and the amendments made by this Act not later than 270 days after the effective date of this Act.

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BRENNAN CENTER FOR JUSTICE
AT NYU SCHOOL OF LAW

March 3, 1997

Hon. John McCain
Hon. Russell Feingold
United States Senate
Washington, D.C. 20510

Dear Senators McCain and Feingold:

I am writing in response to a letter to Senator Mitch McConnell, dated February 20, 1997, from the American Civil Liberties Union, arguing that critical provisions of S.25, the Bipartisan Campaign Reform Act of 1997, are unconstitutional under existing Supreme Court precedent. I am the John Norton Pomeroy Professor of Law at New York University and Legal Director of the Brennan Center for Justice. I served as National Legal Director of the American Civil Liberties Union during the 1980's, and remain active in defense of the First Amendment. I continue to serve as an ACLU volunteer counsel. I believe, however, that the ACLU letter on S.25 is simply wrong in a number of assertions, despite the fact that it was written by an able lawyer whom I respect and admire.

In assessing the ACLU's views on the constitutionality of S.25, it is important to recall that the ACLU believes that any restriction on campaign financing is unconstitutional, even those restrictions upheld by the Supreme Court in <u>Buckley v. Valeo</u>. The only Justice on the current Court who accepts the ACLU's position is Justice Clarence Thomas. Thus, the ACLU is quite right in predicting that Justice Thomas would find S.25 unconstitutional -- but quite wrong in claiming that a majority of the Court would condemn critical parts of the statute.

## I.

### Efforts to Persuade Candidates to Limit Campaign Spending Voluntarily By Providing Them With Valuable Inducements Like Free Television Time Are Constitutional

The ACLU argues that Title I of S.25, which asks candidates to limit campaign spending in return for free or subsidized broadcast time and subsidized mailing rates, is unconstitutional. But, in <u>Buckley</u>, the Court approved precisely such an approach when it

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upheld the offer of campaign subsidies to Presidential candidates in return for a promise to limit campaign spending.

The fact is that the ACLU still believes the Buckley Court was wrong when it upheld Congress' right to condition public campaign subsidies on a promise to limit campaign spending. But the ACLU lost that argument. It is, to say the least, difficult for the ACLU to argue that a far lesser set of inducements in S.25 would violate the First Amendment. In effect, the ACLU argues that virtually any inducement offered to a candidate to persuade her to limit campaign spending is unconstitutional as a form of indirect "coercion". But the Buckley Court clearly distinguished between inducements designed to elicit a voluntary decision to limit spending, and coercive mandates that impose involuntary spending ceilings. If giving a Presidential candidate a $60,000,000 subsidy is a constitutional inducement, surely providing free television time and reduced postal rates falls into the same category of acceptable inducement. Merely because a deal is too good to pass up does not render it unconstitutionally "coercive".

## II.

## Ceilings on Contributions by PACS Are Constitutional

The ACLU argues that a $1,000 cap on contributions from PACs, and a 20% limit on PAC contributions to a particular candidate violate the First Amendment. Once again, the ACLU's constitutional position is traceable to an issue that it lost in Buckley, but continues to re-argue in Congress.

In Buckley, the ACLU challenged the $1,000 ceiling on campaign contributions, arguing that campaign contributions were entitled to the same level of free speech protection as campaign expenditures. The Supreme Court rejected the ACLU's argument, and upheld the ceiling on contributions. Indeed, in the years since Buckley, the Supreme Court has upheld every contribution limit that has come before it in an election context. California Medical Ass'n v. FEC, 453 U.S. 182 (1981); FEC v. National Right to Work Committee, 459 U.S. 197 (1982). If Congress may limit contributions from individuals to $1,000, surely the First Amendment does not require preferential treatment of PACS. If individuals can be restricted to $1,000, so can PACS.

Moreover, Congress may surely determine that the greatest risk of corruption occurs in connection with campaign contributions from self-interested, special interest PACS. Accordingly, placing a 20% ceiling on PAC contributions is well within Congress' power to prevent corruption, or the appearance of corruption, by placing limits on overtly self-interested campaign contributions.

III.

## Limits on Enormous Campaign Contributions to Political Parties from Corporations, Labor Unions, and Wealthy Contributors Are Constitutional

The ACLU argues that the First Amendment prevents Congress from closing the notorious "soft money" loophole that threatens to destroy the integrity of the Presidential campaign process. In the most recent Presidential campaign, donors poured more than $250 million dollars through the soft money loophole to political parties, ostensibly for use in building local parties, registering voters, and increasing voter turnout. The vast bulk of soft money contributions came from corporations and labor unions, barred by law from participating directly in federal campaigns, or from wealthy individuals anxious to contribute in excess of existing contribution ceilings.

The ACLU argues that the First Amendment prohibits Congress from closing the loophole. But, once again, the ACLU's constitutional position is simply a reprise of arguments it has lost in the Supreme Court. In Buckley, the ACLU argued that any effort to limit campaign contributions violated the First Amendment, an argument the Court rejected. In later cases, the Court also dismissed the argument that corporations and labor unions have a right to use their money to influence federal elections. See, e.g., Austin v. Michigan Chamber of Commerce, 494 U.S. 652 (1990); FEC v. Nat'l Right to Work Comm., 459 U.S. 197 (1982).

In 1978, the FEC, reversing an earlier ruling, opened a seemingly modest loophole in the contribution rules by allowing corporations, labor unions, and wealthy individuals to contribute funds directly to a political party free from the usual restrictions on contributions, as long as the funds were to be used in connection with local party building, voter registration or other activity not directly connected to a federal election. In the years since, the soft money loophole has become a threat to the integrity of the regulatory system. Hundreds of millions of dollars pour through the loophole each year to both major political parties from contributors who are barred from contributing directly to a federal campaign. The funds are often solicited by federal candidates and spent in ways designed to advance their candidacies. More ominously, the forbidden donors, if their contributions are large enough, are rewarded by both parties with preferred access to public officials, creating precisely the appearance of corruption that justifies restricting large campaign contributions in the first place. Thus, unless one accepts the ACLU's premise that contributions can never be limited no matter what the size and no matter what the source (and even Justice Thomas has not gone that far), Congress possesses clear power to close the soft money loophole by restricting the source and size of contributions to political parties just as it does for contributions to candidates.

The ACLU's suggestion that the recent Supreme Court decision in Colorado Republican Party provides First Amendment support for a soft money loophole is flatly wrong. Colorado Republican Party was an "expenditure" case, not a "contribution" case, and it involved hard money, not soft. It held, merely, that when a political party makes an expenditure attacking the candidate of another party six months before selecting its own candidate, the expenditure should be treated as an independent expenditure, as long as the funds come in small amounts from donors who are eligible to contribute to a federal campaign. The Court did not hold that ineligible donors, like corporations, labor unions and wealthy individuals, have a constitutional right to buy preferred access to public officials by pouring unlimited amounts of cash into a political party's coffers.

The most relevant Supreme Court decision is not Colorado Republican Party, but Austin v. Michigan Chamber of Commerce, where the Supreme Court held that corporations can be walled off from the electoral process by forbidding both corporate contributions and corporate independent expenditures because they have the capacity to distort the democratic process. Surely, the law cannot be that Congress has the power to prevent corporations from giving money directly to a candidate, or from expending money on behalf of a candidate, but lacks the power to prevent the corporation from pouring unlimited funds into the candidate's political party in order to buy preferred access to him after the election.

## IV.

## The Narrow Limits on Coordinated Expenditures By Political Parties Imposed by S.25 Are Constitutional

Colorado Republican Party holds that political parties are entitled to make truly independent expenditures on the same terms and conditions as other entities. Since the expenditure at issue in Colorado Republican Party was made six months before the party's candidate was selected, there obviously was no coordination between the party and the candidate. The case says nothing, however, about coordinated expenditures. Indeed, the critical swing Justices -- Justices Breyer, Souter, and O'Connor -- explicitly refused to decide how to treat coordinated expenditures, noting that if coordinated expenditures were treated like independent expenditures, the critical line between contribution and expenditure would be destroyed, since every forbidden contribution could be recycled as a coordinated expenditure.

S.25 attempts to deal with coordinated expenditures by providing that once a political party makes contributions, and engages in coordinated activities with its candidate, it can no longer be said to be making truly independent expenditures. The provision is merely a common sense effort to police the distinction between truly independent and coordinated expenditures. Since the ACLU rejects the critical distinction between expenditures and contributions put forth in Buckley, it believes that any restriction on the party's right to spend money, even a de facto contribution made in the form of a coordinated expenditure, is absolutely protected. But, if you accept the Supreme Court's ruling in Buckley that contributions may be regulated, it becomes critical to decide when an expenditure is truly independent, and when it turns into a de facto contribution. Thus, once again, the ACLU's opinion on the effort in S.25 to draw a careful line between truly independent expenditures and coordinated contributions is an exercise in wishful thinking, not an accurate description of existing law.

## V.

### The Effort in S.25 to Distinguish Between an Independent Expenditure Designed to Affect the Outcome of an Election, and Issue Advocacy Designed to Inform the Public, is Constitutional

Independent expenditures designed to affect the outcome of a federal election are subject to one important restriction -- funds contributed to finance the expenditure must come from sources that would be lawful if contributed directly to the candidate and in limited amounts. Issue advocacy designed to inform the public is, on the other hand, subject to no restrictions, either as to funding or disclosure.

The last election was characterized by numerous groups purporting to engage in public education outside the reach of the campaign laws. For example, both major parties spent substantial sums on so-called "issue ads", paid for by donors who were barred from contributing directly to a federal election campaign. Numerous private groups targeted close races and poured funds into them in the guise of issue education, even though the funds came from forbidden sources and in amounts that could not be contributed. S.25 attempts to close that loophole by setting forth two tests to differentiate between campaign speech and genuine issue advocacy. Throughout most of an election cycle, the test is whether the speaker's purpose and effect was to advocate the election or defeat of an identified candidate. Within 60 days of the election, however, the test dispenses with an examination of the speaker's purpose and looks only to whether, applying certain enumerated criteria, a reasonable person would understand the ad to be advocating the election or defeat of a named candidate.

It is, in my opinion, unclear whether the latter test is sufficiently precise. I believe that the better approach would be to apply throughout the election cycle a purpose-and-effect test along the lines of the first one described above, but perhaps slightly more demanding. Speech should be viewed as campaign speech only if the speaker's predominant intent was to affect the outcome of a specific election, and the FEC should be required to establish the relevant intent by clear and convincing evidence, or, even, beyond a reasonable doubt before labeling speech as campaign-related. Such an approach would prevent egregious evasion of the rules governing campaign contributions, while providing ample space for genuine public education.

VI.

## The Effort in S.25 to Enhance the Enforcement Capability of the FEC is Long Overdue

The FEC is currently powerless to cope with massive violations of existing law. For example, the last campaign saw both major parties accept illegal donations, and engage in blatantly illegal spending activities, like running phony "issue ads", or making phony "independent" expenditures in order to evade contribution restrictions. The FEC stood by like a helpless spectator while the law was turned into a mockery. S.25 provides needed authority to seek injunctive relief against blatant violations. I would, however, tighten the enforcement provisions to permit injunctive relief only for clearly established violations. I would place a significant burden on the FEC in order to permit action against egregious violations, while preventing undue intrusion into the electoral process.

Finally, I would break the FEC's monopoly on enforcing the campaign funding laws. The FEC's current structure permits either major party to veto the enforcement activities of the FEC. The result has been an enforcement history that harasses minor parties and independents, but rarely challenges the questionable activities of the major parties. We will, I predict, never see an FEC proceeding against either or both major parties for their activities during the last campaign.

The solution is a private cause of action for violating the FEC. Abuse of such a private right of action could be minimized by provisions for attorneys fees and Rule 11 sanctions for frivolous claims.

Reasonable people can disagree over the merits of S.25. Some believe that efforts to regulate campaign financing are misguided and doomed to failure. But opposition to the wisdom of S.25 should not take the form of distorted descriptions of existing constitutional law. The complexity of existing campaign financing law in the Supreme Court makes it impossible to state with certainty what path the future Court will follow. But I believe that the best reading of existing precedent renders the foregoing provisions of S.25 constitutionally defensible. Only Justice Thomas has embraced the ACLU's absolutist refusal to permit any regulation of campaign financing.

Respectfully submitted,

Burt Neuborne
Legal Director
Brennan Center for Justice

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**11**

Divider Title: ______________________________

# Campaign Finance Reform Speech at National Press Club

SEN. FEINGOLD: Thank you very much to the National Press Club for giving us this wonderful opportunity to advance the issue of campaign finance reform. I want to thank John McCain. He sure surprised me right after the election in November of 1994. I had just become not just the least senior Democrat; I had just become essentially number 100. We'd gone in the minority and I was the last guy on the totem pole. John McCain chose to give me a call. I hope that's not because everybody else turned him down. I've never really asked him. He gave me a call and he said -- out of the blue, basically, because we hadn't really worked together on many issues in my first two years -- he said, "I understand you're interested in reform issues and deficit reduction issues, and I'd like to work with you." And I said, "Great. What do you have in mind?"

Well, you've heard of log-rolling. Well, I think this is maybe one of the first examples of reform log-rolling. He said, "I want to do something about the revolving-door issue." I said, "Fine." I said, "I want a gift ban." He said, "Fine." And we were off to the races. That's because of the class of John McCain, who called a freshman junior senator on the Democratic side and let's work together. I'm glad John also mentioned his wisdom. Really, I call it his wisdom. At the time I didn't like it. When we were trying to get the votes last time, I thought, "We can do it this time," sort of the impatience of a freshman. He said, "Russ, I think it'll probably take something of a scandal." And it was that wisdom that, of course, leads us to where we are today. I also want to thank Senators Fred Thompson and Paul Wellstone and Bob Graham in particular for their help on this issue, and, of course, Anne McBride of Common Cause and Joan Claybrook of Public Citizen. John and I know that this issue wouldn't be even where it is now, approaching the center stage, getting near the center stage, if it were not for their efforts and the efforts of their groups.

I'd like just to add a few comments to John's comments; first of all, a little bit about why I think this is important, a little bit about the prospects for the issue, and a bit about the opposition and the challenge we face.

Why is this important? From my viewpoint, and especially from the viewpoint of my Wisconsin constituents, it seems like the political process has become something very different from the principle of one person, one vote. It looks more like now an episode of Lifestyles of the Rich and Famous. That's what it looks like to the people back home. And this was sort of brought home to me as I thought about the last 25 years of my life. I went to my 25th high school class reunion this summer at Janesville Craig High School, and people reminded me that I was always talking about how I probably would like to run for office someday. But I'll tell you, when I graduated from high school in 1971, not a soul said to me, "Now you've got to go out and make a few million dollars or you've got to become real connected in Washington." Nobody ever mentioned it. And then quite a few years later, in 1982, when I was running for the state senate and a well-known senator from Wisconsin, Bill Proxmire -- his colleague, Gaylord Nelson, is here today -- he will remember that Bill Proxmire was re-elected to the United States Senate. Yes, he was very popular. He only spent $150 in 1982, and apparently he used the money to get postage to return campaign contributions. That is only 14 years ago. And so by the time I started to run for the U.S. Senate in the late 1980s against a very well-entrenched incumbent, I thought people would talk to me about my background, about the issues. Of course, I was a little naive. I'll tell you the only question I got, 99 times out of 100. "Where are you going to get the money, Russ? Where are you going to get the money, Russ?" It was like a constant barrage. And now, for those of you who have seen the movie "Jerry Maguire," perhaps today it would be "Show me the money, show me the money," for those of you who have seen that scene.

Now, I was fortunate, but I think I was the exception that proves the rule. But overall, this money chase has very serious consequences for the collective talent and quality of the United States Congress. First of all, we saw all these folks retire last year. I call it one of the biggest brain drains in the history of the U.S. Senate. There were a lot of reasons. Senator Kassebaum mentioned her grandchildren. There are many reasons.

But I can assure you, both in public and private, those senators will tell you that one of the main reasons they did not seek re- election -- the Sam Nunns, the Howell Heflins, the Paul Simons, the Nancy Kassebaums, the Bill Cohens -- is they didn't want to go through this again. And they'll also tell you that while they were being very talented and effective senators that they could have been more effective in their own estimation had they not had so much of their time consumed with raising money. A very eloquent senator, Senator Robert Byrd, has described this as the fractured attention that this causes for U.S. senators because they have to raise so much money. But perhaps the saddest thing is that there are scores of very good people out there who will never even consider running for public office, and certainly not for the Congress, because of the opening ante involved, people who really might make the very best senators and members of Congress. Instead, as John has well pointed out, our campaign committees are now looking first to see if people have millions of dollars and then they ask the question, "Would this person be a good candidate?" I think this is a tragedy.

And now, with the explosion of soft money, we have entered into, in effect, a brave new world in which we see amounts and sources of money that we never dreamed of before. In fact, it is so out of control that when John and I appeared on CNN Late Edition and I was asked about the allegations as they were occurring in October, they asked me, "Is this illegal?" And I said, "Well, it might be. But what really worries me is that it's probably legal, that this is a legalized system in effect of bribery that allows a $400,000 check to be able to be given to a campaign." In my view, it doesn't really matter if that $400,000 check is cut from Jakarta or Janesville. Nobody should really be going around giving $400,000 checks to influence the outcome of any election, in my view. So that's just briefly my personal take on what's wrong. But the more immediate question today is what can pass? As John has said, and I obviously firmly believe this, the only thing that's going to pass this session is a bipartisan bill, not just because we have a split government, not just because the Senate rules require 60 votes, as we so painfully experienced, but especially because on this issue, of all issues, there's a natural suspicion by each party that the other one is trying to rig the system against them. So what we need is moderate mutual disarmament in the campaign finance area. I think that's what our bill does -- the banning of soft money, the providing of incentives for people to voluntarily limit how much they spend. All of these things, I think, would make an enormous difference. And I know Senator McCain and I have agreed that new abuses and concerns have come up, and we are open to the possibility of addressing issues having to do with independent expenditures, issues having to do with foreign contributions, issues having to do with so-called issue advocacy. This is open. And that's in large part what McCain-Feingold is about. But most importantly, it is the first bipartisan bill in 10 years. It is not my ideal bill. I prefer public financing. I'm sure it's not John's ideal bill either. But it is something we could agree on. We did get 54 votes out of 100, a majority, and we do have 15 new senators, as John has pointed out. Many of them may not prefer our bill, but I'm sure almost every one of them just got done telling their constituents that they're for campaign finance reform and they're for partisanship. It will not be easy to explain how you vote against a bill, the main author of which is the person who nominated Bob Dole and is endorsed by the president of the United States. That's why I have some optimism. And I would refer to the gift ban as a similar issue that started onesession and finished the next.

Finally, just a word or two about our opposition. Of course, we have some very candid opposition in the form of Senator McConnell, who immediately swore an oath to kill this bill again. The headline in Roll Call was "McConnell Ready to Kill Reform Bill Again; Campaign Finance Reform's Grim Reaper Ready Scythe." But despite McConnell's oath to become a campaign finance reform serial killer, at least his approach is direct and it's essentially honest. It's the approach of saying that there's not enough money in politics, whether it be potato chips or yogurt or whatever the analogy. I can tell you, when I tell my constituents back home that one of the big arguments in Washington is that there's not enough money being spent and all we need is disclosure, it's a guaranteed laugh line in front of any audience. It's not persuasive. What is more troubling, though, and more dangerous for reform is what we used to call in the Wisconsin legislature loving an issue to death. You talk about it.

You say it's important. You do it over and over again until the storm has passed. This is happening as we speak in the Congress. Some are talking about a constitutional amendment. For a variety of reasons, I think that's bad policy to amend the First Amendment. But more importantly, there's no chance, of course, that a constitutional amendment would pass in this Congress. Alternatively, there's something I would call overstuffing or starving the issue. Overstuffing is saying, "Yeah, we should do campaign finance reform," as the majority leader has said, "and we should reform the length of campaigns and we should reform the whole political process." Just make it so fat that there's no possibility that it'll get off the ground. Or alternatively, starve it. Some say, "Let's just ban foreign contributions." That doesn't do the job either. So to conclude, I think perhaps those alternatives that are being suggested are sincere, but they are not viable reforms. The only viable reform is that which is bipartisan; and the only viable reform is that which gets underway very quickly.

And I'll conclude by saying I appreciate Senator McCain's comments about the president. The fact is he did endorse this bill in the State of the Union last year. The fact is he did compliment and endorsed the bill in the first debate. And, yes, he has taken it up a notch or two since the allegations and since the election. But we're about getting the job done now, and I am very proud to be associated with Senator McCain and all the other folks who are working on this issue.

## BIPARTISAN CAMPAIGN FINANCE REFORM BILL INTRODUCED IN CONGRESS

H.R. 2566, tough and comprehensive campaign finance reform legislation, has been introduced by Representatives Linda Smith (R-WA), Chris Shays (R-CT) and Martin Meehan (D-MA). The Senate version of the bill, S. 1219, was introduced by Senators John McCain (R-AZ) and Russell Feingold (D-WI). Common Cause is mounting an all-out campaign for the passage of these meaningful reform bills, and we need your help lobbying your Members of Congress.

ACTION: Urge your Representative to cosponsor H.R. 2566 and your Senators to cosponsor S. 1219. Point out that these are the first bipartisan reform bills in 10 years and they contain the essential elelments of reform.

## TOUGH NEW RESTRICTIONS ON SPECIAL-INTEREST MONEY IN CAMPAIGNS

H.R. 2566 AND S. 1219 ESTABLISH TOUGH NEW RESTRICTIONS ON PACS. The bills contain a ban on PAC contributions. If found unconstitutional, the bills would instead cut PAC contributions from $5,000 to $1,000 per elecion and cap the overall amount of PAC money any candidate could receive.

H.R. 2566 AND S. 1219 BAN SOFT MONEY. The bills shut down the huge unlimited contributions from wealthy individuals, corporations and others which are laundered through the political parties.

H.R. 2566 AND S. 1219 BAN "BUNDLING". Bundling is a practice used by PACs and lobbyists to evade campaign contribution limits by collecting and "bundling" individual campaign contributions for a specific candidate.

## SPENDING LIMITS AND CLEAN CAMPAIGN RESOURCES

H.R. 2566 and S. 1219 establish voluntary spending limits for the House and Senate candidates and provide reduced broadcast costs for those candidates who abide by spending limits. Candidates who abide by spending limits will be able to purchase broadcast time at a 50 percent discount. (Senate candidates would also receive 30 minutes of free television time.) These House and Senate candidates also would receive reduced postal rates for mailings.

## JOIN THE ACTION!

## CITIZEN LOBBYISTS WILL WIN THE FIGHT FOR CAMPAIGN FINANCE REFORM

IF YOU HAVE CALLED OR WRITTEN YOUR REPRESENTATIVE AND SENATORS AND CAN DO MORE...

1. Write a letter-to-the-editor for your local newspaper about these important bills. Send us a copy when it gets published.

2. Call into a popular radio talk show and discuss this landmark bipartisan reform effort that pormises real hope for changing the way business is done in Washington. Encourage listeners to call their Member of Congress, too.

3. Distribute copies of this alert ot other organizations and groups that you belong to and urge them to publicly endorse H.R. 2566 and S. 1219. Let us know if they support the bills, so we can add them to our nationwide coalition list.

4. Ask your Representative and Senators to cosponsor H.R. 2566 and S. 1219 at town meetings, or make an appointment to meet them in their local office during a congressional recess.

5. For updates on this campaign and information about how you can be involved in your area call COMMON CAUSE at 1-800-926-1064 and ask for the GRASSROOTS HOTLINE. Or email commoncaus@aol.com.

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FOR IMMEDIATE RELEASE February 18, 1997

FEINGOLD: MEANINGFUL CAMPAIGN REFORM NEEDED
Deficit Reduction Efforts aided by the Fight Against Corporate Welfare

MADISON, WI -- U.S. Senator Russ Feingold spoke to con
Wisconsin, Madison campus and at Beloit Memorial High School Auditorium about t
pass meaningful campaign finance reform and recent efforts to tackle corporate

"The bipartisan campaign finance reform legislation I have introduced with Sena
would bring about significant changes in federal election campaigns. It would b
'soft' money contributions that have been the focus of so much attention recent
if a $400,000 contribution comes from Jakarta or Janesville, we simply should n
anyone to put that kind of money into our system," said Feingold. "What is need
campaign finance reform passed is for the public to demand that Congress act so
the system. The public needs to hold Congress' feet to the fire until it gets t

Last month, Senator Feingold reintroduced the bipartisan McCain-Feingold campai
reform bill (S. 25) that he and Republican Senator John McCain sought to pass l
The measure fell six votes short of the sixty needed to break a Senate filibust
encourage candidates to limit spending, ban so-called "soft" money contributio
contributions from PACs, and encourage candidates to raise at least 60 percent
campaign funds from individuals in their home state.

"Another important issue in Congress right now is cutting the federal budget de
joined another bipartisan group of legislators in introducing a bill to create
Review Commission. The commission will be mandated to review all of the corpora
and tax breaks in the federal budget and recommend elimination of those that ar
Not many people realize that so-called 'corporate welfare' represents a large p
federal budget deficit, and we can't get rid of the budget deficit until we cut
said Feingold.

The Senator was in the area for his 17th and 18th listening sessions of the yea
County session was held in Memorial Union at the University of Wisconsin campus
a.m. and the Rock County session was held at Beloit Memorial High School at 2:1
Senator holds listening session in all of Wisconsin's 72 counties every year.

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FOR IMMEDIATE RELEASE February 17, 1997

FEINGOLD: CAMPAIGN FINANCE REFORM ESSENTIAL TO CUTTING DEFICIT

EAU CLAIRE, WI -- U.S. Senator Russ Feingold told constituents in Eau Claire an Falls today that campaign finance reform will assist ongoing efforts to elimina budget deficit.

"One of the problems we face in trying to eliminate unnecessary federal spendin the federal deficit is that many parts of the federal budget are protected by s contribute large sums of money to political campaigns," said Feingold. "With ca reform, we will reduce the power of the special interests which will make the j eliminating pork from the budget a little easier."

Last month, Senator Feingold reintroduced the bipartisan McCain-Feingold campai reform bill (S. 25) that he and Republican Senator John McCain sought to pass l The measure fell six votes short of the sixty needed to break a Senate filibust encourage candidates to limit spending, ban so-called "soft" money contributio contributions from PACs, and encourage candidates to raise at least 60 percent campaign funds from individuals in their home state.

"A campaign system that is awash in special interest money contributes to keepi unnecessary government subsidies flowing. Industries that contribute heavily to campaign have been able to protect special interest tax breaks and corporate su other parts of the budget have been cut back or eliminated. It's not right, and That is why I see campaign finance reform as an essential part of my deficit re said Feingold.

Feingold was in the area for his 15th and 16th listening sessions of the new ye Eau Claire County Listening Session was held in Phillips Recital Hall at the Ea Arts Center at 2:15 p.m. today. The Chippewa County Listening Session was held of the Chippewa Valley Technical College in Chippewa Falls at 4:00 p.m. Senator holds listening sessions in all of Wisconsin's 72 counties each year.

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FOR IMMEDIATE RELEASE February 13, 1997

FEINGOLD WELCOMES INTERFAITH SUPPORT OF CAMPAIGN FINANCE REFORM BILL

WASHINGTON, D.C.--Senator Feingold joined Senators McCain and Wellstone to welc religious leaders from a variety of faiths to the Capitol today. The interfaith National Council of Churches visited the Capitol Building to present a letter t passage of the McCain-Feingold Bipartisan Campaign Reform Act of 1997.

"This group represents a broad, diverse array of the American religious communi all faiths share a belief in fairness and in justice. We are here today because a system that is not fair and not just," said Feingold. "Large campaign contrib corrupting influence on American democracy. Average voters, the backbone of our system of government, are having their voices drowned out by a torrent of speci money and, as a consequence, more and more voters are staying away from the pol an injury not just to the individual voter, but to the very soul of our democra democratic ideals."

The religious group also delivered a letter to members of Congress urging all m support the bipartisan campaign finance reform legislation. The letter is signe many National Council of Churches member communions, national religious bodies, religious public policy leaders.

# # # #

FOR IMMEDIATE RELEASE January 17, 1997

FEINGOLD: REDUCING THE AMOUNT OF MONEY SPENT ON CAMPAIGNS WILL REDUCE THE LENGTH OF CAMPAIGNS

Leaves More Time for Important Issues Like Deficit Red

MARSHFIELD, WI -- U.S. Senator Russ Feingold today told constituents at the Mar Area Chamber of Commerce and John Muir Middle School in Wausau that campaign fi reform would help limit the amount of time politicians spend campaigning.

"One side effect of reducing the amount of money raised and spent on federal el the length of time for campaigns is likely to also be reduced. If candidates ag amount of money they spend, they are far less likely to engage in the lengthy c which often turns voters off," said Feingold.

In the upcoming 105th Congress, Senator Feingold will reintroduce the bipartisa measure fell six votes short of the sixty needed to break a Senate filibuster. encourage candidates to limit spending, ban so-called "soft" money contributio contributions from PACs, and encourage candidates to raise at least 60 percent campaign funds from individuals in their home state.

"Comprehensive campaign finance reform will mean that politicians can spend mor focusing on important issues, like ways to reduce the federal deficit, and less their next campaign. I can assure you from personal experience that the kind of needed to eliminate the federal deficit can be a very time consuming, intensive Feingold who went on to outline deficit-cutting measures he had been successful the 104th Congress.

Feingold was in the area for his 15th and 16th listening sessions of the new ye County listening session was held at the MACCI building in Marshfield at 9:15 a morning, and his Marathon County Listening Session was held at the John Muir Mi at 12:45 p.m. Senator Feingold holds listening sessions in all of Wisconsin's 7 year.

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Divider Title: **12**

# Editorial

March 20, 1997

## Campaign Spending Controls: Bad Politics, Bad Economics and Bad Public Policy

*by Pete du Pont*

*At the end of Pete du Pont's article, we have set up a special discussion section for those who wish to comment on this article. After you read the article, be sure to add your opinion. During the week, he will be visiting the bulletin board and responding to your comments.*

Hard cases, it is said, make bad law. The hard cases of Clinton campaign cash corruption are pushing Congress toward very bad law; specifically the McCain-Feingold campaign spending controls.

A long, sordid history

The First Continental Congress understood the consequences of legislated prices, which were imposed during the Revolutionary War. In June of 1778 it concluded "that limitations on the prices of commodities are not only ineffectual for the purposes proposed, but likewise productive of very evil consequences to the great detriment of the public service and grievous oppression of individuals..."

But the failure of price controls reaches back to the beginning of governments. As Robert L. Scheuttinger and Eamonn F. Butler document in *Forty Centuries of Wage and Price Controls*, in 2150 B.C., the Kingdom of Babylon adopted the

*Controls*, in 2150 B.C., the Kingdom of Babylon adopted the Code of Hammurabi. Among its provisions were wage and price controls. For example, the Code said the price to hire a sixty-ton boat shall be "a sixth part of a shekel of silver per diem," and the pay of a carpenter "four grains of silver per diem."

Twenty-five centuries later, in 284 A.D., the Roman Emperor Diocletian, complaining of "raging and boundless avarice" in the land, decreed that "maximum [prices] be fixed" for all goods and services. Hoarding, riots, a black market, and a failed economy soon followed. Four years later Diocletian abdicated his throne.

*ALSO SEE:*

Pulitzer Prize Winner David Shribman's article, *A Political Pop Quiz*, in which he explains why the latest round of campaign finance scandals aren't going to end any time soon.

Sixteen centuries after that, nations ranging from Lenin's communist USSR to Hitler's fascist Germany to Nixon and Carter's democratic America have imposed wage and price controls. All failed to achieve their purpose and caused more problems than they solved.

McCain-Feingold: Spending control redux

Which means it makes perfect sense in the world of Washington to insist that they be imposed again. This time Senators John McCain (R-AZ) and Russ Feingold (D-WI), aided and abetted by Common Cause, the *New York Times* and President Clinton, want to impose price controls on political speech and campaigns.

Sen. Russ Feingold

Their legislative proposal contains a wide variety of price controls: on campaigns (an overall spending limit), on private broadcasters (advertising rates), on government (postal rates), and on out-of-state contributors to a candidate (the proportion of contributions they may give).

Sen. John McCain

The legislation is mind-numbing government by the numbers. The overall spending limit for Senate races "shall not exceed the lesser of $5,500,000, or the greater of $950,000 or $400,000 plus 30 cents multiplied by the voting age population not in excess of 4,000,000 and 25 cents multiplied by the voting age population in excess of 4,000,000." Unless the candidate runs in a state that has no more than one VHF television transmitter licensed for operation, in which case 80 cents is substituted for 30 and 70 for 25 cents.

*ALSO SEE:*

*Finances, Finances, Finances* -- an interview with campaign finance expert, Roger Witten.

In addition there is free television time for candidates. Each candidate is entitled to a total of 30 minutes, to be used Monday through Friday between the hours of 6 and 10 p.m. only, in minimum bites of 30 seconds and a maximum of 5 minutes; but no more than 15 minutes on any one station. For purchased ad time, stations must give Senate candidates a 50% discount on the price of commercials.

**Bring on the bureaucracy**

**Breathtaking in its complexity and pregnant with regulatory promise, McCain-Feingold would quickly build sympathy for the thoughts attributed to Soviet Communist official Vladimir Kabaidze in 1936: "We cannot tolerate the proliferation of this paperwork any longer. We must kill the people producing them."**

**Other reformers offer alternative government controls. Max Frankel, writing in the *New York Times Magazine*, is for "chasing political commercials off the air and giving ballot-worthy candidates enough free airtime to present themselves to the voters." Two think-tankers, Thomas Mann of the Brookings Institute and Norman Ornstein of the American Enterprise Institute, want to eliminate political party soft money and narrow the definition of what and how much an individual or organization can spend advocating or opposing a public policy issue. Roger Witten, a lawyer and former Watergate prosecutor, believes none of this goes far enough, and that only public financing of campaigns will "restore confidence in the electoral process."**

**And House and Senate Minority Leaders Richard Gephardt (D-MO) and Tom Daschle (D-SD) want to amend the First Amendment to permit campaign price controls.**

**All of these ideas are bad economics, bad politics, and as forty centuries of experience have proven, very bad public policy.**

**Affronts to liberty**

**Public financing of campaigns is an example. In addition to the First Amendment problem -- the Supreme Court ruled 9-0 in *Buckley v. Valeo* that political contributions are protected speech -- there are enormous fairness issues. The Max Frankel formulation hints at them: giving "ballot-worthy candidates" free cost air-time. So who is "ballot-worthy?" Strom Thurmond and the Dixiecrats in 1948? Eugene McCarthy's challenge to Lyndon Johnson in 1968? Harry Browne, the Libertarian, or Ralph Nader the Green candidate for president? What "impartial" body is to decide who may or may not run for election in America?**

**Another affront to liberty is the McCain-Feingold proposal to limit out-of-state contributions to a candidate to 40% of all contributions. So NAACP members across the country, for example, who might not want to see David Duke elected to the Senate from Louisiana may be unable to contribute to his opponent.**

**Limiting issue advocacy is another clear and present danger to the Republic. McCain-Feingold permits the federal government to regulate campaign speech that contains "express advocacy" intended to impact an election. But advocacy of issues -- abortion rights, welfare reform, or the California Civil Rights Initiative -- is what elections are**

about; there should be more of it, not less.

Any state or local party activity, from voter registration to coffee klatches, which "might affect the outcome of a federal election" would also be covered by national campaign controls, effectively federalizing local elections.

All this is Big Brother writ large, a little bit of Leninism superimposed on modern America.

PAC-men

Finally comes the question of PACs. Let's be clear, we are not talking of legalizing illegal acts -- foreign contributions to political campaigns, solicitations from government offices, or making contributions in the name of another. We are considering whether people of similar beliefs -- union members or right-to-life advocates -- may contribute to a common organization to increase their political impact. Of course in the eyes of the reformers there are *good* PACs (Common Cause, the unions, and Emily's List), and *bad* PACs (the NRA, Christian right groups, and Big Business).

McCain-Feingold purports to outlaw them all. But under the independent expenditure sections of the bill a union, for example, can advertise and advocate anything it likes. If it spends $35 million as the AFL-CIO did in the 1996 Congressional elections, opposing candidates would be allowed to spend a like amount in addition to their legislated spending limit. Which is a loophole large enough to drive a Lippo through.

A better solution

So what is the answer to the dilemma of money and politics in the winter of our discontent? Disclosure -- full, accurate, daily disclosure.

The better course is to defeat McCain-Feingold, the electoral politics equivalent of Hillary Clinton's health care program. Then repeal the already arcane existing campaign spending rules (which encourage, for example, presidential campaign staffers to sleep across the river in Vermont to avoid their motel bills counting against New Hampshire spending limits), and take the pledge against price controls.

Then let the sunlight in. The quagmire we are in is the result of the post-Watergate campaign reforms. Is it likely that a new set of government regulations will be any better than the old set? Consider, for example, the Internal Revenue Code; is it fairer today than it was twenty years ago?

Instead of super-regulating an already over-regulated activity, require every campaign contribution, hard or soft, direct or indirect, to be reported daily to the Federal Election Commission by electronic means. If President Clinton's campaign wants to take $50,000 from John Huang, it can. If the Democratic National Committee wants to accept $300,000

**checks from federal employee unions, or the Republican National Committee from the Phillip Morris PAC or Archer-Daniels-Midland, that's O.K. too. But it will be reported in the morning paper. And the people will decide if it is wrong.**

**What do you suppose the voters would have decided if what we now know of Al Gore's solicitations from the White House, the Chinese connection, and the cost of nights in the Lincoln bedroom had been reported nightly on the evening news in the last two weeks before the election? A well-informed electorate will safeguard American campaigns far better than any appointed group of the best and brightest Washington regulators.**

**As for McCain-Feingold, Diocletian, Lenin and Richard Nixon would be proud. Undaunted by forty centuries of failure, the Senators know in their hearts that *this* time, price controls can be made to work.**

***Pete du Pont is the editor of IntellectualCapital.com. He is a former Republican Governor of Delaware.***

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**What do you think about du Pont's full disclosure proposal? Do you have a better suggestion for campaign finance reform? Let us know. Join the ensuing discussion.**

[SUBMIT RESPONSE]

**03/20/97 B. Dan Wood bdanwood@polisci.tamu.edu**
**I like the idea of daily disclosure. However, why target the rhetoric in this piece only at the president and Democratic National Committee. Republicans raise on average 50 percent more money from "soft money" sources than do Democrats. Does this "soft money" buy influence from Republican members of Congress? Furthermore, will disclosure be as effective with respect to members of Congress as it might be with respect to a highly visible presidential campaign. Full disclosure is in fact already the law; the problem is that the task is so massive it takes months for the information to become available to the public. The bottom line is that our public offices should not be for sale to the highest bidder, especially when those bidders come from outside the representative's jurisdiction. It may be free speech to contribute, but it is also subversive of democratic representation when contributors outside a House member's district are able to turn the member's vote in directions inconsistent with the constituency. This is wrong and should be prohibited through law and, yes, regulation. There are many other instances when the Supreme Court weighed the rights of the individual against some over-riding public interest. This is one of those instances in which the right of free speech should be limited because of the citizen's right to fair and consistent democratic representation.**

**03/20/97 Todd Sax todd.sax@trw.com**
**One question: You argue that a well-informed electorate would be willing to sort through morning papers in order to determine whether or not there are ethical improprieties involving the acceptance of certain donations. You also imply that television (or other I imagine) would report these types of issues. The question is, given the widespread distrust of the media at large and the greater disgust of all politicians by nearly all Americans, do you believe that citizens would pay attention to this. We seem to be in a situation currently where there are obvious ethical lapses by the current administration, and polls haven't dropped significantly, from what I understand. It seems to me that we're all sort of fed-up with**

**the influence of money in politics, and the greater fact that politicians don't seem to take responsibility for their actions regarding the way campaigns are financed or the way our govnernment spends money. The point is, we as citizens already know that politicians are corrupt, because the campaign finance system corrupts even the most ethical.**

03/20/97 Ed Zuckerman EdZuck@ix.netcom.com
**Pete: You're right. You will definitely enjoy reading "McCain-Feingold and the kid in the bleachers" which critiques their legislation. The text can be found at http://www.pflr.com (the homepage of The Political Finance & Lobby Reporter). M-F would allow a New Jersey senatorial candidate to spend about $1 million more on his or her campaign than can a candidate in New York, even though New York has more than twice as many voting age residents. Another anomoly, the $5.5 million which can be spent in a California general election campaign works out to only 24.1 cents per voter (Calif. has 22.8 million VAP) while a candidate in Wyoming with a $950,000 limit can spend $2.76 per voter (Wyoming as 344,000 VAP). M-F thinks it is upholding democratic principles by allowing Wyoming candidates to spend at a rate that is 11.6 times greater than can a California candidate. Also, did you know that the $950,000 minimum applies to 17 states, creating 34 cheap seats in the Senate? Roger Witten, who represents Common Cause in all of its lawsuits and FEC rulemaking petitions and complaints, was the top political donor among members of his law firm, Wilmer Cutler & Pickering.**

03/20/97 Jim Flaherty jflahert@trinity.edu
**Comparing Campaign Finance "reform" to price controls on mere products simply does not do justice to the foolishness of the idea. No cash, no limits, full disclosure.**

03/21/97 Tytus D. Suski Tytus.D.Suski@iwr.uni-heidelberg.de
**Very strong points except one: voters from e.g. Florida should really not interfere with the Senate elections in any other state. If the legislature decided that votes for Senate should be separate than let it be so with full consequences. Would the people from the smallest state in the US find it right if the voters from the biggest one came and bought the elections? I doubt it.**

03/21/97 Bert Winther-Tamaki dewinthe@uci.edu
**The use of history in Dupont's article is hyperbole. Wealthy individuals and corporations should not be allowed to pour endless dollars into politics. Limit the amount that any single person or corporation can use to 'buy' a candidate!**

03/21/97 Pete du Pont, Editor
**Dan Wood's comments immediately following my column deserve some thought. Many people seem to agree with his idea that only residents in a district should be able to contribute to a candidate's campaign. Yet Congressmen and senators vote for the nation. As a member of Congress I voted on parks in Alaska, defense bases in California, and fishing and oil exploration rights off the coast of Massachusetts. So why should not people impacted by my votes be able to contribute for or against me? My vote counts the same as their representatives, and they should be able to exercise their free speech rights in my district too.**

03/21/97 Pete du Pont, Editor
**To Todd Sax-- I think the internet will help citizens get information too. Look at the Zuckerman response above-- his data added to the debate some interesting data that I was not aware of. As for the public not caring, I'm not so sure. See my IC column of 10/24/96 (you can use the search engine in the IC Archives section). It closed with a quote from a seventeenth century philosopher: "the mills of God grind slowly, yet they grind exceedingly small."**

03/21/97 Cinzia Croce CroceMorua@msn.com
**A few days ago I watched a news conference held by Sen. McConnell and several groups opposed to McCain-Feingold. At one point Sen. McConnell asked the reporters to raise their hand if they read Buckley v. Valeo. Out 20-30 reporters perhaps five raised their hand. This is what really**

**concerns me. How can we possibly reform the system when the very people who are driving the debate are ignorant and lazy? Anyone who reads the Buckley decision would not waste their time supporting McCain-Feingold since it is clearly unconstitutional. Good reforms will be very difficult to achieve as long as the debate is based on false premises such as "there's too much money in politics". Last year approximately 800 millions were spent marketing bubble gum and nearly 900 millions were spent electing a Congress and President. Is there really too much money in politics?! Unfortunately, I see no willingness on the part of the media to do their homework before going on the air, or print. They prefer relying on false premises, old stand-bys such as "special interest money", instead of pursuing an informed debate which would lead to sound reforms.**

03/21/97 David Hencke DHencke@aol.com
**In the final analysis, "campaign finance reform" remains an "issue" to which the voting public responds. Americans are fundamentally biased toward "fairness". As a concept, "fairness" goes a long way-given the oppotunity [based on a sample of 2200 Ohio voters I conducted for a client]most Americans would LIKE a level playing field. At the same time, they do no want government to regulate speech. The compromise [without amending the "Bill of Rights", seems to me to be provision of incentives to limit spenfing and fund raising. These might involve [actually likely will] some public funding of election campaigns [and, you Pete did accept matching funds]in which candidates submit, on a voluntary basis, to spending limits**

03/22/97 Jesse Cole jesscolemont717@pol.net
**To a great extent, the debate on campaign finance reform misses the point. The reason so much money flows to Washington is because too much power has been ceded to the Federal Government. I would propose a different solution. Why should campaign money be exempt from taxation? I propose that the parties and campaigns be taxed on their revenues, like any other business. Donations from individuals, or less that 100 dollars, could be exempt. Large donations would be taxed at a "progressive" higher rate for fairness. Create a complicated bureaucracy? Not at all. The IRS could write the regulations and be responsible for collecting taxes and applying penalties for violating the rules. The burden of running for office would be placed where it belongs, and not saddled on the backs of private business in the form of requiring mandatory free air time. The current Congress and President seem to believe that taxes are not high enough and the people should be happy to pay more for such a splendid government. In their mind, taxes are but a small price to pay. I say, what's good enough for us is good enough for them.**

03/22/97 george holcomb holcomb@bridge.net
**Dupont ideas superb. Up with full disclosure. Down with price controls. Could should Congress reduce time for campaigning by barring any primaries before one month prior to political party conventions? England does well with only a few weeks of campaign time.**

03/22/97 Steve Bryant okstate.edu
**Why do we need to let political office holders or those opposing them spend any moeny on campaign? This may sound odd, but they really don't have to. It would be well worth a little tax payer money to form a flyer giving every candidate ample space to write on themselves and other canndidates telling why we should vote for them and the other guy. You could structure the pamphlet so that candidates must deal with the issues or be clear in their avoidance of them. This does not mean do away with all other forms of information gathering (like debates) but do away with all advertising paid by those running for office. It would virutallu eliminate the act of 'buying' your way into office.**

03/23/97 Paul Feiner supervsr@cloud9.net
**Another option to campaign reform: require every elected official, at the time of their vote on any legislation, to publicly disclose whether they received a campaign contribution from anyone with an interest in the legislation being voted on. The public would be in a stronger position to determine if the lawmakers vote was influenced by the contribution. Paul Feiner, Greenburgh,NY Town Supervisor**

**03/24/97 Art Ayotte aayotte@nettally.com**
**The concept of unlimited political donations as being free speech is completely flawed. Unlimited and unequal donations are a LIMITATION on the free speech of those who can not afford to buy the candidates. The only method that will prevent the present type of prostitution is to limit the length of campaigns and to forbid all contributions from any person who is unable to cast his/her personal vote for a candidate. In other words, you would not be able to donate a dime to your own brother's campaign if you did not live in his district.**

**[SUBMIT RESPONSE]**

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# Campaign Reform Backers Seek Key Element: Outrage

■ Politics: Proponents find they must show voters how new contribution rules will affect their lives. Movement could otherwise falter.

By EDWIN CHEN, Times Staff Writer

PHILADELPHIA--"Where's the outrage?" Republican candidate Bob Dole demanded over and over again in the closing days of his presidential campaign, trying to exploit the unfolding campaign finance scandals involving the Clinton administration.

Five months later, amid escalating evidence of questionable fund-raising practices by both parties, that same question obsessed those promoting campaign finance reform as they launched a nationwide drive this week to gather signatures--and grass-roots support--for their uphill quest.

Judging from their maiden efforts in Boston on Tuesday and here on Wednesday, the movement may well follow Dole into political oblivion unless proponents can soon articulate a compelling vision of how the lives of average citizens might improve under a new set of election financing rules.

"People don't see the connection between campaign finance reform and their lives," rued former Sen. Bill Bradley (D-N.J.), the newly named head of Project Independence, a Common Cause-sponsored drive to gather 1,776,000 signatures in behalf of a campaign finance reform bill offered by Sens. John McCain (R-Ariz.) and Russell D. Feingold (D-Wis.).

Bradley's lament was confirmed during numerous interviews here and in Boston--even by citizens predisposed to reform.

A typical comment came from Mike Campbell, a San Francisco Bay-area researcher who paused with his wife outside Philadelphia's Independence Hall to observe the Wednesday pep rally promoting campaign finance reform.

"I think something needs to be done because things are getting a little out of control," Campbell said. But, he said before heading toward the Liberty Bell exhibit, campaign finance reform would "probably not" affect his life.

"No difference," agreed Jay Steinberg, a Philadelphia resident who stood on the fringe of a spartan crowd of perhaps 100 people--mostly local Common Cause members--while McCain and Feingold touted their quixotic effort to change election laws. "You'll have the same ol' people doing the same ol' things."

But Bradley, who campaigned in Boston on Tuesday, is trying out a message with a tried-and-true target--people's pocketbooks. Eradicating special-interest influence would stop the proliferation of tax loopholes, government subsidies and other sweetheart deals for major contributors--thus leading to lower taxes for most citizens, Bradley contended.

People like Campbell and Steinberg, however, were unconvinced by the latest messages being road-tested by reform advocates, whose two-city blitz included several appearances on local television shows and talk radio programs.

"Every time they try to make it better, they make it worse," Steinberg snapped.

"It's a hard thing to make that connection," Feingold acknowledged.

"We've got to do a better job," McCain concluded.

Their movement faces additional hurdles as well, for many citizens this week expressed considerable doubt about whether congressional incumbents would vote to alter a system that generally seems to benefit them. And such doubts, they said, make them less likely to bother joining the reform effort.

"It's all a diversionary thing--to keep from doing things that really need to be done, like balancing the budget," a retired woman, 62, who did not want her name used, said in Philadelphia. "Besides, [campaign finance reform] is never going to happen."

McCain and Feingold professed to be undaunted by such cynicism--or by the meager turnouts this week. A similar noontime event outside Boston's Faneuil Hall on Tuesday drew an equally thin crowd, also composed mostly of local Common Cause members.

But Ann McBride, the group's national president, said that the events were not intended to be rallies so much as news conferences designed to gain maximum local news coverage for Project Independence. She added that a series of public events in California is likely soon.

McBride said that 7,500 Common Cause volunteers across the country now are gathering signatures in the petition drive. The group also plans to hire 10 professional organizers to help generate grass-roots support, particularly in regions with members of Congress who may be potential converts to the cause.

To help Project Independence, President Clinton earlier this week issued a statement reiterating his support for the McCain-Feingold bill and urged "all citizens to join this effort." He said that the proposal "is real, it is fair, it is tough and it will curb the role of big money in our politics."

The bill would provide some free TV time as well as discounted postal and advertising rates for candidates who voluntarily agree to spending limits. It also would ban contributions by political action committees and abolish "soft money"--the virtually unregulated contributions to the political parties, typically from large corporations and labor unions, that often indirectly aid individual campaigns.

The bill's foes say that limits on campaign spending would violate the 1st Amendment's guarantee of free speech.

At every opportunity, McCain and Feingold are emphasizing their willingness to negotiate so long as their guiding principles--ending soft money and reducing campaign expenditures--are preserved.

"We're not going to let the perfect get in the way of the good," McCain said.

In their stops in the two cities they called "cradles" of American democracy, McCain and Feingold encountered some of the roughest going when they appeared on "Howie Carr Live," a Boston talk show.

Caller after caller seemed more interested in anything but campaign finance reform. One lambasted the media and academia, another urged that senators' wages be reduced to the average annual salaries in their states.

Such encounters left even some would-be reformers drained. "I think it's a longshot," Bradley conceded at one point.



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mendous speaker with an 'aw shucks' style -- the son of Congress." Luntz says that Kasich's wedding d "will prove an invaluable asset to Kasich's career, g his wife as a vivacious and winning personality, 'the ckie Kennedy'" (Pianin, W. POST, 3/24).

File under CFR McCain

KEMP: Arianna Huffington writes: "Yes, Jack Kemp is running president. Indeed, in all polls taken for the year 2000, he the clear Republican front-runner. (Colin Powell beats him, but Powell is only slightly more likely to run than Santa Claus). ... Kemp has been blessed with just about everything a candidate can hope for. But this will be for naught without a compelling message that resonates with the spirit of the times. What are the chances that Kemp will ... find that message? About as good as the chances of his beloved Buffalo Bills winning the Super Bowl. But then, miracles do happen" (L.A. TIMES, 3/25).

McCAIN: Sen. John McCain (R-AZ) "is doing what political leaders often do when their pet projects are in doubt: He's leaving Washington." He is hoping that rallies in Boston and Philly, with ex-Sen. Bill Bradley and Common Cause pres. Ann McBride, "can turn up the heat on his colleagues" to back his campaign finance reform bill. "The McCain road show, a campaign in itself" signals the start of a "nationwide drive to collect 1,776,000 citizen signatures in support of passing the legislation by the Fourth of July" (Barker, AZ REPUBLIC, 3/24).

PATAKI: Gov. George Pataki (R-NY) spent last weekend raising money in TN, AL, MS and LA. One NY GOP "operative" said Pataki's trips were aimed at "boosting" his "national standing prior to the presidential campaign." NY GOP chair William Powers said the trip was about raising money for the '98 gov. race, but a d that "anybody who is governor of the state of New York is somebody who should be looked at nationally." Pataki "has tended to downplay talk of national ambition," but "there is no doubt he is an ambitious politician who has used political office as a stepping stone" (AP/BOSTON GLOBE, 3/22). Family Research Council's Gary Bauer says, "A Pataki type of Republican may in fact be exactly the right kind of candidate for Governor of New York. ... but to run for a national campaign the ... profile would have to be different." But Pataki "has failed to engage his own legislature or to attempt to educate New Yorkers about bold solutions. He certainly does not go as far as his putative hero, Barry Goldwater, in attacking Rockefeller Republicanism. President Pataki? Ptooey" (Carolan/Keating, NATIONAL REVIEW, 4/7 issue).

IOWA ROUNDUP: Gephardt, VP Gore, Forbes and Kemp are all expected in IA in the near future. Dan Quayle has already met with IA "activists" to discuss a possible 2000 bid (AP, 3/24).

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