

IG 1 MARKUP OF S. 223, SENATE CAMPAIGN

2 DISCLOSURE PARITY ACT

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4 WEDNESDAY, MARCH 28, 2007

5 United States Senate,
6 Committee on Rules and Administration,
7 Washington, D.C.

8 The Committee met, pursuant to notice, at 10:09 a.m.,
9 in Room SR-301, Russell Senate Office Building, Hon. Dianne
10 Feinstein, Chairman of the Committee, presiding.

11 Present: Senators Feinstein, Byrd, Inouye, Dodd,
12 Schumer, Durbin, Nelson, Murray, Pryor, Bennett, Stevens,
13 Cochran, Hutchison, and Chambliss.

14 Staff Present: Howard Gantman, Staff Director;
15 Jennifer Griffith; Veronica Gillespie, Elections Counsel;
16 Adam Ambrogi, Counsel; Matthew McGowan, Professional Staff;
17 Sue Wright, Chief Clerk; Mary Jones, Republican Staff
18 Director; Matthew Petersen, Republican Chief Counsel; Shaun
19 Parkin, Republican Deputy Staff Director; Michael Merrell,
20 Republican Counsel; Trish Kent, Republican Professional
21 Staff; and Rachel Creviston, Republican Professional Staff.

22 Chairman Feinstein. The meeting will come to order.

23 We have seven members, so we can begin the meeting,
24 have the opening statements, which will be quick, and a
25 small amendment to the bill. And unless we have ten

1 members, we will have a vote in the President's Room off the
2 floor after the first vote. And we will have that vote on
3 the bill proper. I will proceed.

4 OPENING STATEMENT OF CHAIRMAN FEINSTEIN

5 Chairman Feinstein. The bill before us, S. 223,
6 sponsored by Senators Feingold and Cochran, and cosponsored
7 by 30 other Senators, would require that the Senate campaign
8 finance reports be filed electronically rather than in paper
9 format. Currently, House candidates, Presidential
10 candidates, political action committees, and party
11 committees are all required to file electronically, but
12 Senators, Senate candidates, and party committees are
13 exempt.

14 As a result, we have a cumbersome system in which paper
15 copies of disclosure reports are filed with the Senate
16 Office of Public Records, which scans them to make an
17 electronic copy and sends the copy to the FEC on a dedicated
18 communications line. The FEC then prints the report and
19 sends it to a vendor in Fredericksburg, Virginia, where the
20 information is keyed in by hand and then transferred back to
21 the FEC database, at a cost of approximately \$250,000
22 annually to taxpayers. Frankly, this makes little sense.

23 At our hearing on March 14th, it was clear that there
24 is no public opposition to this proposal. Nevertheless, it
25 has been very difficult to get it enacted. That is why I

1 have urged all members of this Committee to refrain from
2 holding this bill hostage over other campaign finance
3 battles that have been going on for years.

4 This is exactly the type of good government law that
5 the Senate could adopt by unanimous consent as a stand-alone
6 measure, and I hope we can move the legislation without
7 burdening it with extraneous items that will hold up
8 passage.

9 Senator Bennett has informed me that he has very
10 graciously--and I am very appreciative of it--decided that
11 he will not move his amendment, and I have agreed to hold a
12 hearing in the near future, in the next 3 months, on his
13 bill. And I will do so, and I want the Senator to know how
14 much I appreciate that. It makes this bill possible for
15 passage.

16 Now, based on information presented by the Secretary of
17 the Senate at our hearing, I do have one technical
18 amendment, and I will move that amendment after the Ranking
19 Member's statement. That amendment would modify the
20 effective date of the bill from the date of enactment,
21 change the language to "periods beginning on or after
22 January 1, 2008."

23 The reason for this amendment is to facilitate the
24 implementation phase of the law. This effective date will
25 ensure that all disclosure documents and reports filed by

1 all Senate candidates and committees are covered in 2008.
2 It is supported by the authors of the bill, and at the
3 appropriate time I will urge the Committee just to add it to
4 this bill, so we will vote on it after the first vote as
5 well.

6 And now if I may turn to the distinguished Ranking
7 Member and once again thank him for his very--well, he is
8 always cooperative--for his usual cooperation. Thank you.

9 OPENING STATEMENT OF SENATOR BENNETT

10 Senator Bennett. And thank you, Madam Chairman. I
11 appreciate that. I do hope we do not take a full 3 months.
12 I hope we can find some time within 3 weeks or so to have
13 the hearing. I recognize you have pressures, but I would
14 like to have the hearing while this issue remains somewhat
15 current.

16 I must confess this has been a very interesting
17 experience for me to announce my intention to move an
18 amendment and immediately become the target of all kinds of
19 attacks. And I will save my description of this for the
20 time when we do have the hearing, but I want to just focus
21 on one particular area that demonstrates what has happened.

22 The Washington Post on the 3rd of November 2006 wrote
23 an editorial in which they said, and I quote, "The 2006
24 campaign has pointed up one particularly ridiculous aspect
25 of campaign finance law that ought to be fixed before 2008.

1 The rules limit how much political parties can spend on
2 candidates in consultation with them, but allow parties to
3 spend unlimited amounts on behalf of candidates so long as
4 they act `independently.' There is no good reason to force
5 the political parties to engage in this charade of setting
6 up independent groups. There is every reason to set up a
7 system that requires those who underwrite ads to take
8 responsibility for them."

9 That is the statement of the Washington Post in
10 November.

11 Today, when I have taken the Washington Post at their
12 word and tried to move to reduce this "ridiculous aspect" of
13 campaign finance reform, their language, they say, "Enter
14 Senator Bob Bennett to gum up the wheels. He has proposed
15 an amendment that would do away with limits on how much
16 parties can spend in coordination with their candidates. He
17 maintains that his proposal will increase the transparency
18 of the underlying legislation, but it's clear that the best
19 and probably only chance for this proposal is if the
20 Committee approves a clean, unadulterated bill."

21 I am not trying to gum up the works. I am not trying
22 to sneak anything by anybody. I am trying to clean up a
23 particularly ridiculous aspect of campaign finance law to
24 which, as far as I can tell, there is no objection. The
25 Chairman has appropriately pointed out there is no objection

1 to the underlying bill, and it seemed to me logical, if we
2 were passing one non-objectionable bill with respect to
3 campaign finance reform, we might as well do two at the same
4 time. But I have been attacked as trying to put a poison
5 pill on this bill. I have been attacked by the Post as
6 trying to gum up the works.

7 I have wondered, mused aloud, would they have had the
8 same reaction if it had been a Democrat who was taking the
9 advice of the Washington Post? Maybe this atmosphere has
10 been so poisoned by the rhetoric that the assumption is that
11 when a Republican tries to clean up the bills, there is some
12 nefarious goal behind it.

13 Well, Madam Chairman, to make it clear that there is no
14 nefarious goal behind my actions, I have, as you have
15 reported, agreed not to introduce this amendment. I will
16 put it forward as a free-standing bill, and I do ask that
17 you expedite hearings on it so that those who have announced
18 their support for my amendment in the past and then now in
19 this atmosphere attacked me for offering it can have an
20 opportunity to come before this Committee and explain to me
21 the illogical switch of positions that they have had.

22 I thank you for your courtesy, and I will look forward
23 to the hearings, and I would ask that I be added as an
24 original cosponsor to the underlying bill to make it clear
25 that I never, ever have had any attempt--I am just trying to

1 do a little good government around here, but the Post seems
2 to object.

3 Chairman Feinstein. Without objection, you will be
4 added as a cosponsor of the underlying bill. I thank you
5 for those comments.

6 I notice that Senator Stevens has his light on.
7 Senator, do you wish to make some comment?

8 Senator Stevens. Well, Madam Chairman, I wasn't at the
9 hearings, but I wonder if the question of the 527s was
10 raised at the hearings.

11 Chairman Feinstein. No, sir. This was just on the
12 electronic filing of FEC statements.

13 Senator Stevens. They do not file at all.

14 Chairman Feinstein. But--

15 Senator Stevens. I just wonder about the concept of
16 saying we are cleaning up the election law, and we do not
17 cover the one area that is really the most blatant of all
18 political expenditures today in the 527s.

19 Chairman Feinstein. Well, if I might respond, you have
20 never heard me say we are cleaning up election law. All
21 this does is facilitate and mandate the electronic filing of
22 FEC reports by United States Senators and Senate candidates.
23 That is all. It is a small bill, and that is the reason we
24 hoped it would pass in a clean form.

25 Senator Bennett's amendment does, in fact, have

1 opposition on this side. It would not survive a hotline.
2 So the only way to get it passed was just as a simple bill
3 to correct, I think many of us believe, a deficiency. And I
4 have agreed to give Senator Bennett the hearing. We will
5 try to do it in the month of April, and we will have, I am
6 sure, further hearings on the subject involving 527 reform
7 as well.

8 Is there anyone on this--

9 Senator Stevens. Are we going to schedule hearings on
10 527s?

11 Chairman Feinstein. Let's see. I have the hearing
12 schedule here, which I just saw this morning.

13 On May 9th, there is a hearing on 527 reform, and I
14 would be happy to--we should distribute a copy of the
15 schedule to every member before they leave, if you would do
16 that, please.

17 Is there any member on this side that wishes to make a
18 comment? Senator Nelson?

19 Senator Nelson. Madam Chairman, I would like to be
20 added as an original cosponsor to the underlying legislation
21 as well.

22 Chairman Feinstein. So ordered.

23 Senator Stevens. Could I ask another question?

24 Chairman Feinstein. Of course.

25 Senator Stevens. What does this accomplish?

1 Currently, all the candidates do file their disclosures.
2 They file them in the old form, in paper form. Is that
3 right?

4 Chairman Feinstein. That is correct. The first thing
5 it does, it saves \$250,000 of cost and a very cumbersome
6 filing routine, which I went through in my opening remarks.
7 It simply means that all members will file electronically.
8 The report will go to the Secretary of the Senate, and the
9 Secretary of the Senate testified at our hearing, and she
10 will then process them on to the FEC.

11 I explored with Senator Byrd whether we could eliminate
12 even that step, eliminate the Secretary of the Senate, and
13 Senator Byrd felt strongly it was a Senate prerogative.

14 So, again, in the interest of just getting this done,
15 the bill is the way it is.

16 Senator Hutchison?

17 Senator Stevens. Well, I am going to reserve judgment.

18 Chairman Feinstein. All right. Senator Hutchison?

19 Senator Hutchison. Yes, Madam Chairman. This is a
20 difficult situation because there are so few bills that you
21 have as a vehicle to try to change things that you think are
22 really bad, and I think taking parties out of the electoral
23 process has had a terrible effect on elections in this
24 country because parties are transparent and there are
25 standards.

1 So I think it was quite right for Senator Bennett to
2 say that he was going to offer an amendment on a vehicle
3 that would amend election reform. I am already a sponsor of
4 this bill. I think it is the right thing to do to require
5 electronic filing. But I would hope that the Chair would
6 keep in mind that we cannot just for the whole 2-year period
7 let the bills that are unanimous on the Democratic side go
8 through with no amendments and not have the opportunity to
9 hash out differences and have vehicles for amendments to
10 what many people think are egregious results of campaign
11 finance reform, such as taking the parties out of the
12 process.

13 So I have always known you, Madam Chairman, to be a
14 fair arbiter, but I am concerned that if we do not have
15 vehicles, it is going to be hard to do this again.

16 Chairman Feinstein. Perhaps it might be useful then--I
17 appreciate what you say. Let me quickly just go over the
18 schedule, and it is being duplicated and everyone will have
19 it.

20 On April 11th, there is a Smithsonian Institution
21 oversight hearing. We are the oversight Committee.

22 On April 18th, there is a hearing on electronic voting
23 reform bills, and that will have a Chairman's mark. At that
24 time it would be my intention to add Senator Bennett's
25 legislation to that hearing.

1 Then April 25th, there is a hearing on asbestos
2 contamination in the Capitol.

3 May 2nd, a markup of the electronic voting reform bill.
4 That is an opportunity.

5 Then May 9th, a hearing on 527 reform.

6 May 16th, a hearing on voter registration problems,
7 voter database errors, election fraud, deceptive campaign
8 practices.

9 May 23rd, a hearing on FEC nominations. Four are
10 pending.

11 And June 13th, Election Assistance Commission oversight
12 hearing.

13 And June 27th, a hearing on campaign public financing--
14 that is the Durbin bill--and the high cost of TV campaign
15 ads.

16 So there are at least two to three other vehicles
17 possible in the next 6 months.

18 Senator Hutchison. I really appreciate that you have
19 said that, and I think having the hearings and then allowing
20 markups and then let the bills either pass or not pass is
21 the right way to go, and I appreciate what you have said.

22 Thank you.

23 Chairman Feinstein. Thanks very much, Senator.

24 Is there objection to the technical modification?

25 [No response.]

1 Chairman Feinstein. If not, it is so ordered, and the
2 next vote will be following the first vote on the floor in
3 the President's Room.

4 Thank you very much, and the hearing is adjourned.

5 [Whereupon, at 10:24 a.m., the Committee was adjourned
6 and reconvened at 12:30 p.m. in S-216 this same day.]

7 Chairman Feinstein. Okay. I will entertain a motion
8 for passage of S. 223.

9 Senator Bennett. So moved.

10 Chairman Feinstein. All those in favor, please say
11 aye?

12 [A chorus of ayes.]

13 Chairman Feinstein. Opposed?

14 [No response.]

15 Chairman Feinstein. The motion is carried.

16 The meeting is adjourned. Thank you very much.

17 [Whereupon, at 12:31 p.m., the Committee was
18 adjourned.]