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U.S. Senate Passes Comprehensive Lobbying and Ethics Reform Bill

Washington, DC – The U.S. Senate today approved a comprehensive ethics and lobbying reform bill, the Honest Leadership and Open Government Act, by a vote of 83-14.

Among its many provisions, the bill will slow the revolving door between Congress and the lobbying world, require disclosure of lobbyists who bundle campaign contributions, and increase transparency in the legislative process by requiring earmark transparency and preventing new earmarks from being added in the dead of night. (A summary of the bill can be found at the end of this press release.)

Earlier today, Senator Dianne Feinstein (D-Calif.), Chairman of the Senate Rules and Administration Committee, delivered remarks in support of the bill.

The following are Senator Feinstein's remarks as delivered on the Senate floor:

"Mr. President, I rise today to urge the Senate to invoke cloture on this bill, S. 1, the Honest Leadership and Open Government Act.

In the last election, the message was loud and clear: It is time to change the way business is done in the Nation's Capital. In response, what is before us this morning is the single most sweeping congressional reform bill since Watergate. I support its passage, and I support its passage despite the fact that I do not like everything that is in this bill. It is a strong bill. I am sure it is too strong for some, and it is too weak for others, but, like all final legislation, it is, in effect, to some degree a compromise.

On Tuesday, by a 411-to-8 strongly bipartisan vote, the House passed this legislation, and now it is the Senate's turn. It would be a serious mistake if we do not step up to the plate and demonstrate to the American people that we have heard their message.

As I say, the bill is not perfect. There have been some complaints by the minority party about the process used to bring this bill to the floor, and I wish to begin by addressing that issue.

Last January, the Senate passed S. 1 by a 96-to-2 vote. On May 24, the House passed companion legislation by a 386-to-22 margin. Those were strong bipartisan votes. But when the majority leader sought unanimous consent to name conferees, one member of the minority party objected, and he held fast to his objections, preventing the establishment of a conference committee where Members could have sat down in the light of day and negotiated Member to Member the differences between the two bills. Clearly, that wasn't able to take place.

With few other options available, the majority leader and the Speaker of the House sought consensus on a bill that could be taken up by both Houses, and that consensus bill is what we have before us today.

It may not be every person's wish, and as chairman of the Rules Committee, I commit right now to keep these items on the front burner, and should changes be necessitated, I would be very happy to entertain them. Though I cannot speak for my counterpart, the distinguished ranking member, Senator Bennett, I believe he would also.

But today, let me say this: I believe this is a good bill -- not a perfect bill but a good bill. Its passage today is the most direct action we can take to show the American people that, yes, we want to curb the influence of lobbyists and we want to restore the public trust on how we operate as Senators and Members of the House of Representatives.

In recent years, there has been an explosive growth in the number of registered lobbyists in Washington from 16,342 in 2000 to 34,785 in 2005. So in 5 years, the numbers of lobbyists have doubled, and, according to all reports, the numbers keep growing.

One of the most critical provisions of this bill will now shine new light on the role lobbyists play in political campaigns by requiring the disclosure of funds they bundle on behalf of Members, PACs, and party committees.

It will also require that lobbyists disclose all their campaign contributions as well as payments to Presidential libraries, inaugural committees, or entities controlled by, named, or honoring Members of Congress, and it requires lobbyists to file electronic reports quarterly on their lobbying activity, with these reports becoming available on a searchable public database. The bill also increases civil penalties from $50,000 to $200,000 and establishes a criminal penalty of up to 5 years for those lobbyists who knowingly and corruptly fail to comply with these new requirements.

There has been increasing concern about former members of the administration, former lawmakers, and their staff gaining undue access as lobbyists because of the relationships they

have made while working for the Government. This bill seeks to address those concerns by increasing the length of time, the so-called cooling-off period, for Senators. Currently, Senators are barred from lobbying Congress for 1 year. With passage of this bill, that would be extended to 2 years.

Cabinet Secretaries and other very senior executive personnel would be prohibited from lobbying the department or agency in which they worked for 2 years after they leave their position. In other words, they cannot lobby the department from which they left for 2 years. That is an increase from 1 to 2 years.

Senior Senate staff and Senate officers would be barred from lobbying the entire Senate for 1 year, instead of just their former employing office. That would be the whole Senate, not just their office.

There has been a lot of talk also about the K Street Project in which lobbyist firms, trade associations, and other business groups were told by former House majority leader Tom Delay and others that they would encounter a closed door in Congress unless they hired members of the then majority party. This bill seeks to end that practice by prohibiting Members of Congress and their staff from influencing hiring decisions of any private organization on the sole basis of partisan political gain, and it carries with it a fine and imprisonment of up to 15 years for violations. That is a stiff penalty, but hopefully it sends a stiff and strong signal that such practices will not be tolerated in the future.

Another issue that recently came to light is that Members of Congress convicted of bribery, perjury, conspiracy, and other related crimes can still receive their congressional pensions. I did not know this. Probably you didn't know this, Mr. President. But, fortunately, this bill ends that practice.

S. 1 also contains a number of major reforms to Senate rules, and I will highlight a few of the most important procedural reforms.

Section 511 amends rule XXVIII to subject "dead of night" additions to conference reports, when the new matter was not approved by either House, to a 60-vote point of order. This is a very important change in the rules, and it has been the bane of many our existence for a long period of time. You go through the process, and then after the process is concluded, in the dead of night, something is stuck into a conference bill. This practice will end.

Currently, when an out-of-scope provision is added to a conference report, we can object, but the objection brings down the whole bill. The reform in this bill will allow a Member to object to just the added provision. I first proposed this provision in the last Congress and worked closely with Senator Lott on its development. I am very happy that it is included in the final bill.

Section 512 ends secret Senate holds by requiring the Senator placing a hold on a legislative matter or nomination to publicly disclose that hold within 6 days. This, too, is an important reform. We all know about anonymous holds. We all know what it takes to discover who actually has the hold. It is time those Members who seek to hold up legislation come forward and disclose who they are and why. We do not prohibit their ability to exercise this senatorial prerogative, but we do require that they be transparent and, therefore, public about it.

Section 513 requires that Senate committees and subcommittees post video recordings, audio recordings, or transcripts of all public meetings on the Internet.

A great deal of attention has been given to the dramatic escalation in the number of earmarks awarded by Congress, and I wish to spend a couple of minutes on the earmark provisions.

According to a survey of the Congressional Research Service, CRS, the number of earmarks has skyrocketed from 6,114 to 13,012 in 2006. So in 6 years, the number of earmarks has more than doubled. Henceforth, earmarks which are in effect congressional additions to spending cannot be made in the dark of night but only in the full light of transparent disclosure. That is a big change.

This bill would require that the sponsor or the requester of each and every earmark be publicly identified, and because there is often disagreement about what does and does not constitute an earmark, the bill provides for the first time in Senate rules a definition that does not restrict the disclosure requirement to only appropriations bills. You and I, Madam President, serve on the Appropriations Committee, but there are also these authorizations that, in effect, are requests for added spending.

This new rule XLIV requires that all congressionally directed spending items, limited tax benefits, and limited tariff benefits in bills, resolutions, conference reports, and managers' statements be identified and posted on the Internet at least 48 hours before Senate action. So 48 hours before a bill comes to the floor, all of these additions must be transparently available to the public. It requires for the first time that Senators certify that they and their immediate family will not have a direct pecuniary benefit from the earmark they request as defined by rule XXXVII.

Separately, rule XLIV also subjects new directed spending added to a conference report when the new spending was not approved by either House to a 60-vote point of order so that you, Madam President, I, Senator Grassley, or anyone else can come to the floor and raise a point of order to that congressional add-on, and then that would be subject to a 60-vote point of order. If a Senator objects to the earmark being dropped into the conference report, it then will most likely be stripped out unless 60 Senators vote to keep it in.

Committees would also be required, to the greatest extent practicable, to disclose in unclassified language the funding level and the name of the sponsor of congressionally directed spending included in classified portions of bills, joint resolutions, and conference reports. The chairman of each committee is responsible for certifying that the list of earmarks is correct and properly identified. So there is also a burden placed on the chair of every committee and subcommittee.

Let me speak for a moment about gift and travel reform. The Senate rules have also been reformed to curb the special access that special interests seek to gain by providing Members with gifts, meals, and tickets to entertainment and sports events.

This bill prohibits staff and Senators from accepting gifts from registered lobbyists or entities that employ them. The bill prohibits Senators from attending parties in their honor at national party conventions if they have been sponsored by lobbyists, unless the Senator is the party's Presidential or Vice Presidential nominee.

The bill amends rule XXXV by prohibiting Senators and their staff from accepting private travel from registered lobbyists or entities that hire them, and prohibiting lobbyists from organizing, arranging, requesting, or participating in travel by Senators or their staff. However, Senators and their staff, with preapproval from the Ethics Committee, will still be allowed to accept travel by entities that employ lobbyists if it is necessary to participate in a1-day meeting, a speaking engagement, a fact-finding trip, or similar event. And Senators and their staff can still accept travel provided by 501(c)(3) organizations if the trip has been preapproved by the Ethics Committee.

Finally, Senators will be required to pay the fair market value -- that is, the charter rate -- for flights on private jets not operating or paid for by an air carrier that is certified by the FAA. Section 601 separately establishes the same requirement for Senate candidates and Presidential and Vice Presidential candidates. This, in itself, is a consequential reform and somewhat controversial.

Finally, before closing, I would like to thank the majority leader for his unyielding determination to bring this bill forward. Without his dogged determination, and that of the Speaker of the House, I don't believe this bill would be before us today, and both are to be commended.

The 2006 election saw the largest congressional shift since 1994, and even with the war in Iraq on many voters' minds, Americans remain seriously concerned about ethics in government. It is time we listen to their concerns. This bill attempts to do so.

It is not always easy, it is not going to please everybody, and as I said in the beginning, Members are either going to feel that this bill is too strong about this part or that part, or too weak about this part or that part. But let me just reinforce that this is a conference report. It is

not subject to amendment. It has been put together in an unusual procedure because of the objection from the other side to us going to conference, which would have been a far preferable method of handling this.

I once again repeat my commitment that as chairman of the Rules Committee, I will be happy to consider any amendments that the operation of this bill might indicate are warranted in the future.

I thank the Chair, and I yield the floor at this time."

Bill Summary

The following is a summary of the Honest Leadership and Open Government Act. The full bill text can be found at: http://democrats.senate.gov/journal/s1_sus_xml.pdf.

- **New transparency for lobbyist bundling and political campaign fund activity, as well as other financial contributions** – requires disclosure when lobbyists bundle campaign contributions for any federal elected official, candidate, leadership PAC or national political party; and requires lobbyists to detail their own campaign contributions, and payments to Presidential libraries, Inaugural Committees or entities controlled by or named for Members of Congress.

- **Greater transparency in earmarking and the legislative process** – requires that all earmarks included in bills and conference reports, and their sponsors, be identified on the Internet at least 48 hours before Senate votes; subjects "dead of night" additions to conference reports to a 60-vote point of order; requires Senators to certify that they and their immediate family members have no financial interest in the earmark; ends the practice of secret Senate holds; makes conference reports available for public review on the Internet 48 hours before the vote.

- **Lavish convention parties** – prohibits Members of Congress from attending national political convention parties held in their honor and paid for by lobbyists or their clients.

- **Ends K-Street Project** – Prohibits Members of Congress and their staff from attempting to influence employment decisions in exchange for political access.

- **A strong lobbyist gift ban** – prohibits lobbyists and their clients from giving gifts, including free meals and tickets, to Senators and their staffs.

- **Limits on privately funded travel** – bars lobbyists and their private-sector clients from paying for multi-day travel trips by Senators and their staffs.

- **Restrictions on corporate flights** – requires Senators, Senate candidates and Presidential candidates to pay charter rates for trips on private planes; bars House candidates from accepting trips on private planes.

- **Strong revolving doors restrictions** – prohibits Senators and their senior staff from gaining undue lobbying access by increasing the "cooling off" period for Senators from one to two years before they can lobby Congress; prohibits senior Senate staff from lobbying contacts with the entire Senate for one year, instead of just their former employing office.

- **Expands public disclosure of lobbyist activities** – requires lobbyists to file reports on their lobbying twice as often each year, and for the first time to file them electronically in a public, searchable database; and increases civil and criminal penalties for knowingly and corruptly violating lobbying disclosure rules.

- **Congressional Pension Accountability** – Denies Congressional retirement benefits to Members of Congress who are convicted of bribery, perjury and other similar crimes.

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