

PENCE PROPOSAL ALLOWS A SINGLE INDIVIDUAL TO CONTRIBUTE A
TOTAL OF THREE MILLION DOLLARS TO A PARTY AND ITS FEDERAL
CANDIDATES IN A TWO-YEAR ELECTION CYCLE

RETURNS CAMPAIGN LAWS TO PRE-WATERGATE DARK AGES

April 3, 2006

Dear Representative,

The House is scheduled to consider H.R. 513 this week, legislation sponsored by Representatives Chris Shays (R-CT) and Marty Meehan (D-MA) to require that 527 groups spending money to influence federal elections comply with federal campaign finance laws.

Our organizations support H.R. 513, which is necessary to prevent 527 political groups from spending unlimited soft money on campaign ads and partisan voter mobilizations efforts to influence federal elections.

The organizations include the Campaign Legal Center, Common Cause, Democracy 21, the League of Women Voters, Public Citizen and U.S. PIRG.

Under the bill, 527 political groups would be able to continue to undertake these activities, but would do so under the same set of campaign finance laws that apply to other political organizations whose main purpose is to spend money to influence federal elections.

There are published reports that a proposal by Representative Mike Pence (R-IN) may be offered as an amendment to H.R. 513 that would repeal the aggregate limit on the total amount an individual can give to all federal candidates and political parties in a two-year election cycle.

The Pence proposal, if passed, would be an extraordinary step into the past and would represent the greatest attack on, and gutting of, the campaign finance laws since the Watergate reforms were enacted in 1974.

The Pence proposal is a "poison pill" amendment if there ever was one.

The aggregate limit on individual giving was enacted in 1974 and is absolutely essential to protect against corruption in Congress. Repealing the aggregate contribution limit would allow the following maximum contributions to be made:

- Allow a single individual to contribute a total of more than \$3,000,000 to a political party and the party's congressional candidates to influence federal elections in a two-year election cycle;

- Allow a President, Senator or Representative to solicit a total of more than \$3,000,000 from a single individual for the officeholder's party and the party's congressional candidates in a two-year election cycle;
- Allow a President, Senator or Representative to solicit almost \$2 million from a single individual for contributions to the congressional candidates from the officeholder's party in a two-year election cycle;
- Allow a President, Senator or Representative to solicit more than \$1 million from a single individual to be spent by the officeholder's party to support the officeholder's election in a two-year election cycle.

These huge contributions, furthermore, could be made by a single check written to a joint fundraising committee for a party's national and state party committees, or to a joint fundraising committee for a party's congressional candidates. Enclosed is a fact sheet on the impact of the Pence proposal on the campaign finance laws.

Prohibiting such huge corrupting contributions to the parties and their candidates and prohibiting federal officeholders from soliciting such huge corrupting contributions is a fundamental goal of both the Federal Election Campaign Act of 1974 and the Bipartisan Campaign Reform Act of 2002.

Under the Pence bill, however, a Washington lobbyist, such as convicted criminal Jack Abramoff, or a defense contractor, such as convicted criminal Mitchell Wade of Representative Duke Cunningham infamy, could contribute millions of dollars to support members of Congress and their parties, while seeking favorable government treatment from these Members.

Under current law, an individual can give a total of \$61,400 to the political parties in a two-year cycle. Under the Pence bill, the individual could give almost twenty times as much, or a total of more than \$1 million, to the committees of a single political party in a two-year election cycle, or almost forty times as much, or more than \$2 million, to the committees of both political parties in a two-year election cycle.

Under current law, an individual can give a total of \$40,000 to all federal candidates in a two-year cycle. Under the Pence bill, the individual could give almost fifty times as much, or almost \$2 million, to all the congressional candidates of one party in a two-year cycle.

The Pence proposal would destroy the campaign finance laws and turn the system over to the millionaires and billionaires who can make these kinds of contributions.

We strongly support H.R. 513.

However, if the Pence “poison pill” proposal, or any variation of this effort to repeal the aggregate individual limit, is adopted, we strongly urge you to vote against final passage of H.R. 513.

Campaign Legal Center
Common Cause
Democracy 21

League of Women Voters
Public Citizen
U.S. PIRG