



Auto Safety Group • Congress Watch • Energy Program • Global Trade Watch • Health Research Group • Litigation Group

**Testimony of David Arkush, Director,
and Craig Holman, Ph.D., Government Affairs Lobbyist,
Public Citizen's Congress Watch division***

**Submitted to the Committee on House Administration
on the Subject of the Fair Elections Now Act (H.R. 1826)**

July 30, 2009

Chairman Brady and Ranking Member Lungren:

As the Congress addresses some of the nation's most pressing problems—financial regulation, health care and climate change—the House Committee on Administration has also appropriately decided to address an underlying systemic factor that intimately affects the policy outcomes on each of these major issues: *money in politics*.

Public Citizen is delighted that this committee recognizes that the problem of money in politics must be as high of a high priority for the Congress as it is for the American people. The American public is somewhat more hopeful now than it has been in many years that the federal government might begin to solve the nation's gravest problems. But the public is still very much worried that excessive money in politics, especially campaign contributions from the wealthy, will stymie congressional efforts.

The greatest single step that the 111th Congress could take toward ensuring that it advances the priorities of all Americans, not just wealthy special interests, is to pass the Fair Elections Now Act (H.R. 1826). This legislation would reduce the role of special interest money in elections by replacing it with a combination of small-donor contributions and public financing.

The Fair Elections Now Act (FENA) is the second part of a two-punch reform effort that began as early as 2006. The first part was the Honest Leadership and Open Government Act (HLOGA), which the 110th Congress adopted by an overwhelming, bipartisan vote. HLOGA implemented sweeping lobbying and ethics reforms, reining in undue influence-peddling through lobbyist-financed wining and dining and opening the books on the financial activities of lobbyists through real-time quarterly lobbying reports and disclosure of political contributions. Having achieved that great success, Congress is now turning to reforming the way in which campaign money influences government.

* Public Citizen is a national public interest organization with a long history of working in the interests of the American public through lobbying, litigation, regulatory oversight, research and public education.

The 111th Congress stands at the brink of fundamentally changing “politics as usual.” At least since the lobbyist corruption scandals in early 2006, Americans have demanded dramatic changes in Washington, greater transparency in government, and more accountability of money in politics. Many of these reforms have already been adopted. Now the most crucial reform – reducing the role of special interest money in campaigns – is before Congress.

Public Financing of Elections Enjoys a Long Tradition as a Mainstream Solution to the Problem of Money in Politics

Though adoption of the Fair Elections Now Act would be a landmark act, public financing of elections is anything but new and radical.

At least as early as the Progressive movement at the turn of the 20th century, efforts have been made to reform the way in which campaigns are financed, seeking to provide the resources necessary to wage competitive campaigns while reducing the troublesome sources and amounts of campaign money. One of the earliest reform proposals—mistakenly seen by many as a radical, new idea—is public financing of candidate campaigns. In its simplest form, public financing of candidate campaigns consists of providing qualified candidates with public funds to conduct their campaigns. The idea is to provide candidates with the means necessary to pay for campaign activity while easing their fundraising frenzy and lessening the perception that politicians are granting private favors in exchange for their campaign funds.

Money in politics cannot be avoided and should not necessarily be viewed as undesirable. Political campaigns are an effort to communicate messages about candidates and their issues, and to provide the public with some level of knowledge from which to make election decisions. All of these communications cost money—and a lot of it.

But private money can also undermine the integrity of elections and the broader political system. When fundraising becomes a major preoccupation of elected officials, our system of representative government is threatened at its core. From the perspective of elected officials, efforts to raise campaign funds can drastically diminish the time and attention to communicating with voters and even governing. The money chase also creates pressure to engage in ethical lapses, such as negotiating or compromising on public policy in ways that are not in the interest of voters, or worse yet trading favors for dollars. From the perspective of the electorate, excessive money in politics is perceived as corrupting to politicians, and this perception undermines public confidence in the democratic process with consequences just as grave as those of actual corruption.

The Time Has Come for Public Financing of Congressional Elections

The current economic crisis, the exorbitant cost of health care, and the looming climate disaster have made Americans more aware than ever of the pernicious grip of big money in politics. Americans have seen that large corporate interests—the health care industry, the oil and gas interests, the pharmaceutical lobby and more—wield an unacceptably strong influence over

policies in these critical areas. Even when campaign contributions only coincide with congressional votes, rather than actually influence those votes, the public perception is the same.

Against this backdrop, no one should be surprised that a recent poll showed enormous public support for removing special interest money from elections by funding them publicly. In the poll, conducted by Lake Research Partners and The Tarrance Group, 67 percent of those surveyed supported providing qualified candidates a limited amount of public funding if they agree to take no large contributions. Further, 81 percent believed that the way elections are financed should be changed. Support for reform is strong across the political spectrum. By wide margins, Democrats, Republicans, and independents all support freeing our elected officials from the special-interest money chase so that they can spend more time solving the nation's problems.

The Congress, too, is showing a great amount of enthusiasm for ending the money chase. The bipartisan Fair Elections Now Act is rapidly gaining support in the 111th Congress from a broad spectrum of congressional caucuses and leaders. The reform movement in Congress that first took hold in 2006 remains strong and committed today.

Voters have loudly demanded major changes in the way campaigns are financed, calling for an end to a system in which special-interest money overpowers citizen voices. New members of Congress and new leadership on Capitol Hill are striving to restore the public's faith in the federal government. Passing the Fair Elections Now Act is the perfect way to show the electorate that the 111th Congress is, indeed, serious about change.

Sincerely,



David Arkush,
Director
Public Citizen's Congress Watch



Craig Holman, Ph.D.
Government Affairs Lobbyist
Public Citizen