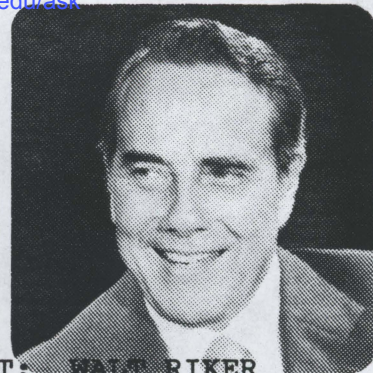


News from Senator

BOB DOLE



(R - Kansas) SH 141 Hart Building, Washington, D.C. 20510-1601
FOR IMMEDIATE RELEASE
MAY 1, 1990

CONTACT: ~~WALT RIKER~~
(202) 224-5358

DOLE INTRODUCES MAJOR

CAMPAIGN FINANCE REFORM BILL

HIGHLIGHTS:

- 1) BANS CONTRIBUTIONS BY ALL POLITICAL ACTION COMMITTEES, WHICH HAVE LAVISHED \$579,000,000 ON CONGRESSIONAL CANDIDATES IN THE PAST 12 YEARS!
- 2) BANS ALL "SOFT MONEY" EXPENDITURES BY CORPORATIONS, LABOR UNIONS, AND OTHER GROUPS.
- 3) SHARPLY LIMITS OUT-OF-STATE CAMPAIGN CONTRIBUTIONS.
- 4) REDUCES CAMPAIGN COSTS THROUGH BROADCAST DISCOUNT.

SENATE REPUBLICAN LEADER BOB DOLE (R-KS) TODAY MADE THE FOLLOWING STATEMENT AT A PRESS CONFERENCE TO UNVEIL THE REPUBLICAN CAMPAIGN FINANCE REFORM PACKAGE:

"TODAY, SENATE REPUBLICANS ARE UNVEILING AN HISTORIC AND CHALLENGING CAMPAIGN REFORM PACKAGE.

NOW, IT MAY BE TOO BOLD FOR SOME. TOO RADICAL FOR OTHERS. TOO THREATENING TO INCUMBENTS. TOO OFFENSIVE TO THE SPECIAL INTERESTS. BUT IF WE ARE SERIOUS ABOUT REFORMING CAMPAIGN SPENDING, WE CAN EITHER GET SERIOUS, OR CONTINUE TO MAKE SPEECHES AND PROTECT THE STATUS QUO ON CAPITOL HILL.

TODAY'S PROPOSAL SHOULD PUT TO REST ANY DISTORTIONS AND MISCONCEPTIONS THAT REPUBLICANS OPPOSE REFORM. WE ARE COMMITTED TO REFORM. AND WE WILL WORK TO MAKE IT HAPPEN.

WE CAN'T CRAFT A PIECE OF LEGISLATION IF WE'RE ONLY OUT TO PROTECT OURSELVES -- IF I HAVE TO SAY 'I CAN'T DO THIS BECAUSE BOB DOLE MIGHT BE AFFECTED.' WE NEED, IN EFFECT, TO RETURN THE PRIMARY ROLE FOR CAMPAIGN SUPPORT TO THE PEOPLE, NOT THE PAC MANAGERS.

I WILL CONTINUE TO WORK WITH SENATOR MITCHELL IN AN EFFORT TO FIND A BIPARTISAN CONSENSUS. IT IS MY HOPE THAT WE CAN ACCOMPLISH THAT GOAL THIS YEAR.

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May 1, 1990

**REPUBLICAN CAMPAIGN FINANCE REFORM INITIATIVE
OVERVIEW**

THE GOALS

1. REDUCE "SPECIAL INTEREST" INFLUENCE.
2. INCREASE COMPETITION IN POLITICS.
3. REDUCE CAMPAIGN COSTS.

THE PROPOSALS

1. ELIMINATE THE ROLE OF POLITICAL ACTION COMMITTEES IN FEDERAL ELECTIONS.
2. BAN "SOFT MONEY" EXPENDITURES BY CORPORATIONS, LABOR UNIONS, TRADE ASSOCIATIONS, AND TAX-EXEMPT ORGANIZATIONS. REQUIRE STATE AND FEDERAL PARTY COMMITTEES TO DISCLOSE AT THE FEDERAL LEVEL ALL CONTRIBUTIONS AND EXPENDITURES MADE ON BEHALF OF A FEDERAL CANDIDATE.
3. REDUCE LIMITS ON CAMPAIGN CONTRIBUTIONS BY NON-RESIDENTS. REDUCE FROM \$1,000 TO \$500 THE MAXIMUM ALLOWABLE CONTRIBUTION BY INDIVIDUALS RESIDING OUTSIDE OF A CANDIDATE'S HOME STATE.
4. CREATE A "SEED MONEY" MECHANISM FOR CONGRESSIONAL CHALLENGERS.
5. PROVIDE A MEANINGFUL BROADCAST DISCOUNT.

THE COMPREHENSIVE CAMPAIGN FINANCE REFORM ACT OF 1990

By Mr. McConnell (for himself, Mr. Dole, Mr. Packwood, Mr. Bond, Mr. Boschwitz, Mr. Burns, Mr. Chafee, Mr. Coats, Mr. Cochran, Mr. Domenici, Mr. Garn, Mr. Gorton, Mr. Gramm, Mr. Grassley, Mr. Hatch, Mr. Hatfield, Mr. Heinz, Mr. Jeffords, Mrs. Kassebaum, Mr. Lott, Mr. Lugar, Mr. Mack, Mr. McCain, Mr. McClure, Mr. Murkowski, Mr. Nickles, Mr. Roth, Mr. Simpson, Mr. Specter, Mr. Symms, Mr. Thurmond, Mr. Wallop, and Mr. Wilson)

SECTION-BY-SECTION SUMMARY

Section 1. Short Title.

This Act may be cited as "The Comprehensive Campaign Finance Reform Act of 1990".

TITLE I--REDUCTION OF SPECIAL INTEREST INFLUENCE

Subtitle A--Elimination of Political Action Committees From
Federal Election Activities

Section 101. Ban on Activities of Political Action Committees in
Federal Elections.

This section eliminates all "special interest" political action committees (corporate, union, and trade association PACs). This section also bans all non-connected or ideological PACs and all "leadership" PACs. [Note: if a ban on non-connected PACs is determined to be unconstitutional by the Supreme Court, the legislation will subject non-connected PACs to a \$1000 contribution limit.]

Subtitle B--Ban on Soft Money in Federal Elections

Section 111. Ban on Soft Money.

This section bans all "soft" money from being used to influence a federal election. "Soft" money is the raising and spending of political money outside of the source restrictions, contribution limits, and disclosure requirements of the Federal Election Campaign Act and its regulations.

Section 112. Restrictions on Party Committees.

This section establishes new rules for political party committees to ensure that "soft" money is not used to influence federal elections, including:

(1) the requirement that national, state and local political parties establish a separate account for activities benefiting federal candidates and a separate account for activities benefiting state candidates;

(2) the requirement of full disclosure of all accounts by any political party committee that maintains a federal account; and

(3) the establishment of minimum percentages of federal funds which must be used for any party building program (e.g. voter registration, get-out-the-vote, absentee ballot, ballot security) which benefits both federal and state candidates.

Section 113. Protections for Employees.

This section codifies the Supreme Court decision in Beck and provides certain rights for employees who are union members. [S. 1645 (McConnell); S. 1727 (Bush); House Republican Task Force]

Section 114. Restrictions on Soft Money Activities of Tax-Exempt Organizations.

This section prohibits tax-exempt, 501(c) organizations from engaging in any activity which attempts to influence a federal election on behalf of a specific candidate for public office. This section accomplishes this goal by extending to all 501(c) organizations the current prohibition on campaign activity which applies to 501(c)(3) charities. [Note: the effective date for this provision will be September 1, 1990.]

Section 115. Denial of Tax-exempt Status for Certain Politically Active Organizations.

This section restricts tax-exempt organizations from engaging in voter registration or GOTV activities (which are not candidate-specific) if a candidate or Member of Congress solicits money for the organization. [S. 2148 (McConnell)]

Section 116. Contributions to Certain Political Organizations Maintained by a Candidate.

This section restricts federal activities by state PACs created by Members of Congress [S. 2148 (McConnell)]

Subtitle C--Other Activities

Section 121. Modification of Contribution Limits on Individuals.

This section reduces from \$1000 to \$500 the maximum

allowable contribution by individuals residing outside of a candidate's state.

This section also indexes the individual contribution limit (\$1000 per election for in-state contributions or \$500 per election for out-of-state contributions) for Congressional candidates using the Consumer Price Index; adjustments would be rounded to the nearest \$100. [Mitchell/Dole Panel Recommendation (modified)]

Section 122. Political Parties.

This section exempts certain organizational activities (research, GOTV, voter registration) from coordinated or other limitations; requires disclosure and allocation for these activities; and retains the same coordinated expenditure limits for media expenditures. [Mitchell/Dole Panel Recommendation]

This section also exempts contributions to political parties from the \$25,000 annual limit. [Mitchell/Dole Panel Recommendation]

Section 123. Contributions Through Intermediaries and Conduits.

This section prohibits "bundling" by registered lobbyists, unions, trade associations, corporations, and other employers. Bundled contributions which are permitted must be made payable to the candidate and disclosed to the candidate and the Federal Election Commission. [Mitchell/Dole Panel Recommendation; S. 1727 (Bush)]

Section 124. Independent Expenditures.

This section requires all independently-financed political communications to disclose the person or organization financing it; requires that disclosure be complete and conspicuous; and requires timely notice to all candidates of the communications' placement and content. [S.7 (Dole-McConnell-Stevens); House Republican Task Force]

This section also defines "independent expenditure" to prohibit consultation with a candidate or his agents; requires the FEC to hold a hearing within 3 days of any formal complaint of collusion between an independent expenditure committee and a candidate. [S.7 (Dole-McConnell-Stevens); House Republican Task Force]

Finally, this section creates an expedited cause of action in federal courts for a candidate seeking relief from expenditures which are not "independent". [Mitchell/Dole Panel Recommendation]

TITLE II--INCREASE OF COMPETITION IN POLITICS

Section 201. Seed Money for Challengers.

This section permits political party committees to use a special coordinated expenditure fund to "match" early, in-state contributions by challengers to help begin a campaign. Party committee matching funds would be permitted to a maximum of \$100,000 for any House or Senate candidate who is a challenger. [Ornstein (modified)]

Section 202. Use of Campaign Funds.

This section prohibits Members from supplementing their official office accounts with campaign funds. [S. 1727 (Bush)]

Section 203. Candidate Expenditures From Personal Funds.

This section requires Congressional candidates to declare upon filing for an election whether they intend to spend or loan over \$250,000 in personal funds in the race; raise the individual contribution limit to \$5000 per election from \$1000 for all opponents of a candidate who declares such an intention. No limits would apply to individual contributions and expenditures by party committees if a candidate spends more than \$1 million in personal funds. [S. ___ (Domenici); S.7 (Dole-McConnell-Stevens)(modified)]

This section also prohibits candidates from recovering personal funds or loans used in their race from contributions raised after the election. [S.332 (McConnell)]

Section 204. Franked Communications.

This section prohibits franked "mass mailings" during the election year of a Member of Congress.

This section also requires more disclosure of the use of the frank for unsolicited mailings. [House Republican Task Force]

Section 205. Limitations on Gerrymandering.

This section requires new standards for Congressional reapportionment and redistricting, including the full and fair enforcement of the Voting Rights Act. This provision will: (1) codify current case law and maintain previous statutory requirements that Congressional districts be of equal population, and be contiguous and compact in form; (2) repeal current statutory provisions permitting multi-member Congressional districts and require single-member Congressional districts; and (3) limit the division of county and political subdivision boundary lines, as well as redistricting egregious partisan gerrymandering. [S. 1727 (Bush); House Republican Task Force]

Section 206. Election Fraud and Other Public Corruption.

This section creates a new public corruption statute which codifies current case law and increases the authority of the U.S. Justice Department to combat election fraud at all levels of government. [S.____ (Biden-McConnell)]

TITLE III--REDUCTION OF CAMPAIGN COSTS

Section 301. Broadcast Discount.

This section allows Presidential and Congressional candidates to purchase non-preemptible time at the lowest unit rate for preemptible time, in the last 45 days before a primary and the last 60 days before the general election. [S. 1009 (Danforth-Hollings); S. 744 (McConnell); S.7 (Dole-McConnell-Stevens)]

TITLE IV--MISCELLANEOUS PROVISIONS

Subtitle A--Federal Election Commission Enforcement Authority

Section 401. Elimination of Reason to Believe Standard.

This section eliminates the "reason to believe" standard. The Commission, upon receiving a complaint, will have to investigate a complaint if the identity of the complainant is known, and the complaint is sufficient on its face. [S. 1655 (McConnell-Reid)]

Section 402. Injunctive Authority.

This section provides the FEC the authority to seek injunctive relief to stop certain violations or an impending violation. [S. 1655 (McConnell-Reid)]

Section 403. Time Periods.

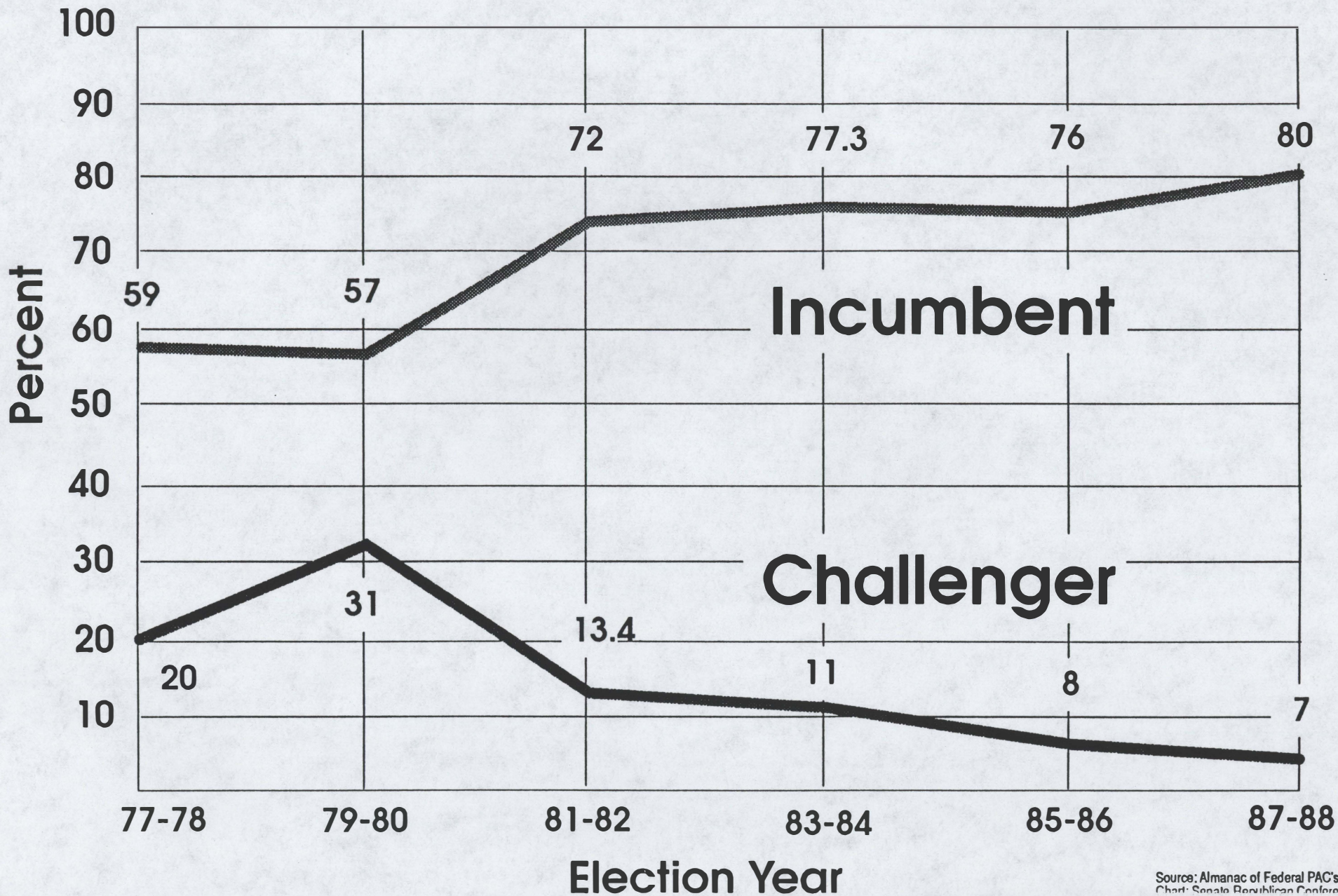
This section streamlines the administrative procedures for a complaint brought by the Commission by eliminating the minimum waiting period of 30 days and lowering the maximum period for post-probable cause conciliation bargaining to 60 days. [S.1655 (McConnell-Reid)]

Section 404. Knowing Violation Penalties.

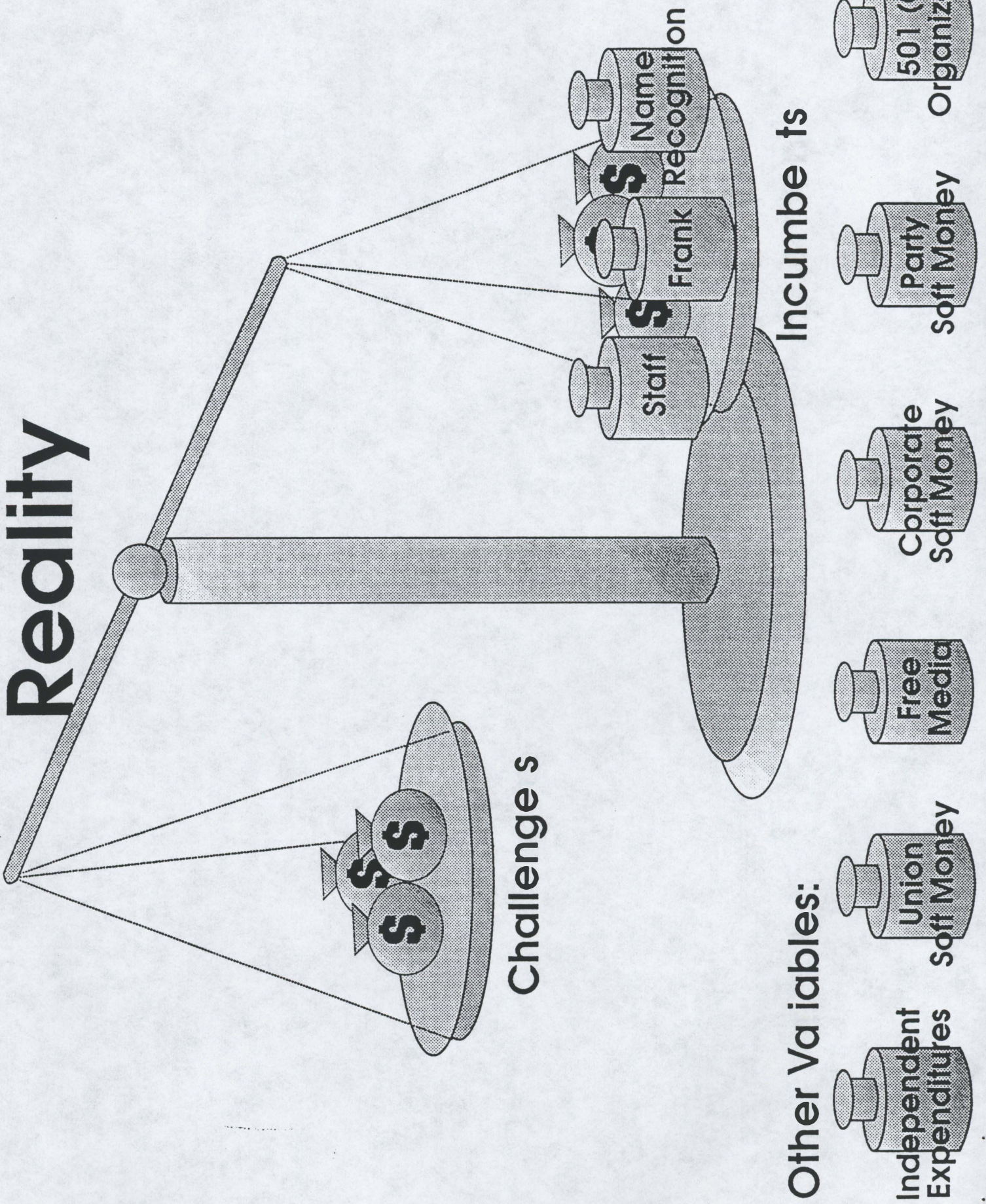
This section increases the penalties for knowing and willful violations which are resolved informally and requires these penalties to be mandatory. [S.1655 (McConnell-Reid)]

Section 405. Court Resolved Violations and Penalties.

Corporate PAC Contributions



Reality



Challenges

Incumbents

Other Variables:

Independent Expenditures

Union Soft Money

Free Media

Corporate Soft Money

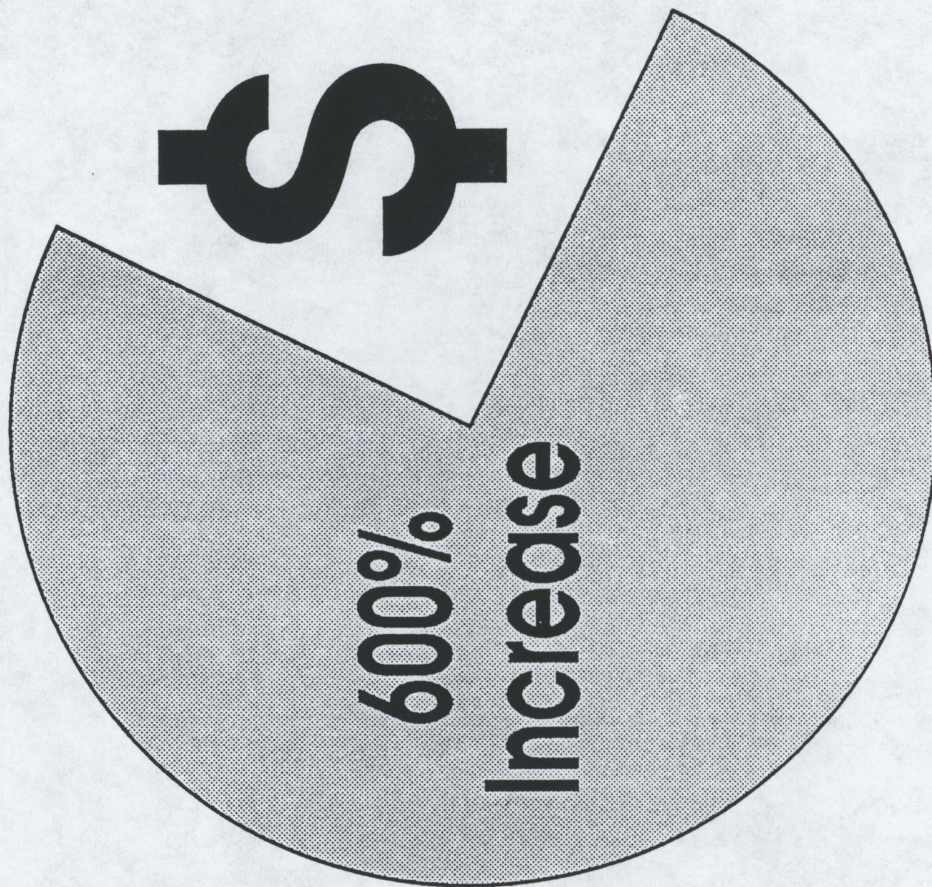
Party Soft Money

501 (C) Organization

Total Number of PACs

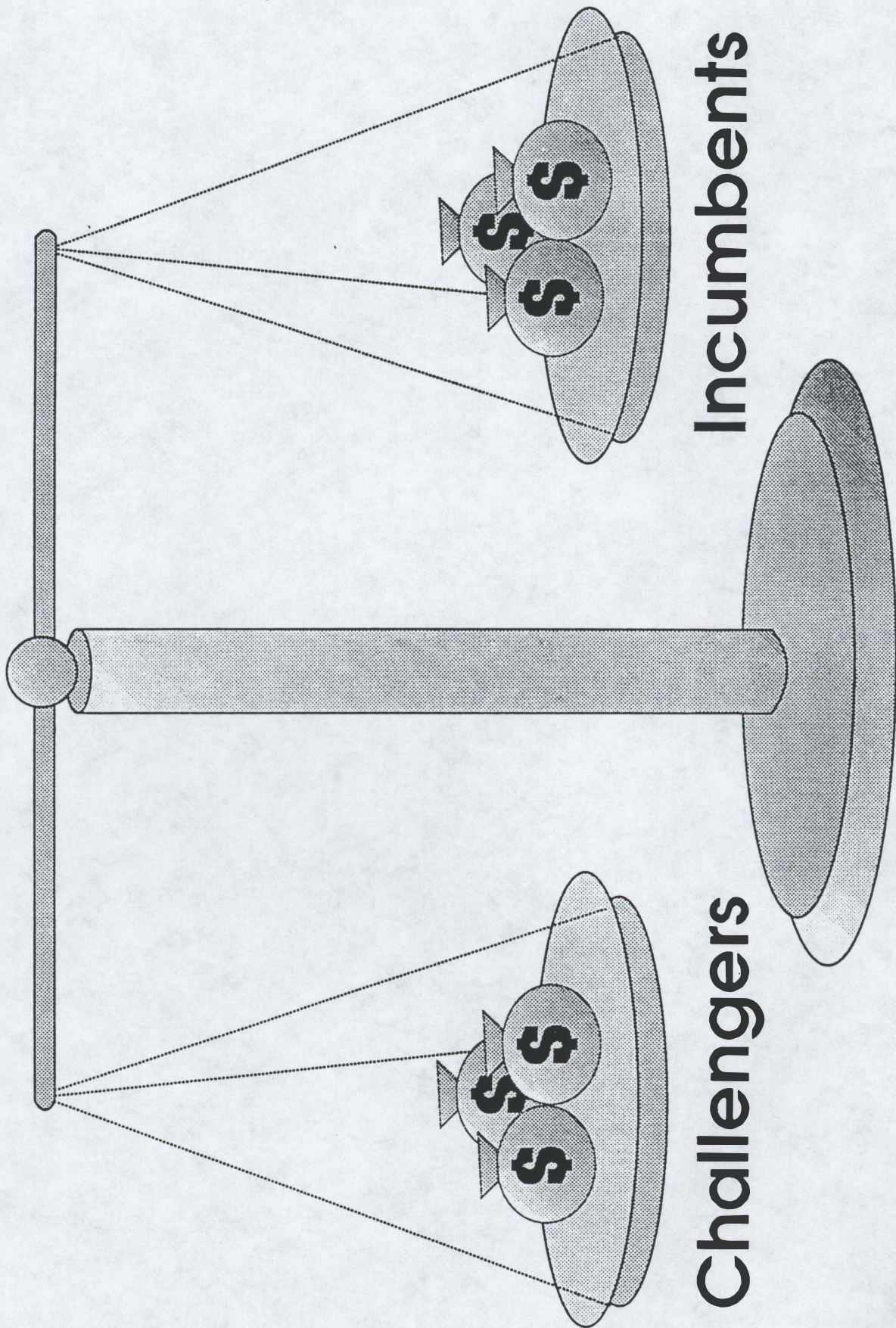


608 PACs
in 1974

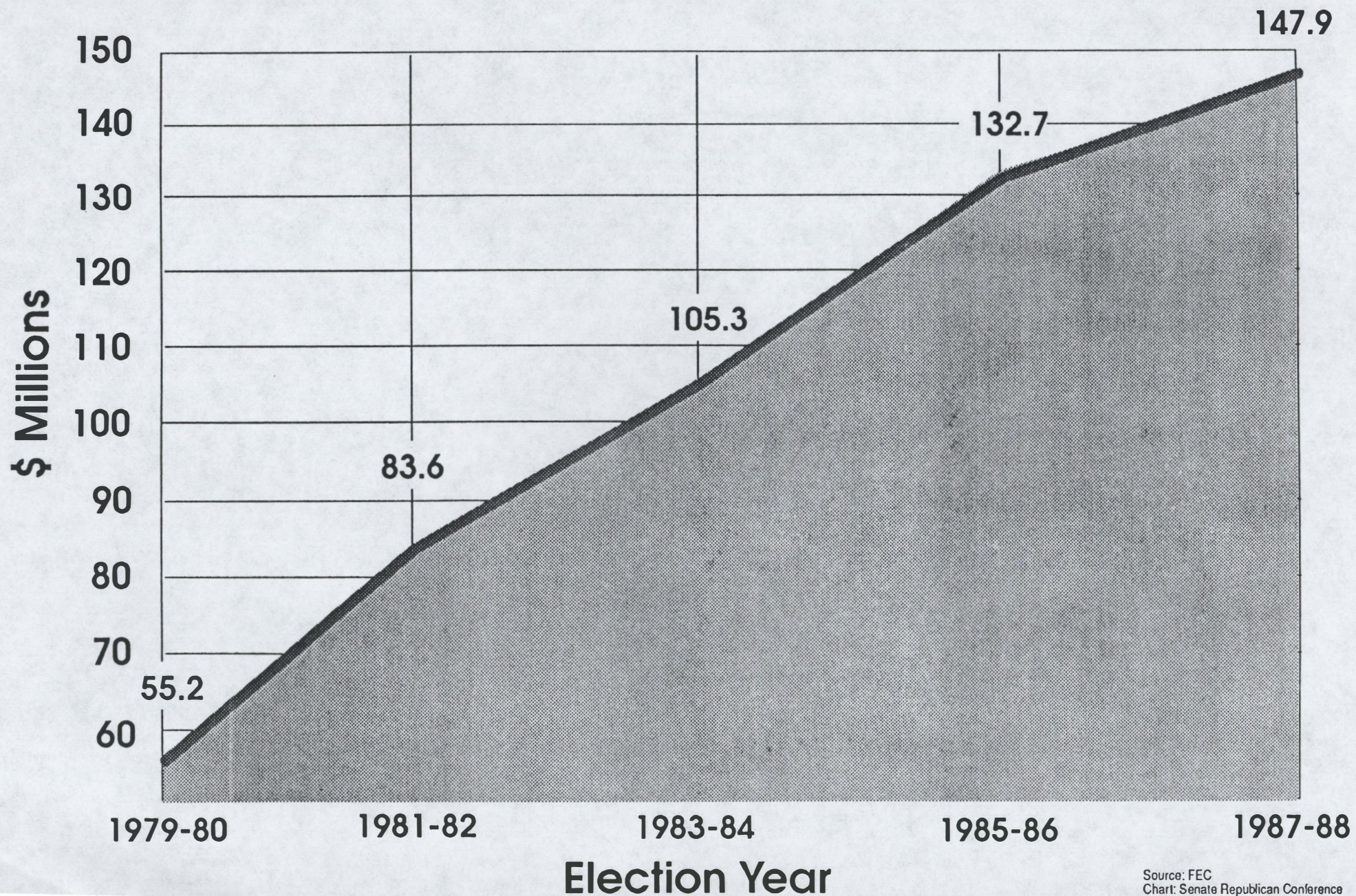


4,268 PACs
in 1988

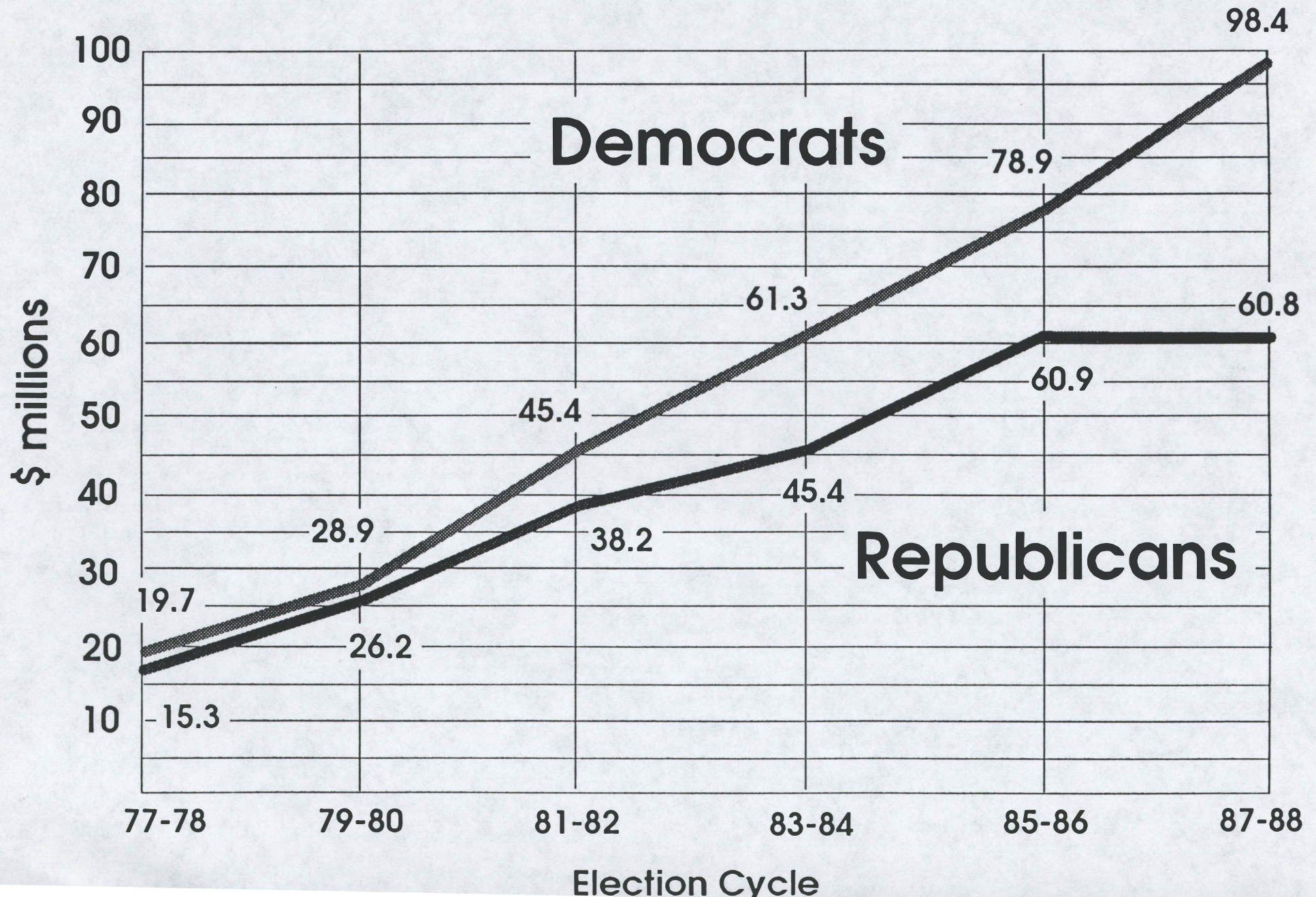
Spending Limit Utopia



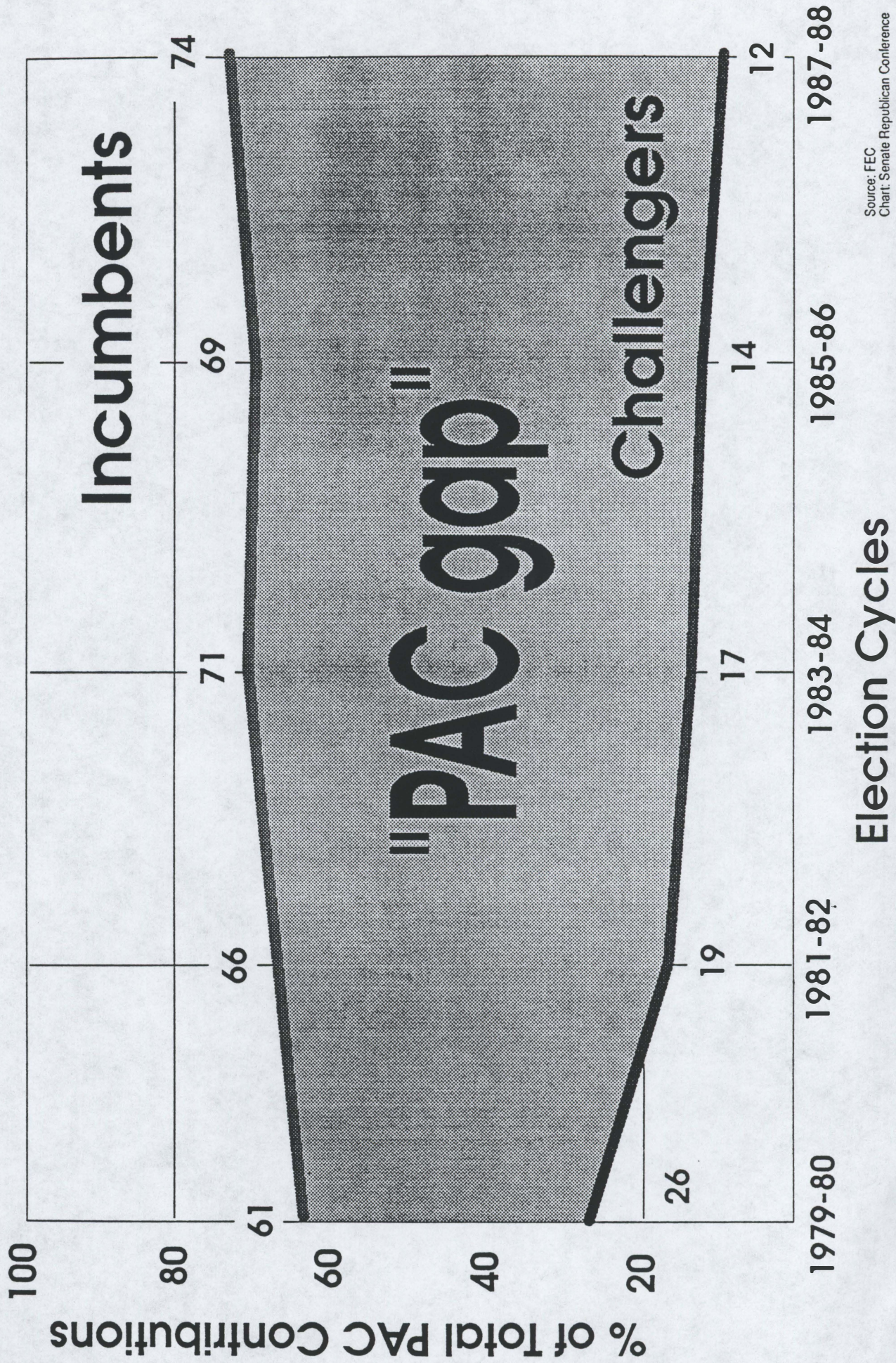
Congressional PAC Contributions



PAC Contributions



PAC \$\$ to Incumbents/Challengers



Source: FEC
Chart: Senate Republican Conference

1988 PAC Contributions

6

Incumbent
118 million

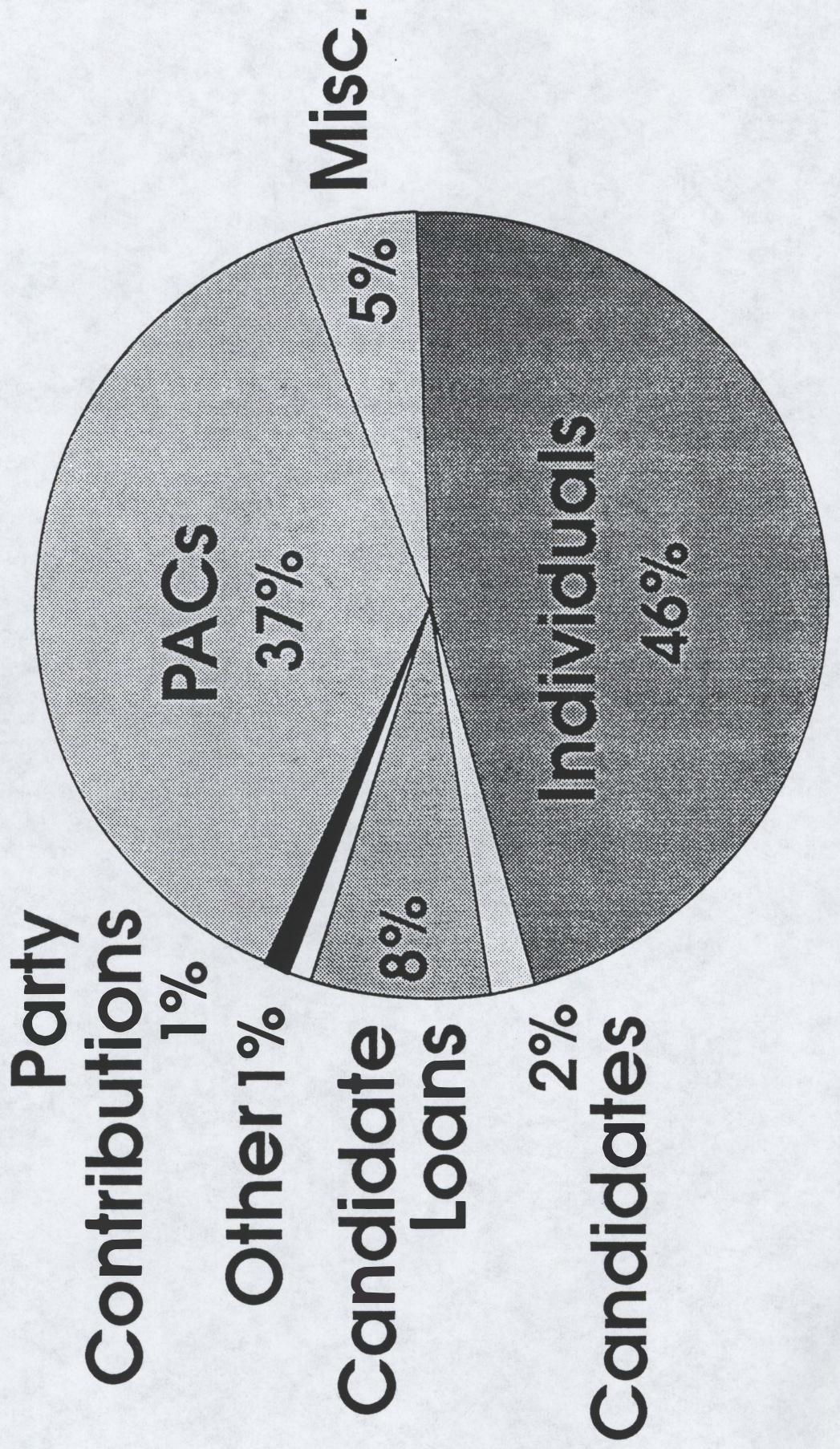
**Ratio of
Contributions**

1

Challenger
18 million

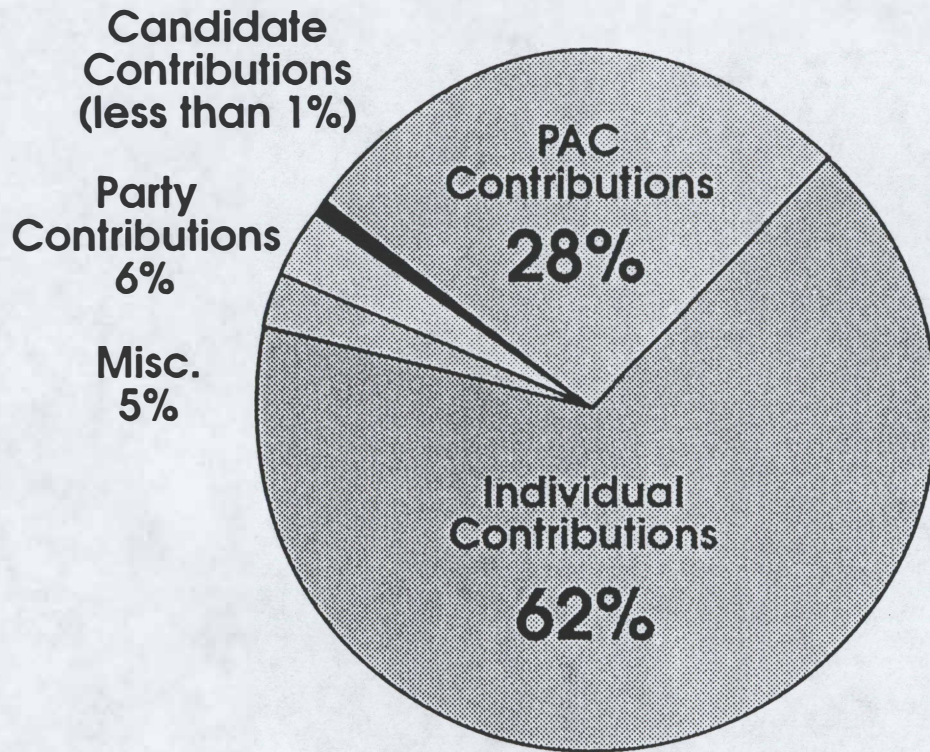
U.S. House Campaigns Sources of Receipts

Jan. 1, 1987 - Dec. 31, 1988



Sources of Funds for Senate Candidates (1988)

Incumbents



Challengers

