

CAMPAIGN FINANCE REFORM

July 27, 1990

Dear Editor:

I wanted to bring to your attention an important campaign finance reform initiative that I unveiled this week. This proposal represents a major step towards resolving one of the nation's most contentious and important issues.

This Republican plan, for the first time ever, endorses "flexible" spending limits designed to reduce the influence of out-of-state "fat cat" contributors. It imposes an outright ban on all contributions by Political Action Committees (PACs), prohibits so-called "soft money" - the undisclosed assistance provided candidates by big labor unions and corporations - and axes taxpayer funded mass mailings used by members of Congress during an election year.

The Republican proposal also addresses the high costs of running for office by providing a meaningful broadcast discount and reduced postal rates.

This ambitious package follows many of the five recommendations made earlier this year by a bipartisan panel of experts that the Majority Leader joined me in creating.

Republicans, long opposed to any kind of spending limits on campaigns, really had to bite the bullet to get behind my bill. And frankly, I took a lot of heat from my GOP colleagues for going this extra mile.

But there is no way we can have campaign finance reform unless we are willing to expose ourselves to competition and the risk of political defeat. This proposal does that by allowing challengers to raise enough money to be competitive, and by attacking many of the advantages that incumbents automatically enjoy.

I hope this proposal will be the basis for a bipartisan compromise when we deal with the issue of campaign finance reform on the Senate floor. I have enclosed details of the plan for your examination, and if you have any questions, please don't hesitate to call my office.

Sincerely,


BOB DOLE

July 25, 1990

CAMPAIGN FINANCE REFORM COUNTER-PROPOSAL

1. **"Flexible" Fundraising Targets.** Adopt "flexible" approach advocated by Bipartisan Panel. Establish aggregate state-by-state fundraising targets based on voting age population. Fundraising targets would cap contributions from political action committees (if PAC-ban is declared unconstitutional), personal funds, and contributions from out-of-state individuals in excess of \$250.

Flexible Component. Exempt donations from in-state individuals. Exempt donations of \$250 or less from out-of-state individuals.

Conditions. "Flexible" fundraising targets must be a) "reasonably high," b) conditioned on "a significantly expanded role for the parties," and c) subject to automatic cost-of-living adjustments (See Panel Report, pages 6-7).

Voluntary. Acceptance of "flexible" fundraising target would be voluntary. Participating candidates would be entitled to 1) reduced broadcast rates (discussed below) and 2) reduced postal rates.

2. **Political Action Committees.** Prohibit all PACs from participating in the federal election process.

Fall-back: If PAC-ban is declared unconstitutional, reduce the maximum allowable PAC contribution from \$5,000 to \$1,000. Limit aggregate PAC contributions to 20% of fundraising target.

3. **Out-of-State Contributions.** Reduce from \$1,000 to \$500 the contribution limit for individuals residing outside of a candidate's home state.

4. **Political Parties.** Exempt certain organizational activities (e.g., research, get-out-the-vote, voter registration) from the coordinated expenditure limitations.

5. **Broadcast Rates.** Lowest Unit Rate. Require broadcasters to offer Congressional candidates non-preemptible lowest unit rate 45 days before the primary and 60 days before the general election. Mandate candidate access to non-preemptible, lowest unit rate time slots.

6. **Challenger "Seed Money."** Allow political parties to match early, in-state contributions to challengers. Party committee matching funds would be permitted to a maximum of \$100,000 for House and Senate candidates.

7. **Tax-Exempt Organizations.** Prohibit all tax-exempt 501(c) organizations from engaging in any activity which attempts to influence a federal election on behalf of a specific candidate. Prohibit tax-exempt 501(c) organizations from engaging in voter registration or get-out-the-vote activities if a Member of Congress solicits donations for the organization.

8. **Franked Communications.** Prohibit franked "mass mailings" during the election year of a Member of Congress.

9. **"Soft Money."** Codify Supreme Court's Beck decision. Prohibit corporations, unions, and trade associations from financing the administrative expenses of their connected PACs. Prohibit corporations, unions, and trade associations from engaging in voter registration and get-out-the-vote activities in connection with a federal election.

10. **Bipartisan Commission.** Establish a Bipartisan Commission to review effects of legislation on campaign spending and the cost of campaigns during the 2 general elections following enactment. Require Bipartisan Commission to submit a report to the Senate Majority and Minority Leaders and to the House Majority and Minority Leaders outlining its findings 5 years after enactment.

11. **Sunset Provision.** Establish a sunset provision after 3 general elections (i.e. 6 years). At that time, legislation would expire unless reenacted Congress and signed by the President.

ALL OTHER ISSUES TO BE NEGOTIATED.