

Report on Campaign Finance Reform from Congresswoman Carolyn Maloney

APRIL 2002

Dear New Yorker,

I'm delighted to report that after a seven-year journey, legislation to regulate the role of large sums of money in our American process has passed both the House and the Senate and has been signed by President Bush without ceremony.

Known in the House as Shays-Meehan and in the Senate as McCain-Feingold, the legislation takes aim at so-called "soft money" which has been a virtually unrestricted way for corporations, unions and wealthy individuals to influence political discussion. Unregulated soft money contributions totaled \$457 million in the 2000 election cycle, about twice the 1996 total—and as these contributions have grown, so has the potential for abuse and scandal. (I've listed the main provisions of the bill on page two of this newsletter).

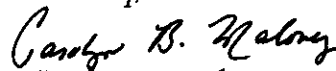
The passage of this legislation has been hard-won. It truly couldn't have happened without the confluence of circumstances that required political action...

- The persistence of Sen. John McCain, who pressed the issue at every opportunity.
- The party switch of Sen. James Jeffords from Republican to Independent, thus changing the balance of power—the power to bring legislation to a vote—in the Senate.
- The defeat of four Senators who opposed the measure in the 2000 elections.
- The growing support for reform from corporate leaders.
- The public's recognition that the Enron Corporation's huge political contributions had corrupted normal governmental inquiry into suspect business practices.
- And, finally, the actions of House members—Myself and 217 other members, including 41 brave Republicans—who challenged House leadership by signing a "discharge petition" to bring the legislation to a vote.

The reform of campaign finance has been a lifetime goal of mine. Prior to my election on the New York City council I worked with the advocacy group Common Cause, coordinating efforts for reform in New York. One of the first bills I introduced as a member of the New York City Council was campaign finance reform and after several years of effort, the bill finally passed and is considered one of the toughest and best campaign finance laws in the country. In my first term in Congress I chaired the freshman class's task force on campaign finance reform and have continued to work with Representatives Meehan and Shays for reform.

I pledge to continue to support efforts which help preserve the basic one-person, one-vote traditions of our republic. I would like to hear from you about what you think should be Congress' concerns and priorities. Please don't hesitate to contact any of my offices listed at left.

Sincerely,


Carolyn B. Maloney
Member of Congress

P.S. Mail delivery to the Capitol is still subject to screening delays; if your concern is legislative or Washington-related, the speediest methods to reach my D.C. office are fax and email.

**Here's how
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Campaign Finance Reform: The specifics

The campaign finance reforms passed by Congress affect both how campaign funds are raised and how they are spent.

Contributions are now classified by the labels “hard” (contributions made directly to candidates to use as they see fit) and “soft” (contributions made to political parties and other groups who attempt to influence voters *indirectly*, without explicitly supporting a particular candidate).

The new legislation would regulate those funds as follows:

“Soft” Money: unlimited contributions from corporations, unions and individuals to national political parties are banned. Contributions of \$10,000 per election cycle are allowed to state and local party organizations, but may not be used for television ads for federal candidates.

“Hard” Money: permissible contributions to candidates for House, Senate and President are increased from \$1,000 to \$2,000 per cycle, and are indexed to the inflation rate (the former \$1,000 ceiling was set in 1974, and wasn't indexed). In addition, national political parties may receive “hard” contributions of \$25,000 per cycle.

Broadcast Advertising: The new legislation imposes new rules on spending by parties, corporations and interest groups on television ads meant to influence the outcome of an election.

Within 30 days of a primary election and 60 days of a

general election, corporate executives and union leaders are still free to give their own money—but they cannot spend their shareholders' money or union dues money to pay for campaign ads—and they can never give that money to candidates.

The new restrictions are scheduled to take effect after the November 2002 general elections. Opponents to campaign finance reform are challenging the law in court—so reformers specifically provided that if any portion of the law is deemed unconstitutional, the remainder of the law will stand.

The complete text of the legislation is posted on my web site (www.house.gov/maloney/cfr.htm), and for more information, you can download a summary at <http://www.house.gov/maloney/cfr.pdf>.



Common Cause President Scott Harshbarger, Rep. Maloney, Paul Turner (director of the Greenlining Institute,) and Rep. Christopher Shays look on as Rep. Zach Wamp reiterates his support at a press conference on the eve of the House vote.