

**Campaign Legal Center • Committee for Economic Development
Common Cause • Democracy 21 • League of Women Voters
Public Citizen • U.S. PIRG**

May 2, 2007

Dear Representative,

In recent weeks, ethics clouds have appeared again over the House of Representatives, as criminal investigations involving two House members resulted in the Members stepping down from Committee assignments. In addition, a former House staff member pled guilty to criminal activities in connection with the Jack Abramoff lobbying scandals.

Meanwhile, the House, after an excellent start in passing landmark ethics rules reforms last January, has yet to act on the companion bill, comprehensive lobbying reform legislation.

Earlier this year, the Senate passed strong lobbying reform legislation, including essential disclosure provisions to require a lobbyist to inform the public about the total amount of contributions the lobbyist is providing to assist a Member or other candidate.

In so doing, the Senate provided a minimum benchmark for the House to meet. There simply is no basis for the House to adopt weaker lobbying disclosure legislation than the Senate passed.

Our organizations strongly urge you to support strong and effective lobbying reform legislation that includes disclosure of the total amount of contributions a lobbyist has raised, or “bundled,” for a member of Congress or other recipient, as described below.

We also strongly urge you to support provisions, as described below, to require lobbying firms to disclose the amount they receive from a client to conduct media and other communication campaigns to influence the public to lobby Congress; to strengthen the revolving door provisions for Members; and to prohibit lobbyists from paying for parties to “honor” Members at the national conventions.

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

Disclosure by Lobbyists of Contributions “Raised” or “Bundled” for Members

The disclosure by lobbyists and lobbying organizations of the total amount of contributions they “raise” or “bundle” for a Member or other recipient is the defining issue of the lobbying reform bill.

The House action taken on this critical issue will tell citizens whether Members are serious about reforming the nation’s lobbying disclosure laws, in the wake of the Abramoff corruption and lobbying scandals.

Lobbyists provide campaign contributions to assist Members by making direct contributions to Members, by holding fundraising events for Members and by “arranging” or “bundling” contributions for Members.

Only the first — direct contributions made by a lobbyist — is currently disclosed to the public, however, while the latter two means of a lobbyist providing contributions to a Member are undisclosed and almost always result in far more money being provided by a lobbyist to a Member than the money which a lobbyist directly gives.

Requiring lobbyists to disclose the fundraisers they hold and the contributions they “arrange” or “bundle” for a Member goes to the heart of the public’s right to know about the efforts lobbyists and lobbying organizations make to advance their lobbying goals. Absent such public disclosure, a huge loophole will continue to exist in the lobbying disclosure laws.

The Senate-passed bill effectively addresses this problem by requiring lobbyists to disclose the fundraising events they hold for a Member or other recipient, and also to disclose a good faith estimate of the total amount of contributions they “arrange” or “bundle” for a Member or other recipient.

These essential disclosure provisions also are contained in legislation introduced in the House by Representatives Chris Van Hollen (D-MD) and Marty Meehan (D-MA). It is critically important to effective lobbying reform for the House to adopt similar disclosure legislation.

According to a *New York Times* editorial (February 1, 2007), “Full disclosure of bundling is the sine qua non of lobbying reform.”

A *New York Times* editorial this week (April 30, 2007) in support of the bundling disclosure provisions further stated:

If the Abramoff ghost is not enough of a prod to clean up the Capitol, members need only check out their current ranks. Two House Republicans have recently been forced to step down from committee assignments because of ongoing criminal investigations of suspected special-interest machinations. Last November’s voters are still watching for something better than business as usual.

A *Washington Post* editorial (January 23, 2007) stated in supporting the Senate-passed disclosure provisions and the Van Hollen-Meehan bill:

For the first time, lobbyists would be required to list the fundraisers that they or their clients hosted and the amounts that were raised. They would have to provide a good-faith estimate of the total contributions they “collected or arranged” for individual candidates or political committees. In other words, they would have to provide the kind of information that is well known to those on the inside of the process but is obscured from outsiders.

A *Washington Post* editorial this week (May 1, 2007) further stated:

The influence that lobbyists wield can't be gauged by looking at their individual contributions. Their power comes in their capacity to deliver a stack of checks to grateful lawmakers. A lawmaker knows how much he or she is indebted to a lobbyist. So, you can be sure, does the lobbyist. The only ones in the dark are the public.

A *Los Angeles Times* editorial (February 8, 2007) stated in supporting the Senate-passed disclosure provisions and the Van Hollen-Meehan bill:

Bundling by anyone goes against the spirit of federal election law, which encourages small contributions. But bundling by lobbyists also has the effect of increasing the clout of those who are in the day-to-day business of trying to influence legislation. Yet, unlike their other activities, bundling by lobbyists is not a matter of public record.

The “bundling” disclosure provisions would apply where a lobbyist “collects” and “delivers” contributions to a Member or other recipient, or where there is an understanding between a lobbyist and a Member or other recipient that such contributions will be or have been credited or attributed by the Member or other recipient through records, designations or other means of tracking as having been raised by the lobbyist.

At the same time, the disclosure provision would not apply to general efforts by a lobbyist to solicit contributions for a Member, with no credit or recognition being provided to the lobbyist by the Member for contributions that may be received.

Disclosure by Lobbying Firms of Campaigns to Influence the General Public to Lobby Congress

Our organizations also strongly urge you to support an important proposal contained in legislation introduced by Representatives Marty Meehan (D-MA) and Christopher Shays (R-CT) to require disclosure by lobbying firms of the total amount they spend on behalf of a client to conduct communication campaigns to influence the general public to lobby Congress.

This provision is fundamentally different from the “Astroturf” lobbying disclosure provision rejected in the Senate earlier this year by a vote of 55 to 43.

The House provision only applies to lobbying firms retained by a client and only if a firm receives a total of more than a \$100,000 during a reporting period from the firm’s clients. Furthermore, the provision only covers paid communication campaigns by the lobbying firms to influence the general public to lobby Congress.

The provision expressly states that it does not apply to any person or entity other than a retained lobbying firm. This means that the provision does not require any person or entity, other than a retained lobbying firm, to register or file any lobbying reports.

The provision would address a black hole in the lobbying disclosure laws for lobbying firms.

Lobbying firms currently report the total amounts they receive from a client to conduct direct lobbying campaigns on Capitol Hill. The new provision would require a lobbying firm also to disclose the total amount the firm receives from a client to conduct expensive media and other paid communication campaigns to influence the general public to lobby Congress.

The provision requires a retained lobbying firm to report for each client the name of the client, the issues involved in the paid communication campaigns for the client, and one number: a *good faith estimate* of the total amount of income received from the client during the period to conduct paid communication campaigns to influence the general public to lobby Congress, but only if that total amount of income from the client exceeds \$50,000 during the quarterly reporting period.

The provision exempts from the definition of “paid communications to influence the general public to lobby Congress,” any communication by an organization to its members (including any communication to an organization’s members by a lobbying firm retained by the organization). The provision also exempts from the definition, any communication by a lobbying firm to the general public on behalf of an organization which is made primarily for the purpose of recruiting members for such organization.

The Supreme Court has made clear that disclosure of these kinds of lobbying activities is constitutional and serves important governmental interests. In *U.S. v. Harris*, 347 U.S. 612 (1954), the Court approved lobbying disclosure requirements which included not only direct communications to Congress but also “artificially stimulated letter campaign[s]” to influence legislation.

The Court cited legislative history that described these efforts as engaged in by those “who do not visit the Capitol but initiate propaganda from all over the country, in the form of letters and telegrams...” 347 U.S. at 620 n.10. The Court said that disclosure of these efforts is a form of “self-protection”:

Present day legislative complexities are such that individual members of Congress cannot be expected to explore the myriad pressures to which they are regularly subjected. Yet full realization of the American ideal of government by elected representatives depends to no small extent on their ability to properly evaluate such pressures....

Toward that end, Congress has not sought to prohibit these pressures. It has merely provided for a modicum of information from those who for hire attempt to influence legislation or who collect or spend funds for that purpose. It wants only to know who is being hired, who is putting up the money, and how much....Under these circumstances, we believe that Congress...is not constitutionally forbidden to require the disclosure of lobbying activities. 347 U.S. at 625.

Citizens and lawmakers have a right to know about the huge undisclosed amounts being spent by lobbying firms to influence the general public to lobby Congress. We urge you to support providing the public with this information.

Curbing the Revolving Door

Former members of Congress working as Washington lobbyists used to be the exception. Now it is a regular practice, with some 200 former Members reportedly lobbying Congress.

Existing revolving door rules apply to members of Congress, senior executive branch officials and senior congressional staff. In the case of congressional staff, these rules only apply to the relatively small number of congressional staff members who make at least 75 percent of a Member's salary, which is currently \$123,000 or more.

The current rules establish a one-year period in which former Members, senior executive branch officials and senior congressional staff cannot lobby their former colleagues. The breadth of former colleagues who cannot be lobbied during this period varies depending on the group of former officials involved.

Our organizations strongly urge you to support increasing the one-year revolving door ban to two years for all officials covered by the restriction, as the Senate-passed bill does.

Furthermore, while the current revolving door restrictions for Members prohibit them from having direct lobbying contacts with Congress for pay for one year after they leave their jobs, they allow Members to engage in other lobbying activities to influence Congress for pay during this period, including planning and directing lobbying campaigns, and participating in lobbying strategy sessions. This means that Members can immediately undertake for pay extensive "lobbying activities" to influence decisions in Congress, despite the fact that the revolving door rules are intended to establish a

“cooling off” period between the time a Member leaves Congress and the time the Member starts lobbying Congress for pay.

Our organizations strongly urge you to support a provision to close this serious loophole by extending the revolving door ban to cover lobbying activities, not just lobbying contacts, by former Members to influence Congress, as the Senate-passed bill does. The House should not backtrack on the position taken by the Senate on this issue. A similar restriction should be enacted for senior executive branch officials. In addition, the rules that apply to senior congressional staff should be strengthened.

Prohibit Lobbyist-Funded Parties at National Conventions to “Honor” Members

Lobbyists and lobbying organizations are paying for lavish parties at the national conventions to “honor” a Member or members of Congress. This includes parties to “honor” members of a Committee and members of a state delegation.

These parties often involve lobbyists and lobbying organizations paying for an expensive party to “honor” a Committee Chairman or the members of a powerful Committee with jurisdiction over legislation being sought by the lobbyist or lobbying organization. According to a *USA Today* article (August 30, 2004) on parties at the 2004 national conventions:

“The entry fee for participation has gone up dramatically,” says David Rehr, president of the National Beer Wholesalers Association, who is contributing either beer or money to help sponsor nine parties this week. To get top billing as a sponsor for an elaborate event can cost \$100,000 or more; lower-level sponsorships are available for \$50,000 or \$25,000.

These lobbyist-funded parties result from a gaping loophole in the current congressional gift rules that allow lobbyists and lobbying organizations to pay unlimited amounts for a party to “honor” a member of Congress. With the new ban on gifts from lobbyists and lobbying organization to members of Congress, this huge loophole becomes even more evident. Under the new House ethics rules a lobbyist or lobbying organization is prohibited by the gift ban from paying for a meal for a Member but the same lobbyist or lobbying organization can pay \$25,000, \$50,000 or more to throw an expensive party for the same Member at a national convention.

Our organizations strongly urge you to support a provision, similar to the provision in the Senate-passed bill, which would prohibit lobbyists and lobbying organizations from paying for parties to “honor” Members at the national conventions.

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