

LOBBYING ACCOUNTABILITY AND TRANSPARENCY ACT  
OF 2006

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APRIL 25, 2006.—Ordered to be printed

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Mr. EHLERS, from the Committee on House Administration,  
submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 4975]

[Including cost estimate of the Congressional Budget Office]

The Committee on House Administration, to whom was referred the bill (H.R. 4975) to provide greater transparency with respect to lobbying activities, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE LEGISLATION

H.R. 4975, the Lobbying Accountability and Transparency Act of 2006, seeks to illuminate the dealings of Members of Congress and their staffs with members of the lobbying community. It provides greater transparency with respect to lobbying activities and thereby makes both lobbyists and Members of Congress more accountable for their actions. H.R. 4975 makes clear what is ethically acceptable for Members of the House of Representatives and their staff. It also makes 527 organizations more accountable and transparent, and prohibits them from continuing to accept unlimited soft money donations.

The Committee on House Administration had jurisdiction over several sections of H.R. 4975. These sections were: Section 301 in Title III; Title IV; Section 502 in Title V; Title VI and Title VII.

Section 301 of Title III prohibits the acceptance of any privately financed travel by Members, employees and officers of the House

for the duration of the 109th Congress. This moratorium is necessary to allow for study and reassessment of the adequacy of existing rules covering travel of this sort. It will stop all travel until rules can be put in place that will give Members and the public confidence that any travel undertaken by House personnel is legitimate and in the public interest.

Title IV of H.R. 4975 requires the Inspector General of the House to audit lobbyist disclosure information and to refer potential violations of the Lobbying Disclosure Act (LDA) to the Department of Justice. It also provides for ongoing reviews and annual reports by the Inspector General on activities carried out by the Clerk of the House under the LDA.

Section 502 of Title V requires House employees to attend ethics training once every Congress, while new employees must receive ethics training within 30 days of being hired. Requiring Members to attend such training before allowing them to serve could be construed as unconstitutionally adding an additional qualification for service. Members are, therefore, strongly encouraged, but not required, to attend similar training.

Title VI will extend the fundraising restrictions of the Bi-Partisan Campaign Reform Act of 2002 to organizations registered under Section 527 of the IRS code. This language seeks to reduce the influence wealthy donors and their large contributions have over our political process. On April 5, 2006, the House adopted the language of Title VI when it passed H.R. 513, the 527 Reform Act of 2006, by a vote of 218–209. Further information on the activities of 527 groups and the need for reform can be found in the following reports that were previously filed by this Committee; 109–181 (H.R. 513, 527 Reform Act of 2005) and 109–146 (H.R. 1316, 527 Fairness Act of 2005).

Title VII of H.R. 4975 provides for loss of pension benefits when Members are convicted of certain crimes. Under this Title, time served as a Member could not be credited for pension benefits if they are convicted of bribery, acting as an agent of a foreign principal, or conspiracy to commit one of the previous offenses. The illegal conduct must be related to their official duties as a Member, and all the elements of the crime must have occurred while the Member was in Congress. The Office of Personnel Management is given authority to allow an innocent spouse and dependent children to continue to receive benefits in certain circumstances.

#### SUMMARY OF THE LEGISLATION

The Committee on House Administration had jurisdiction over the following sections of H.R. 4975: Section 301 in Title III; Title IV; Section 502 in Title V; Title VI and Title VII.

#### TITLE III—SUSPENSION OF PRIVATELY-FUNDED TRAVEL; CURBING LOBBYIST GIFTS

##### *Sec. 301.—No privately-funded travel*

- Imposes a moratorium on privately funded travel. Does not allow Members, employees or officers of the House to accept travel from a private source.

## TITLE IV—OVERSIGHT OF LOBBYING AND ENFORCEMENT

*Sec. 401.—Audits of lobbying reports by House Inspector General*

- Requires the Inspector General of the House to audit Lobbying Disclosure Act (LDA) disclosure information, and to refer potential violations of the Act to the Department of Justice.

*Sec. 402.—House Inspector General review and annual reports*

- The measure provides for ongoing reviews and annual reports by the inspector general on activities carried out by the Clerk of the House under LDA.

## TITLE V—INSTITUTIONAL REFORMS

*Sec. 502.—Frequent and comprehensive ethics training*

- Requires House Committee on Standards of Official Conduct to provide ethics training once per Congress for every Member and employee.
  - New employees shall receive training not later than 30 days after employment.
  - Does not make ethics training mandatory for Members.

## TITLE VI—REFORM OF SECTION 527 ORGANIZATIONS

*Sec. 601.—Short Title*

- The “527 Reform Act of 2005”.

*Sec. 602.—Treatment of Section 527 Organizations*

- Requires an organization described in Section 527 of the Internal Revenue Code of 1986 (“IRC”) to register and report with the Federal Election Commission (“FEC”) as a political committee, unless the organization:
  - Has annual gross receipts of less than \$25,000;
  - Is a political committee of a state and/or local party or candidate;
  - Exists solely to pay certain administrative expenses of a qualified newsletter;
  - Is composed exclusively of state and/or local elected officials and does not reference federal candidates in its voter drive activities; or
  - Is exclusively devoted to elections where no federal candidate is on the ballot, to ballot initiatives and referenda, or to the appointment, nomination, or confirmation of individuals to non-elected offices.
- The exceptions (listed above) will not apply if such organization:
  - Transmits a public communication that promotes, supports, attacks, or opposes a federal candidate in the year prior to a federal election;
  - Conducts voter drive activities in more than one state;
  - Refers to a federal candidate in its voter drive activities;
  - Is controlled by a federal candidate or a national political party; or
  - Makes contributions to federal candidates.

- Makes the amendments made by this section effective 60 days after their enactment.

*Sec. 603.—Rules for Allocation of Expenses Between Federal and Non-Federal Activities*

- Establishes the following allocation rules:
  - 100 percent of expenses for public communications or voter drive activities that refer to a federal candidate but do not refer to a non-federal candidate must be paid for with hard money;
  - At least 50 percent, or a greater percentage if the FEC so determines by regulation, of expenses for public communications or voter drive activities that refer to a federal candidate and to a state candidate must be paid for with hard money;
  - At least 50 percent, or a greater percentage if the FEC so determines by regulation, of expenses for public communications or voter drive activities that refer to a political party but not to a federal candidate must be paid for with hard money;
  - At least 50 percent, or a greater percentage if the FEC so determines by regulation, of expenses for public communications or voter drive activities that refer to a political party and to a non-federal candidate but not to a federal candidate must be paid for with hard money;
  - At least 50 percent, or a greater percentage if the FEC so determines by regulation, of administrative overhead expenses must be paid for with hard money; and
  - At least 50 percent, or a greater percentage if the FEC so determines by regulation, of direct costs of fundraising program that collects both federal and non-federal funds must be paid for with hard money.
- Permits “qualified” non-federal accounts to allocate spending with federal accounts, provided the following requirements are observed:
  - Such qualified non-federal accounts may not accept more than \$25,000 from any one individual during a calendar year; and
  - National political parties and federal candidates are prohibited from soliciting funds for non-federal accounts.
- Exempts funds raised for a qualified non-federal account from the limitations, prohibitions, and reporting requirements of the Federal Election Campaign Act (“FECA”):
  - Requires the reporting of all receipts and disbursements from a qualified non-federal account;
  - Requires the FEC to promulgate implementing regulations.

*Sec. 604.t—Remove the Limit on Expenditures Coordinated Between Party Committees and Candidates*

- Political parties are currently able to make unlimited independent expenditures on behalf of their Senate and House candidate but are limited in the amount of coordinated expenditures they may make. This provision will allow parties to coordinate their spending with their own candidates.

*Sec. 605.—Construction*

• Specifically states that nothing in the language of the bill should be construed as:

- Approving, ratifying, or endorsing a FEC regulation;
- Establishing, modifying, or otherwise affecting the IRS's definition of a political organization; or
- Affecting whether a 501(c) organization should be considered a political committee.

*Sec. 606.—Judicial Review*

- Special Rules for Actions brought on Constitutional Grounds: Must be filed in United States District Court for the District of Columbia and be heard by a 3-judge panel;  
A copy of the complaint must be delivered to the Clerk of the House and the Secretary of the Senate;  
A final decision in the actions is only reviewable by direct appeal to the Supreme Court.
- Intervention by Members of Congress: Members of Congress have the right to intervene either in support or opposition to the position of a party to the case regarding the constitutionality of the provision or amendment.
- Challenge by Members of Congress: Any Member of Congress may bring an action for declaratory or injunctive relief to challenge the constitutionality of any provision of the bill.

*Sec. 607.—Severability*

- If any portion of the Act is found unconstitutional, the other portions will remain in effect.

## TITLE VII—FORFEITURE OF RETIREMENT BENEFITS

*Sec. 701.—Loss of pensions accrued during service as a Member of Congress for abusing the public trust*

- Members would lose credit towards their federal pensions for all service as a Member of Congress if they are convicted of:
  - bribery;
  - acting as an agent of a foreign principal; or
  - conspiracy to commit such offenses or to defraud U.S.
- When such conduct related to their official duties as a Member.
- Allows for certain flexibility in OPM for particular hardships for innocent spouse and dependent children.

## COMMITTEE CONSIDERATION OF THE LEGISLATION

## INTRODUCTION AND REFERRAL

On March 16, 2006, Mr. Dreier introduced H.R. 4975, the “Lobbying Accountability and Transparency Act of 2006,” which was referred to the Committee on House Administration.

## MARKUP

The Committee on House Administration held a markup of H.R. 4975 on April 6, 2006.

Members present: Mr. Ehlers, Mr. Ney, Mr. Mica, Mr. Doolittle, Mr. Reynolds, Mrs. Miller, Ms. Millender-McDonald, and Mr. Brady.

The Committee favorably reported H.R. 4975 by a record vote (5–2), a quorum being present.

#### MATTERS REQUIRED UNDER THE RULES OF THE HOUSE

##### COMMITTEE RECORD VOTES

Clause 3(b) of House rule XIII requires the results of each record vote on an amendment or motion to report, together with the names of those voting for and against, to be printed in the committee report.

##### *Amendment 1 to Title III, Section 301*

Offered by Ms. Millender-McDonald. The first vote during the markup came on the amendment to section 301 of Title III offered by Ms. Millender-McDonald. The amendment bans travel arrangements that have been arranged for, paid for and provided by lobbyists and organizations that retain or employ lobbyists. It prohibits lobbyists from funding, arranging, planning or participating in congressional travel. While the existing language of Section 301 prohibits acceptance of all privately funded travel, this amendment would have permitted the acceptance of privately funded travel provided there was no lobbyist involvement.

The vote on the amendment was 2–5 and the amendment failed.

Mr. Ehlers—no; Mr. Ney—no; Mr. Mica—not present; Mr. Doolittle—no; Mr. Reynolds—no; Mrs. Miller—no; Ms. Millender-McDonald—yes; Mr. Brady—yes; Ms. Lofgren—not present.

##### *Amendment 2 to Title IV*

Offered by Ms. Millender-McDonald. The second vote during the markup came on the amendment in the nature of a substitute to Title IV offered by Ms. Millender-McDonald. This amendment established an Office of Public Integrity within the Office of the Inspector General of the House. In similar fashion to the existing language of Title IV, this amendment gives the Inspector General access to and responsibility for auditing lobbyist disclosure forms to ensure compliance with the Lobbying Disclosure Act.

The vote on the amendment was 2–5 and the amendment failed.

Mr. Ehlers—no; Mr. Ney—no; Mr. Mica—not present; Mr. Doolittle—no; Mr. Reynolds—no; Mrs. Miller—no; Ms. Millender-McDonald—yes; Mr. Brady—yes; Ms. Lofgren—not present.

##### *Amendment 3 to Title VI*

Offered by Ms. Millender-McDonald. The third vote during the markup came on an amendment striking the entirety of Title VI offered by Ms. Millender-McDonald. A majority of the House demonstrated its support for the language of Title VI when it voted 218–209 to approve H.R. 513, the 527 Reform Act of 2006, on April 5.

The vote on the amendment was 2–5 and the amendment failed.

Mr. Ehlers—no; Mr. Ney—no; Mr. Mica—not present; Mr. Doolittle—no; Mr. Reynolds—no; Mrs. Miller—no; Ms. Millender-McDonald—yes; Mr. Brady—yes; Ms. Lofgren—not present.

*Vote to Report H.R. 4975*

The Committee then voted to favorably report H.R. 4975. The vote to report favorably was approved by a recorded vote (5–2).

Mr. Ehlers—yes; Mr. Ney—yes; Mr. Mica—not present; Mr. Doolittle—yes; Mr. Reynolds—yes; Mrs. Miller—yes; Ms. Millender-McDonald—no; Mr. Brady—no; Ms. Lofgren—not present.

## COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) rule XIII of the Rules of the House of Representatives, the Committee states that the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the House of Representatives, are incorporated in the descriptive portions of this report.

## GENERAL PERFORMANCE GOALS AND OBJECTIVES

The Committee states, with respect to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, that the goal and objective of H.R. 4975 is to strengthen the transparency and accountability of the dealings of Members of Congress and their staffs with members of the lobbying community.

## CONSTITUTIONAL AUTHORITY

In compliance with clause 3(d)(1) of rule XIII, the Committee states that Article 1, Section 5 of the U.S. Constitution grants Congress the authority to determine the rules of its proceedings and to punish Members for disorderly behavior. Article 1, Section 4 of the U.S. Constitution grants Congress the authority to make law governing the time, place and manner of holding federal elections. Rule X, clause 1(j)(14) of the Rules of the House gives the Committee authority to regulate the travel of House Members. Rule X, clause 1(j)(16) gives the Committee jurisdiction over the compensation, retirement, and other benefits of Members and employees of Congress. Rule X, clause 4(d)(1)(A) gives the Committee oversight of the Inspector General of the House.

## FEDERAL MANDATES

The Committee states, with respect to section 423 of the Congressional Budget Act of 1974, that the bill does not include any significant federal mandate.

## PREEMPTION CLARIFICATION

Section 423 of the Congressional Budget Act of 1974 requires the report of any committee on a bill or joint resolution to include a committee statement on the extent to which the bill or joint resolution is intended to preempt state or local law. The Committee states that H.R. 4975 does not preempt any state or local law.

## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee sets forth, with respect to the bill, the following estimate and comparison prepared by the Di-

rector of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, April 19, 2006.*

Hon. VERNON J. EHLERS,  
*Chairman, Committee on House Administration,  
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 4975, the Lobbying Accountability and Transparency Act of 2006.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Matthew Pickford (for federal costs), and Craig Cammarata (for the private-sector impact).

Sincerely,

DONALD B. MARRON,  
*Acting Director.*

Enclosure.

Summary: H.R. 4975 would amend the Lobbying Disclosure Act of 1995 and the Federal Election Campaign Act of 1971. Major provisions of the legislation would expand reporting requirements for lobbyists and Members of Congress, temporarily ban privately funded travel, create additional restrictions on gifts and travel, and require training for Members and staff on ethics issues. The legislation also would eliminate pension benefits for Members convicted of certain offenses. In addition, H.R. 4975 would require certain political organizations involved in federal election activities to register with the Federal Election Commission (FEC).

CBO estimates that implementing H.R. 4975 would cost about \$2 million in fiscal year 2007 and \$1 million a year in subsequent years, subject to the availability of appropriated funds. Enacting the bill could affect direct spending and revenues from reduced pensions for certain Members of Congress, and new violations of campaign finance laws, but CBO estimates that those effects would not be significant.

H.R. 4975 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

H.R. 4975 would impose several private-sector mandates, as defined in UMRA, on the lobbying industry and certain political organizations. Based on information from government sources, CBO estimates that the total direct cost of all of the mandates in the bill would fall below the annual threshold established by UMRA for private-sector mandates (\$128 million in 2006, adjusted annually for inflation).

Estimated Cost to the Federal Government: The estimated budgetary impact of H.R. 4975 is shown in the following table. The costs of this legislation fall within budget function 800 (general government).

	By fiscal year, in millions of dollars—				
	2007	2008	2009	2010	2011
CHANGES IN SPENDING SUBJECT TO APPROPRIATION <sup>a</sup>					
Estimated Authorization Level .....	2	1	1	1	1
Estimated Outlays .....	2	1	1	1	1

<sup>a</sup> Enacting the bill could also reduce pensions for certain Members of Congress, and increase revenues from civil penalties, but CBO estimates any such effects would be less than \$500,000 a year.

**Basis of estimate:** For this estimate, CBO assumes that the bill will be enacted near the end of fiscal year 2006 and that spending will follow historical patterns for similar activities.

#### *Spending subject to appropriation*

The legislation would expand reporting requirements for lobbyists and would require the Congress to provide Members and staff with additional training on ethics issues. Based on information from Congressional administrative staff, CBO estimates that Congressional offices and committees would spend about \$1 million annually to collect and disseminate newly reported information from lobbyists and to provide the required ethics training.

In addition, H.R. 4975 would require certain political organizations, defined by section 527 of the tax code, to register with the FEC. Based on information from the FEC and subject to the availability of appropriated funds, CBO estimates that implementing the legislation would cost the FEC about \$1 million in fiscal year 2007. This cost covers the one-time computer-related expenses as well as writing new regulations to implement the new provisions of the legislation. In future years, the legislation would increase general administrative costs to the FEC, but we estimate that those additional costs would not be significant.

#### *Revenues and direct spending*

Enacting H.R. 4975 would likely increase collections of fines and penalties for violations of campaign finance law for failure to register with the FEC. Such collections are recorded in the budget as revenues. CBO estimates that the additional collections of penalties and fines would not be significant because of the relatively small number of cases likely to be involved.

H.R. 4975 would also deny pension benefits (based on periods of elected service) to Members convicted of bribery, acting as foreign agents, or defrauding the federal government. CBO estimates that any savings in direct spending as a result of this provision would not be significant because we expect that the number of violations would be small.

**Estimated impact on State, local, and tribal governments:** H.R. 4975 contains no intergovernmental mandates as defined in the UMRA and would impose no costs on State, local, or tribal governments.

**Estimated impact on the private sector:** H.R. 4975 would impose several private-sector mandates, as defined in UMRA, on the lobbying industry and certain political organizations. The bill would impose new restrictions on lobbying activities and require lobbyists and lobbying organizations to submit additional reports and disclosures to the Senate Office of Public Records and the Office of the Clerk of the House. The bill also would require certain 527 organizations to register as political committees with the Federal Election

Commission and comply with current regulations on federal campaign finance. Based on information from government sources, CBO estimates that the total direct cost of all of the mandates in the bill would fall below the annual threshold established by UMRA for private-sector mandates (\$128 million in 2006, adjusted annually for inflation).

The bill would impose several new requirements on lobbyists and lobbying organizations. Requirements on lobbyists and lobbying organizations would include but not be limited to:

- Electronic filing of lobbyist registrations and disclosure reports filed with the Secretary of the Senate or the Clerk of the House of Representatives;
- Quarterly, instead of semiannual, filing of lobbying disclosure reports; and
- Additional information in registration and disclosure reports including information on: contributions to Members, Congressional staff, federal officers and political entities by lobbyists; any gifts distributed by lobbying entities; and whether or not each registered lobbyist had prior experience as a covered executive or legislative branch official.

As of January 1, 2006, all lobbyists and lobbying organizations must register and file semiannual disclosure reports electronically to the Clerk of the House. However, electronic reporting is still optional for lobbyists and lobbying organizations filing in the Senate. Since all lobbyists must file similar reports to both the Clerk of the House and the Secretary of the Senate, the incremental cost of filing reports electronically to the Senate should be minimal. Generally, because such entities already collect the information requested in the registration and disclosure reports, CBO estimates that the incremental costs associated with the new reporting requirements in the bill would not be substantial relative to UMRA's annual threshold for private-sector mandates.

The bill also would prohibit lobbyists from traveling on an aircraft that is owned by a client and is not licensed by the FAA to operate for compensation if a Member, delegate, resident commissioner, officer or employee of the House is on board. According to government and industry sources, roughly 500 or less of those recorded flights are made each year. That estimate includes federal officials and staff from both the executive and legislative branches. H.R. 4975 would only restrict the travel of a lobbyist with House officials and staff. The bill would not prohibit employees of the client from traveling on such planes with a Member, delegate, resident commissioner, officer or employee of the House. Thus, CBO estimates that the direct costs associated with complying with the mandate would be minimal compared to UMRA's threshold.

The bill would change the definition of a political committee to include certain "527" organizations, as defined by section 527 of the Internal Revenue Code. Those organizations would be required to register as political committees with the FEC and comply with current regulations on federal campaign finance including certain limits on contributions and reporting and disclosure requirements. Based on information from the FEC, CBO estimates that the direct costs associated with those requirements would be minimal.

Previous CBO estimates: Many of the lobbying reform and campaign finance provisions in the eight pieces of legislation listed

below are contained in H.R. 4975. The differences among these bills are reflected in the cost estimates. However, the four versions of H.R. 4975 are very similar, and as such, their estimated costs are nearly identical.

- On April 19, 2006, CBO transmitted a cost estimate for H.R. 4975 as ordered reported by the House Committee on Government Reform on April 6, 2006.
- On April 19, 2006, CBO transmitted a cost estimate for H.R. 4975 as ordered reported by the House Committee on Rules on April 5, 2006.
- On April 19, 2006, CBO transmitted a cost estimate for H.R. 4975 as ordered reported by the House Committee on the Judiciary on April 5, 2006.
- On March 7, 2006, CBO transmitted a cost estimate for S. 2349, the Legislative Transparency and Accountability Act of 2006, as ordered reported by the Senate Committee on Rules and Administration on March 1, 2006.
- On March 6, 2006, CBO transmitted a cost estimate for S. 2128, the Lobbying Transparency and Accountability Act of 2006, as ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on March 3, 2006.
- On July 13, 2005, CBO transmitted a cost estimate for H.R. 513, the 527 Reform Act of 2005, as ordered reported by the House Committee on Administration on June 29, 2005.
- On July 6, 2005, CBO transmitted a cost estimate for S. 1053, the 527 Reform Act of 2005, as ordered reported by the Senate Committee on Rules and Administration on April 27, 2005.
- On June 17, 2005, CBO transmitted a cost estimate for H.R. 1316, the 527 Fairness Act of 2005, as ordered reported by the House Committee on House Administration on June 8, 2005.

Estimate prepared by: Federal costs: Matthew Pickford and Deborah Reis; Impact on State, local, and tribal Governments: Sarah Puro; Impact on the private sector: Craig Cammarata.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the provisions of the bill referred to the Committee, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

**FEDERAL ELECTION CAMPAIGN ACT OF 1971**

**TITLE III—DISCLOSURE OF FEDERAL CAMPAIGN FUNDS**

DEFINITIONS

SEC. 301. When used in this Act:

(1) \* \* \*

\* \* \* \* \*

(4) The term “political committee” means—

(A) \* \* \*

\* \* \* \* \*

(C) any local committee of a political party which receives contributions aggregating in excess of \$5,000 during a calendar year, or makes payments exempted from the definition of contribution or expenditure as defined in section 301(8) and (9) aggregating in excess of \$5,000 during a calendar year, or makes contributions aggregating in excess of \$1,000 during a calendar year or makes expenditures aggregating in excess of \$1,000 during a calendar year<sup>[.]</sup>; or

(D) any applicable 527 organization.

\* \* \* \* \*

(27) APPLICABLE 527 ORGANIZATION.—

(A) *IN GENERAL.*—For purposes of paragraph (4)(D), the term “applicable 527 organization” means a committee, club, association, or group of persons that—

(i) has given notice to the Secretary of the Treasury under section 527(i) of the Internal Revenue Code of 1986 that it is to be treated as an organization described in section 527 of such Code; and

(ii) is not described in subparagraph (B).

(B) *EXCEPTED ORGANIZATIONS.*—A committee, club, association, or other group of persons described in this subparagraph is—

(i) an organization described in section 527(i)(5) of the Internal Revenue Code of 1986;

(ii) an organization which is a committee, club, association or other group of persons that is organized, operated, and makes disbursements exclusively for paying expenses described in the last sentence of section 527(e)(2) of the Internal Revenue Code of 1986 or expenses of a newsletter fund described in section 527(g) of such Code;

(iii) an organization which is a committee, club, association, or other group that consists solely of candidates for State or local office, individuals holding State or local office, or any combination of either, but only if the organization refers only to one or more non-Federal candidates or applicable State or local issues in all of its voter drive activities and does not refer to a Federal candidate or a political party in any of its voter drive activities; or

(iv) an organization described in subparagraph (C).

(C) *APPLICABLE ORGANIZATION.*—For purposes of subparagraph (B)(iv), an organization described in this subparagraph is a committee, club, association, or other group of persons whose election or nomination activities relate exclusively to—

(i) elections where no candidate for Federal office appears on the ballot; or

(ii) one or more of the following purposes:

(I) *Influencing the selection, nomination, election, or appointment of one or more candidates to non-Federal offices.*

(II) *Influencing one or more applicable State or local issues.*

(III) *Influencing the selection, appointment, nomination, or confirmation of one or more individuals to non-elected offices.*

(D) **EXCLUSIVITY TEST.**—A committee, club, association, or other group of persons shall not be treated as meeting the exclusivity requirement of subparagraph (C) if it makes disbursements aggregating more than \$1,000 for any of the following:

(i) *A public communication that promotes, supports, attacks, or opposes a clearly identified candidate for Federal office during the 1-year period ending on the date of the general election for the office sought by the clearly identified candidate (or, if a runoff election is held with respect to such general election, on the date of the runoff election).*

(ii) *Any voter drive activity during a calendar year, except that no disbursements for any voter drive activity shall be taken into account under this subparagraph if the committee, club, association, or other group of persons during such calendar year—*

(I) *makes disbursements for voter drive activities with respect to elections in only 1 State and complies with all applicable election laws of that State, including laws related to registration and reporting requirements and contribution limitations;*

(II) *refers to one or more non-Federal candidates or applicable State or local issues in all of its voter drive activities and does not refer to any Federal candidate or any political party in any of its voter drive activities;*

(III) *does not have a candidate for Federal office, an individual who holds any Federal office, a national political party, or an agent of any of the foregoing, control or materially participate in the direction of the organization, solicit contributions to the organization (other than funds which are described under clauses (i) and (ii) of section 323(e)(1)(B)), or direct disbursements, in whole or in part, by the organization; and*

(IV) *makes no contributions to Federal candidates.*

(E) **CERTAIN REFERENCES TO FEDERAL CANDIDATES NOT TAKEN INTO ACCOUNT.**—For purposes of subparagraphs (B)(iii) and (D)(ii)(II), a voter drive activity shall not be treated as referring to a clearly identified Federal candidate if the only reference to the candidate in the activity is—

(i) *a reference in connection with an election for a non-Federal office in which such Federal candidate is also a candidate for such non-Federal office; or*

(ii) a reference to the fact that the candidate has endorsed a non-Federal candidate or has taken a position on an applicable State or local issue, including a reference that constitutes the endorsement or position itself.

(F) CERTAIN REFERENCES TO POLITICAL PARTIES NOT TAKEN INTO ACCOUNT.—For purposes of subparagraphs (B)(iii) and (D)(ii)(II), a voter drive activity shall not be treated as referring to a political party if the only reference to the party in the activity is—

(i) a reference for the purpose of identifying a non-Federal candidate;

(ii) a reference for the purpose of identifying the entity making the public communication or carrying out the voter drive activity; or

(iii) a reference in a manner or context that does not reflect support for or opposition to a Federal candidate or candidates and does reflect support for or opposition to a State or local candidate or candidates or an applicable State or local issue.

(G) APPLICABLE STATE OR LOCAL ISSUE.—For purposes of this paragraph, the term “applicable State or local issue” means any State or local ballot initiative, State or local referendum, State or local constitutional amendment, State or local bond issue, or other State or local ballot issue.

(28) VOTER DRIVE ACTIVITY.—The term “voter drive activity” means any of the following activities conducted in connection with an election in which a candidate for Federal office appears on the ballot (regardless of whether a candidate for State or local office also appears on the ballot):

(A) Voter registration activity.

(B) Voter identification.

(C) Get-out-the-vote activity.

(D) Generic campaign activity.

(E) Any public communication related to activities described in subparagraphs (A) through (D).

Such term shall not include any activity described in subparagraph (A) or (B) of section 316(b)(2).

REPORTS

SEC. 304. (a) \* \* \*

\* \* \* \* \*

(e) POLITICAL COMMITTEES.—

(1) \* \* \*

\* \* \* \* \*

(3) RECEIPTS AND DISBURSEMENTS FROM QUALIFIED NON-FEDERAL ACCOUNTS.—In addition to any other reporting requirement applicable under this Act, a political committee to which section 325(a) applies shall report all receipts and disbursements from a qualified non-Federal account (as defined in section 325(c)).

[(3)] (4) ITEMIZATION.—If a political committee has receipts or disbursements to which this subsection applies from or to any person aggregating in excess of \$200 for any calendar year,

the political committee shall separately itemize its reporting for such person in the same manner as required in paragraphs (3)(A), (5), and (6) of subsection (b).

[(4)] (5) REPORTING PERIODS.—Reports required to be filed under this subsection shall be filed for the same time periods required for political committees under subsection (a)(4)(B).

\* \* \* \* \*

LIMITATIONS ON CONTRIBUTIONS AND EXPENDITURES

SEC. 315. (a) \* \* \*

\* \* \* \* \*

(c)(1)(A) \* \* \*

(B) Except as provided in subparagraph (C), in any calendar year after 2002—

(i) a limitation established by subsections (a)(1)(A), (a)(1)(B), (a)(3), (b), [(d),] or (h) shall be increased by the percent difference determined under subparagraph (A);

\* \* \* \* \*

(2) For purposes of paragraph (1)—

(A) \* \* \*

(B) the term “base period” means—

(i) for purposes of [subsections (b) and (d)] *subsection (b)*, calendar year 1974; and

\* \* \* \* \*

(d)[(1) Notwithstanding any other provision of law with respect to limitations on expenditures or limitations on contributions, the national committee] *Notwithstanding any other provision of law with respect to limitations on amounts of expenditures or contributions, a national committee* of a political party and a State committee of a political party, including any subordinate committee of a State committee, may make expenditures in connection with [the general] *any* election campaign of candidates for [Federal office, subject to the limitations contained in paragraphs (2), (3), and (4) of this subsection] *Federal office in any amount*.

[(2) The national committee of a political party may not make any expenditure in connection with the general election campaign of any candidate for President of the United States who is affiliated with such party which exceeds an amount equal to 2 cents multiplied by the voting age population of the United States (as certified under subsection (e)). Any expenditure under this paragraph shall be in addition to any expenditure by a national committee of a political party serving as the principal campaign committee of a candidate for the office of President of the United States.

[(3) The national committee of a political party, or a State committee of a political party, including any subordinate committee of a State committee, may not make any expenditure in connection with the general election campaign of a candidate for Federal office in a State who is affiliated with such party which exceeds—

[(A) in the case of a candidate for election to the office of Senator, or of Representative from a State which is entitled to only one Representative, the greater of—

[(i) 2 cents multiplied by the voting age population of the State (as certified under subsection (e)); or

[(ii) \$20,000; and

[(B) in the case of a candidate for election to the office of Representative, Delegate, or Resident Commissioner in any other State, \$10,000.

[(4) INDEPENDENT VERSUS COORDINATED EXPENDITURES BY PARTY.—

[(A) IN GENERAL.—On or after the date on which a political party nominates a candidate, no committee of the political party may make—

[(i) any coordinated expenditure under this subsection with respect to the candidate during the election cycle at any time after it makes any independent expenditure (as defined in section 301(17)) with respect to the candidate during the election cycle; or

[(ii) any independent expenditure (as defined in section 301(17)) with respect to the candidate during the election cycle at any time after it makes any coordinated expenditure under this subsection with respect to the candidate during the election cycle.

[(B) APPLICATION.—For purposes of this paragraph, all political committees established and maintained by a national political party (including all congressional campaign committees) and all political committees established and maintained by a State political party (including any subordinate committee of a State committee) shall be considered to be a single political committee.

[(C) TRANSFERS.—A committee of a political party that makes coordinated expenditures under this subsection with respect to a candidate shall not, during an election cycle, transfer any funds to, assign authority to make coordinated expenditures under this subsection to, or receive a transfer of funds from, a committee of the political party that has made or intends to make an independent expenditure with respect to the candidate.]

\* \* \* \* \*

(i) INCREASED LIMIT TO ALLOW RESPONSE TO EXPENDITURES FROM PERSONAL FUNDS.—

(1) INCREASE.—

(A) \* \* \*

\* \* \* \* \*

(C) INCREASED LIMIT.—Except as provided in clause (ii), for purposes of subparagraph (A), if the opposition personal funds amount is over—

(i) \* \* \*

\* \* \* \* \*

(iii) 10 times the threshold amount—

(I) the increased limit shall be 6 times the applicable limit; *and*

(II) the limit under subsection (a)(3) shall not apply with respect to any contribution made with respect to a candidate if such contribution is made under the increased limit of subparagraph (A)

during a period in which the candidate may accept such a contribution【; and】.

【(III) the limits under subsection (d) with respect to any expenditure by a State or national committee of a political party shall not apply.】

\* \* \* \* \*

(2) TIME TO ACCEPT CONTRIBUTIONS UNDER INCREASED LIMIT.—

(A) IN GENERAL.—Subject to subparagraph (B), a candidate and the candidate’s authorized committee shall not accept any contribution【, and a party committee shall not make any expenditure,】 under the increased limit under paragraph (1)—

(i) \* \* \*

(ii) to the extent that such contribution, when added to the aggregate amount of contributions previously accepted 【and party expenditures previously made】 under the increased limits under this subsection for the election cycle, exceeds 110 percent of the opposition personal funds amount.

(B) EFFECT OF WITHDRAWAL OF AN OPPOSING CANDIDATE.—A candidate and a candidate’s authorized committee shall not accept any contribution 【and a party shall not make any expenditure】 under the increased limit after the date on which an opposing candidate ceases to be a candidate to the extent that the amount of such increased limit is attributable to such an opposing candidate.

\* \* \* \* \*

MODIFICATION OF CERTAIN LIMITS FOR HOUSE CANDIDATES IN RESPONSE TO PERSONAL FUND EXPENDITURES OF OPPONENTS

SEC. 315A. (a) AVAILABILITY OF INCREASED LIMIT.—

(1) IN GENERAL.—Subject to paragraph (3), if the opposition personal funds amount with respect to a candidate for election to the office of Representative in, or Delegate or Resident Commissioner to, the Congress exceeds \$350,000—

(A) the limit under subsection (a)(1)(A) with respect to the candidate shall be tripled; *and*

(B) the limit under subsection (a)(3) shall not apply with respect to any contribution made with respect to the candidate if the contribution is made under the increased limit allowed under subparagraph (A) during a period in which the candidate may accept such a contribution【; and】.

【(C) the limits under subsection (d) with respect to any expenditure by a State or national committee of a political party on behalf of the candidate shall not apply.】

\* \* \* \* \*

(3) TIME TO ACCEPT CONTRIBUTIONS UNDER INCREASED LIMIT.—

(A) IN GENERAL.—Subject to subparagraph (B), a candidate and the candidate’s authorized committee shall not accept any contribution【, and a party committee shall not

make any expenditure,] under the increased limit under paragraph (1)—

(i) \* \* \*

(ii) to the extent that such contribution, when added to the aggregate amount of contributions previously accepted [and party expenditures previously made] under the increased limits under this subsection for the election cycle, exceeds 100 percent of the opposition personal funds amount.

(B) EFFECT OF WITHDRAWAL OF AN OPPOSING CANDIDATE.—A candidate and a candidate’s authorized committee shall not accept any contribution [and a party shall not make any expenditure] under the increased limit after the date on which an opposing candidate ceases to be a candidate to the extent that the amount of such increased limit is attributable to such an opposing candidate.

\* \* \* \* \*

**SEC. 325. ALLOCATION AND FUNDING RULES FOR CERTAIN EXPENSES RELATING TO FEDERAL AND NON-FEDERAL ACTIVITIES.**

(a) *IN GENERAL.*—*In the case of any disbursements by any political committee that is a separate segregated fund or nonconnected committee for which allocation rules are provided under subsection (b)—*

(1) *the disbursements shall be allocated between Federal and non-Federal accounts in accordance with this section and regulations prescribed by the Commission; and*

(2) *in the case of disbursements allocated to non-Federal accounts, may be paid only from a qualified non-Federal account.*

(b) **COSTS TO BE ALLOCATED AND ALLOCATION RULES.**—

(1) *IN GENERAL.*—*Disbursements by any separate segregated fund or nonconnected committee, other than an organization described in section 323(b)(1), for any of the following categories of activity shall be allocated as follows:*

(A) *100 percent of the expenses for public communications or voter drive activities that refer to one or more clearly identified Federal candidates, but do not refer to any clearly identified non-Federal candidates, shall be paid with funds from a Federal account, without regard to whether the communication refers to a political party.*

(B) *At least 50 percent, or a greater percentage if the Commission so determines by regulation, of the expenses for public communications and voter drive activities that refer to one or more clearly identified candidates for Federal office and one or more clearly identified non-Federal candidates shall be paid with funds from a Federal account, without regard to whether the communication refers to a political party.*

(C) *At least 50 percent or a greater percentage if the Commission so determines by regulation, of the expenses for public communications or voter drive activities that refer to a political party, but do not refer to any clearly identified Federal or non-Federal candidate, shall be paid with funds from a Federal account, except that this paragraph shall not apply to communications or activities that relate exclu-*

sively to elections where no candidate for Federal office appears on the ballot.

(D) At least 50 percent, or a greater percentage if the Commission so determines by regulation, of the expenses for public communications or voter drive activities that refer to a political party and refer to one or more clearly identified non-Federal candidates, but do not refer to any clearly identified Federal candidates, shall be paid with funds from a Federal account, except that this paragraph shall not apply to communications or activities that relate exclusively to elections where no candidate for Federal office appears on the ballot.

(E) Unless otherwise determined by the Commission in its regulations, at least 50 percent of any administrative expenses, including rent, utilities, office supplies, and salaries not attributable to a clearly identified candidate, shall be paid with funds from a Federal account, except that for a separate segregated fund such expenses may be paid instead by its connected organization.

(F) At least 50 percent, or a greater percentage if the commission so determines by regulation, of the direct costs of a fundraising program or event, including disbursements for solicitation of funds and for planning and administration of actual fundraising events, where Federal and non-Federal funds are collected through such program or event shall be paid with funds from a Federal account, except that for a separate segregated fund such costs may be paid instead by its connected organization. This paragraph shall not apply to any fundraising solicitations or any other activity that constitutes a public communication.

(2) CERTAIN REFERENCES TO FEDERAL CANDIDATES NOT TAKEN INTO ACCOUNT.—For purposes of paragraph (1), a public communication or voter drive activity shall not be treated as referring to a clearly identified Federal candidate if the only reference to the candidate in the communication or activity is

(A) a reference in connection with an election for a non-Federal office in which such Federal candidate is also a candidate for such non-Federal office; or

(B) a reference to the fact that the candidate has endorsed a non-Federal candidate or has taken a position on an applicable State or local issue (as defined in section 301 (27)(G)), including a reference that constitutes the endorsement or position itself.

(3) CERTAIN REFERENCES TO POLITICAL PARTIES NOT TAKEN INTO ACCOUNT.—For purposes of paragraph (1), a public communication or voter drive activity shall not be treated as referring to a political party if the only reference to the party in the communication or activity is

(A) a reference for the purpose of identifying a non-Federal candidate;

(B) a reference for the purpose of identifying the entity making the public communication or carrying out the voter drive activity; or

(C) a reference in a manner or context that does not reflect support for or opposition to a Federal candidate or

*candidates and does reflect support for or opposition to a State or local candidate or candidates or an applicable State or local issue.*

(c) **QUALIFIED NON-FEDERAL ACCOUNT.**—

(1) **IN GENERAL.**—*For purposes of this section, the term “qualified non-Federal account” means an account which consists solely of amounts—*

*(A) that, subject to the limitations of paragraphs (2) and (3), are raised by the separate segregated fund or non-connected committee only from individuals, and*

*(B) with respect to which all requirements of Federal, State, or local law (including any law relating to contribution limits) are met.*

(2) **LIMITATION ON INDIVIDUAL DONATIONS.**—

(A) **IN GENERAL.**—*A separate segregated fund or non-connected committee may not accept more than \$25,000 in funds for its qualified non-Federal account from any one individual in any calendar year.*

(B) **AFFILIATION.**—*For purposes of this paragraph, all qualified non-Federal accounts of separate segregated funds or non-connected committees which are directly or indirectly established, financed, maintained, or controlled by the same person or persons shall be treated as one account.*

(3) **FUNDRAISING LIMITATION.**—

(A) **IN GENERAL.**—*No donation to a qualified non-Federal account may be solicited, received, directed, transferred, or spent by or in the name of any person described in subsection (a) or (e) of section 323.*

(B) **FUNDS NOT TREATED AS SUBJECT TO ACT.**—*Except as provided in subsection (a)(2). and this subsection, any funds raised for a qualified non-Federal account in accordance with the requirements of this section shall not be considered funds subject to the limitations, prohibitions, and reporting requirements of this Act for any purpose (including for purposes of subsection (a) or (e) of section 323 or subsection (d)(1) of this section).*

(d) **DEFINITIONS.**—

(1) **FEDERAL ACCOUNT.**—*The term “Federal account” means an account which consists solely of contributions subject to the limitations, prohibitions and reporting requirements of this Act. Nothing in this section or in section 323(b)(2)(B)(iii) shall be construed to infer that a limit other than the limit under section 315(a)(1)(C) applies to contributions to the account.*

(2) **NONCONNECTED COMMITTEE.**—*The term “non-connected committee” shall not include a political committee of a political party.*

(3) **VOTER DRIVE ACTIVITY.**—*The term “voter drive activity” has the meaning given such term in section 301(28).*

**TITLE 5, UNITED STATES CODE**

\* \* \* \* \*

**PART III—EMPLOYEES**

\* \* \* \* \*

SUBPART G—INSURANCE AND ANNUITIES

\* \* \* \* \*

CHAPTER 83—RETIREMENT

\* \* \* \* \*

SUBCHAPTER III—CIVIL SERVICE RETIREMENT

§ 8332. Creditable service

(a) \* \* \*

\* \* \* \* \*

(o)(1) *Notwithstanding any other provision of this subchapter, the service of an individual finally convicted of an offense described in paragraph (2) shall not be taken into account for purposes of this subchapter, except that this sentence applies only to service rendered as a Member (irrespective of when rendered). Any such individual (or other person determined under section 8342(c), if applicable) shall be entitled to be paid so much of such individual's lump-sum credit as is attributable to service to which the preceding sentence applies.*

(2)(A) *An offense described in this paragraph is any offense described in subparagraph (B) for which the following apply:*

(i) *Every act or omission of the individual (referred to in paragraph (1)) that is needed to satisfy the elements of the offense occurs while the individual is a Member.*

(ii) *Every act or omission of the individual that is needed to satisfy the elements of the offense directly relates to the performance of the individual's official duties as a Member.*

(iv) *The offense is committed after the date of enactment of this subsection.*

(B) *An offense described in this subparagraph is only the following, and only to the extent that the offense is a felony under title 18:*

(i) *An offense under section 201 of title 18 (bribery of public officials and witnesses).*

(ii) *An offense under section 219 of title 18 (officers and employees acting as agents of foreign principals).*

(iii) *An offense under section 371 of title 18 (conspiracy to commit offense or to defraud United States) to the extent of any conspiracy to commit an act which constitutes an offense under clause (i) or (ii).*

(3) *An individual convicted of an offense described in paragraph (2) shall not, after the date of the final conviction, be eligible to participate in the retirement system under this subchapter or chapter 84 while serving as a Member.*

(4) *The Office of Personnel Management shall prescribe any regulations necessary to carry out this subsection. Such regulations shall include—*

(A) *provisions under which interest on any lump-sum payment under the second sentence of paragraph (1) shall be limited in a manner similar to that specified in the last sentence of section 8316(b); and*

(B) *provisions under which the Office may provide for—*

(i) the payment, to the spouse or children of any individual referred to in the first sentence of paragraph (1) of any amounts which (but for this clause) would otherwise have been nonpayable by reason of such first sentence, but only to the extent that the application of this clause is considered necessary given the totality of the circumstances; and

(ii) an appropriate adjustment in the amount of any lump-sum payment under the second sentence of paragraph (1) to reflect the application of clause (i).

(5) For purposes of this subsection—

(A) the term “Member” has the meaning given such term by section 2106, notwithstanding section 8331(2); and

(B) the term “child” has the meaning given such term by section 8341.

\* \* \* \* \*

**CHAPTER 84—FEDERAL EMPLOYEES’ RETIREMENT SYSTEM**

\* \* \* \* \*

**SUBCHAPTER II—BASIC ANNUITY**

**§ 8411. Creditable service**

(a) \* \* \*

\* \* \* \* \*

(i)(1) Notwithstanding any other provision of this chapter, the service of an individual finally convicted of an offense described in paragraph (2) shall not be taken into account for purposes of this chapter, except that this sentence applies only to service rendered as a Member (irrespective of when rendered). Any such individual (or other person determined under section 8424(d)) if applicable shall be entitled to be paid so much of such individual’s lump-sum credit as is attributable to service to which the preceding sentence applies.

(2) An offense described in this paragraph is any offense described in section 8332(0)(2)(B) for which the following apply:

(A) Every act or omission of the individual (referred to in paragraph (1)) that is needed to satisfy the elements of the offense occurs while the individual is a Member.

(B) Every act or omission of the individual that is needed to satisfy the elements of the offense directly relates to the performance of the individual’s official duties as a Member.

(C) The offense is committed after the date of enactment of this subsection.

(3) An individual finally convicted of an offense described in paragraph (2) shall not, after the date of the conviction, be eligible to participate in the retirement system under this chapter while serving as a A Member.

(4) The Office of Personnel Management shall prescribe any regulations necessary to carry aut this subsection. Such regulations shall include—

(A) provisions under which interest on any lump-sum payment under the second sentence of paragraph (1) shall be lim-

ited in a manner similar to that specified in the last sentence of section 8316(b); and

(B) provisions under which the Office may provide for

(i) the payment, to the spouse or children of any individual referred to in the first sentence of paragraph (1), of any amounts which (but for this clause) would otherwise have been nonpayable by reason of such first sentence, but only to the extent that the application of this clause is considered necessary given the totality of the circumstances; and

(ii) an appropriate adjustment in the amount of any lump-sum payment under the second sentence of paragraph (1) to reflect the application of clause (i).

(5) For purposes of this subsection—

(A) the term “Member” has the meaning given such term by section 2106, notwithstanding section 8401(20); and

(B) the term “child” has the meaning given such term by section 8341.

\* \* \* \* \*

## MINORITY VIEWS

### LOBBYING AND ETHICS REFORM

#### BACKGROUND

On March 16, 2006, the Republican Leadership introduced H.R. 4975, the “Lobbying Accountability and Transparency Act of 2006.” It was marked up by five committees—the Committees on Rules, Judiciary, House Administration, Government Reform, and Standards of Official Conduct. This procedure was characterized by the Republican Leadership as “regular order”, so as to allow each committee to work its will.

While the Republican bill is titled to suggest that the Republican Leadership is getting serious about lobbying reform, the list of things which should have been included in the bill, but which were intentionally left out, provides a much clearer picture of the true intentions of the bill’s drafters.

Honest lobbying reform must include all of the following, none of which are addressed by the Republican Leadership bill before this committee:

- A complete ban on gifts and travel provided by lobbyists and organizations that retain or employ them;
- A requirement that Members pay the full charter costs of corporate air travel and disclosure of the passenger list for all privately funded travel;
- Reporting provisions and criminal penalties to eliminate cronyism and corruption in government employment and contracting;
- Criminal penalties for those who engage in the type of partisan, political manipulation associated with the “K Street Project”;
- A return to fair and open debating and voting procedures on the House floor, and in Conference Committees;
- Radically new lobbyist disclosure requirements, including the names of Members contacted, and a listing of parties and events held to “honor” Members;
- A two-year revolving door prohibition; and
- Earmark transparency provisions, including a prohibition on linking earmarks to vote support.

Because the Republican Leadership bill does not contain such lobbying reform provisions, Democrats attempted to include them during markup in the various committees. In our Committee, made up of six Republicans and three Democrats, we offered several substantive amendments, each of which was rejected by the Republicans on party line votes. The Republican Leadership bill was then ordered reported in the same form it was introduced, and without any Committee input by way of amendments.

Our concern is that the Republican Leadership, and the Republican Party, may not be serious about lobbying reform, because they have been major beneficiaries of the manipulation attendant to the unconscionable “K Street Project”, now personified by convicted lobbyist Jack Abramoff. Perhaps the Republican Leadership believes that a few superficial reforms will buy time, and temporarily paper over the ongoing corruption, thus allowing the outrage of the American People to dissipate, with the eventual return to business as usual. Contrary to this perception, Americans who strive for honest government will not allow the demand for serious lobbying reform to go away.

#### THE DEMOCRATIC APPROACH

The American People are demanding bold action that strikes at the heart of congressional corruption. A temporary moratorium on travel, and a few lobbyist disclosure provisions, are an incredibly inadequate response to the clear evidence of massive corruption in the midst of this Congress.

Throughout our democratic history, there has been a struggle to ensure that the People’s interests are put ahead of special interests. Since the Republican Party took complete control of the government, cronyism and corruption have become widespread.

Our goal is to restore accountability, honesty and openness to all levels of government. We must create enforceable ethical standards for every public servant, sever unethical ties between lawmakers and lobbyists, and establish clear standards that prevent trading on one’s official office for personal or campaign benefits.

In addition to an immediate and full investigation by the Ethics Committee of all aspects of the Abramoff matter, any serious reform plan must include effective enforcement, a total ban on travel provided by lobbyists and organizations which employ lobbyists, and full and timely public disclosure of all other privately funded travel.

#### COMMITTEE JURISDICTION

Our Committee does not have general jurisdiction over Federal lobbying policy. That jurisdiction resides almost exclusively in the Judiciary Committee, in part because of the law’s impact on Constitutional free speech and the right to redress grievances. Our Committee’s jurisdictional interest is based upon oversight over one of the two offices tasked with administering the law (the House Clerk’s Office—the other office being the Senate Secretary’s Office), travel by Members, and Member pensions.

#### DEMOCRATIC AMENDMENTS

We offered three amendments to the Republican Leadership Lobbying Reform bill—one to ban Member acceptance of travel provided by lobbyists and organizations employing lobbyists, one to authorize enforcement by a reorganized House Inspector General’s office, with a specific focus on lobbying disclosure and enforcement, and one to delete a provision relating to 527 organizations from the bill, because the provision has nothing to do with lobbying reform. Each amendment was intended to focus on, and move the Repub-

lican Leadership bill closer to true lobbying reform, and it was our Committee's responsibility, and only opportunity to correct this woefully inadequate, Republican Leadership effort, as the legislative train, controlled by the Republican Leadership, pulls away from the station.

The first amendment banned travel arranged for, paid for, or provided by lobbyists and organizations that retain or employ lobbyists; it prohibited lobbyists from funding, arranging, planning, or participating in privately funded congressional travel.

The second amendment established a new Office of Public Integrity within the Office of the House Inspector General, and charged that Office with auditing and investigating compliance with lobbying disclosure rules, and when necessary, referring matters to the United States Attorney.

Our third amendment deleted a fake lobbying reform issue from the bill—relating to 527 organizations—for two reasons. First, Federal 527 organization policy has nothing whatsoever to do with lobbying reform, and second, the Republican Leadership had already brought the 527 provision to the House floor on the day preceding our markup, and the House had worked its will on that policy.

All amendments were rejected by the Republican Majority. This lockstep rejection of even small steps toward real reform belies a Republican Leadership effort to avoid meaningful lobbying reform by fashioning a Republican bill in the Rules Committee, over which the Republican Leadership has total control. Chairman Ehlers even announced that, rather than offering a germane amendment to a portion of the bill which was exclusively within our Committee's jurisdiction, he would offer his amendment instead at the Rules Committee for its consideration.

#### WHERE WE SHOULD BE GOING

Honest leadership is not a partisan goal. It is the key to a stronger union. Our government must reflect the absolute best of the people it serves.

Without honest leadership and open government, America's bounty, and the hopes of the American People, will be plundered by special interests operating in conjunction with corrupt legislators, cronies, or dishonest public officials. America's urgent needs, such as real security overseas and at home, economic strength and educational excellence, affordable health care, energy independence, and retirement security, will be compromised or continue to go unaddressed. 163 Democrats have offered a comprehensive lobbying reform package as a real alternative to the Republican Leadership bill. The Democratic alternative is the Honest Leadership and Open Government Act—H.R. 4682, the principle objectives of which are summarized below:

- Close the Revolving Door
- Toughen Public Disclosure of Lobbyist Activity
- Ban Lobbyist Gifts and Travel
- Shut Down Pay-to-Play Schemes Like the "K Street Project."
- Disclosure of Outside Job Negotiations
- Prohibit "Dead of Night" Special Interest Provisions
- Zero Tolerance for Contract Cheaters

- Prohibit Cronyism in Key Appointments

## WHERE WE SEEM TO BE HEADED

Democrats think that the Jack Abramoff conviction is the tip of the iceberg. What it represents is a burning need to change the way the Congress, its Members, and other high ranking public officials do the American People's business. Nonetheless, the Republican Leadership bill, and the actions taken in our own Committee, suggest strongly that a watered-down, Republican Leadership lobbying bill, which avoids any serious effort to reform the way congressional business is conducted, will shortly be presented to the House for an up or down vote. We are discouraged at this prospect, and will not support anything short of reform worthy of the trust of the American People to ensure honest leadership and an open government. This is why we opposed this bill in the Committee, and why we will work for its defeat on the House floor—not because of what the bill does—but because of what the bill fails to do to bring about honest leadership and open government.

JUANITA MILLENDER-MCDONALD.  
ROBERT A. BRADY.  
ZOE LOFGREN.

