I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

GENERAL LEAVE

Mr. NEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on H.R. 2356.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

BIPARTISAN CAMPAIGN REFORM ACT OF 2001

The SPEAKER pro tempore. Pursuant to House Resolution 344, the House now resolves itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2356.

□ 1048

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2356) to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform, with Mr. LAHOOD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Ohio (Mr. NEY) and the gentleman from Maryland (Mr. HOYER) each will control 30 minutes.

The Chair recognizes the gentleman from Ohio (Mr. NEY).

Mr. NEY. Mr. Chairman, I yield myself such time as I may consume.

This is going to be a long debate today, and tonight, and I do believe that is good. The legislation we are debating is extremely important. The last time this Congress passed significant campaign finance reform legislation was 27 years ago. We could be living with the consequences of any bill we pass today for decades to come. That is important, I think, for the challengers across this Nation, the men and women who want to aspire to be able to speak on the floor of this House. So what we are doing is important for our energetic give and take of public debate.

Today, as in any debate, a lot of claims are going to be made about the various bills and amendments. I think right at the outset, before we get under way, we ought to define our terms. We are going to hear a lot tonight about a ban—let me repeat that, a ban—on soft money. According to Webster's dictionary, to ban means to prohibit the use, performance or distribution of. In politics, we often contort language, but I would like to make it plain and clear, the bill under consideration today, H.R. 2356, the Shays-Meehan bill, does not ban soft money under any definition or under any stretch of the imagination. I am certain that we will hear otherwise from some of our colleagues today, but the fact is anyone who tells you that this version, I believe this is the fourth version of what I call an altered state of a piece of legislation, that this version of Shays-Meehan bans soft money is simply not telling you the truth and is not being accurate.

It could be argued that previous versions of Shays-Meehan did ban soft money. H.R. 380, the bill the gentleman from Connecticut (Mr. SHAYS) and the gentleman from Massachusetts (Mr. MEEHAN) introduced last January, and the versions of Shays-Meehan approved by this House in years past, did ban soft money donations to political parties. I would argue that even those bills were not real, true soft money bans because they did nothing to restrict how unions, corporations and wealthy individuals spent soft money. Those bills did ban soft money donations, but not soft money expenditures. So whether or not earlier Shays-Meehan bills really banned soft money could be debated.

What cannot be debated, however, is the simple fact that this newest version of Shays-Meehan fails to ban soft money, again under any definition. It cannot even be seriously argued that H.R. 2356 bans soft money. Anyone who claims that it does is either deliberately misrepresenting the facts, or they just do not know what is in this new piece of legislation.

The difference between H.R. 2356 and the previous versions of Shays-Meehan is that H.R. 2356 now permits political parties to accept soft money donations. Even if this bill were to be adopted today, unions, corporations and wealthy individuals could still donate massive amounts of soft money to State and local political parties. These donations are permitted up to $10,000 and can be made to every State and local party in the country. With over 3,000 counties in the United States, this means that a corporation or a union, or Enron, because we have talked about that a lot in the last couple of weeks for emotional purposes, could donate up to $30 million to one political party provided they spread it around the country. If somebody wanted to give to both parties, they could give up to $60 million, provided they spread it around the country.

We are going to hear a lot of talk about Enron today and how the Enron debacle demonstrates the need for campaign finance reform. There are two things to say about that. Even if this bill had been law, it would not have prevented the Enron collapse. Unfortunately, I have had constituents that have called me up and said, is it true what I am hearing on TV, what is being insinuated, that people's money could have been saved from the terrible things that the corporate top of the ladder did to people? This bill, if passed, would not have changed that. Let us not fool the American public to make them think that people could get their money back. All the money that Enron gave could still have been given even if this bill were law.

Some will say, well, they could not have given it to the national parties. Ask yourself, does it really matter? If a company wants to influence the political process by spreading a lot of money around, does it really matter if the money is given to a national party instead of a State party? Are we to believe that if a company was giving millions of dollars in contributions to a political party, its influence would somehow be diminished because it spread the money around to a lot of State parties instead of simply giving it to a national party? I do not think so. All this bill does is spread soft money around the country. It redirects it. It does not ban it.

This bill also imposes a number of serious restrictions of political speech. It prevents an organization from spending its own money promoting a message its members believe in if they happen to mention a candidate in the 60 days before an election. That is not America. That is not free speech. Whether it is the left, the middle or the right, people should not be gagged in this country, and they are gagged under this bill.

Supporters of the bill will argue that they do not restrict free speech at all, they simply require that it be funded with hard dollars. Let there be no mistake, this bill, the Shays-Meehan bill, burdens free expression and free speech. To claim that it is not a burden is to simply misrepresent the facts of this bill.

It has been said that to give people a right to unlimited freedom of expression while limiting the amount they can spend promoting their message is like telling someone they can drive as far as they want, but they can only spend a certain amount on gasoline to get them there. Well, telling people they can speak as much as they want so long as they use hard money is like telling people they can drive as far as they want, but they can only buy one gallon of gas at a time. Even worse, it is like telling them they cannot use their own money to buy the gas, but can only use money that they are able to raise from people they run into along the way. Could it really be argued that such burdens did not restrict travel? I do not think so. But proponents of the Shays-Meehan legislation want to put similar burdens on free speech and then claim they have not restricted free speech. It is obviously simply not accurate.

This is going to be a long debate today. I look forward to it. As we proceed, I hope Members will listen to the substance of the provisions being put forward. Shays-Meehan has retained the brand name, but the quality of the product has totally changed. Today we are going to have a good opportunity to debate and consider what this legislation would actually do. I look forward to that debate.

Mr. Chairman, I reserve the balance of my time.

Mr. HOYER. Mr. Chairman, I ask unanimous consent that the gentleman from Connecticut (Mr. SHAYS) and the gentleman from Massachusetts (Mr. MEEHAN) may each control 7 minutes of the time allocated to me and that they may yield such time.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. HOYER. Mr. Chairman, I yield myself such time as I may consume.

I have great respect for my chairman, and great affection for him as well, but we disagree on this piece of legislation. On the one hand he says that Shays-Meehan does not do much. On the other hand his leader, the Speaker of the House, says that it is Armageddon for those who rely on soft money to perpetuate their power.

Mr. Chairman, the long road to victory on campaign finance reform has not been paved with ease. But as Woodrow Wilson once remarked, ''Nothing is worthwhile that is not hard.'' And so it is today in this our third vote in 4 years on real, meaningful campaign finance reform.

We have passed virtually identical versions of this Shays-Meehan bill twice before by overwhelming bipartisan votes, 252–179 in 1998 and 252–177 in 1999. But today's vote, which comes only after a discharge petition, led by my friend the gentleman from Texas (Mr. TURNER), permitted this issue to come to the floor over the objections of the Republican leadership, this day is clearly the most important yet. Unlike in years past, the other body already has passed nearly identical legislation. Thus, the enactment of meaningful campaign finance reform is within our sights this day.

This issue, like the issue of election reform, which the Senate hopefully will soon take up, strikes at the very core of our participatory democracy. When the typical American, the man or woman who works hard every day, pays their taxes and raises their children, hears about campaign contributions and the tens of thousands or even hundreds of thousands of dollars, they cannot help but wonder, has democracy passed me by? Has democracy been reduced to a form of government of and by and for the most affluent?

Make no mistake, I reject the cynical and, I believe, false notion that contributions and policy decisions are inevitably linked. But none of us could be so naive as to reject the infrequent reality and the too frequent appearance of such a relationship. Every one of us recognizes that in public life, appearances are as important many times as reality. One five-letter word ought to crystallize the point for us. The chairman is right. Enron. None of us knows for certain whether that Texas energy company received any special treatment because of its enormous campaign contributions, from either party, but I am confident that congressional investigations and our regulatory and legal processes will get to the bottom of that.

But there is no denying these facts: When Enron began to implode, its calls to officials at the highest level of our national government did not go unanswered. And, when the Bush administration began to draft its energy policy, it rolled out the red carpet for Enron's participation.

In and of themselves, these facts mean little. But the American people have every reason and every right to wonder, did Enron receive special treatment because of its contributions? Even the Supreme Court of the United States has recognized that we cannot ignore appearances. In Buckley v. Valeo, it upheld campaign contribution limits because they serve the government's compelling interest in protecting the integrity of elections by preventing even the appearance of impropriety.

Unfortunately, Mr. Chairman, the appearance that something is fundamentally wrong with our campaign finance system has clearly reached the boiling point, and thus Shays-Meehan is not only necessary, it is essential. This legislation, in short, will ban so-called soft money contributions to the national political parties and prohibit soft money from being used for sham issue ads by third-party groups that most of us would agree are nothing more than campaign ads. While this legislation will clearly reorder the ways in which candidates and parties finance campaigns, it is a modest but crucial investment in our participatory democracy.

We are the role model for democracy in the world.

□ 1100

We have learned that we cannot take our democratic values for granted and we cannot be so naive as to believe that the appearances do not matter. As we seek to expand democracy's reach abroad, it is only fitting that we strengthen her foundation at home. That is precisely, precisely, what this legislation is intended to do.

Because it is so critical, I urge every one of my colleagues to support this legislation this day. Its time has come.

Mr. Chairman, I am glad to yield 2 minutes to the distinguished gentleman from Texas (Mr. TURNER), who has been such a leader in this effort.

Mr. TURNER. Mr. Chairman, this House today has a historic opportunity to end the influence of big money on public policy making. Today we are going to have the opportunity to vote on a bill, the Shays-Meehan bill, H.R. 2356, that has been worked on for many months in an effort to try to craft a bill that not only will pass this House, but that will be acceptable to the United States Senate, where they have already passed a strong campaign finance reform bill under the leadership of Senator MCCAIN and Senator FEINGOLD.

Let there be no mistake about what is going on on this floor today: we have heard reference in the opening remarks to a bill that will be offered that will be purported and suggested to be ''superior'' to the Shays-Meehan proposal.

There should be no mistake about it: whether the bill is better or worse, the bill will never see the light of day, because the purpose of those who seek to amend or substitute the Shays-Meehan bill today, their purpose is to be sure that the bill they pass is not acceptable to the Senate, where it will be relegated to a conference committee, which will be a black hole of certain death to the bill because the Speaker of the House, who has designated this Shays-Meehan legislation as Armageddon, would have the authority to appoint the conferees to that conference committee. You can be well assured that the conferees that are appointed will be opposed to true campaign reform, and once again this Congress will have failed to return the power of this House to the people of this country and to get it out of the hands of the special interests.

We have passed campaign finance reform in this House before in the last Congress and the Senate failed to pass it. This year the Senate passed it first, and it is our job to pass it now.

Support true campaign reform today, the Shays-Meehan bill, and oppose these efforts to kill it.

Mr. NEY. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri (Mr. BLUNT), the distinguished deputy chief whip.

Mr. BLUNT. Mr. Chairman, I thank the gentleman for yielding me time, and I look forward to this debate today. I think this debate will in all likelihood produce a result, whether that result is out of conference or from the floor today. Those who suggest that a conference would not work, I think, overlook the desire that the President has, that others have, to have campaign finance reform.

The idea that we would file a bill at 11 o'clock or so last night, that I think is substantially different from the bill that was filed a year ago, and we would be told on the floor today that really this cannot be improved, that any amendment is a killer amendment, or a conference is a bad thing, we take very important pieces of legislation to conference and usually they benefit from that conference. Certainly the White House can be more involved in a conference than they would ever be involved in debate on the floor.

This is a bill that for weeks and months now we have talked about a bill that would, I think, the phrase, the term of art, is ban unlimited soft money. The truth is, there are plenty of soft-money loopholes in this bill. Banning unlimited soft money sounds like you are really doing something, when maybe you are not doing that at all.

There is a loophole of about $60 million, where you could give money to all

the political organizations in the country, the State parties, the county parties, the legislative district parties. This is a huge loophole in this bill where soft money is still involved. There is the ability to build buildings with soft money. There is the ability to do all kinds of things with soft money; and at the same time we hear that somehow soft money is corrupting.

Well, let us accept that premise as we debate today, for at least part of the debate. If soft money is bad, it is all bad. We all know that money can go from account to account. If soft money is corrupting, why would we want to have an exception so that the Democratic National Committee could build a building with soft money? We do not want them to have a building that has been corrupted by the influence of soft money.

If soft money is corrupting, why would we allow in the bill that was filed last night soft money to be used to pay off loans from this election cycle? Pages 78 and 79 of this bill, there is a huge problem in this bill, because it opens the door wide for soft money today. Not only does it not ban soft money in the future, but it opens the door absolutely for spending soft money in this election cycle we are in right now.

Maybe that was misdrafted. Maybe that is a mistake. I would like for somebody to come to the floor and explained what those pages mean, because when you read them, it appears they mean you can borrow hard money today, spend it for hard-money purposes, and, on November 6, pay off that loan with soft money.

Mr. MEEHAN. Mr. Chairman, will the gentleman yield?

Mr. BLUNT. I yield to the gentleman from Massachusetts.

Mr. MEEHAN. Mr. Chairman, no, you cannot do that. That is illegal under the present law, and it would be illegal if this bill passed. All this says is if there are bills that come in after the deadline, you can pay those bills in accordance with Federal law. So if there was a soft-money bill that could only be paid for with soft money, you could pay it before the January 1 date. The same is true for hard money.

But you could not borrow hard money and then pay it off with soft money. That would be illegal.

Mr. BLUNT. Mr. Chairman, reclaiming my time, I know my friend from Massachusetts has worked hard on this bill. He has had a bill in the past on the floor that is much tougher than this bill, that did have a total ban on soft money. It had the ability to audit campaign accounts at random. It had some stiff criminal penalties. Those are gone from this bill.

What you intended to do and what you did may have been two different things. I am told they are two different things. On November 6, in fact, you could take the soft money you had on hand and pay off any past debts you had, no matter what purpose those past debts were incurred for.

To open the door totally to soft money in the cycle we are in is even worse than postponing the date to begin the bill. We cannot let that happen. We cannot talk about a soft-money ban for months and then bring a bill to the floor at midnight that does just the opposite. I am very concerned about that. I am sure it is going to be widely debated today.

The gentleman will have plenty of time to look at the specific language with his attorneys and respond to the problem that I think this bill that was filed last night creates in just being totally at odds with what we have said this bill would do or what proponents of the bill said it would do for over a year.

Mr. MEEHAN. Mr. Chairman, if the gentleman will yield further, so basically the gentleman is saying all of the Members who have opposed reform, abolishing soft money, now say they want it in effect right now right away? Is that what the gentleman is suggesting?

Mr. BLUNT. Mr. Chairman, that is not what I am suggesting at all.

Mr. MEEHAN. If we are going to do a campaign finance bill, the people who have opposed reform now say, well, if we are really going to do it, let us put it in effect right away?

Mr. BLUNT. Mr. Chairman, reclaiming my time, there will be an amendment that says that. There will be an amendment that says if there is bad, let us go ahead and eliminate it, and let us eliminate all of it. I will be voting for that amendment.

Mr. HOYER. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Pennsylvania (Mr. FATTAH), a member of the Committee on House Administration.

Mr. FATTAH. Mr. Chairman, I rise in support of the bipartisan Shays-Meehan campaign finance bill.

Against all odds, with the persistence and tenacity of the sponsors and with the skill of my ranking member, I believe that this House today is going to rise in a bipartisan fashion and pass this bill, oppose the amendments that would cause it to end up, as so many other attempts in the past have ended up, not coming to full fruition; and we are going to give President Bush, who promised on the campaign trail that he was a reformer with results, an opportunity to put the Presidential signature on a bill that would indeed ban unlimited soft money and move elections back to a democratic process, have elections be elections, rather than auctions.

Mr. Chairman, I think that in our country, the work of the Congress today is going to go a long way in terms of restoring confidence in our form of government.

Mr. NEY. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. DREIER).

(Mr. DREIER asked and was given permission to revise and extend his remarks.)

Mr. DREIER. Mr. Chairman, we are strong proponents of campaign finance reform. Do not let anybody say we are not. We want to dramatically enhance the opportunity for voters to be empowered so they can make the right decision. But I think it is important for us to go back to the founding.

In 1787, we saw three of our framers, James Madison, Alexander Hamilton and John Jay, write under a nom de plum, in fact, not full disclosure, under the name of Publius, the Federalist Papers, and they had a very interesting debate about what it is that generates the interests of people.

In Federalist No. 10, James Madison talked about political faction, how the opportunity for people to come together and demonstrate their interests is something that is a fact of life. In fact, he said in Federalist No. 10, ''Faction is to governing like air is to fire.''

So we have these attempts being made by some to impose extraordinarily onerous regulations on the American people, jeopardizing their opportunity to come together and pursue a political interest that they have, that a shared group has; and I believe that it is wrong. I believe it is wrong to impose those kinds of regulations.

I do believe also, Mr. Chairman, that we need to realize that we have a very important constitutional responsibility here, and that is to go through the process of lawmaking.

The way it works is the United States House of Representatives passes a bill, the United States Senate passes a bill; they go to a House-Senate conference to make sure that they can reconcile those differences. We have a bicameral legislature. The Senate has already passed this measure. The House should work its will, not marching in lockstep.

People have talked about how a conference would jeopardize this fragile coalition for reform. Well, what it does is if they try to simply go without a conference, they are jeopardizing the opportunity for the White House, the President of the United States, who wants to bring about meaningful reforms, to have his say; and it is jeopardizing the opportunity for us to work our legislative will.

Mr. Chairman, we need to do everything that we possibly can to ensure that we bring about true reform.

Mr. MEEHAN. Mr. Chairman, I yield myself 15 seconds.

Mr. Chairman, if James Madison could see the $4 million in unregulated soft money that went from Enron to both political parties, if James Madison could see that 70 percent of the soft money from Enron since 1995 went to both political parties, if James Madison could see the $1.7 million in the last election cycle, he would be rolling over in his grave.

Mr. Chairman, it is my pleasure to yield 1 minute to the gentlewoman from Michigan (Ms. RIVERS), who has been an advocate for finance campaign reform since she got to the House of Representatives.

Ms. RIVERS. Mr. Chairman, the previous speaker mentioned the Constitution, and I think it is important that we collectively take a look at what constitutional case law tells us what Congress can do as it addresses campaign finance reform.

Congress can prohibit the use of corporate treasury funds and union dues money in Federal elections. Congress can limit contributions to candidates, parties and political committees. Congress can pass laws to combat actual corruption and the appearance of corruption. Congress can require disclosure of the source and size of certain kinds of spending and most contributions. Congress can regulate coordinated expenditures, though thwart attempts to circumvent existing election law.

In short, constitutionally Congress has many tools available to it to regulate campaign finance reform. The Supreme Court has spoken on this issue. Shays-Meehan does no more than what the Supreme Court has already endorsed as tools for Congress to use.

The Shays-Meehan bill is constitutional, and it is absolutely needed. I urge support.

□ 1115

Mr. HOYER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Georgia (Mr. LEWIS), who has fought for democracy and voting rights probably more than anybody in this body.

Mr. LEWIS of Georgia. Mr. Chairman, I rise in strong support of the Shays-Meehan bill. Now is the time for us to do what is right. It is time to remove the corrupting influence of soft money from the political process. It is time to open up the political process and let the average person come in and participate. It is time to let all of our citizens have an equal voice.

We must pass Shays-Meehan to lessen the people's growing cynicism. Soft money and big campaign contributions have polluted the political process. When people give $50,000 or $100,000 to candidates, they expect something, and, most of the time, they get something for it. We are sending the wrong message to the American people. It is time for us to enact real reform. It is time to restore the people's faith in their government.

This bill is good for America. It is not just good for the political parties, for Democrats and Republicans, it is good for our country.

There is too much money in politics. Political candidates should not be up for sale to the highest bidder. Too many of us spend too much of our time dialing for dollars. We should not be elected this way. This should not be the essence of our democracy.

I did not march across the bridge at Selma on March 7, 1965, and almost lose my life to become part of a political system so corrupt that it pollutes the very idea of what we marched for. That is not why President Lyndon B. Johnson signed the Voting Rights Act.

Mr. Chairman, there is a better way. Shays-Meehan is a better way. It is not a cure-all. It is not a panacea. But it is a significant and extraordinary step toward cleaning up the process and fixing this broken system.

We have a mandate. We have a mission. We have an obligation to do this on our watch, on our time. We must pass Shays-Meehan today.

Mr. NEY. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. DELAY), our whip.

Mr. DELAY. Mr. Chairman, let me first say that I do not think there is one Member, Democrat, Republican, liberal, or conservative, that is corrupt in this House. I think what is corrupting in this House is the misinformation, especially the misinformation that we have heard over the last few weeks, incredible misinformation; misinformation, for instance, that we are in this bill banning soft money, we know that is not the truth; misinformation that it is not unconstitutional to stop people from exercising their right to be involved in the political process.

Let me just point this out: Those who want to ban soft money, I appreciate that and respect it; I do not agree with it. Those who want to regulate through government the participation in the political process, I respect them trying to do that; I disagree with it. We ought to let the voters decide through instant disclosure to be able to tell and see while people are collecting their money and spending it to decide. We should be empowering voters, not government bureaucrats.

But those that constantly say they are trying to ban soft money bring a bill to this floor that is seriously flawed and, in fact, creates new opportunities to raise soft money. It is misinformation like the previous speaker to say that hundreds of thousands of dollars are going straight to candidates. That is not the definition of soft money. Soft money is monies raised from corporations and others that go to political parties, and that is what they are attempting to do is to ban that money. But they are not doing it in this bill.

Let me just read the bill. In the bill they first move the effective date until after the election, so they do not want to ban it for this election, because they have a bunch of it in the bank and they want to spend it. But they move it until after the election. Then it says in the bill, ''Prior to January 1, the committee may spend such funds to retire outstanding debts or obligations, both soft and hard money, that are incurred prior to such effective date, election date, so long as such debts and obligations were incurred solely in connection with an election held on or before November 5.''

They want to be able to spend the soft money they already raised, and do we know how they do it? They want to be able to borrow hard money and soft money, and then after the election, between November 5 and January 1, there will be a huge stampede to raise all this corrupting soft money to pay off their loans. That is in the bill. That does not ban soft money. That creates a situation that requires more soft money and a huge move towards that soft money that they think is so corrupting.

For the first time, we will be paying off hard money with soft money. I repeat that. We are paying off hard money with soft money, completely changing the situation and the way that we are doing it.

Then, then they say that they want to limit the parties' participation in the election.

This bill does not contain real reform. Instead, this bill strips citizens of their political rights and unconstitutionally attempts to regulate political speech.

The primary protection of our first amendment is the right of average citizens to get together and to freely and fully criticize their government. Political speech is the key to political freedom, and Shays-Meehan would radically weaken our first amendment right by inappropriately and unwisely constraining the right to political speech. Shays-Meehan denies Americans, denies American citizens their fundamental right to criticize politicians for 2 months before the election.

Now, we all know that the last days before an election are a very crucial period of political dialogue. That is when voters are really paying attention, and that is the precise reason that this incumbent protection scheme that is in the bill will suppress political speech 60 days before Election Day. Shays-Meehan strengthens incumbents and makes it far harder for their constituents to hold them accountable.

This is a sham. It shuts down the system, Mr. Chairman. It shuts down political speech. It shuts down the opportunity to participate in elections. In a country the size of the United States, an individual citizen has very little chance of joining the political debate without banding together with others, so by blocking citizens' groups from participating in days leading up to an election, Shays-Meehan removes a very vital tool that citizens can use to hold elected officials accountable.

This is Swiss cheese. It is full of holes. It does not do what the authors want. It is like a fine wine that does not get better with age, it just rots.

Mr. SHAYS. Mr. Chairman, I yield myself 1 minute, and then I intend to yield 2 minutes to the gentleman from Tennessee (Mr. WAMP).

Mr. Chairman, just to correct the inaccuracies of the previous speaker, we say 60 days to an election, you have to use hard money contributions. We limit no speech. We just say you cannot do it with corporate treasury money, union dues money, or unlimited money from individuals. The effective date begins November 6 because we are 16 months already into this election. We already have primaries in

process, and our bill basically has a 30-day provision in primaries.

There is absolutely nothing in our bill, it is a red herring, that suggests one can use soft money to pay hard money obligations. It is against the law. We did not change that law.

So with all due respect to one who I think is really the best majority whip ever to be in this House, he is just dead wrong on all the issues he described.

Mr. Chairman, I yield 2 minutes to the gentleman from Tennessee (Mr. WAMP).

Mr. WAMP. Mr. Chairman, I thank the gentleman for yielding me this time.

A lot of emotion in the House today, and there will be all through the day. This is the end of a long process, I believe, and the closer we get to finality, the higher the temperature gets. So let us try to stay calm and look at these issues.

A lot of discussion about Enron. I agree: Enron would not have changed, I do not think, even if our bill had been signed into law. It was an auditing, business scandal. There is no evidence it is a campaign finance scandal, but that does not mean that it should not point out the need for reform, because other corporations and large powerful groups in this country will try to use these large contributions to influence us, and they have, and they do, and they will, and it needs to stop. It is a loophole. This is the best effort in a generation to bring about change.

There is an old saying that the devil is in the details. It is a matter of history now that on this issue, because it affects the majorities, it affects the parties, and it affects our own reelection; it is not the devil in the details, it is death in the details, and that is why the only way to bring this about is to work through these debates and to keep some kind of bipartisan coalition together to do this.

Now, it is a weird marriage between certain people here in the House, but we need to transcend the divisions between the parties and put the voters, the taxpayers, and the people ahead of the parties.

There are about 250 people in this House that have now agreed over and over again on the principles that are in this bill. There is going to be a lot of noise about these details that we have worked through to bring us to this point. People who say that money is speech need to understand, if that is true, there are a lot of people in this country that cannot be heard. Money is not speech. We need to stand up for the first amendment and treat these groups and these people playing politics in elections the same as the candidates themselves. That is the underlying message, and that is what this legislation actually does. They can talk until they are blue in the face or wrap themselves in the first amendment all they want to. This bill is fair to everyone, and we need to consider it and pass it today.

Mr. NEY. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana (Mr. PENCE).

Mr. PENCE. Mr. Chairman, I thank the gentleman for yielding me this time.

I rise in strong opposition to Shays-Meehan today, principally because of the oath of office that I took, flanked by my three small children a little over a year ago, right over there. That oath of office charged me with upholding and defending the Constitution of the United States of America.

Now, the gentleman from Massachusetts quoted James Madison. James Madison, the Father of the Constitution, wrote very simple words: The Congress shall make no law abridging the freedom of speech. Now, last night I was involved in the debate on the rule, and I went back to our home in the Washington area, and my 10-year-old son, who had just finished his first unit on the Constitution of the United States, said, undoubtedly biased, Dad, you were right, because I just read that Congress shall make no law abridging the freedom of speech.

Now, as much as that meant to me as a dad for my 10-year-old son to say that I was right, I truly believe I am right. The Supreme Court agrees with me and my 10-year-old son, saying recently that first amendment activity applies no less to independent expression by individuals or political committees than it does to political parties, and the truth is that Shays-Meehan bars individuals and organizations from their first amendment rights during 2 months prior to an election.

I suspect that my friends on my side and on the other side of the aisle know this may be found to be true, and that is why there has been strong opposition in this Chamber and the other to allowing a nonseverability provision to this measure.

Even though I will oppose this bill, Mr. Chairman, it is my hope that we can change it, that we can fix it, we can close those soft money loopholes. I will support an amendment to ban all soft money from the process, which Shays-Meehan does not do, and I will also vote to ban the use of soft money for building political party buildings or paying off debt this fall.

The truth is this bill is good for incumbents, bad for democracy; good for bureaucracy, bad for liberty. Vote ''no'' on Shays-Meehan.

Mr. MEEHAN. Mr. Chairman, I yield myself 15 seconds.

This bill does not prevent any individual, any individual or any groups of individuals, from speaking out 60 days before an election. They simply have to use hard money, and the public has a right to know where that money comes from under the Supreme Court decision and under the Constitution. There is no way it stops anyone.

Mr. Chairman, I yield 1 minute to the gentlewoman from California (Ms. ESHOO). She and I came to the Congress together in 1993, and she has been a forceful, eloquent spokesperson for campaign finance reform.

Ms. ESHOO. Mr. Chairman, first I would like to salute the authors of this bill for their courage, for their vision, and for their tenacity.

Today is the day in this House of Representatives. I think that the eyes of the Nation are really on us. They want to see if we are going to step over the line and say that we are going to do something for democracy. This is about democracy, and it is about respecting the voice of the people.

□ 1130

Every election both parties try to get people to go out and vote. We try to inspire them with our ideas for a better future, not only for themselves and our country but for our world. And fewer and fewer and fewer people are going out to vote. Why? Because they think their voice does not count.

Today's newspaper says that the voices in the Republican caucus that vote for the real Shays-Meehan bill are going to be punished. We cannot tolerate this. This is not good for democracy. Have the courage to vote for the best in America, for our system that is the bright shining light of the world. Vote for the only real meaningful campaign finance reform bill, Shays-Meehan, McCain-Feingold. Send it to the President. We will be ahead, America. And we will be judged for it.

Mr. NEY. Mr. Chairman, I yield myself 15 seconds.

If my colleagues will read the New York Post, they adequately point out that the New York Times editorial asking people to call their Members of Congress would be illegal, illegal under Shays-Meehan if it were put into a radio or TV ad 60 days before the election. But you can use all the soft money in the world you want for newspaper print.

Mr. Chairman, I yield 3 minutes to the gentleman from Virginia (Mr. TOM DAVIS).

Mr. TOM DAVIS of Virginia. Mr. Chairman, I was actually a little taken aback by my friend, the previous speaker, when she talked about the voice of the people not being heard because of all this soft money in politics. The fact of the matter is when you collate elections, you will find out that the more money that gets spent on campaigns, whether it is on the ground or on the air, it drives up the turnout, not lowers turnouts. We can show you election after election where you have bigger spending campaigns and it drives turnout and voter interest and you get better penetration with the electorate. So I think that issue does not wash.

This legislation is not about candidates. It really does not affect the way most individuals will run their own race or raise money as Members of Congress. What it does is affects political parties. If you believe as I do that political parties have been a very, very important part of the American political system, have, in fact, strengthened

American democracy, a two party system in my judgement is something that has stabilized American democracy and keeps us much different from other countries.

This drives a lot of money away from the political parties and puts them out into the system to interest groups, basically the right and the left. Political parties tend to center the American political debate, which I think is a good thing.

For moderation, this legislation is the death knell because instead of candidates, independent members within each party being able to appeal to their political party, they have to appeal to interest groups to help make up funding gaps that may occur in these particular elections.

But what concerns me the most is the bait and switch we see in this legislation before us. Written under the dead of night, we see a new substitute, Shays-Meehan IV, V, VI, I do not know which number this is. I refer specifically to title IV, severability effective date, section 402 section B(1) where it says, ''Prior to January 1, 2003 the committee,'' meaning the political party committees, NRCC, DCCC, ''can spend funds for retiring outstanding debts or obligations incurred prior to such effective date, so long as the debts were incurred solely in connection with an election date on or before November 5, 2002.''

What this means is under this legislation which displaces existing legislation pertaining to this, and there is no other language in this substitute that would replace the language in existing law, it means that political parties could borrow hard dollars in this year's election cycle and replace them with soft dollars that they could raise. So soft dollars can basically pay for hard-dollar borrowing.

This is exactly opposite of what this legislation is intended to do. I do not know if the authors understand what is written in this. We have counsel opinions that we will enter into the RECORD later.

Mr. MEEHAN. Mr. Chairman, will the gentleman yield?

Mr. TOM DAVIS of Virginia. I yield to the gentleman from Connecticut.

Mr. MEEHAN. Mr. Chairman, this legislation does not allow somebody to borrow hard money and then pay it back in soft money. In fact, no one can raise any soft money under this bill after the next election. So what the gentleman is saying just simply is not true.

Mr. TOM DAVIS of Virginia. Reclaiming my time, one could use their building fund which is specifically protected under this to collateralize a loan which is soft dollars, which can collateralize a loan and come back and pay it back. That is what we can do under this legislation. I will be happy to have further discussions with the gentleman. I hope it is his intent to say that hard dollars have to be replaced with hard dollars. And I hope that we can get additional statements on the record. But this language does not say that.

Mr. SHAYS. Mr. Chairman, I yield myself 15 seconds.

I will explain to the gentleman that this bill was not written in the dead of night. It was introduced last year. It was brought before the House before 10 o'clock. And it is very clear what it does. It enforces the 1907 law and the 1947 law and the 1974 law, all of which are constitutional.

Mr. Chairman, I yield 1 minute to the gracious gentlewoman from Maryland (Mrs. MORELLA).

Mrs. MORELLA. Mr. Chairman, today the House of Representatives has a historic opportunity to take a stand, a strong stand against the corrupting influence of big money campaign contributions with passage of the Shays-Meehan Campaign Finance Reform Bill. I just really must applaud the gentleman from Connecticut (Mr. SHAYS) and the gentleman from Massachusetts (Mr. MEEHAN) for their tireless efforts for a more responsive and responsible campaign finance system.

The Senate has taken action. It is now up to this body to once again pass real reforming that will bring an end to the corruption and cynicism that surrounds public service because of the obscene amounts of money and soft money that have found its way into the political process.

Think about it. Soft money has been at the heart of every political or corporate scandal over the past decade. Enron is currently the poster child for campaign finance reform; but even before Enron became a household word, the need for reform was just as great. Political fund raising records were shattered during the 2000 elections and soft-money contributions rose to more than $450 million, nearly double the $231 million raised in the 1995–1996 cycle, more than five times raised in 1991–1992.

It invites corruption. It erodes confidence in government. Let us pass Shays-Meehan.

Mr. NEY. Mr. Chairman, may I inquire as to how much time is remaining?

The CHAIRMAN. The gentleman from Ohio (Mr. NEY) has 6¼ minutes remaining. The gentleman from Maryland (Mr. HOYER) has 6 minutes remaining. The gentleman from Connecticut (Mr. SHAYS) has 2–3/4 minutes remaining. The gentleman from Massachusetts (Mr. MEEHAN) has 4½ minutes remaining.

Mr. NEY. Mr. Chairman, I yield 3 minutes to the gentleman from Kansas (Mr. TIAHRT).

(Mr. TIAHRT asked and was given permission to revise and extend his remarks.)

Mr. TIAHRT. Mr. Chairman, I rise in support of campaign reform and in opposition to Shays-Meehan. There is no doubt we do need to change some things about the campaign process. We should, number one, have full and complete reporting disclosure. There is no reason why it could not be on the Internet; whenever dollars are contributed within 24 hours, it would be reported. We should require that every dollar spent in the political process should be voluntarily spent, voluntarily contributed. Right now every dollar I raise is a check written by somebody who has contributed to my campaign. Yet there are millions of union workers who have to have their money, their contributions automatically withdrawn from their pay check and used to support candidates for which they do not vote for or support.

Thomas Jefferson said, ''It is tyrannical and sinful to force a man to contribute to political views for which he disagrees.''

Shays-Meehan does nothing to reform this tyranny. It also does do some reforms. It does reform the campaign laws. It forms campaign dollars into pork for special interests. Let me name one of them. This bill restricts soft money and third parties from using their monies for free speech through the broadcast media 60 days before election. No soft money for 60 days in television, radio or cable; but it does allow it in the print media.

Well, it is no wonder that the New York Times, U.S.A. Today, even the Winfield Courier, Winfield, Kansas, supports Shays-Meehan because it affects their bottom line. It is pork for papers, pork for newspapers. Well, that kind of reform is not what we need in the political process.

It also does not regulate gutter politics. In 1996 unregulated, unreported dollars were used in my campaign to make phone calls to women in the Fourth Congressional District in Kansas to say I allowed my daughter to pose for sexually provocative photos. My daughter was 14 years old at that time. She was crushed. She was devastated. She could not go to school. And there is nothing in this bill that you are proposing for reform to stop that kind of gutter politics.

It does not reform the campaign laws where you need to reform it. Instead, you come up with this pork for papers and other inequities and limits in free speech. So I think it is a very inadequate bill, Mr. Chairman. It merely shifts where the political dollars will be spent. It does not regulate completely, especially in the area of gutter politics. And it gives special interests, the newspapers, a financial benefit through the campaign process. Pork for newspapers.

I suggest that we vote against the Shays-Meehan bill, and I say we vote for the Armey substitute and bring true reform to the campaign process.

Mr. MEEHAN. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. SCHIFF).

Mr. SCHIFF. Mr. Chairman, I rise in support of Shays-Meehan Campaign Finance Reform.

This was the first bill I co-sponsored after emerging from the most expensive House race in the history of this

institution. This bill basically comes down to a single question and a single proposition, and that is, do we wish to allow special interests to spend unlimited amounts of money anonymously right before an election, or do we believe the American people are entitled to know who is spending the money to influence the outcomes of elections right when the election is coming up?

That is what this all boils down to. There is no first amendment issue here. Everything is permitted. All speech is permitted under Shays-Meehan. The question is does it need to be disclosed who is paying the freight. And notwithstanding all the protests from the opposition that is making the arguments today this bill is too strong. It is too weak. It goes too far. It does not go far enough. Me thinks the opposition doth protest too much.

The fact of the matter is the opposition to Shays-Meehan like it the way it is. They want special interests to be able to spend what they will, when they will, and not disclose who they are. That is wrong and today we have the chance to change it. Support Shays-Meehan.

Mr. NEY. Mr. Chairman, I yield 2½ minutes to the gentleman from Arizona (Mr. FLAKE).

Mr. FLAKE. Mr. Chairman, I thank the gentleman from Ohio (Mr. NEY) for yielding me time.

We are told the purpose of this legislation is to lessen the influence of corporations on the political process.

We are told that James Madison would not recognize the system we have today. I would submit that James Madison would be appalled if he knew of the blatant inconsistencies we have in the bill.

Corporations cannot spend their treasury money in the last 60 days of an election. However, if you consider that the parent company of CNN spent $2 billion in soft money last year, yet they will be able to speak during the last 60 days of an election unabated. They have a media exemption. The parent company of ABC spent $1 million last year in soft money to both parties; NBC nearly a half million dollars; CBS, 23,000; Fox nearly 700,000. Yet these entities will be able to speak within the last 60 days like nobody else.

If you wonder why the big media corporations support this legislation it is because they will be the only one ones standing after this is passed. If that is not inconsistent, what is? Now, are the supporters of this legislation blind to this? I would submit they are not.

Just a few months ago supporters of this legislation were pushing for hearings on the fact that one of the parent companies of NBC tried to weigh in with NBC on when to call the election for one of the candidates in Florida. If that is not a conflict of interest, what is? We have got to recognize that you cannot treat one corporation differently than another.

This is just one of the problems with the bill, and I would urge a ''no'' vote.

Mr. SHAYS. Mr. Chairman, I yield myself 15 seconds.

I just point out we are trying to enforce the 1907 law banning the corporate treasury money, the 1947 law banning union dues money, and the 1974 law which bans unlimited sums by one individual in a collective campaign and to enforce all three laws. You can still advertise 60 days prior to an election with hard money.

Mr. Chairman, I yield 1 minute to my colleague, the gentleman from Iowa (Mr. LEACH).

Mr. LEACH. Mr. Chairman, I rise in support of the Shays-Meehan bill with some reluctance. It is too little, too late, too compromised. Nonetheless it represent a credible step to constraining one of the worst abuses in our current system, the rising tide of soft money.

At issue is the shape of American democracy; at issue also is the shape of our political parties. There is a question of balance of power between the parties, but shape matters too. Do we want our parties dependent on the big and powerful or the individual citizen?

The system needs reform; so do the parties. In a new-fangled world, what is needed is old-fashioned politics, old-fashioned political parties, old-fashioned people-oriented representation. The case for Shays-Meehan is imperfect, but it is also compelling.

□ 1145

Mr. HOYER. Mr. Chairman, I yield 3½ minutes to the distinguished gentleman from Florida (Mr. DAVIS), who has been a leader on campaign finance reform since he first arrived in January 1997.

Mr. DAVIS of Florida. Mr. Chairman, I rise in strong support of the Shays-Meehan bipartisan campaign finance reform bill. There has been a lot of debate, a lot of speculation on the floor of the House today as to who benefits under the bill. Is it Republicans, Democrats, labor unions, corporations, the media? The truth of the matter is we really do not know how this law is going to be used in the endless contest between the parties and all the competing interest groups; but the one thing we do know about this bill is it will reduce the amount of money that has infected and taken over politics, and it will begin to shift control back to the people for whose benefit this institution was founded. It will give them more control over the outcome of elections.

This bill is not a panacea. It is not perfect. What it attempts to do is to close the two most gaping loopholes that exist in our campaign finance system today, the uncontrolled issue ads that are influencing the outcome of elections today and soft money.

The story that was just told I found incredibly offensive about the ad that was used against a Republican Member of Congress, making up blatant lies about a member of his family. One of the best things we could do to protect the voters against that kind of trash is to force people to put their names on these ads because right now there are people running ads in this country on every end of the political spectrum that refuse to put their names on their ads.

We had a hearing in which some of these groups said, if you force us to put our names on these political ads, we will not run the ads. Our response was what is wrong with that, if you are not willing to publicly associate yourself with the inflammatory and often deceitful content?

Mr. LINDER. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Florida. I yield to the gentleman from Georgia.

Mr. LINDER. Mr. Chairman, does the current Shays-Meehan bill require the signature or the identification of the sponsor?

Mr. DAVIS of Florida. Mr. Chairman, reclaiming my time, the Shays-Meehan proposal subjects those people who attempt to influence the outcome of an election to the same requirements that congressional candidates face now when they spend money to influence the election. There will be meaningful full disclosure that will allow the voters to judge who is making the statement and I believe will force people to discontinue making these inflammatory, deceitful actions.

The second point that this bill addresses is incredible proliferation of soft money. I think it is fair to say there are thousands of people who are being forced or choosing to make campaign contributions of unlimited amounts to both political parties, and this is not for good government.

Soft money was created to support political parties to encourage people to get the vote out and that will continue under Shays-Meehan. It was not intended to take over control.

I just want to conclude by saying the amount of soft money was $86 million in 1992, $260 million in 1996; over half of a billion dollars in the year 2000, a half a billion dollars. We need to put a stop to that. We need to adopt this bill. It is for the good of the people. It is not for the good of a particular political party, and I urge my colleagues to adopt the Shays-Meehan bill.

Mr. NEY. Mr. Chairman, I yield 10 seconds to the gentleman from Georgia (Mr. LINDER).

Mr. LINDER. Mr. Chairman, I want to congratulate the gentleman from Florida (Mr. DAVIS), who just spoke on his points. He made them all so equally well in committee. The question I asked is does this bill require that identification, and there is no evidence to me that it does.

Mr. MEEHAN. Mr. Chairman, I yield 1 minute to the gentleman from Texas (Mr. DOGGETT), a leader in campaign finance reform.

Mr. DOGGETT. Mr. Chairman, the gentleman from Illinois (Mr. HASTERT) has declared that this bill represents ''Armageddon'', the ''life or death'' of

the Republican Party and the loss of control of the House. But the strange thing is that last session I heard one Member of the Democratic leadership make essentially the same claim in reverse, that Democrats would be assured defeat by passage of such legislation. Both cannot be right. Indeed, both are wrong.

The truth is that a political party that cannot survive without unlimited amounts of unregulated contributions and hate ads does not deserve to govern. A vote for the bipartisan Shays-Meehan bill does not test loyalty to a party. It tests loyalty to meaningful democracy.

Did my colleagues hear the story about the lobbyist who gave a million dollars to a political party in soft money donations and demanded absolutely nothing in return? Well, neither has anyone else. To avoid government of, by, and for the highest bidder, accept no substitute. There is only one alternative, the Shays-Meehan bipartisan proposal.

Mr. SHAYS. Mr. Chairman, I yield 1 minute to the gentleman from Delaware (Mr. CASTLE).

Mr. CASTLE. Mr. Chairman, I thank the gentleman from Connecticut (Mr. SHAYS) for yielding me the time, and I do rise in support of the Shays-Meehan legislation.

I rise in support of this because I have watched elections in this country for a long time now, and I have seen the evolution from individuals running for office with knowledge as to who their contributors were to advertisements which are being run by outside groups without any acknowledgment as to exactly who they are. There might be names on the ad, but that was the extent of it. Who contributed to it, exactly what it is they represent, all these nebulous figures out there, we cannot do anything about; and I think frankly we have to do it, and the best way to do it is to ban soft money.

I wish we were banning soft money entirely. We know we are not at the State level, but we are at the Federal level; and I think it is a step in the right direction and something we should do. I think that the hard money, so that we know who gave it, it is limited as to how much it is, is the way to go as far as future elections are concerned.

I would also point out, and I have heard this question a lot, that this legislation does not ban voter guides in terms of how people voted and what the story may be with respect to that; and it also does not limit free speech. It only speaks to the source of money that pays for the speech.

For all these reasons, I would encourage everyone to support the Shays-Meehan legislation.

The CHAIRMAN. The Chair would announce the gentleman from Ohio (Mr. NEY) has 1¾ minutes remaining. The gentleman from Maryland (Mr. HOYER) has 2½ minutes remaining. The gentleman from Connecticut (Mr. SHAYS) has 30 seconds remaining. The gentleman from Massachusetts (Mr. MEEHAN) has 2½ minutes remaining.

Mr. SHAYS. Mr. Chairman, I yield myself the remaining time.

This is going to be a long day. I think it will be a good day. I think we will have disagreements, but I think we can do it with graciousness.

We are going to have three substitutes that come before us, the gentleman from Texas's (Mr. ARMEY) substitute, the gentleman from Ohio's (Mr. NEY) substitute, and the Shays-Meehan substitute. We are asking for a ''no'' vote on the first two substitutes and passage of the Shays-Meehan substitute; and then we will have 13 amendments brought before the House if, in fact, the Shays-Meehan substitute is the one that stands.

We are trying to enforce the 1907 law banning corporate treasury money, the 1947 money banning union dues money, and enforce the 1974 law banning unlimited sums of money. That is what our attempt is.

Mr. MEEHAN. Mr. Chairman, I yield myself the remaining time.

We have a historic opportunity today, a historic opportunity to pass real campaign finance reform; and I want to thank the gentleman from Missouri (Mr. GEPHARDT) for the hard work he has put into this and my partner, the gentleman from Connecticut (Mr. SHAYS), who has worked diligently over the years. There are so many Republicans, the gentlewoman from New Jersey (Mrs. ROUKEMA), the gentleman from Tennessee (Mr. WAMP) who did such a wonderful job on the floor. We are going to hear more from the gentleman from Tennessee (Mr. WAMP) as this debate goes on. So many Democrats who have stood together for campaign finance reform, our colleagues in the other body.

What makes this unique is we understand campaign finance reform will die if we let this go to a conference committee. So we have preconferenced this bill over a period of the last year, making sure that Democrats and Republicans have equal footing, making sure that the Senate and the House negotiate in good faith so that we now have a wonderful opportunity to pass this bill and send it over to the Senate where it will still need 60 votes.

Then we are going to send it over to the President, and the President has made it very clear to the Republican leadership and anyone else in this House, do not count on me to veto this bill. Why is it the President made it clear? Because this President knows what we all know, that there is a cloud over the Capitol and the White House because of this Enron scandal, and the American people are demanding that that cloud be removed by removing this soft money system that has had such a corrupting influence on the decisions that we make day in and day out, making good people do bad things. They want this removed and the President wants this removed, I am sure. I am sure that is why he will sign this bill.

Let us join together today and have a good debate. But let everyone know, the other side that is trying to kill this bill does not have a philosophical perspective. They do not have a set of principles that are determining what amendments they offer. What they offer is anything they can think of to defeat this bill, anything that they can think of to send this bill to conference. It has gotten so wild over the other side that they are actually putting in a substitute that is a bill that we were working on a few years ago before we preconferenced.

We have a unique opportunity. Let us join together and pass Shays-Meehan.

PARLIAMENTARY INQUIRY

Mr. KINGSTON. Mr. Chairman, parliamentary inquiry? Mr. Chairman, the Member says other Members have no principles. Is he not attacking them, and is that not grounds for having words taken down, by questioning the motivation of why Members vote?

Mr. MEEHAN. Mr. Chairman, if the gentleman from Georgia (Mr. KINGSTON) will read the quote, though, he will find that it was not——

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. MEEHAN) has expired.

Mr. KINGSTON. Mr. Chairman, parliamentary inquiry?

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. KINGSTON. Mr. Chairman, if a Member says or casts aspersions as to why other Members are voting, is that not a personal attack and, therefore, the words that we would have taken down ordinarily, by questioning their motivation?

The CHAIRMAN. It is not proper for a Member to arraign the motives of another Member.

The gentleman from Maryland (Mr. HOYER).

Mr. KINGSTON. Mr. Chairman, parliamentary inquiry?

The CHAIRMAN. Does the gentleman from Maryland (Mr. HOYER) yield for that purpose?

Mr. HOYER. Mr. Chairman, no, sir.

The CHAIRMAN. The gentleman from Maryland (Mr. HOYER) is recognized.

Mr. HOYER. Mr. Chairman, I yield 15 seconds to the gentleman from Massachusetts (Mr. MEEHAN) to respond to the gentleman from Georgia (Mr. KINGSTON).

Mr. MEEHAN. Mr. Chairman, what I was referring to was the principles on the concept of campaign finance reform, the principles of the concept. That is what I referred to. That is what we are debating. It is not personal, it is substantive; and we are going to debate it till 3 a.m. if we need to, and we are going to win in the end.

Mr. HOYER. Mr. Chairman, I am pleased to yield the balance of our time to the distinguished gentlewoman from California (Ms. PELOSI), the Democratic whip.

Ms. PELOSI. Mr. Chairman, I thank the distinguished gentleman from Maryland (Mr. HOYER) for yielding me the time and for his leadership on this important campaign finance reform and on electoral reform as well. I commend the gentleman from Massachusetts (Mr. MEEHAN), my colleague, for his tremendous leadership and that of the gentleman from Connecticut (Mr. SHAYS) for his, and the distinguished leadership of our leader, the gentleman from Missouri (Mr. GEPHARDT), for bringing us to this very, very important and historic day.

Today, we have an opportunity to achieve a great victory for the American people, to bring democracy back to them. Every one of us who serves in the Congress takes an oath of office to protect and defend the Constitution of the United States from all enemies, foreign and domestic. The corrosive and corrupting effect of special interests' big money in the political process is indeed a danger to our participatory democracy.

This beautiful city in which we serve 200 years ago was built on a swamp and a swamp it is again today, a swamp of special interest money. Today we have the opportunity to drain that swamp. We have the opportunity to bring a more wholesome attitude to the Washington atmosphere, to Washington, D.C. We have an opportunity to create a new architecture of political fundraising in our country which devolves to the grassroots, to the people from which power comes and where it belongs.

□ 1200

We have an opportunity today to send a valentine to the American people; to tell them they are important to us; that what they think matters to us; that they should have faith in government and they should have hope that the issues that they care about will have a fair shake and not be eclipsed by the blizzard, by the blizzard of special interest money in Washington, D.C.

A vote for the bipartisan Shays-Meehan bill, the only real campaign finance reform bill, will end, will end the corrosive influence of special interest money and level the playing field so that all Americans can participate and be heard.

Mr. Chairman, imagine a situation where we clear the deck, where we make a clean sweep and we start fresh for the American people, where the money that is raised is at the grassroots level, and we train a cadre of young people interested in politics, interested in government, a more wholesome situation for our country. I urge a ''yes'' vote for Shays-Meehan and a ''no'' on all the poison pills.

Mr. NEY. Mr. Chairman, I yield myself the balance of my time, and I want to thank my distinguished ranking member for giving me a few more minutes here.

Let me say this and say it in the right way. This is well-intentioned by individuals. And this is regardless of the last comment, because I do not think we need to be saying that because we do not support something, that there is something ethically challenged about an individual. So this is well-intentioned, it is just not well-crafted.

And we hear the words ''vote your conscience,'' but of course the implication today that we have heard is that if we do not vote for Shays-Meehan, then there is something wrong with our conscience. And I do not believe that about the other side.

Let me just say that this bill does gag millions of union workers in this country. Soft money can be spent on newspaper ads, but the money of those workers, their hard-earned money, cannot be spent where they want to direct it, into radio or TV. It does gag people who work in business. It does gag the rights of free speech, unless of course, again, the money is spent on a newspaper ad. That is just not the American way.

The amendments we will see today are good-intentioned amendments. This is not the same bill. Enron could have spent $60 million under Shays-Meehan. We know that. They can pay off building funds under Shays-Meehan by using it as a collateral backup for hard money that can be paid off after the election.

And, by the way, why is this not effective immediately? Last year, before the Committee on House Administration, people banged their fist and said, we have to do the whole thing by May, or we need a discharge petition. We accommodated it and moved it to around the first of July. It had to be done right there on the spot. Now all of a sudden we can do it after the election.

Challengers in this country are going to have a hard time figuring this bill out. This is an incumbent protection bill. It is not crafted the right way. The amendments we will see today are good substantive amendments that will not kill this bill, but will make this bill acceptable.

Mr. SERRANO. Mr. Chairman, I rise in support of H.R. 2356, the Shays-Meehan Bipartisan Campaign Finance Reform Bill.

First, I congratulate our colleagues from Connecticut (Mr. SHAYS) and Massachusetts (Mr. MEEHAN) for their diligence and persistence on this issue over the years. I remind my colleagues that legislation very similar to the bill under consideration today has passed the House twice before.

I also applaud the courage of the 218 Members, particularly our 20 Republican friends, who signed the discharge petition that finally allows the House to work its will on campaign finance reform. It is an unusual procedure, but was necessary in this case.

The 2000 elections were the most expensive ever, coming in at almost $3 billion. This is appalling. The system is broken. The American people are justified in lacking confidence that their priorities are considered as seriously as those of the big donors.

The influence of money in American politics is a problem as old as the Nation. It is discouraging to remember that the broken campaign finance system that Shays-Meehan would replace was itself once seen as a reform, designed to limit undue influence by large unregulated and undisclosed campaign contributions, but that big money soon found its way around the reforms through soft money and ''independent'' advertising.

The principles behind any meaningful reform are clear:

National parties, congressional committees, and Federal candidates must get along without soliciting or spending soft money. Under the Shays-Meehan bill, limited soft money will remain available to state and local parties for necessary voter registration and get-out-the-vote activities, but not to support Federal candidates.

Campaign advertisements masquerading as issue advocacy must be regulated. Shays-Meehan will require that broadcast communications that mention a Federal candidate must be paid for with hard money—which includes corporate and union PAC funds—within 60 days of a general or 30 days of a primary election.

There are other important provisions, including enhanced disclosure of the financial sponsorship of electioneering communications, new FEC rules for coordinated communications, and limiting the cost of broadcast advertising by candidates to reduce the onerous cost of running for Federal office today.

But basically, Mr. Chairman, the Shays-Meehan bill will replace a badly broken system with one that will limit the influence of soft money and ''issue'' advertising in Federal campaigns and begin to restore the faith of the American people in our campaign system.

Under the rule, several ''poison pill'' amendments will be offered to defeat the Shays-Meehan bill, either by gutting it or by sending it to near certain death in conference. One of the most alarming is the amendment to ban campaign contributions by legal permanent residents of the United States. These are people who live, work, and pay taxes in this country, and making contributions to candidates and parties is they only way they can influence the makeup of the government and public policy until they achieve citizenship and the vote. They are committed to America and should not be silenced.

Shays-Meehan is a reform that is long overdue. I urge my colleagues to reject the ''poison pills'' and to vote for Bipartisan Campaign Finance Reform.

Mrs. MCCARTHY of New York. Mr. Chairman, I rise in strong support of H.R. 2356, the Shays-Meehan Bipartisan Campaign Finance Reform Act of 2001. This legislation provides desperately needed reform to our current campaign system. As a proud cosponsor, and one of the 218 Members to sign the discharge petition needed to force a vote on this bill, I believe we can finally remedy many of the ongoing concerns associated with hard and soft money in our political system.

In the past, proposed election law revisions raised First Amendment objections, created new loopholes in the current law, or negatively affected get-out-the-vote (GOTV) efforts and voter registration. I believe H.R. 2356 overcomes these concerns and gets at the heart of election reform—special interests in Washington. This legislation bans soft money to national parties, reins in campaign attack ads that masquerade as issue ads, and addresses

GOTV concerns. A strong consensus of my constituents on Long Island have consistently voiced their support for this important piece of legislation. Their disenchantment with the current system results in fewer Americans exercising their right to vote. Congress has the opportunity to address the concerns over the corrupting influence of money in politics and public policy and pass real campaign finance reform.

Shays-Meehan is the real campaign finance reform bill that closes loopholes in our current system. It's time to pass this legislation and reform a political system that is awash in money. I urge my colleagues to support this important measure.

Mr. KNOLLENBERG. Mr. Chairman, I rise today to express my concerns with the campaign finance legislation introduced by Representatives SHAYS and MEEHAN. This legislation is derived from the same mindset that produced our current campaign finance laws that so-called reformers object to: money is bad, all politicians are corrupt, and the American people are not capable of hearing several points of view and making a rational decision.

The supporters of the Shays-Meehan bill would have you think that those of us with other ideas for reform do not really support reform. This claim is ridiculous. Let me be clear, Mr. Speaker, I support real reform with no loopholes and full disclosure—not just lip service to reform.

Attempting to avoid a conference with the Senate is not the path to true reform. A conference would provide the opportunity to work out the imperfections in this bill and ensure that the reforms are truly effective and constitutional.

While I respect and share the intentions of the sponsors of this bill, today's legislation suffers from numerous defects, not the least of which is that several parts are patently unconstitutional. And what happened with the 1970s-era campaign finance reform will happen with this bill—parts will be stricken by the courts, opening new loopholes and creating a greater mess.

This bill fails to effectively ban soft money as supporters claim by allowing up to $60 million in soft money per donor nationwide via the states. Plus, it is conveniently scheduled to go into effect the day after the November 2002 elections.

Furthermore, this legislation does nothing to protect union employees who do not want their dues used to support political causes they personally oppose.

I also have serious concerns that this bill restricts political speech at the time that voters are listening just before elections. It transfers the constitutional right to discuss issues from the people to the media. The media will decide who and what will be heard and who will hear it and when. It empowers the media and special interests to use independent expenditures to influence campaign while limiting average Americans.

When citizens send their resources to an issue-advocacy organization to promote a cause they believe in, they and the organization they are supporting are exercising both their right to free association and their right to free speech. Shays-Meehan seeks to curtail those right by imposing these harsh restrictions on grassroots issue discussion. It is essential that all Americans, not only rich individuals and PACs have the right to advocate positions.

Mr. Chairman, let's pass real campaign finance reform that holds federal lawmakers accountable to their constituents by requiring full and frequent disclosure, decreasing the role of soft money, removing unrealistic contribution limits, and opening our political process to the many voices that exist in this country.

Mr. COSTELLO. Mr. Chairman, I rise today in support of H.R. 2356, the Bipartisan Campaign Finance Reform Act. Concerns over the corrupting influence of money on politics have long been an issue of national debate, centered on the enduring issues of high campaign costs and reliance on interest groups for needed campaign funds. I believe rising election costs have led to uncontrolled spending, with too much time spent raising funds and the appearance that elections and public policy are bought and sold. Debate has also focused on the role of interest groups in campaign funding, especially through political action committees. I believe one way to fix our campaign finance system is through more regulation with spending limits.

I have been pushing campaign finance reform since coming to Congress and introduced my own legislation H.R. 462, the Campaign Finance System Reform Act, during the 105th Congress. This legislation set voluntary spending limits at $600,000 per election cycle, banned public financing of campaigns through the use of matching funds, and required that 100 percent of funds raised must come from the congressional district in which the candidate is running.

In July 2001, the House Republican leadership initially scheduled a debate on campaign finance reform. However, the rule crafted was unfair because it broke the Shays-Meehan bill into 14 separate parts to be voted on individually. Following the defeat of this rule, the Republican leadership announced it would not bring the bill back to the floor for consideration. A discharge petition was circulated, forcing the bill back to the House floor for debate.

The Bipartisan Campaign Finance Reform Act is the only legislation before the House which effectively deals with the dual problems of soft money and sham issue advertisements. This bill would ban the massive use of soft money contributions to political parties, thus closing the soft money loophole and restoring public confidence in our system. These donations totaled nearly $500 million in the last election. Much of this money was used to fund negative commercials, called issue ads, that evade spending limits that apply to each candidate's official campaign.

Some opponents say this bill will inhibit voter participation. However, this bill seeks to increase voter turnout by allowing state parties to collect limited amounts of soft money to be used for voter participation and get-out-the-vote activities. Under the bill, state and local parties would have sufficient funds for get-out-the vote activities, but could not divert this soft money into sham issue ads.

The Ney-Wynn substitute is an honest but not sufficient attempt at reform and is at this point solely a way for the Republican leadership to kill the Shays-Meehan and McCain-Feingold reform bills. This substitute does nothing to curb wealthy special interests on the political process by allowing unlimited soft money contributions to state and local parties creating a huge loophole that undermines reform. Furthermore, Ney-Wynn does nothing to halt issue ads.

Mr. Chairman, I have pushed for a fair vote on this important issue and have put forth legislation which will truly reform the system. I acknowledge this legislation is not perfect. However, this legislation is an opportunity to enact reforms that are critical at this time. For these reasons, I support this legislation and encourage my colleagues to do the same.

Mr. ETHERIDGE. Mr. Chairman, I rise today in support of meaningful campaign finance reform.

I strongly support serious reform of the campaign finance system. We must eliminate the corrupting influence of special interest money from our political system and restore the faith of the American people in our public institutions. Neither party can claim total innocence of Washington misdeeds, and I believe the people of North Carolina sent me to Congress to work in a bipartisan manner to serve the public interest. That is what I try to do every day as a United States Representative.

At the beginning of the105th Congress, my freshman class agreed that we would work on a bipartisan basis to reform the way that campaigns for public office are funded in this country. Since then 5 years have passed and we have yet to see any campaign finance reform signed into law.

Today we have a chance to pass legislation sponsored by Representatives SHAYS and MEEHAN that is almost identical to Senate-passed legislation sponsored by Senators MCCAIN and FEINGOLD. If we are able to pass this legislation without too much change we can send this legislation directly to President Bush who has promised to sign it. I sincerely regret that the Republican Leadership is working to alter, weaken and undermine the responsible campaign finance reform legislation sponsored by my colleagues Representatives SHAYS and MEEHAN in order to send it to a Conference where it is sure to die yet again. The people of this country are discouraged by this type of cynical behavior from this Congress and will not be fooled by this attempt to bury campaign finance reform legislation.

Mr. Chairman, the American people deserve a campaign election system with integrity. I sincerely hope that meaningful campaign finance reform will be signed into law before the end of the 107th Congress.

Mr. STARK Mr. Chairman, I rise today in strong support of H.R. 2356, the Shays-Meehan Bipartisan Campaign Reform Act of 2001. Campaign Finance reform is long overdue and I am very pleased, after such a long struggle with those who oppose reform, to see this bill on the floor today.

Money has become far too important to our campaigns and reform is certainly necessary. In my opinion, we should do away with our private campaign financing system altogether and publicly fund political campaigns. This would level the playing field so that anyone could participate in the political process.

Though the Shays-Meehan bill doesn't go that far, it certainly makes dramatic improvements. This bill has several important provisions to improve our campaign finance laws: it bans soft money from national parties; it reins in campaign advertisements which claim to be ''issue advocacy'' ads; it enhances disclosure of political expenses; and it provides the Federal Election Commission with stronger tools to enforce campaign finance laws.

By passing this bill today, we as leaders can finally recognize what the American public has

known for years: there is too much money in politics. In the last election, the average winning House candidate raised $919,649 toward his or her election. The average winning Senate candidate raised $7,345,468. With this much money in politics, it is virtually impossible for elected officials to remain unaffected by the disproportionate influence of those who wield tremendous wealth. If only we were raising these millions of dollars to provide health insurance for our nation's children. Now that would be a worthy expenditure of funds.

If our government is truly to remain ''of, by and for the people,'' then we must ensure that the people, not corporate donors, are responsible for electing their leaders. The Bipartisan Campaign Reform Act of 2001 will go a long way toward ensuring this goal. I will vote for this very important bill and I urge my colleagues to do the same.

Mr. DINGELL. Mr. Chairman, I rise today in strong support of the Shays-Meehan substitute. This is historic legislation, one of the most important reform bills in a generation.

I also wish to thank Mr. SHAYS and Mr. MEEHAN for their hard work and dedication to ensuring that we have a fair process and the opportunity to make meaningful reforms to our campaign finance laws this year. I also congratulate Mr. turner and the Blue Dogs on a successful discharge petition.

Mr. Chairman, the Republican and Democratic parties raised nearly half a billion dollars in soft money during the 1999–2000 election cycle. Of this amount, over 473 million was given by 147 individuals in amounts of $500,000 or more. This influx of unregulated soft money, no matter where it comes from, taints us all individually, and collectively works to increase the public's cynicism and destroy faith in Congress.

Today we have the opportunity to pass a complete ban on federal soft money and reign in sham issue ads. Shays-Meehan is the only bill before us today that will accomplish these goals. It is important to note that this bill also protects the ability of state and local parties to promote voter registration and get out the vote activities on election day, and assure the fullest possible participation in our democracy. I urge all Members to support Shays-Meehan and vote down all poison pill amendments.

Mr. BORSKI. Mr. Chairman, I rise in strong support of the Shays-Meehan Campaign Finance Reform Act and urge my colleagues to vote against all ''poison pill'' amendments that will be offered today. I am proud to cosponsor this bipartisan legislation, which represents the best, real opportunity to reform our broken campaign finance system.

The issue of campaign finance reform cuts to the essence of democracy. Our unique American political system will not survive without the participation of the average American citizen. Unfortunately, more and more Americans are dropping out—with each election, fewer Americans are voting. They are doing so because they no longer believe that their vote matters. As they see more and more money pouring into campaigns, they believe that their voice is being drowned out by wealthy special interests.

Despite the cynicism of the American public, Congress has failed to enact significant campaign finance reform legislation since 1974. In that year, in the wake of the Watergate Scandal, Congress imposed tough spending limits on direct, ''hard money'' contributions to candidates. Unfortunately, no at that time forsaw how two loopholes in the law would lead to a gross corruption of our political system.

The first loophole is ''soft'' money—the unregulated and unlimited contributions to the political parties from corporations, labor unions, or wealthy individuals. ''Soft'' money allows wealthy special interests to skirt around ''hard'' money limits and dump unlimited sums of money into a campaign.

The unfolding Enron scandal provides a clear example of the pernicious influence of soft money. In the 2000 election cycle, Enron executives contributed $1.7 million—70 percent of which came in the form of soft money. Most Americans see a clear link between these contributions and Enron's quest for special treatment by Congress. Clearly, the Enron scandal has eroded the public's confidence in their government.

Soft money is used to finance the second loophole in campaign finance law: sham issue advertisements. This loophole allows special interests to spend huge sums of money on campaign ads advocating either the defeat or election of a candidate. As long as these ads do not use the magic words ''vote for'' or ''vote against,'' they are deemed ''issue advocacy'' under current law and therefore not subject to campaign spending limits or disclosure requirements.

During the 2000 elections, the television and radio airwaves were flooded with these sham issue ads—many of which were negative attack ads. Americans who see or hear these ads have no idea who pays for them because no disclosure is required. They drown out the voice of the average American citizen, and even sometimes of the candidates themselves. Without reform, we can certainly expect a huge increase in these sham issue ads.

The Shays-Meehan bill begins to restore public confidence in our electoral system by closing these two egregious loopholes. The bill bans all contributions of soft money to federal campaigns. Specifically, it bans national party committees from soliciting, receiving, directing or spending soft money.

Shays-Meehan also closes the ''issue advocacy'' loophole. It broadens the presently absurd definition of electioneering activity, or ''express'' advocacy, to include any communication that refers, in support or opposition, to a candidate. This would not prevent public organizations from running advertisements, but would ensure that ads clearly designed to influence an election are regulated under federal law. We have laws clearly designed to regulate and disclose campaign donations and expenditures, and no one should be allowed to evade them. Shays-Meehan would ensure that everyone involved in influencing elections plays by the same rules.

Opponents have argued that the Shays-Meehan bill undermines the First Amendment right of free speech. However, the Supreme Court has ruled that Congress has a broad ability to protect the political process from corruption and the appearance of corruption. It has upheld as constitutional the ability to limit contributions by individuals and political committees to candidates. The Supreme Court has also clearly permitted Congress to distinguish between issue advocacy on the one hand, and electioneering or ''express advocacy'' on the other.

The Meehan-Shays proposal will not cure our campaign finance system of all it evils—and I certainly support more far reaching restrictions on campaign contributions and expenditures. However, the bill will take a modest but significant first step toward restoring integrity in our political system. It will limit the influence of wealthy special interests and help to restore the voice of average American citizens in our political process. In short, enactment of this legislation is essential to the survival of American democracy.

Mr. PAUL. Mr. Chairman, the Enron bankruptcy and the subsequent revelations regarding Enron's political influence have once again brought campaign finance to the forefront of the congressional agenda. Ironically, many of the strongest proponents of campaign finance reform are among those who receive the largest donations from special interests seeking state favors. In fact, some legislators who were involved in the government-created savings and loan scandal of the late eighties and early nineties today pose as born again advocates of ''good government'' via campaign finance reform!

Mr. Chairman, this so-called ''reform'' legislation is clearly unconstitutional. Many have pointed out that the First amendment unquestionably grants individuals and businesses the free and unfettered right to advertise, lobby, and contribute to politicians as they choose. Campaign reform legislation blows a huge hole in these First amendment protections by criminalizing criticism of elected officials. Thus, passage of this bill will import into American law the totalitarian concept that government officials should be able to use their power to silence their critics.

The case against this provision was best stated by Herb Titus, one of America's leading constitutional scholars, in his paper *Campaign-Finance Reform: A Constitutional Analysis:* ''At the heart of the guarantee of the freedom of speech is the prohibition against any law designed to protect the reputation of the government to the end that the people have confidence in their current governors. As seditious libel laws protecting the reputation of the government unconstitutionally abridge the freedom of speech, so also do campaign-finance reform laws.''

The damage this bill does to the First amendment is certainly a sufficient reason to oppose it. However, as Professor Titus demonstrates in his analysis of the bill, the most important reason to oppose this bill is that the Constitution does not grant Congress the power to regulate campaigns. In fact, article II expressly authorizes the regulation of elections, so the omission of campaigns is glaring.

This legislation thus represents an attempt by Congress to fix a problem created by excessive government intervention in the economy with another infringement on the people's constitutional liberties. The real problem is not that government lacks power to control campaign financing, but that the federal government has excessive power over our economy and lives.

It is the power of the welfare-regulatory state which creates a tremendous incentive to protect one's own interests by ''investing'' in politicians. Since the problem is not a lack of federal laws, or rules regulating campaign spending, more laws won't help. We hardly suffer from too much freedom. Any effort to solve the campaign finance problem with more laws will only make things worse by further undermining the principles of liberty and private property ownership.

Attempts to address the problems of special interest influence through new unconstitutional rules and regulations address only the symptoms while ignoring the root cause of the problem. Tough enforcement of spending rules will merely drive the influence underground, since the stakes are too high and much is to be gained by exerting influence over government-legally or not. The more open and legal campaign expenditures are, the easier it is for voters to know who's buying influence from whom.

There is a tremendous incentive for every special interest group to influence government. Every individual, bank, or corporation that does business with government invests plenty in influencing government. Lobbyists spend over a hundred million dollars per month trying to influence Congress. Taxpayer dollars are endlessly spent by bureaucrats in their effort to convince Congress to protect their own empires. Government has tremendous influence over the economy and financial markets through interest rate controls, contracts, regulations, loans, and grants. Corporations and others are ''forced'' to participate in the process out of greed as well as self-defense—since that's the way the system works. Equalizing competition and balancing power—such as between labor and business—is a common practice. As long as this system remains in place, the incentive to buy influence will continue.

Many reformers recognize this, and either like the system or believe that it's futile to bring about changes. They argue that curtailing influence is the only option left, even if it involves compromising freedom of political speech by regulating political money.

It's naive to believe stricter rules will make a difference. If members of Congress resisted the temptation to support unconstitutional legislation to benefit special interests, this whole discussion would be unnecessary. Because members do yield to the pressure, the reformers believe that more rules regulating political speech will solve the problem.

The reformers argue that it's only the fault of those trying to influence government and not the fault of the members of Congress who yield to the pressure, or the system that generates the abuse. This allows members to avoid assuming responsibility for their own acts, and instead places the blame on those who exert pressure on Congress through the political process—which is a basic right bestowed on all Americans. The reformer's argument is ''Stop us before we succumb to the special interest groups.''

Politicans unable to accept this responsibility clamor for a system that diminishes the need for them to persuade individuals and groups to donate money to their campaigns. Instead of persuasion, they endorse coercing taxpayers to finance campaigns.

This only changes the special interest groups that control government policy. Instead of voluntary groups making their own decisions with their own money, politicians and bureaucrats dictate how political campaigns will be financed. Not only will politicians and bureaucrats gain influence over elections, other nondeserving people will benefit. Clearly, incumbents will greatly benefit by more controls over campaign spending—a benefit to which the reformers will never admit.

Mr. Chairman, the freedoms of the American people should not be restricted because some politicians cannot control themselves. We need to get money out of government. Only then will money not be important in politics. Campaign finance laws, such as those before us today, will not make politicians more ethical, but they will make it harder for average Americans to influence Washington. The case against this bill was eloquently made by Herb Titus in the paper referenced above: ''Campaign-finance reform is truly a wolf in sheep's clothing. Promising reform, it hides incumbent perquisites. Promising competition, it favors monopoly. Promising integrity, it fosters corruption. Real campaign-finance reform calls for a return to America's original constitutional principles of limited and decentralized government power, thereby preserving the power of the people.''

I urge my colleagues to listen to Professor Titus and reject this unconstitutional proposal. Instead, I hope my colleagues will work to reduce special interest influence in Washington and restore integrity to politics by reducing the federal government to its constitutional limits.

Mr. NADLER. Mr. Chairman, big money is a cancer on our political system that must be removed or we risk devolving into an oligarchy like so many other republics before us. It is the constant money chase and submission to the special interests that corrupts our system and makes our constituents lose faith in their government. It's why there is such disinterest in politics back home and such low voter turnout. Our constituents don't think we care about them. They think we only care about raising money. They believe that their participation, their voices, cannot count against the power of big money, and recent experience says they are right.

Once upon a time, when someone wanted to run for office, the first question we used to ask was what kind of political support can you generate. Now the first question we ask is how much money can you raise. Better yet, we find a rich candidate who'll finance his or her own campaign. It's impossible to run on good ideas alone anymore, you need millions of dollars to go with them. With this system we risk electing candidates less attuned to their communities than to their big contributors.

This is not a perfect bill, but it is a good first step. If we do not take this 1st step today, the history books may eventually say that like the Roman Republic, the United States had a good 200 to 250-year run at democracy, and then it degenerated into an oligarchy like all the rest. Don't let that happen. Pass Shays-Meehan and begin to restore integrity to our political process.

Mr. CUNNINGHAM. Mr. Chairman, today we are being asked to vote for a campaign finance reform bill. And, like most in this body, I see that we are currently at a place where special interest money is threatening our democracy. Votes should not and cannot be influenced by money. But in our fervor to achieve reform, let us not blindly support any piece of legislation that dons a reform mask. Rather, we owe it to our constituents to strip away the disguises and pass legislation that will actually accomplish the ends that it claims to achieve.

While I applaud the ends of the Shays-Meehan legislation—to get special interest money out of politics—I cannot support the means. What good is closing one loophole only to create 50 more in the process? Today, I implore my colleagues to look at the facts and take a moment to understand what this legislation does. Please, look past the smoke and mirrors and understand the many problems with the Shays-Meehan bill.

Good intentions do not equal good legislation and passing bad legislation does not fix a problem—it merely creates more problems. Americans deserve better than the pretense of reform and I would hate to see this bill pass the House today, only to revisit the issue next year after we wake up to realize the monster we have created.

The Shays-Meehan legislation does not remove soft money from politics. Rather, it bans this contribution at the federal level, only to allow a union or a corporation to give up to $10,000 at the county and state level. This means that a single union or corporation will be able to give more than $30 million per election. In my estimation, not only does this not help the problem, it actually makes it worse. Instead of having a single national party collecting soft money, we will have 50 state parties collecting it. Their offices will line the streets of DC with union and corporate lobbyists throwing a parade with $10,000 checks raining down like tickertape for every state party. Is this closing a loophole or making a mockery of our system?

Accountability is the key to reform. The problem with soft money is that it is hard to know where it is spent. When voters cannot discern where elected officials are getting the money to finance their campaign efforts, there is no accountability. By restricting the way that unions and corporations can participate in the political process openly, these interest groups will resort to issue advocacy and independent expenditures, activities that do not fall under any laws. Unlimited and unregulated resources can be devoted to these types of expenditures. With the passage of Shays-Meehan, accountability is out the window. We will push campaign-related activities made on behalf of candidates by outside groups into an abyss of unregulated anonymous money.

Mr. Chairman, I cannot in good conscience vote for a bill that is going to put more loopholes in a campaign finance system that has enough problems on its own. We need good legislation that still allows for political participation and that demands accountability. it is for this reason that I support the Ney-Wynn substitute. This legislation does not prohibit participation or force disclosure into oblivion. Rather, it sets reasonable caps on soft money contributions to national parties. Ney-Wynn allows national parties to perform one of their key functions of get-out-the-vote efforts and voter registration drives. These are efforts that are financed by soft money. Ney-Wynn allows soft money to national parties, but only to be used for these purposes. Furthermore, it regulates the types of independent expenditures that can be made by unions and corporations, specifically limiting television ads for longer than the mere 60 days as mandated under Shays-Meehan.

Ney-Wynn reforms our system of financing campaigns without loopholes but with sound policy. Mr. Chairman, I urge my colleagues to closely examine these two pieces of legislation. Bad legislation with a nice name is still bad legislation. The Ney-Wynn substitute contains real reform and real reform is what we need.

Mr. KIND. Mr. Chairman, since taking office, I have been a dedicated supporter of campaign finance reform, and I commend my

friends—Representatives SHAYS and MEEHAN—for their persistence on this issue. During my first term, every day the House was in session, I gave a statement on the floor in support of campaign finance reform. I hope that the House will have the courage to pass true reform measures today.

Without question, there is too much money in our current political system. Running for office has become increasingly expensive, forcing candidates to spend unacceptable amounts of time fundraising, and discouraging qualified challengers from running for office because they cannot afford the price of admission. What should be a competition of ideas has become a battle of wealth.

In 2000, the national party committees raised $495 million in unregulated soft money, almost twice the amount raised in 1996. At this rate, it will not be long before billion dollar campaigns are commonplace. Though opponents of reform say the public does not care about this issue, the residents of Wisconsin's Third District tell me otherwise. They see where our system is headed and demand reform from Congress, Shays-Meehan heeds their mandate by banning soft money donations to the national parties, and imposing tight limits on the collection and use of soft money by State and local parties.

Unfortunately, those of us that would like to see genuine changes in the campaign finance system must contend with the false reform legislation supported by the House leadership. This legislation does not truly change the current system and does nothing to stem the rising tide of soft money that circumvents and erodes it. For example, under the Ney-Wynn substitute, Enron and its executives would still have been able to give 76 percent of the money they gave in 2000 to national parties.

Right now we stand on the brink of historic reform. Reform that will put the power of democracy back in the hands of ordinary Americans. Reform that will force politicians and political parties to get back to the grassroots level. Mr. Chairman, the American people have waited long enough. Now is the time for positive bipartisan action on this bill.

This bill is not the panacea to what ails our political system; it is not perfect, but it is a significant step in the right direction by banning the largest political contributions that ordinary citizens cannot give. A vote for Shays-Meehan today is a vote to better empower the American people and to begin to level the playing field of access in our political system.

Mr. GEORGE MILLER of California. I rise today in the strongest possible support of the Shays-Meehan campaign finance reform bill to ban ''soft money.''

Individual rights are the hallmark of our country.

As nations across the globe struggle to end oppressive dictatorships, our political system shines as a beacon of equality. Every person, regardless of race, income, or religion is afforded a vote and every vote is equal.

Unfortunately, the bedrock of our democracy is compromised by the constant assault of financial contributions to the political system. Instead of one person, one vote, campaign contributions are taking our system towards a one dollar, one vote system.

Every aspect of our life is impacted by the influence big contributions are having over elected officials.

Enron is a case study in how huge corporate contributions undermine the public's confidence in our democracy.

The shadow of doubt grows each day that Vice President CHENEY refuses to release meeting records related to the development of the Bush administration's energy policy. We need to reform campaign finance law to ensure that corporations and special interest groups are not able to purchase political influence, turning Congress and the Presidency into a ''cash and carry'' operation.

A recent article in the Washington Post tells a story which should send a chill down the spine of every American who cherishes our democratic system. According to the February 10, 2002, Washington Post article, ''Hard Money, Strong Arms and 'Matrix': How Enron Dealt with Congress, Bureaucracy,'' Enron turned campaign finance contributions into a science. According to the article,

> With each proposed change in federal regulations, lobbyists punch details into a computer, allowing Enron economists in Houston to calculate just how much a rule change would cost. If the final figure was too high, executives used it as the cue to stoke their vast influence machine, mobilizing lobbyists and dialing up politicians who had accepted some of Enron's million in campaign contributions.
>
> To raise campaign cash, Enron relied not just on individual contribution but also on a well-funded political action committee that distributed money to candidates of both parties . . . Since 1990, Enron's political committees have given federal candidates and parties more than $1 million.

Mr. Chairman, campaign finance reform comes down to just one, very important thing—protecting our democracy.

Because of large, unregulated contributions, known as ''soft money,'' special interests and corporations often get special representation by elected officials, special representation that often is in conflict with the larger public interest.

Critical issues in our society are directly affected by the undo influence of narrow special interests, particularly when there is money at stake. Energy companies, for example, can negotiate a $30 billion tax cut while the Bush Administration submits a budget to Congress that actually cuts the total level of funding for the historic education reforms that just one month ago he signed into law.

Pick any issue that you care about. Campaign finance reform is needed to allow those issues to have their day in Congress and the White House. Issues such as health care, making child care affordable and of high quality, protecting the environment, protecting Social Security or providing a real prescription drug benefit through Medicare and care for Seniors.

Instead of a system that gives the greatest deference to those in greatest need, the voices of narrow special interests use large unregulated political contributions to drown out the voices of our average citizens. Things have got to change.

Today, the House of Representatives will again take up legislation to significantly reform our campaign finance laws.

Last year, the Republican leadership resorted to parliamentary tricks to water down bipartisan campaign finance reform legislation which had passed the Senate. However, supporters of clean campaigns were not deterred. It took 218 Members of the House, including me, to sign a ''discharge petition'' that forced the Republican leadership to bring this important matter before the entire Congress again for a vote.

While we are assured a vote today, opponents of reform, including the Republican leadership of this House, are working hard to once again use parliamentary tricks to block or weaken meaningful campaign finance reform.

My hope is that the collapse of Enron is the straw that will break the back of opposition to real campaign finance reform. We need reform that will shine the light on the shadows of doubt left by the Enron scandal.

We need to pass the Shays-Meehan soft money ban today so that tomorrow our children can have a brighter future.

Mr. SHAYS. Mr. Chairman, I rise today as a principal sponsor of the campaign finance legislation before the House. I want to explain what this legislation seeks to accomplish and why banning soft money is critical for our democracy. Last year, the Senate courageously passed the McCain-Feingold bill. It is now time for this House to take a similar stand and finally put an end to the deluge of soft money contributions that weakens our democracy.

Our system is awash in soft money, and everyone is degraded as a result. Not surprisingly, in poll after poll, voters express their cynicism about politics and their dismay with the current campaign finance system. Disgusted with the overriding influence of money in Washington, citizens, in ever-increasing numbers, are not exercising their precious right to vote in federal elections.

Our flawed campaign finance system is also taking its toll on qualified and principled candidates for political office. Since soft money contributions are essentially limitless, we and other elected officials are under unrelenting pressure to raise more and more money, thus increasing the potential for actual and apparent corruption. In increasing numbers, good people decide not to run, or drop out of public life, because they cannot stomach the hunt for huge donations and all that comes with it. Those elected officials who stay spend far too much time fundraising and not enough time listening to their constituents and doing their jobs.

The reform legislation we introduce today strengthens First Amendment values. It will ensure that elected officials are more responsive to the voices of their constituents and do not appear beholden only to big money. As your own constituents would surely tell you, stemming the tide of soft money would improve their access to government—and enhance their First Amendment rights—by allowing them to participate in the process. And it will keep good people interested in serving in Government. Neither the First Amendment nor or Nation is served by large soft money donations that drive citizens away from voting in elections and candidates away from running in them. So, this is not only a campaign finance reform bill, it is a democracy revitalization bill.

Let's look at the growth of soft money in our campaigns. According to Common Cause, in 1988, the two parties raised a total of $45 million in soft money. In 1992, the figure rose dramatically to $84.4 million. In 1996, soft money contributions ballooned to $235.9 million—almost a quarter of a billion dollars. In this past presidential election, the total amount of soft money raised by both parties climbed still further to a staggering $463.1 million—nearly double the soft money contributions of the previous presidential election and ten times the amount raised only a decade ago.

These vast amounts could not have been raised directly for a candidate's campaign under current law, which subjects individual contributions to an aggregate $25,000 annual limit and a $1,000 per candidate per election limit. Despite these clear caps on legal contributions, individuals are contributing up to $100,000 and $250,000. Moreover, unions and corporations—entities that are barred from giving directly to candidates from their general treasuries—are responsible for many of these contributions.

Opponents of reform argue that this flood of soft money does not corrupt our politicians and does not even appear to corrupt the political process. They argue that soft money contributions are technically made to political parties, and not to candidates, and thus any exchange of favors for contributions is unlikely. Soft money may not be used to advocate expressly for a candidate, they argue, so there is less chance that soft money donors will actually influence candidates, or at least appear to influence them.

That argument elevates form over the substance most Americans ruefully see. First, even though the money often goes to parties, it's the candidates themselves and their surrogates who solicit soft money. The candidates know who makes these huge contributions and what these contributors expect. Candidates not only solicit these funds themselves, they meet with big donors who have important issues pending before the government; and sometimes, the candidates' or the party's position appear to change after such meetings. Additionally, the soft money candidates raise for their political parties is often directed back into their campaigns. This creates the appearance of corruption that pervades politics today—on both sides of the aisle. Let me discuss some powerful reminders of this distressing fact about our democracy.

Let's take the already infamous Enron story as an example: in the 1999/2000 election cycle Enron contributed over $2 million in soft money to the national parties—$1.4 million to the Republicans, and $600,000 to the Democrats. These large soft money gifts have cost a pall of doubt over the many elected federal officials who raised or received Enron's money. The Enron example proves that the appearance of impropriety has the same corrosive effect as actual impropriety. Federal officeholders, knowing that their reputations are being tainted and their good character being questioned by receipt of Enron contributions are rushing headlong to return contributions they were only too willing to accept before the scandal broke. The actions and motives of government officials who did deal with, or could have dealt with Enron, are being called into question. For example, The New Yorker asks whether Administration officials, who might have taken actions that would have cushioned the impact of Enron's fall on employees and the economy, declined to act precisely because they were afraid the public would conclude their actions were motivated by the large soft money contributions Enron gave to the Republican Party. The Washington Post asks whether the policy views of a Senator as esteemed for probity as Senator LIEBERMAN are subject to question because of his receipt of contributions. Even in the investigations into Enron do not yield convincing proof of a particular quid pro quo, the Enron contributions have brought leaders of both parties into disrepute in the eyes of the public.

Let's also recall the Hudson Casino story. A few years ago, three bands of Wisconsin Indian tribes wanted to open a casino in Hudson, WI, near the Minnesota border. A neighboring set of Minnesota tribes opposed the plan, because the Wisconsin casino would compete with their profitable casino. These Minnesota tribes gave large sums of soft money to the Democratic National Committee. This gave them instant access to the Chairman of the DNC, who promised to get the Administration to help. He immediately called a high-ranking White House official, who in turn contacted the Department of the Interior—immediately after the Minnesota tribes had made substantial contributions to the DNC. This chain of events, and Interior's rejection of the Wisconsin application, created the strong appearance of impropriety even though Interior career staff had decided the case on the merits. This led to an independent counsel investigation and two debilitating congressional investigations into whether the government was for sale.

The tobacco industry provides another example. As the Thompson Committee Minority Report makes clear, in the 1996 election cycle, the tobacco industry gave roughly $10.1 million in political contributions, of which $6.8 million was soft money. In previous election cycles, the industry divided its campaign contributions equally between the parties, but in 1996 over 80 percent went to the Republicans. The GOP collected $5.8 million in soft money from tobacco interests and tobacco PACs. A study published in the Journal of the American Medical Association noted that ''House members receiving the most tobacco money were 14.4 times as likely to vote with the industry as members receiving the least; in the Senate the number was 42.2. In the 104th Congress, the Republican majority defeated legislation that would have raised taxes on tobacco and preserved millions of dollars in subsidies for the industry. Again the appearance of improper influence is overwhelming.

Finally, we have Roger Tamraz. He served as a Republican Eagle in the 1980s during Republican Administrations and a Democratic Trustee in the 1990s during a Democratic Administration. In 1996, Tamraz has already contributed $200,000 to the Democratic National Committee, and made it clear he was considering donating an additional $400,000. These promises enabled him to hold six private meetings with the President to discuss Mr. Tamraz's proposed oil pipeline project in the Caucasus. Although the National Security Council, which strong opposed this plan, ultimately prevailed, a series of calls were made to employees of the Department of Energy and the National Security Council making it very clear that a change in policy would mean ''a lot of money for the DNC.'' Tamraz unabashedly explained why he gave—to gain access to officials in power. At the Thompson Committee hearings Tamraz spoke plainly—''I think next time I'll give $600,000. . . . [Y]ou set the rules, and we are following the rules. . . . This is politics as usual. What is new?''

Sadly, there are other blockbuster stories like these. But, as Representative Eric Fingerhut wisely reminded us a few years ago, people often focus just on ''the grand-slam example of the influence of these interests. But you can [also] find a million singles . . . regulator change, banking committee legislation . . . a change in when you get audited. . . . Think of the committee and you can think of the interest group or the company that will have an interest. . . .'' Let's all be honest with ourselves: we have all been in situations where we would rather fit in an appointment with a contributor than risk losing his or her donation. When, as a result of a Member's efforts, someone makes a significant donation to the party, and then the donor calls the Member a month later and wants to meet, it's very difficult to say no, and few of us do say no.

A majority of the Supreme Court correctly observed in its Colorado Republican II decision, which upheld limits on the coordinated expenditures of political parties, that the parties ''act as agents for spending on behalf of those who seek to produce obligated officeholders.'' The Supreme Court quoted former Senator Paul Simon, who explained: ''I believe people contribute to party committees on both sides of the aisle for the same reason that Federal Express [and other industries do], because they want favors.'' The former Senator also recounted a debate over a bill favored by Federal Express during which a colleague exclaimed ''we've got to pay attention to who is buttering our bread.'' The Supreme Court concluded in Colorado Republican II that it would be myopic to refuse ''to see how the power of money actually works in the political structure.''

Mr. Chairman, the massive soft money loophole that has eviscerated the campaign finance laws is having an insidious effect on the health of our democracy. Our democracy is dependent for its vitality on citizen participation and engagement—citizens who care, citizens who vote, citizens who run for and serve in office. But look what is happening.

The current system has turned voters off—they are increasingly cynical about politics and politicians, and fewer are exercising their right to vote. In poll after poll, voters express their cynicism about politics and the campaign finance system. A recent Time magazine poll found that in 1961, 76 percent of Americans said they trusted the government; in 2001, only 19 percent expressed the same trust. A 1997 New York Times poll found that 89 percent of Americans believe the country's campaign finance system is in need of fundamental changes, 75 percent polled believe that their public officials make or change policy decisions as a result of money received from major contributors. A Fox News poll from May 2001 found that over 80 percent of the public believes that big companies and PACs have too much control in Washington.

As former Senator George Mitchell has said: ''The public has come to believe that members of Congress are not responsive to their constituents, but rather are responsive to those who contribute the funds that help members of Congress get elected. It is a corrupting view, in that it corrupts the trust and confidence that people must have in a democratic society. . . .'' Former Senator Wyche Fowler echoed these views: ''The public has now lost confidence in [Congress]. Because the public now thinks that it is money—and only money—that makes the decisions.''

This general distrust has discouraged our future leaders—the young generation—from going to the polls. In 1972, the first time 18-year-olds could vote, 50 percent of 18–24 year-olds cast a vote. By 1996, that number

had fallen to 32 percent. There is much evidence—and our own experience with our constituents confirms—that one of the major reasons citizens increasingly fail to vote is their perception that their vote makes no difference because of the role of money in politics and the influence of special interest groups. In one survey asking young people why they do not vote, a plurality said ''they don't think their vote makes a difference''; 64 percent agreed that ''government is run by a few big interests looking out for themselves, not for the benefit of all.'' In another recent poll, 57 percent expressed dissatisfaction with the political system. Many emphasized that politicians can't be trusted, that money plays too large a role in politics, and that special interest groups disproportionately influence policy.

It is vital to the continued health of our democracy that the citizenry remain alert and involved and participate by, among other things, voting in federal elections. The need to reverse the lack of confidence voters feel in their elected officials and their resulting lack of engagement in the political process is a compelling justification for banning soft money contributions. The Supreme Court would seem to agree. In its recent Shrink Missouri decision it said: ''[l]eave the perception of impropriety unanswered, and the cynical assumption that large donors call the tune could jeopardize the willingness of voters to take part in democratic governance.'' Our Supreme Court has consistently held that view for over 25 years. In Buckley, the Court observed that even where the influence of money does not rise to the level of bribery, it can work subtly to erode public confidence in the system to the detriment of our democracy.

It is also important to the health of our democracy that qualified people come forward to run in elections and to serve as elected representatives. Having the best candidates is good not only in and of itself for obvious reasons but will increase citizen participation in elections. Unfortunately, in recent years, some of our finest legislators across the nation—such as Senator Nunn—have left public service, bemoaning our system of financing campaigns. The average senator has to raise $11,600 every week during his or her six years in office in order to be reelected. Former Senator DeConcini of Arizona put it: ''You walk around on eggshells. One of the reasons I got out of the race was that I didn't want to raise the money.'' As Thomas Mann of the Brookings Institution has explained: ''The threat to the health of the American democracy stems rather from what candidates and their supporters must do to raise the sums needed to complete successfully. The cost of mounting a major campaign is a huge disincentive to candidacy for people of ordinary means who lack the stomach for nonstop fund raising.''

The soft-money ban that forms the core of this legislation aims to restore public faith in our democracy. By enacting this legislation, we will, in Senator MCCAIN's words, ''change the public's widespread belief that politicians have no greater purpose than [their] own reelection.'' We have a historic opportunity here not only to end the appearance of corruption, but to reinvigorate our democracy by making individual citizens' votes count, and by encouraging the most qualified candidates to run for election.

Mr. Chairman, since the 1971 passage of the Federal Election Campaign Act and the Buckley decision, there have been strict limits on contributions given by individuals and political action committees to federal candidates. But, as many have recognized, the soft-money loophole undermines these curbs. As the Washington Post put it: ''The national party organizations are used to raise and spend on behalf of their candidates funds that the candidates are forbidden to raise and spend themselves. It's a fictional distinction.'' Although FECA provides clear contribution limits, candidates and parties easily circumvent FECA's hard money restrictions by raising soft money. In its most recent decision on campaign finance, the Supreme Court observed that our political parties are ''in a position to be used to circumvent contribution limits that apply to individuals and PACs, and thereby to exacerbate the threat of corruption and apparent corruption that those contribution limits are aimed at reducing.'' In a recent memorandum of Soft Money Rulemaking, the Federal Election Commission's General Counsel found that ''national party committees rely in large part on the access they can provide to federal officials, or on the more direct influence of federal officeholders and candidates, to solicit large sums from corporations, labor unions, and other donors that provide most of their soft money.''

Mr. Chairman, it is vital for our democracy that we act today to ban soft money. Soft money has reintroduced into the Federal campaign finance system the very kinds of contributions that the federal laws intended to exclude—namely donations from corporations, unions, as well as large individual contributions. Soft money is not just a loophole, it is the loophole that ate the law. Let's send a clear message today that our democracy—and our integrity—is not for sale.

Mr. BLUMENAUER. Mr. Chairman, this evening's legislation is near and dear to my heart. I began my political career in college working on election reform. Two years later, I was the author of Oregon's legislation establishing campaign spending limits. It was my proposal that prohibited the insidious practice of holding legislation hostage until individuals and interest groups in effect paid ''ransom'' to legislative barons. So, in recent years, I have been saddened that narrow and, I think inappropriate, readings of the Oregon and U.S. Constitution have restricted the ability of the political process to police itself.

Our current campaign financing system is doubly troubling for me because it symbolizes not only what is wrong with campaigns but also what is wrong with the decision-making process in Congress. It is appalling the lengths to which the political process has been twisted and the huge sums of money that are spent opposing reasonable legislation and moderate candidates. The extreme, hard-edged and too-often hidden opponents of the public interest which are financed by soft money and anonymous contributions create a situation where the sheer volume of expenditure drowns out rational discourse.

A campaign finance system where large contributors and special interest groups have the loudest voice threatens the foundation of our democracy. It calls into question the integrity of our elections and of our government. We have a responsibility to strengthen our democracy by eliminating the influence of soft money. Large soft-money donations and anonymous political attack ads have a corrosive influence on the political process. Soft money is bad for the people who give it, bad for the people who receive it and bad for the American people.

I have supported the Shays-Meehan legislation since I came to Congress. We need to reduce the amount of time that is taken away from legislative business in order to pursue the mad chase for campaign dollars. The legislation before us is the best way to start. Keeping an open and accountable campaign finance system in this country is an ongoing struggle which too seldom commands the attention of either the Congress or the public in ways that it should. Today we've broken through that barrier.

Ms. HARMAN. Mr. Chairman, for ten years, I have supported every meaningful bill on campaign finance reform. Today, the House has a chance to make history by passing a bill that can become law.

Many say this bill does not go far enough—and they are right. But it is a bill the Senate has passed—and passing it today avoids a conference, which could well become a graveyard.

I say, let's take this important step.

I have experienced the impact of soft money ads designed to distort my record. Approximately $4 million worth of these ads targeted me in the 2000 election cycle. This practice drives good people out of politics and discourages voters. Indeed, the whole point is to depress voting.

I say enough.

Shays-Meehan can pass today. The time has come.

Ms. LEE. Mr. Chairman, I rise today in strong support of H.R. 2356, the bipartisan Shays-Meehan campaign finance reform legislation. It is time that we take the soft money out of our political system.

In fact, not only do I support eliminating soft money, but I support full public financing for campaigns. I am hopeful that once Shays-Meehan passes and is signed into law that we can focus our efforts on passing legislation to provide for public financing.

I am proud to be a cosponsor of Shays-Meehan and a signer of the discharge petition to bring this important legislation to the floor today. I want to thank the sponsors of this legislation especially for committing to voter registration and get-out-the-vote activities, which are essential for the election of minority candidates.

The Enron scandal has shown us once again the importance of passing meaningful campaign finance reform. While Enron and Arthur Andersen executives and the corporations donated over $11 million to political campaigns since 1989, workers at Enron lost their jobs and their life savings. This is an outrage and once again shows the need for corporate responsibility and of course for passage of Shays-Meehan.

Let's get the money out of politics. That's what campaign finance reform is all about. That means banning soft money and certainly not increasing hard money. Let's defeat these amendments that take us in the wrong direction, those that take us away from real reform.

I urge my colleagues to vote for a clean Shays-Meehan bill and to defeat all poison pill amendments.

Ms. DEGETTE. Mr. Chairman, I rise today in support of the Bipartisan Campaign Reform Act as presented by my distinguished colleagues Mr. MEEHAN and Mr. SHAYS. This bill

represents a watershed in our democracy. Today, we can remove from campaigns the shadow of special interests and move toward an electoral system in which every American will have an equal voice in our democratic process.

For too long, our nation's campaigns have been tainted by soft money sleight-of-hand, campaigns in which large amounts of money are solicited from a few contributors and mysteriously distributed.

For too long, we have winked as soft money came in by the truckload for ''party-enhancing activities'' when it was common knowledge that it really was used for ''issue ads'' that came uncomfortably close to supporting candidates.

Many took advantage of the soft money loophole to gain inordinate access to our country's leaders and lowered our nation's political parties to little more than middlemen for moving soft money for corporations and wealthy individuals.

In the past few weeks, in my capacity on the Energy and Commerce Committee's Subcommittee on Oversight and Investigations, I have had the opportunity to observe how some corporations have attempted to escape scrutiny in part by taking advantage of the loopholes in our campaign system. I have seen how the company's dealings have raised questions in the minds of Americans about how soft money can be used to gain access, influence, and power.

Our democracy cannot operate at its best without openness. This legislation will shine light onto the campaign finance process, bringing disclosure, structure, and accountability. This legislation disarms both political parties, limiting soft money from both corporations and unions. It increases the amount of hard money that can be contributed and allows adequate funds for our state parties to conduct vital get out the vote activities.

I would like to commend my colleagues for their persistence and perseverance in their effort to get their bill passed. They have compromised on important measures in order to gain bi-partisan support. Their efforts to move this legislation forward are a tribute to those who have fought and died for a free and just nation, to those who have struggled for an open and honest political system. I urge my colleagues to not let this moment pass us by, to vote for the Shays/Meehan bill and for a reformed campaign finance system that will clean up our campaigns and give our political process back to the people.

Mr. BENTSEN. Mr. Chairman, as one who has consistently supported the Shays-Meehan Campaign Finance Reform bill (H.R. 2356) and who signed its discharge petition, I rise in strong support of this critical reform legislation. I also would like to recognize the leadership of CHRIS SHAYS and MARTY MEEHAN, as well as my Texas colleague, JIM TURNER, on this issue.

Mr. Chairman, our campaign finance laws must be reformed to reduce the influence of money in politics and restore the balance originally achieved by the Federal Election Campaign Act of 1974 (FECA). Since coming to Congress in 1995, I have come to believe that our political process faces the very real risk of being hijacked by the prevalence of ''soft money'' contributions. In the last election cycle alone, the two major parties took in nearly $500 million in soft money. Certainly, such huge, unregulated ''soft money'' contributions to political parties threaten to corrupt the integrity of our political process. Mr. Chairman, Shays-Meehan represents an extraordinary opportunity to give voice to citizens whose individual voices are increasingly being drowned out by unregulated issue ads that purport to provide voter education but are actually not-so-veiled efforts at influencing the public's views of a certain political candidate.

H.R. 2356 strikes a critical balance between the need to protect our rights to free speech, guaranteed under the U.S. Constitution, and the need to make meaningful reforms to our political system. Shays-Meehan would ban the raising of soft money by national parties and federal candidates that is currently outside the restrictions and prohibitions of the federal regulatory framework. H.R. 2356 would, however, allow State and local parties to accept annual donations of $10,000 per individual for get-out-the-vote and voter-registration efforts in federal elections, so long as such efforts do not mention a federal candidate. Additionally, Shays-Meehan places new limits on aggregate individual contributions to national political parties and candidates for president and Congress at $95,000. Of that, no more than $57,500 of that could be given to party organizations, and $37,500 to candidates. I am also pleased that H.R. 2356 requires greater FEC disclosure requirements for independent expenditures of more than $1,000 made within 20 days of an election. I do not believe disclosure, in and of itself, stifles Free Speech.

Though I support Shays-Meehan, I recognize that it is not perfect. One troubling aspect is how it raises the hard money limit on contributions to Senate candidates to $2,000 but maintains the $1,000 for hard money limit contributions to House candidates. The last time we were slated to consider Shays-Meehan in the House, I submitted an amendment to the House Rules Committee to maintain the hard money limit of $1,000 for all candidates for Federal elective offices. Though I strongly believe that my amendment would have enhanced Shays-Meehan, it was blocked by the Republican leadership. Alternatively, the Republicans will propose raising the level of hard dollars that House candidates can raise to $2,000 per cycle. While I strongly oppose the disparity between the House and Senate, I do not support raising hard money limits to $2,000, as proposed in the Wamp amendment. I cannot see how injecting more hard money into our political system advances the goals of the underlying bill, Mr. Chairman, be assured that once Shays-Meehan clears the House, I will continue to work at having the disparity in hard money limits to be fully addressed.

Additionally, I would note that I have some concerns over how the measure restricts independent advertisements within 60 days of an election by unions, corporations and nonprofits but allows political action committees (PACs) associated with unions and corporations to donate soft money for such ads so long as the ads do not expressly advocate support or opposition for a candidate. Though I believe that a blanket prohibition on direct expenditures by unions, corporations and nonprofits may raise some constitutional questions, I support this provision because it will create greater transparency in the crucial days before an election.

Finally, in recent days, I have heard from a number of local Texas broadcasters who voiced serious concerns about how Shays-Meehan's lowest unit charge (LUC) provision will impact their abilities to sell broadcast ads. Under Shays-Meehan, stations would be compelled to sell air time to Federal candidates at the best advertising rate of last 180 days. Having campaigned in a major media market, I appreciate the goal of this provision—to ensure that candidates are not priced out of television, a powerful medium to reach voters. That being said, I am concerned that extending special treatment exclusively to federal candidates would result in state and local candidates, and for that matter local small businesses, becoming priced out of the market. For this reason, I am supporting an amendment offered by my colleague, GENE GREEN, to maintain the current LUC rules which qualify political candidates to the same rate as the broadcaster's most favored commercial advertiser.

Mr. Chairman, despite my concerns about individual provisions, the train has left the station on this issue, leaving members with two choices. They can hop aboard or get out of the way. Mr. Chairman, at this time it is critical that this body beat back the efforts of those among us who would try to derail the process, by offering amendments that are sure to divide the fragile coalition for reform. While Shays-Meehan may not be perfect, it does represent our best chance at instituting the broadest reform of our Nation's campaign finance laws in a quarter century. Mr. Chairman, I strongly urge my colleagues to get behind this effort and approve Shays-Meehan.

Mr. WU. Mr. Chairman, I absolutely support H.R. 2356, the Bipartisan Campaign Finance Reform Act.

Our current campaign finance system contributes now to a culture of cynicism. It hurts our institutions, it hurts our government, and it is an attack on the integrity of our political process.

Our Congress must be unbought and unbossed.

That's why I want to stop the flood of unregulated and unreported money in campaigns. I want to eliminate the undue influence of special interests in elections. I want to encourage strong grassroots participation. And I would like to return power to where it belongs—with the people.

The Shays-Meehan bill does this: It bans soft money raised by national parties and by candidates for Federal office. It ends issue ads, which are really attack ads under the guide of ''issues.'' And, it clarifies what election activities non-profits can do on behalf of our candidates for Federal office.

We must ban soft money. It is nothing more than a backdoor way to avoid the contribution limits that are now placed on candidates. Soft money is influencing our process almost as much as direct contributions to candidates do. In fact, Republicans and Democrats raised over $460 million in 2000 in soft money. And let's face it, special interest groups that contribute large sums of this soft money have an influence on the political process.

This is why we need to pass Shays-Meehan.

In 2000, we spent $3 billion on election activities. That is too much time and too much money spent on fundraising when it could be spent on doing what is important—passing legislation to improve our health care, our education system, and our economic stability.

We must do more to address the fact that the largest voting block in America is the no-shows. Campaign Finance Reform can deal with this cynicism.

I urge my colleagues in the strongest way to pass Shays-Meehan. It will be one of the best things we can do for democracy.

Mr. KIRK. Mr. Chairman, I rise today in strong support of the Shays-Meehan Bipartisan Campaign Finance Reform Bill. We must take action now to clean our political financing system, eliminate corrupting special interests, and enhance accountability. As we have seen in years past, the role of soft money on our campaign system extends far beyond our nation's borders. Not only are corporations and unions able to pump exorbitant amounts of soft money into Federal campaigns under current law, but so too are foreign nationals across the globe.

In the last ten years, China has stood out as the most infamous contributor of soft money funds, particularly during the 1996 election cycle. Beginning in 1995, reports indicate that Chinese officials planned on channeling more than $2 million in to U.S. presidential and congressional campaigns. By supporting Shays-Meehan, we have a genuine opportunity to shut down this source of funds that has become synonymous with the 1996 Presidential election. Foreign nationals in China took advantage of the massive soft money loophole to funnel illegal funds into Federal political campaigns through campaign committees, and as current law states, nothing will stop them from repeating these practices. Because there are no current disclosure requirements for the funding sources of issue ads, foreign governments could finance advertising efforts with complete anonymity.

We must pass comprehensive legislation that eliminates this soft money loophole and the growing potential influence of nations such as China. The Shays-Meehan bill will completely ban soft money fund-raising for national parties. If the Shays-Meehan bill had been in effect in 1996, China's negative role in influencing campaigns could have been avoided.

In the wake of September 11, global security is one of the highest priorities for the United States. We must not undermine our nation's federal election process by leaving a gaping loophole for foreign nationals to exert their potentially harmful influence. The sooner we pass the Shays-Meehan campaign finance bill, the sooner we will be able to eliminate the negative influence of governments on our nation's democratic process.

Mr. UDALL of Colorado. Mr. Chairman, this will be one of the most important votes of the year—in fact, it likely will be one of the most important for years to come.

The legislation before us addresses one of the most serious threats to the continued health of our democracy—the perception that the national government is for sale to the highest bidder.

I say perception, because I think all of us are motivated by a sincere desire to make decisions that are in the best interests of our country and that are based on the best information available. I know that my judgment is not for sale, and I am confident that goes for every one of our colleagues as well.

But I also understand why many people think otherwise.

They know that since 1988 both parties have increasingly used funds that are supposed to go for party-building—so-called ''soft money''—to instead support or oppose candidates through the unsubtle subterfuge of so-called ''issue ads'' and similar devices. And they know that past attempts to stop that subterfuge have been stopped by a veto or by obstruction

So, it is not surprising that many people think that money talks so loudly that they cannot be heard.

All too often, that is the perception—and as we all know, when it comes to public opinion perception is reality. I want to change that perception by changing its cause—the ''soft money'' loopholes in current law. I believe we need to get rid of unlimited ''soft money'' contributions and act to open the election process to all.

This is not a new position for me. Starting with my first year as a Member of Congress, I have been a cosponsor of the Shays-Meehan campaign finance legislation. I have consistently voted in support of similar legislation since 1999. I signed the discharge petition that has brought the bill to the floor today.

And I supported the Shays-Meehan substitute and opposed amendments to it because I want the House to pass a bill as similar as possible to the McCain-Feingold bill that has already passed the Senate. I think that was essential because otherwise there would have been too great a risk that the bill will die in conference.

I am well aware that this legislation is not perfect. But no legislation is perfect, and this bill makes crucial improvements in campaign-finance laws. It deserves and needs to be enacted.

And so now, as we come to the time for a final decision, I urge all our colleagues to join me in voting for passage of this bill.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the bill is considered as having been read for amendment under the 5-minute rule.

The text of H.R. 2356 is as follows:

H.R. 2356

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Bipartisan Campaign Reform Act of 2001''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

TITLE I—REDUCTION OF SPECIAL INTEREST INFLUENCE

SEC. 101. SOFT MONEY OF POLITICAL PARTIES.

(a) IN GENERAL.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following:

''SEC. 323. SOFT MONEY OF POLITICAL PARTIES.

''(a) NATIONAL COMMITTEES.—

''(1) IN GENERAL.—A national committee of a political party (including a national congressional campaign committee of a political party) may not solicit, receive, or direct to another person a contribution, donation, or transfer of funds or any other thing of value, or spend any funds, that are not subject to the limitations, prohibitions, and reporting requirements of this Act.

''(2) APPLICABILITY.— The prohibition established by paragraph (1) applies to any such national committee, any officer or agent acting on behalf of such a national committee, and any entity that is directly or indirectly established, financed, maintained, or controlled by such a national committee.

''(b) STATE, DISTRICT, AND LOCAL COMMITTEES.—

''(1) IN GENERAL.—Except as provided in paragraph (2), an amount that is expended or disbursed for Federal election activity by a State, district, or local committee of a political party (including an entity that is directly or indirectly established, financed, maintained, or controlled by a State, district, or local committee of a political party and an officer or agent acting on behalf of such committee or entity), or by an association or similar group of candidates for State or local office or individuals holding State or local office, shall be made from funds subject to the limitations, prohibitions, and reporting requirements of this Act.

''(2) APPLICABILITY.—

''(A) IN GENERAL.—Notwithstanding clause (i) or (ii) of section 301(20)(A), and subject to subparagraph (B), paragraph (1) shall not apply to any amount expended or disbursed by a State, district, or local committee of a political party in existence as of the date of the enactment of the Bipartisan Campaign Reform Act of 2001 for an activity described in either such clause to the extent the amounts expended or disbursed for such activity are allocated under regulations prescribed by the Commission which require not less than 50 percent of the amounts expended or disbursed be paid from a Federal allocation account consisting solely of contributions subject to the limitations, prohibitions, and reporting requirements of this Act (not including funds specifically authorized to be spent under subparagraph (B)(iii)).

''(B) CONDITIONS.—Subparagraph (A) shall only apply if—

''(i) the activity does not refer to a clearly identified candidate for Federal office;

''(ii) the amounts expended or disbursed are not for the costs of any broadcasting, cable, or satellite communication, other than a communication which refers solely to a clearly identified candidate for State or local office;

''(iii) the amounts expended or disbursed which are not from a Federal allocation account described in subparagraph (A) are paid from amounts which are donated in accordance with State law and which meet the requirements of subparagraph (C), except that no person (including any person established, financed, maintained, or controlled by such person) may donate more than $10,000 to a State, district, or local committee of a political party in a calendar year for such expenditures or disbursements; and

''(iv) the amounts expended or disbursed are made solely from funds raised by the State, local, or district committee which makes such expenditure or disbursement, and do not include any funds provided to such committee from—

''(I) any other State, local, or district committee of any State party,

''(II) the national committee of a political party (including a national congressional campaign committee of a political party),

''(III) any officer or agent acting on behalf of any committee described in subclause (I) or (II), or

''(IV) any entity directly or indirectly established, financed, maintained, or controlled by any committee described in subclause (I) or (II).

''(C) PROHIBITING INVOLVEMENT OF NATIONAL PARTIES, FEDERAL CANDIDATES AND OFFICEHOLDERS, AND STATE PARTIES ACTING JOINTLY.—Notwithstanding subsection (e) (other than subsection (e)(3)), amounts specifically authorized to be spent under subparagraph (B)(iii) meet the requirements of this subparagraph only if the amounts—

''(i) are not solicited, received, directed, transferred, or spent by or in the name of any person described in subsection (a) or (e); and

''(ii) are not solicited, received, or directed through fundraising activities conducted jointly by 2 or more State, local, or district committees of any political party or their agents, or by a State, local, or district committee of a political party on behalf of the State, local, or district committee of a political party or its agent in one or more other States.

''(c) FUNDRAISING COSTS.—An amount spent by a person described in subsection (a) or (b) to raise funds that are used, in whole or in part, for expenditures and disbursements for a Federal election activity shall be made from funds subject to the limitations, prohibitions, and reporting requirements of this Act.

''(d) TAX-EXEMPT ORGANIZATIONS.—A national, State, district, or local committee of a political party (including a national congressional campaign committee of a political party), an entity that is directly or indirectly established, financed, maintained, or controlled by any such national, State, district, or local committee or its agent, and an officer or agent acting on behalf of any such party committee or entity, shall not solicit any funds for, or make or direct any donations to—

''(1) an organization that is described in section 501(c) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code (or has submitted an application for determination of tax exempt status under such section) and that makes expenditures or disbursements in connection with an election for Federal office (including expenditures or disbursements for Federal election activity); or

''(2) an organization described in section 527 of such Code (other than a political committee, a State, district, or local committee of a political party, or the authorized campaign committee of a candidate for State or local office).

''(e) FEDERAL CANDIDATES.—

''(1) IN GENERAL.—A candidate, individual holding Federal office, agent of a candidate or an individual holding Federal office, or an entity directly or indirectly established, financed, maintained or controlled by or acting on behalf of 1 or more candidates or individuals holding Federal office, shall not—

''(A) solicit, receive, direct, transfer, or spend funds in connection with an election for Federal office, including funds for any Federal election activity, unless the funds are subject to the limitations, prohibitions, and reporting requirements of this Act; or

''(B) solicit, receive, direct, transfer, or spend funds in connection with any election other than an election for Federal office or disburse funds in connection with such an election unless the funds—

''(i) are not in excess of the amounts permitted with respect to contributions to candidates and political committees under paragraphs (1), (2), and (3) of section 315(a); and

''(ii) are not from sources prohibited by this Act from making contributions in connection with an election for Federal office.

''(2) STATE LAW.—Paragraph (1) does not apply to the solicitation, receipt, or spending of funds by an individual described in such paragraph who is also a candidate for a State or local office solely in connection with such election for State or local office if the solicitation, receipt, or spending of funds is permitted under State law and refers only to such State or local candidate, or to any other candidate for the State or local office sought by such candidate, or both.

''(3) FUNDRAISING EVENTS.—Notwithstanding paragraph (1) or subsection (b)(2)(C), a candidate or an individual holding Federal office may attend, speak, or be a featured guest at a fundraising event for a State, district, or local committee of a political party.

''(4) LIMITATION APPLICABLE FOR PURPOSES OF SOLICITATION OF DONATIONS BY INDIVIDUALS TO CERTAIN ORGANIZATIONS.—In the case of the solicitation of funds by any person described in paragraph (1) on behalf of any entity described in subsection (d) which is made specifically for funds to be used for activities described in clauses (i) and (ii) of section 301(20)(A), or made for any such entity which engages primarily in activities described in such clauses, the limitation applicable for purposes of a donation of funds by an individual shall be the limitation set forth in section 315(a)(1)(D).

''(5) TREATMENT OF AMOUNTS USED TO INFLUENCE OR CHALLENGE STATE REAPPORTIONMENT.—Nothing in this subsection shall prevent or limit an individual described in paragraph (1) from soliciting or spending funds to be used exclusively for the purpose of influencing the reapportionment decisions of a State or the financing of litigation which relates exclusively to the reapportionment decisions made by a State.

''(f) STATE CANDIDATES.—

''(1) IN GENERAL.—A candidate for State or local office, individual holding State or local office, or an agent of such a candidate or individual may not spend any funds for a communication described in section 301(20)(A)(iii) unless the funds are subject to the limitations, prohibitions, and reporting requirements of this Act.

''(2) EXCEPTION FOR CERTAIN COMMUNICATIONS.—Paragraph (1) shall not apply to an individual described in such paragraph if the communication involved is in connection with an election for such State or local office and refers only to such individual or to any other candidate for the State or local office held or sought by such individual, or both.''.

(b) DEFINITIONS.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) is amended by adding at the end thereof the following:

''(20) FEDERAL ELECTION ACTIVITY.—

''(A) IN GENERAL.—The term 'Federal election activity' means—

''(i) voter registration activity during the period that begins on the date that is 120 days before the date a regularly scheduled Federal election is held and ends on the date of the election;

''(ii) voter identification, get-out-the-vote activity, or generic campaign activity 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);

''(iii) a public communication that refers to a clearly identified candidate for Federal office (regardless of whether a candidate for State or local office is also mentioned or identified) and that promotes or supports a candidate for that office, or attacks or opposes a candidate for that office (regardless

of whether the communication expressly advocates a vote for or against a candidate); or

''(iv) services provided during any month by an employee of a State, district, or local committee of a political party who spends more than 25 percent of that individual's compensated time during that month on activities in connection with a Federal election.

''(B) EXCLUDED ACTIVITY.—The term 'Federal election activity' does not include an amount expended or disbursed by a State, district, or local committee of a political party for—

''(i) a public communication that refers solely to a clearly identified candidate for State or local office, if the communication is not a Federal election activity described in subparagraph (A)(i) or (ii);

''(ii) a contribution to a candidate for State or local office, provided the contribution is not designated or used to pay for a Federal election activity described in subparagraph (A);

''(iii) the costs of a State, district, or local political convention;

''(iv) the costs of grassroots campaign materials, including buttons, bumper stickers, and yard signs, that name or depict only a candidate for State or local office; and

''(v) the cost of constructing or purchasing an office facility or equipment for a State, district, or local committee.

''(21) GENERIC CAMPAIGN ACTIVITY.—The term 'generic campaign activity' means a campaign activity that promotes a political party and does not promote a candidate or non-Federal candidate.

''(22) PUBLIC COMMUNICATION.—The term 'public communication' means a communication by means of any broadcast, cable, or satellite communication, newspaper, magazine, outdoor advertising facility, mass mailing, or telephone bank to the general public, or any other form of general public political advertising.

''(23) MASS MAILING.—The term 'mass mailing' means a mailing by United States mail or facsimile of more than 500 pieces of mail matter of an identical or substantially similar nature within any 30-day period.

''(24) TELEPHONE BANK.—The term 'telephone bank' means more than 500 telephone calls of an identical or substantially similar nature within any 30-day period.''.

SEC. 102. INCREASED CONTRIBUTION LIMITS FOR STATE COMMITTEES OF POLITICAL PARTIES AND AGGREGATE CONTRIBUTION LIMIT FOR INDIVIDUALS.

(a) CONTRIBUTION LIMIT FOR STATE COMMITTEES OF POLITICAL PARTIES.—Section 315(a)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(1)) is amended—

(1) in subparagraph (B), by striking ''or'' at the end;

(2) in subparagraph (C)—

(A) by inserting ''(other than a committee described in subparagraph (D))'' after ''committee''; and

(B) by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(D) to a political committee established and maintained by a State committee of a political party in any calendar year which, in the aggregate, exceed $10,000.''.

(b) AGGREGATE CONTRIBUTION LIMIT FOR INDIVIDUAL.—Section 315(a)(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(3)) is amended by striking ''$25,000'' and inserting ''$30,000''.

SEC. 103. REPORTING REQUIREMENTS.

(a) REPORTING REQUIREMENTS.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) is amended by adding at the end the following:

''(e) POLITICAL COMMITTEES.—

''(1) NATIONAL AND CONGRESSIONAL POLITICAL COMMITTEES.—The national committee of a political party, any national congressional campaign committee of a political party, and any subordinate committee of either, shall report all receipts and disbursements during the reporting period.

''(2) OTHER POLITICAL COMMITTEES TO WHICH SECTION 323 APPLIES.—

''(A) IN GENERAL.—In addition to any other reporting requirements applicable under this Act, a political committee (not described in paragraph (1)) to which section 323(b)(1) applies shall report all receipts and disbursements made for activities described in section 301(20)(A).

''(B) SPECIFIC DISCLOSURE BY STATE AND LOCAL PARTIES OF CERTAIN NONFEDERAL AMOUNTS PERMITTED TO BE SPENT ON FEDERAL ELECTION ACTIVITY.—Each report by a political committee under subparagraph (A) of receipts and disbursements made for activities described in section 301(20)(A) shall include a disclosure of all receipts and disbursements made section 323(b)(2)(A) and (B).

''(3) 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) 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).''.

(b) BUILDING FUND EXCEPTION TO THE DEFINITION OF CONTRIBUTION.—Section 301(8)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)(B)) is amended—

(1) by striking clause (viii); and

(2) by redesignating clauses (ix) through (xv) as clauses (viii) through (xiv), respectively.

TITLE II—NONCANDIDATE CAMPAIGN EXPENDITURES

Subtitle A—Electioneering Communications

SEC. 201. DISCLOSURE OF ELECTIONEERING COMMUNICATIONS.

(a) IN GENERAL.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434), as amended by section 103, is amended by adding at the end the following new subsection:

''(f) DISCLOSURE OF ELECTIONEERING COMMUNICATIONS.—

''(1) STATEMENT REQUIRED.—Every person who makes a disbursement for the direct costs of producing and airing electioneering communications in an aggregate amount in excess of $10,000 during any calendar year shall, within 24 hours of each disclosure date, file with the Commission a statement containing the information described in paragraph (2).

''(2) CONTENTS OF STATEMENT.—Each statement required to be filed under this subsection shall be made under penalty of perjury and shall contain the following information:

''(A) The identification of the person making the disbursement, of any person sharing or exercising direction or control over the activities of such person, and of the custodian of the books and accounts of the person making the disbursement.

''(B) The principal place of business of the person making the disbursement, if not an individual.

''(C) The amount of each disbursement of more than $200 during the period covered by the statement and the identification of the person to whom the disbursement was made.

''(D) The elections to which the electioneering communications pertain and the names (if known) of the candidates identified or to be identified.

''(E) If the disbursements were paid out of a segregated bank account which consists of funds contributed solely by individuals who are United States citizens or nationals or lawfully admitted for permanent residence as defined in section 1101(a)(2) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(2)) directly to this account for electioneering communications, the names and addresses of all contributors who contributed an aggregate amount of $1,000 or more to that account during the period beginning on the first day of the preceding calendar year and ending on the disclosure date. Nothing in this subparagraph is to be construed as a prohibition on the use of funds in such a segregated account for a purpose other than electioneering communications.

''(F) If the disbursements were paid out of funds not described in subparagraph (E), the names and addresses of all contributors who contributed an aggregate amount of $1,000 or more to the person making the disbursement during the period beginning on the first day of the preceding calendar year and ending on the disclosure date.

''(3) ELECTIONEERING COMMUNICATION.—For purposes of this subsection—

''(A) IN GENERAL.—(i) The term 'electioneering communication' means any broadcast, cable, or satellite communication which—

''(I) refers to a clearly identified candidate for Federal office;

''(II) is made within—

''(aa) 60 days before a general, special, or runoff election for the office sought by the candidate; or

''(bb) 30 days before a primary or preference election, or a convention or caucus of a political party that has authority to nominate a candidate, for the office sought by the candidate; and

''(III) in the case of a communication which refers to a candidate for an office other than President or Vice President, is targeted to the relevant electorate.

''(ii) If clause (i) is held to be constitutionally insufficient by final judicial decision to support the regulation provided herein, then the term 'electioneering communication' means any broadcast, cable, or satellite communication which promotes or supports a candidate for that office, or attacks or opposes a candidate for that office (regardless of whether the communication expressly advocates a vote for or against a candidate) and which also is suggestive of no plausible meaning other than an exhortation to vote for or against a specific candidate. Nothing in this subparagraph shall be construed to affect the interpretation or application of section 100.22(b) of title 11, Code of Federal Regulations.

''(B) EXCEPTIONS.—The term 'electioneering communication' does not include—

''(i) a communication appearing in a news story, commentary, or editorial distributed through the facilities of any broadcasting station, unless such facilities are owned or controlled by any political party, political committee, or candidate;

''(ii) a communication which constitutes an expenditure or an independent expenditure under this Act;

''(iii) a communication which constitutes a candidate debate or forum conducted pursuant to regulations adopted by the Commission, or which solely promotes such a debate or forum and is made by or on behalf of the person sponsoring the debate or forum; or

''(iv) any other communication exempted under such regulations as the Commission may promulgate (consistent with the requirements of this paragraph) to ensure the

appropriate implementation of this paragraph, except that under any such regulation a communication may not be exempted if it meets the requirements of this paragraph and is described in section 301(20)(A)(iii).

''(C) TARGETING TO RELEVANT ELECTORATE.—For purposes of this paragraph, a communication which refers to a clearly identified candidate for Federal office is 'targeted to the relevant electorate' if the communication can be received by 50,000 or more persons—

''(i) in the district the candidate seeks to represent, in the case of a candidate for Representative in, or Delegate or Resident Commissioner to, the Congress; or

''(ii) in the State the candidate seeks to represent, in the case of a candidate for Senator.

''(4) DISCLOSURE DATE.—For purposes of this subsection, the term 'disclosure date' means—

''(A) the first date during any calendar year by which a person has made disbursements for the direct costs of producing or airing electioneering communications aggregating in excess of $10,000; and

''(B) any other date during such calendar year by which a person has made disbursements for the direct costs of producing or airing electioneering communications aggregating in excess of $10,000 since the most recent disclosure date for such calendar year.

''(5) CONTRACTS TO DISBURSE.—For purposes of this subsection, a person shall be treated as having made a disbursement if the person has executed a contract to make the disbursement.

''(6) COORDINATION WITH OTHER REQUIREMENTS.—Any requirement to report under this subsection shall be in addition to any other reporting requirement under this Act.

''(7) COORDINATION WITH INTERNAL REVENUE CODE.—Nothing in this subsection may be construed to establish, modify, or otherwise affect the definition of political activities or electioneering activities (including the definition of participating in, intervening in, or influencing or attempting to influence a political campaign on behalf of or in opposition to any candidate for public office) for purposes of the Internal Revenue Code of 1986.''.

(b) RESPONSIBILITIES OF FEDERAL COMMUNICATIONS COMMISSION.—The Federal Communications Commission shall compile and maintain any information the Federal Election Commission may require to carry out section 304(f) of the Federal Election Campaign Act of 1971 (as added by subsection (a)), and shall make such information available to the public on the Federal Communication Commission's website.

SEC. 202. COORDINATED COMMUNICATIONS AS CONTRIBUTIONS.

Section 315(a)(7) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(7)) is amended—

(1) by redesignating subparagraph (C) as subparagraph (D); and

(2) by inserting after subparagraph (B) the following:

''(C) if—

''(i) any person makes, or contracts to make, any disbursement for any electioneering communication (within the meaning of section 304(f)(3)); and

''(ii) such disbursement is coordinated with a candidate or an authorized committee of such candidate, a Federal, State, or local political party or committee thereof, or an agent or official of any such candidate, party, or committee;

such disbursement or contracting shall be treated as a contribution to the candidate supported by the electioneering communication or that candidate's party and as an expenditure by that candidate or that candidate's party; and''.

SEC. 203. PROHIBITION OF CORPORATE AND LABOR DISBURSEMENTS FOR ELECTIONEERING COMMUNICATIONS.

(a) IN GENERAL.—Section 316(b)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(b)(2)) is amended by inserting ''or for any applicable electioneering communication'' before '', but shall not include''.

(b) APPLICABLE ELECTIONEERING COMMUNICATION.—Section 316 of such Act is amended by adding at the end the following:

''(c) RULES RELATING TO ELECTIONEERING COMMUNICATIONS.—

''(1) APPLICABLE ELECTIONEERING COMMUNICATION.—For purposes of this section, the term 'applicable electioneering communication' means an electioneering communication (within the meaning of section 304(f)(3)) which is made by any entity described in subsection (a) of this section or by any other person using funds donated by an entity described in subsection (a) of this section.

''(2) EXCEPTION.—Notwithstanding paragraph (1), the term 'applicable electioneering communication' does not include a communication by a section 501(c)(4) organization or a political organization (as defined in section 527(e)(1) of such Code) made under section 304(f)(2)(E) or (F) of this Act if the communication is paid for exclusively by funds provided directly by individuals who are United States citizens or nationals or lawfully admitted for permanent residence as defined in section 1101(a)(2) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(2)). For purposes of the preceding sentence, the term 'provided directly by individuals' does not include funds the source of which is an entity described in subsection (a) of this section.

''(3) SPECIAL OPERATING RULES.—

''(A) DEFINITION UNDER PARAGRAPH (1).—An electioneering communication shall be treated as made by an entity described in subsection (a) if an entity described in subsection (a) directly or indirectly disburses any amount for any of the costs of the communication.

''(B) EXCEPTION UNDER PARAGRAPH (2).—A section 501(c)(4) organization that derives amounts from business activities or receives funds from any entity described in subsection (a) shall be considered to have paid for any communication out of such amounts unless such organization paid for the communication out of a segregated account to which only individuals can contribute, as described in section 304(f)(2)(E).

''(4) DEFINITIONS AND RULES.—For purposes of this subsection—

''(A) the term 'section 501(c)(4) organization' means—

''(i) an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code; or

''(ii) an organization which has submitted an application to the Internal Revenue Service for determination of its status as an organization described in clause (i); and

''(B) a person shall be treated as having made a disbursement if the person has executed a contract to make the disbursement.

''(5) COORDINATION WITH INTERNAL REVENUE CODE.—Nothing in this subsection shall be construed to authorize an organization exempt from taxation under section 501(a) of the Internal Revenue Code of 1986 to carry out any activity which is prohibited under such Code.''.

SEC. 204. RULES RELATING TO CERTAIN TARGETED ELECTIONEERING COMMUNICATIONS.

Section 316(c) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b), as added by section 203, is amended by adding at the end the following:

''(6) SPECIAL RULES FOR TARGETED COMMUNICATIONS.—

''(A) EXCEPTION DOES NOT APPLY.—Paragraph (2) shall not apply in the case of a targeted communication that is made by an organization described in such paragraph.

''(B) TARGETED COMMUNICATION.—For purposes of subparagraph (A), the term 'targeted communication' means an electioneering communication (as defined in section 304(f)(3)) that is distributed from a television or radio broadcast station or provider of cable or satellite television service and, in the case of a communication which refers to a candidate for an office other than President or Vice President, is targeted to the relevant electorate.

''(C) DEFINITION.—For purposes of this paragraph, a communication is 'targeted to the relevant electorate' if it meets the requirements described in section 304(f)(3)(C).''.

Subtitle B—Independent and Coordinated Expenditures

SEC. 211. DEFINITION OF INDEPENDENT EXPENDITURE.

Section 301 of the Federal Election Campaign Act (2 U.S.C. 431) is amended by striking paragraph (17) and inserting the following:

''(17) INDEPENDENT EXPENDITURE.—The term 'independent expenditure' means an expenditure by a person—

''(A) expressly advocating the election or defeat of a clearly identified candidate; and

''(B) that is not made in concert or cooperation with, at the request or suggestion of, or pursuant to any general or particular understanding with, such candidate, the candidate's authorized political committee, or their agents, or a political party committee or its agents.''.

SEC. 212. REPORTING REQUIREMENTS FOR CERTAIN INDEPENDENT EXPENDITURES.

(a) IN GENERAL.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) (as amended by section 201) is amended—

(1) in subsection (c)(2), by striking the undesignated matter after subparagraph (C); and

(2) by adding at the end the following:

''(g) TIME FOR REPORTING CERTAIN EXPENDITURES.—

''(1) EXPENDITURES AGGREGATING $1,000.—

''(A) INITIAL REPORT.—A person (including a political committee) that makes or contracts to make independent expenditures aggregating $1,000 or more after the 20th day, but more than 24 hours, before the date of an election shall file a report describing the expenditures within 24 hours.

''(B) ADDITIONAL REPORTS.—After a person files a report under subparagraph (A), the person shall file an additional report within 24 hours after each time the person makes or contracts to make independent expenditures aggregating an additional $1,000 with respect to the same election as that to which the initial report relates.

''(2) EXPENDITURES AGGREGATING $10,000.—

''(A) INITIAL REPORT.—A person (including a political committee) that makes or contracts to make independent expenditures aggregating $10,000 or more at any time up to and including the 20th day before the date of an election shall file a report describing the expenditures within 48 hours.

''(B) ADDITIONAL REPORTS.—After a person files a report under subparagraph (A), the person shall file an additional report within 48 hours after each time the person makes or contracts to make independent expenditures aggregating an additional $10,000 with respect to the same election as that to which the initial report relates.

''(3) PLACE OF FILING; CONTENTS.—A report under this subsection—

''(A) shall be filed with the Commission; and

''(B) shall contain the information required by subsection (b)(6)(B)(iii), including the

name of each candidate whom an expenditure is intended to support or oppose.''.

(b) CONFORMING AMENDMENT.—Section 304(a)(5) of such Act (2 U.S.C. 434(a)(5)) is amended by striking '', or the second sentence of subsection (c)(2)''.

SEC. 213. INDEPENDENT VERSUS COORDINATED EXPENDITURES BY PARTY.

Section 315(d) of the Federal Election Campaign Act (2 U.S.C. 441a(d)) is amended—

(1) in paragraph (1), by striking ''and (3)'' and inserting '', (3), and (4)''; and

(2) by adding at the end the following:

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

''(A) IN GENERAL.—On or after the date on which a political party nominates a candidate, a committee of the political party shall not make both expenditures under this subsection and independent expenditures (as defined in section 301(17)) with respect to the candidate during the election cycle.

''(B) CERTIFICATION.—Before making a coordinated expenditure under this subsection with respect to a candidate, a committee of a political party shall file with the Commission a certification, signed by the treasurer of the committee, that the committee, on or after the date described in subparagraph (A), has not and shall not make any independent expenditure with respect to the candidate during the same election cycle.

''(C) 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.

''(D) TRANSFERS.—A committee of a political party that submits a certification under subparagraph (B) 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.''.

SEC. 214. COORDINATION WITH CANDIDATES OR POLITICAL PARTIES.

(a) IN GENERAL.—

(1) COORDINATED EXPENDITURE OR DISBURSEMENT TREATED AS CONTRIBUTION.—Section 301(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)) is amended—

(A) by striking ''or'' at the end of subparagraph (A)(i);

(B) by striking ''purpose.'' in subparagraph (A)(ii) and inserting ''purpose;''; and

(C) by adding at the end of subparagraph (A) the following:

''(iii) any coordinated expenditure or other disbursement made by any person in connection with a candidate's election, regardless of whether the expenditure or disbursement is for a communication that contains express advocacy; or

''(iv) any coordinated expenditure or other disbursement made in coordination with a national committee, State committee, or other political committee of a political party by a person (other than a candidate or a candidate's authorized committee) in connection with an election, regardless of whether the expenditure or disbursement is for a communication that contains express advocacy.''.

(2) CONFORMING AMENDMENT.—Section 315(a)(7) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(7)) is amended by striking subparagraph (B) and inserting the following:

''(B) a coordinated expenditure or disbursement described in—

''(i) section 301(8)(A)(iii) shall be considered to be a contribution to the candidate and an expenditure by the candidate; and

''(ii) section 301(8)(A)(iv) shall be considered to be a contribution to, and an expenditure by, the political party committee; and''.

(b) DEFINITION OF COORDINATION.—Section 301(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)) is amended by adding at the end the following:

''(C) For purposes of subparagraph (A)(iii) and (iv), the term 'coordinated expenditure or other disbursement' means a payment made in concert or cooperation with, at the request or suggestion of, or pursuant to any general or particular understanding with, such candidate, the candidate's authorized political committee, or their agents, or a political party committee or its agents.''.

(c) REGULATIONS BY THE FEDERAL ELECTION COMMISSION.—(1) Within 90 days of the effective date of this Act, the Federal Election Commission shall promulgate new regulations to enforce the statutory standard set by section 301(8)(C) of the Federal Election Campaign Act of 1971 (as added by subsection (b)) and section 301(17)(B) of such Act (as amended by section 211). The regulations shall not require collaboration or agreement to establish coordination. In addition to any subject determined by the Commission, the regulations shall address—

(A) payments for the republication of campaign materials;

(B) payments for the use of a common vendor;

(C) payments for communications directed or made by persons who previously served as an employee of a candidate or a political party; and

(D) payments for communications made by a person after substantial discussion about the communication with a candidate or a political party.

(2) The regulations on coordination adopted by the Federal Election Commission and published in the Federal Register at page 76138 of volume 65, Federal Register, on December 6, 2000, are repealed as of 90 days after the effective date of this Act.

(d) MEANING OF CONTRIBUTION OR EXPENDITURE FOR THE PURPOSES OF SECTION 316.—Section 316(b)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(b)(2)) is amended by striking ''shall include'' and inserting ''includes a contribution or expenditure, as those terms are defined in section 301, and also includes''.

TITLE III—MISCELLANEOUS

SEC. 301. USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by striking section 313 and inserting the following:

''SEC. 313. USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES.

''(a) PERMITTED USES.—A contribution accepted by a candidate, and any other donation received by an individual as support for activities of the individual as a holder of Federal office, may be used by the candidate or individual—

''(1) for otherwise authorized expenditures in connection with the campaign for Federal office of the candidate or individual;

''(2) for ordinary and necessary expenses incurred in connection with duties of the individual as a holder of Federal office;

''(3) for contributions to an organization described in section 170(c) of the Internal Revenue Code of 1986; or

''(4) for transfers to a national, State, or local committee of a political party.

''(b) PROHIBITED USE.—

''(1) IN GENERAL.—A contribution or donation described in subsection (a) shall not be converted by any person to personal use.

''(2) CONVERSION.—For the purposes of paragraph (1), a contribution or donation shall be considered to be converted to personal use if the contribution or amount is used to fulfill any commitment, obligation, or expense of a person that would exist irrespective of the candidate's election campaign or individual's duties as a holder of Federal office, including—

''(A) a home mortgage, rent, or utility payment;

''(B) a clothing purchase;

''(C) a noncampaign-related automobile expense;

''(D) a country club membership;

''(E) a vacation or other noncampaign-related trip;

''(F) a household food item;

''(G) a tuition payment;

''(H) admission to a sporting event, concert, theater, or other form of entertainment not associated with an election campaign; and

''(I) dues, fees, and other payments to a health club or recreational facility.''.

SEC. 302. PROHIBITION OF FUNDRAISING ON FEDERAL PROPERTY.

Section 607 of title 18, United States Code, is amended—

(1) by striking subsection (a) and inserting the following:

''(a) PROHIBITION.—

''(1) IN GENERAL.—It shall be unlawful for any person to solicit or receive a donation of money or other thing of value in connection with a Federal, State, or local election from a person who is located in a room or building occupied in the discharge of official duties by an officer or employee of the United States. It shall be unlawful for an individual who is an officer or employee of the Federal Government, including the President, Vice President, and Members of Congress, to solicit or receive a donation of money or other thing of value in connection with a Federal, State, or local election, while in any room or building occupied in the discharge of official duties by an officer or employee of the United States, from any person.

''(2) PENALTY.—A person who violates this section shall be fined not more than $5,000, imprisoned more than 3 years, or both.''; and

(2) in subsection (b), by inserting ''or Executive Office of the President'' after ''Congress'' .

SEC. 303. STRENGTHENING FOREIGN MONEY BAN.

Section 319 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441e) is amended—

(1) by striking the heading and inserting the following: ''CONTRIBUTIONS AND DONATIONS BY FOREIGN NATIONALS''; and

(2) by striking subsection (a) and inserting the following:

''(a) PROHIBITION.—It shall be unlawful for—

''(1) a foreign national, directly or indirectly, to make—

''(A) a contribution or donation of money or other thing of value, or to make an express or implied promise to make a contribution or donation, in connection with a Federal, State, or local election;

''(B) a contribution or donation to a committee of a political party; or

''(C) an expenditure, independent expenditure, or disbursement for an electioneering communication (within the meaning of section 304(f)(3)); or

''(2) a person to solicit, accept, or receive a contribution or donation described in subparagraph (A) or (B) of paragraph (1) from a foreign national.''.

SEC. 304. MODIFICATION OF INDIVIDUAL CONTRIBUTION LIMITS IN RESPONSE TO EXPENDITURES FROM PERSONAL FUNDS.

(a) INCREASED LIMITS FOR INDIVIDUALS.—

(1) IN GENERAL.—Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a) is amended—

(A) in subsection (a)(1), by striking ''No person'' and inserting ''Except as provided in subsection (i), no person''; and

(B) by adding at the end the following:

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

''(1) INCREASE.—

''(A) IN GENERAL.—Subject to paragraph (2), if the opposition personal funds amount with respect to a candidate for election to the office of Senator exceeds the threshold amount, the limit under subsection (a)(1)(A) (in this subsection referred to as the 'applicable limit') with respect to that candidate shall be the increased limit.

''(B) THRESHOLD AMOUNT.—

''(i) STATE-BY-STATE COMPETITIVE AND FAIR CAMPAIGN FORMULA.—In this subsection, the threshold amount with respect to an election cycle of a candidate described in subparagraph (A) is an amount equal to the sum of—

''(I) $150,000; and

''(II) $0.04 multiplied by the voting age population.

''(ii) VOTING AGE POPULATION.—In this subparagraph, the term 'voting age population' means in the case of a candidate for the office of Senator, the voting age population of the State of the candidate (as certified under section 315(e)).

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

''(i) 2 times the threshold amount, but not over 4 times that amount—

''(I) the increased limit shall be 3 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;

''(ii) 4 times the threshold amount, but not over 10 times that 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) 10 times the threshold amount—

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

''(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.

''(D) OPPOSITION PERSONAL FUNDS AMOUNT.—The opposition personal funds amount is an amount equal to the excess (if any) of—

''(i) the greatest aggregate amount of expenditures from personal funds (as defined in section 304(a)(6)(B)) that an opposing candidate in the same election makes; over

''(ii) the aggregate amount of expenditures from personal funds made by the candidate with respect to the election.

''(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) until the candidate has received notification of the opposition personal funds amount under section 304(a)(6)(B); and

''(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.

''(3) DISPOSAL OF EXCESS CONTRIBUTIONS.—

''(A) IN GENERAL.—The aggregate amount of contributions accepted by a candidate or a candidate's authorized committee under the increased limit under paragraph (1) and not otherwise expended in connection with the election with respect to which such contributions relate shall, not later than 50 days after the date of such election, be used in the manner described in subparagraph (B).

''(B) RETURN TO CONTRIBUTORS.—A candidate or a candidate's authorized committee shall return the excess contribution to the person who made the contribution.

''(j) LIMITATION ON REPAYMENT OF PERSONAL LOANS.—Any candidate who incurs personal loans made after the date of enactment of the Bipartisan Campaign Reform Act of 2001 in connection with the candidate's campaign for election shall not repay (directly or indirectly), to the extent such loans exceed $250,000, such loans from any contributions made to such candidate or any authorized committee of such candidate after the date of such election.''.

(b) NOTIFICATION OF EXPENDITURES FROM PERSONAL FUNDS.—Section 304(a)(6) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)(6)) is amended—

(1) by redesignating subparagraph (B) as subparagraph (E); and

(2) by inserting after subparagraph (A) the following:

''(B) NOTIFICATION OF EXPENDITURE FROM PERSONAL FUNDS.—

''(i) DEFINITION OF EXPENDITURE FROM PERSONAL FUNDS.—In this subparagraph, the term 'expenditure from personal funds' means—

''(I) an expenditure made by a candidate using personal funds; and

''(II) a contribution or loan made by a candidate using personal funds or a loan secured using such funds to the candidate's authorized committee.

''(ii) DECLARATION OF INTENT.—Not later than the date that is 15 days after the date on which an individual becomes a candidate for the office of Senator, the candidate shall file a declaration stating the total amount of expenditures from personal funds that the candidate intends to make, or to obligate to make, with respect to the election that will exceed the State-by-State competitive and fair campaign formula with—

''(I) the Commission; and

''(II) each candidate in the same election.

''(iii) INITIAL NOTIFICATION.—Not later than 24 hours after a candidate described in clause (ii) makes or obligates to make an aggregate amount of expenditures from personal funds in excess of 2 times the threshold amount in connection with any election, the candidate shall file a notification with—

''(I) the Commission; and

''(II) each candidate in the same election.

''(iv) ADDITIONAL NOTIFICATION.—After a candidate files an initial notification under clause (iii), the candidate shall file an additional notification each time expenditures from personal funds are made or obligated to be made in an aggregate amount that exceed $10,000 with—

''(I) the Commission; and

''(II) each candidate in the same election.

Such notification shall be filed not later than 24 hours after the expenditure is made.

''(v) CONTENTS.—A notification under clause (iii) or (iv) shall include—

''(I) the name of the candidate and the office sought by the candidate;

''(II) the date and amount of each expenditure; and

''(III) the total amount of expenditures from personal funds that the candidate has made, or obligated to make, with respect to an election as of the date of the expenditure that is the subject of the notification.

''(C) NOTIFICATION OF DISPOSAL OF EXCESS CONTRIBUTIONS.—In the next regularly scheduled report after the date of the election for which a candidate seeks nomination for election to, or election to, Federal office, the candidate or the candidate's authorized committee shall submit to the Commission a report indicating the source and amount of any excess contributions (as determined under paragraph (1) of section 315(i)) and the manner in which the candidate or the candidate's authorized committee used such funds.

''(D) ENFORCEMENT.—For provisions providing for the enforcement of the reporting requirements under this paragraph, see section 309.''.

(c) DEFINITIONS.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431), as amended by section 101(a), is further amended by adding at the end the following:

''(25) ELECTION CYCLE.—The term 'election cycle' means the period beginning on the day after the date of the most recent election for the specific office or seat that a candidate is seeking and ending on the date of the next election for that office or seat. For purposes of the preceding sentence, a primary election and a general election shall be considered to be separate elections.

''(26) PERSONAL FUNDS.—The term 'personal funds' means an amount that is derived from—

''(A) any asset that, under applicable State law, at the time the individual became a candidate, the candidate had legal right of access to or control over, and with respect to which the candidate had—

''(i) legal and rightful title; or

''(ii) an equitable interest;

''(B) income received during the current election cycle of the candidate, including—

''(i) a salary and other earned income from bona fide employment;

''(ii) dividends and proceeds from the sale of the candidate's stocks or other investments;

''(iii) bequests to the candidate;

''(iv) income from trusts established before the beginning of the election cycle;

''(v) income from trusts established by bequest after the beginning of the election cycle of which the candidate is the beneficiary;

''(vi) gifts of a personal nature that had been customarily received by the candidate prior to the beginning of the election cycle; and

''(vii) proceeds from lotteries and similar legal games of chance; and

''(C) a portion of assets that are jointly owned by the candidate and the candidate's spouse equal to the candidate's share of the asset under the instrument of conveyance or

ownership, but if no specific share is indicated by an instrument of conveyance or ownership, the value of ½ of the property.''.

SEC. 305. TELEVISION MEDIA RATES.

(a) LOWEST UNIT CHARGE.—Subsection (b) of section 315 of the Communications Act of 1934 (47 U.S.C. 315) is amended—

(1) by striking ''(b) The charges'' and inserting the following:

''(b) CHARGES.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the charges'';

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively; and

(3) by adding at the end the following:

''(2) TELEVISION.—The charges made for the use of any television broadcast station, or by a provider of cable or satellite television service, to any person who is a legally qualified candidate for any public office in connection with the campaign of such candidate for nomination for election, or election, to such office shall not exceed, during the periods referred to in paragraph (1)(A), the lowest charge of the station (at any time during the 180-day period preceding the date of the use) for the same amount of time for the same period.''.

(b) RATE AVAILABLE FOR NATIONAL PARTIES.—Section 315(b)(2) of such Act (47 U.S.C. 315(b)(2), as added by subsection (a)(3), is amended by inserting '', or to a national committee of a political party making expenditures under section 315(d) of the Federal Election Campaign Act of 1971 on behalf of such candidate in connection with such campaign,'' after ''such office''.

(c) PREEMPTION.—Section 315 of such Act (47 U.S.C. 315) is amended—

(1) by redesignating subsections (c) and (d) as subsections (e) and (f), respectively; and

(2) by inserting after subsection (b) the following new subsection:

''(c) PREEMPTION.—

''(1) IN GENERAL.—Except as provided in paragraph (2), a licensee shall not preempt the use of a television broadcast station, or a provider of cable or satellite television service, by an eligible candidate or political committee of a political party who has purchased and paid for such use pursuant to subsection (b)(2).

''(2) CIRCUMSTANCES BEYOND CONTROL OF LICENSEE.—If a program to be broadcast by a television broadcast station, or a provider of cable or satellite television service, is preempted because of circumstances beyond the control of the station, any candidate or party advertising spot scheduled to be broadcast during that program may also be preempted.''.

(d) RANDOM AUDITS.—Section 315 of such Act (47 U.S.C. 315), as amended by subsection (c), is amended by inserting after subsection (c) the following new subsection:

''(d) RANDOM AUDITS.—

''(1) IN GENERAL.—During the 45-day period preceding a primary election and the 60-day period preceding a general election, the Commission shall conduct random audits of designated market areas to ensure that each television broadcast station, and provider of cable or satellite television service, in those markets is allocating television broadcast advertising time in accordance with this section and section 312.

''(2) MARKETS.—The random audits conducted under paragraph (1) shall cover the following markets:

''(A) At least 6 of the top 50 largest designated market areas (as defined in section 122(j)(2)(C) of title 17, United States Code).

''(B) At least 3 of the 51–100 largest designated market areas (as so defined).

''(C) At least 3 of the 101–150 largest designated market areas (as so defined).

''(D) At least 3 of the 151–210 largest designated market areas (as so defined).

''(3) BROADCAST STATIONS.—Each random audit shall include each of the 3 largest television broadcast networks, 1 independent network, and 1 cable network.''.

(e) DEFINITION OF BROADCASTING STATION.—Subsection (e) of section 315 of such Act (47 U.S.C. 315(e)), as redesignated by subsection (c)(1) of this section, is amended by inserting '', a television broadcast station, and a provider of cable or satellite television service'' before the semicolon.

(f) STYLISTIC AMENDMENTS.—Section 315 of such Act (47 U.S.C. 315) is amended—

(1) in subsection (a), by inserting ''IN GENERAL.—'' before ''If any'';

(2) in subsection (e), as redesignated by subsection (c)(1) of this section, by inserting ''DEFINITIONS.—'' before ''For purposes''; and

(3) in subsection (f), as so redesignated, by inserting ''REGULATIONS.—'' before ''The Commission''.

SEC. 306. LIMITATION ON AVAILABILITY OF LOWEST UNIT CHARGE FOR FEDERAL CANDIDATES ATTACKING OPPOSITION.

(a) IN GENERAL.—Section 315(b) of the Communications Act of 1934 (47 U.S.C. 315(b)), as amended by this Act, is amended by adding at the end the following:

''(3) CONTENT OF BROADCASTS.—

''(A) IN GENERAL.—In the case of a candidate for Federal office, such candidate shall not be entitled to receive the rate under paragraph (1)(A) or (2) for the use of any broadcasting station unless the candidate provides written certification to the broadcast station that the candidate (and any authorized committee of the candidate) shall not make any direct reference to another candidate for the same office, in any broadcast using the rights and conditions of access under this Act, unless such reference meets the requirements of subparagraph (C) or (D).

''(B) LIMITATION ON CHARGES.—If a candidate for Federal office (or any authorized committee of such candidate) makes a reference described in subparagraph (A) in any broadcast that does not meet the requirements of subparagraph (C) or (D), such candidate shall not be entitled to receive the rate under paragraph (1)(A) or (2) for such broadcast or any other broadcast during any portion of the 45-day and 60-day periods described in paragraph (1)(A), that occur on or after the date of such broadcast, for election to such office.

''(C) TELEVISION BROADCASTS.—A candidate meets the requirements of this subparagraph if, in the case of a television broadcast, at the end of such broadcast there appears simultaneously, for a period no less than 4 seconds—

''(i) a clearly identifiable photographic or similar image of the candidate; and

''(ii) a clearly readable printed statement, identifying the candidate and stating that the candidate has approved the broadcast and that the candidate's authorized committee paid for the broadcast.

''(D) RADIO BROADCASTS.—A candidate meets the requirements of this subparagraph if, in the case of a radio broadcast, the broadcast includes a personal audio statement by the candidate that identifies the candidate, the office the candidate is seeking, and indicates that the candidate has approved the broadcast.

''(E) CERTIFICATION.—Certifications under this section shall be provided and certified as accurate by the candidate (or any authorized committee of the candidate) at the time of purchase.

''(F) DEFINITIONS.—For purposes of this paragraph, the terms 'authorized committee' and 'Federal office' have the meanings given such terms by section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431).''.

(b) CONFORMING AMENDMENT.—Section 315(b)(1)(A) of the Communications Act of 1934 (47 U.S.C. 315(b)(1)(A)), as amended by this Act, is amended by inserting ''subject to paragraph (3),'' before ''during the forty-five days''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to broadcasts made after the date of enactment of this Act.

SEC. 307. SOFTWARE FOR FILING REPORTS AND PROMPT DISCLOSURE OF CONTRIBUTIONS.

Section 304(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)) is amended by adding at the end the following:

''(12) SOFTWARE FOR FILING OF REPORTS.—

''(A) IN GENERAL.—The Commission shall—

''(i) promulgate standards to be used by vendors to develop software that—

''(I) permits candidates to easily record information concerning receipts and disbursements required to be reported under this Act at the time of the receipt or disbursement;

''(II) allows the information recorded under subclause (I) to be transmitted immediately to the Commission; and

''(III) allows the Commission to post the information on the Internet immediately upon receipt; and

''(ii) make a copy of software that meets the standards promulgated under clause (i) available to each person required to file a designation, statement, or report in electronic form under this Act.

''(B) ADDITIONAL INFORMATION.—To the extent feasible, the Commission shall require vendors to include in the software developed under the standards under subparagraph (A) the ability for any person to file any designation, statement, or report required under this Act in electronic form.

''(C) REQUIRED USE.—Notwithstanding any provision of this Act relating to times for filing reports, each candidate for Federal office (or that candidate's authorized committee) shall use software that meets the standards promulgated under this paragraph once such software is made available to such candidate.

''(D) REQUIRED POSTING.—The Commission shall, as soon as practicable, post on the Internet any information received under this paragraph.''.

SEC. 308. MODIFICATION OF CONTRIBUTION LIMITS.

(a) INCREASE IN INDIVIDUAL LIMITS FOR CERTAIN CONTRIBUTIONS.—Section 315(a)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(1)) is amended—

(1) in subparagraph (A), by striking ''$1,000'' and inserting the following: ''$2,000 (or, in the case of a candidate for Representative in or Delegate or Resident Commissioner to the Congress, $1,000)''; and

(2) in subparagraph (B), by striking ''$20,000'' and inserting ''$25,000''.

(b) INCREASE IN AGGREGATE INDIVIDUAL LIMIT.—Section 315(a)(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(3)), as amended by section 102(b), is amended by striking ''$30,000'' and inserting ''$37,500''.

(c) INCREASE IN SENATORIAL CAMPAIGN COMMITTEE LIMIT.—Section 315(h) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(h)) is amended by striking ''$17,500'' and inserting ''$35,000''.

(d) INDEXING OF CONTRIBUTION LIMITS.—Section 315(c) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(c)) is amended—

(1) in paragraph (1)—

(A) by striking the second and third sentences;

(B) by inserting ''(A)'' before ''At the beginning''; and

(C) by adding at the end the following:

''(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);

''(ii) each amount so increased shall remain in effect for the calendar year; and

''(iii) if any amount after adjustment under clause (i) is not a multiple of $100, such amount shall be rounded to the nearest multiple of $100.

''(C) In the case of limitations under subsections (a)(1)(A), (a)(1)(B), (a)(3), and (h), increases shall only be made in odd-numbered years and such increases shall remain in effect for the 2-year period beginning on the first day following the date of the last general election in the year preceding the year in which the amount is increased and ending on the date of the next general election.''; and

(2) in paragraph (2)(B), by striking ''means the calendar year 1974'' and inserting ''means—

''(i) for purposes of subsections (b) and (d), calendar year 1974; and

''(ii) for purposes of subsections (a)(1)(A), (a)(1)(B), (a)(3), and (h) calendar year 2001''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made after the date of enactment of this Act.

SEC. 309. DONATIONS TO PRESIDENTIAL INAUGURAL COMMITTEE.

(a) IN GENERAL.—Chapter 5 of title 36, United States Code, is amended by—

(1) redesignating section 510 as section 511; and

(2) inserting after section 509 the following:

''§ 510. Disclosure of and prohibition on certain donations.

''(a) IN GENERAL.—A committee shall not be considered to be the Inaugural Committee for purposes of this chapter unless the committee agrees to, and meets, the requirements of subsections (b) and (c).

''(b) DISCLOSURE.—

''(1) IN GENERAL.—Not later than the date that is 90 days after the date of the Presidential inaugural ceremony, the committee shall file a report with the Federal Election Commission disclosing any donation of money or anything of value made to the committee in an aggregate amount equal to or greater than $200.

''(2) CONTENTS OF REPORT.—A report filed under paragraph (1) shall contain—

''(A) the amount of the donation;

''(B) the date the donation is received; and

''(C) the name and address of the person making the donation.

''(c) LIMITATION.—The committee shall not accept any donation from a foreign national (as defined in section 319(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441e(b))).''.

(b) REPORTS MADE AVAILABLE BY FEC.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434), as amended by sections 103, 201, and 212 is amended by adding at the end the following:

''(h) REPORTS FROM INAUGURAL COMMITTEES.—The Federal Election Commission shall make any report filed by an Inaugural Committee under section 510 of title 36, United States Code, accessible to the public at the offices of the Commission and on the Internet not later than 48 hours after the report is received by the Commission.''.

SEC. 310. PROHIBITION ON FRAUDULENT SOLICITATION OF FUNDS.

Section 322 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441h) is amended—

(1) by inserting ''(a) IN GENERAL.—'' before ''No person''; and

(2) by adding at the end the following:

''(b) FRAUDULENT SOLICITATION OF FUNDS.—No person shall—

''(1) fraudulently misrepresent the person as speaking, writing, or otherwise acting for or on behalf of any candidate or political party or employee or agent thereof for the purpose of soliciting contributions or donations; or

''(2) willfully and knowingly participate in or conspire to participate in any plan, scheme, or design to violate paragraph (1).''.

SEC. 311. STUDY AND REPORT ON CLEAN MONEY CLEAN ELECTIONS LAWS.

(a) CLEAN MONEY CLEAN ELECTIONS DEFINED.—In this section, the term ''clean money clean elections'' means funds received under State laws that provide in whole or in part for the public financing of election campaigns.

(b) STUDY.—

(1) IN GENERAL.—The Comptroller General shall conduct a study of the clean money clean elections of Arizona and Maine.

(2) MATTERS STUDIED.—

(A) STATISTICS ON CLEAN MONEY CLEAN ELECTIONS CANDIDATES.—The Comptroller General shall determine—

(i) the number of candidates who have chosen to run for public office with clean money clean elections including—

(I) the office for which they were candidates;

(II) whether the candidate was an incumbent or a challenger; and

(III) whether the candidate was successful in the candidate's bid for public office; and

(ii) the number of races in which at least one candidate ran an election with clean money clean elections.

(B) EFFECTS OF CLEAN MONEY CLEAN ELECTIONS.—The Comptroller General of the United States shall describe the effects of public financing under the clean money clean elections laws on the 2000 elections in Arizona and Maine.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit a report to the Congress detailing the results of the study conducted under subsection (b).

SEC. 312. CLARITY STANDARDS FOR IDENTIFICATION OF SPONSORS OF ELECTION-RELATED ADVERTISING.

Section 318 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441d) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1)—

(i) by striking ''Whenever'' and inserting ''Whenever a political committee makes a disbursement for the purpose of financing any communication through any broadcasting station, newspaper, magazine, outdoor advertising facility, mailing, or any other type of general public political advertising, or whenever'';

(ii) by striking ''an expenditure'' and inserting ''a disbursement''; and

(iii) by striking ''direct''; and

(iv) by inserting ''or makes a disbursement for an electioneering communication (as defined in section 304(f)(3))'' after ''public political advertising''; and

(B) in paragraph (3), by inserting ''and permanent street address, telephone number, or World Wide Web address'' after ''name''; and

(2) by adding at the end the following:

''(c) SPECIFICATION.—Any printed communication described in subsection (a) shall—

''(1) be of sufficient type size to be clearly readable by the recipient of the communication;

''(2) be contained in a printed box set apart from the other contents of the communication; and

''(3) be printed with a reasonable degree of color contrast between the background and the printed statement.

''(d) ADDITIONAL REQUIREMENTS.—

''(1) AUDIO STATEMENT.—

''(A) CANDIDATE.—Any communication described in paragraphs (1) or (2) of subsection (a) which is transmitted through radio or television shall include, in addition to the requirements of that paragraph, an audio statement by the candidate that identifies the candidate and states that the candidate has approved the communication.

''(B) OTHER PERSONS.—Any communication described in paragraph (3) of subsection (a) which is transmitted through radio or television shall include, in addition to the requirements of that paragraph, in a clearly spoken manner, the following statement: '_____ is responsible for the content of this advertising.' (with the blank to be filled in with the name of the political committee or other person paying for the communication and the name of any connected organization of the payor). If transmitted through television, the statement shall also appear in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds.

''(2) TELEVISION.—If a communication described in paragraph (1)(A) is transmitted through television, the communication shall include, in addition to the audio statement under paragraph (1), a written statement that—

''(A) appears at the end of the communication in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds; and

''(B) is accompanied by a clearly identifiable photographic or similar image of the candidate.''.

SEC. 313. INCREASE IN PENALTIES.

(a) IN GENERAL.—Subparagraph (A) of section 309(d)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(d)(1)(A)) is amended to read as follows:

''(A) Any person who knowingly and willfully commits a violation of any provision of this Act which involves the making, receiving, or reporting of any contribution, donation, or expenditure—

''(i) aggregating $25,000 or more during a calendar year shall be fined under title 18, United States Code, or imprisoned for not more than 5 years, or both; or

''(ii) aggregating $2,000 or more (but less than $25,000) during a calendar year shall be fined under such title, or imprisoned for not more than one year, or both.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to violations occurring on or after the date of enactment of this Act.

SEC. 314. STATUTE OF LIMITATIONS.

(a) IN GENERAL.—Section 406(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 455(a)) is amended by striking ''3'' and inserting ''5''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to violations occurring on or after the date of enactment of this Act.

SEC. 315. SENTENCING GUIDELINES.

(a) IN GENERAL.—The United States Sentencing Commission shall—

(1) promulgate a guideline, or amend an existing guideline under section 994 of title 28, United States Code, in accordance with paragraph (2), for penalties for violations of the Federal Election Campaign Act of 1971 and related election laws; and

(2) submit to Congress an explanation of any guidelines promulgated under paragraph (1) and any legislative or administrative recommendations regarding enforcement of the

Federal Election Campaign Act of 1971 and related election laws.

(b) CONSIDERATIONS.—The Commission shall provide guidelines under subsection (a) taking into account the following considerations:

(1) Ensure that the sentencing guidelines and policy statements reflect the serious nature of such violations and the need for aggressive and appropriate law enforcement action to prevent such violations.

(2) Provide a sentencing enhancement for any person convicted of such violation if such violation involves—

(A) a contribution, donation, or expenditure from a foreign source;

(B) a large number of illegal transactions;

(C) a large aggregate amount of illegal contributions, donations, or expenditures;

(D) the receipt or disbursement of governmental funds; and

(E) an intent to achieve a benefit from the Federal Government.

(3) Provide a sentencing enhancement for any violation by a person who is a candidate or a high-ranking campaign official for such candidate.

(4) Assure reasonable consistency with other relevant directives and guidelines of the Commission.

(5) Account for aggravating or mitigating circumstances that might justify exceptions, including circumstances for which the sentencing guidelines currently provide sentencing enhancements.

(6) Assure the guidelines adequately meet the purposes of sentencing under section 3553(a)(2) of title 18, United States Code.

(c) EFFECTIVE DATE; EMERGENCY AUTHORITY TO PROMULGATE GUIDELINES.—

(1) EFFECTIVE DATE.—Notwithstanding section 402, the United States Sentencing Commission shall promulgate guidelines under this section not later than the later of—

(A) 90 days after the date of enactment of this Act; or

(B) 90 days after the date on which at least a majority of the members of the Commission are appointed and holding office.

(2) EMERGENCY AUTHORITY TO PROMULGATE GUIDELINES.—The Commission shall promulgate guidelines under this section in accordance with the procedures set forth in section 21(a) of the Sentencing Reform Act of 1987, as though the authority under such Act has not expired.

SEC. 316. INCREASE IN PENALTIES IMPOSED FOR VIOLATIONS OF CONDUIT CONTRIBUTION BAN.

(a) INCREASE IN CIVIL MONEY PENALTY FOR KNOWING AND WILLFUL VIOLATIONS.—Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)) is amended—

(1) in paragraph (5)(B), by inserting before the period at the end the following: ''(or, in the case of a violation of section 320, which is not less than 300 percent of the amount involved in the violation and is not more than the greater of $50,000 or 1000 percent of the amount involved in the violation)''; and

(2) in paragraph (6)(C), by inserting before the period at the end the following: ''(or, in the case of a violation of section 320, which is not less than 300 percent of the amount involved in the violation and is not more than the greater of $50,000 or 1000 percent of the amount involved in the violation)''.

(b) INCREASE IN CRIMINAL PENALTY.—Section 309(d)(1) of such Act (2 U.S.C. 437g(d)(1)) is amended by adding at the end the following new subparagraph:

''(D) Any person who knowingly and willfully commits a violation of section 320 involving an amount aggregating more than $10,000 during a calendar year shall be—

''(i) imprisoned for not more than 2 years if the amount is less than $25,000 (and subject to imprisonment under subparagraph (A) if the amount is $25,000 or more);

''(ii) fined not less than 300 percent of the amount involved in the violation and not more than the greater of—

''(I) $50,000; or

''(II) 1,000 percent of the amount involved in the violation; or

''(iii) both imprisoned under clause (i) and fined under clause (ii).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to violations occurring on or after the date of enactment of this Act.

SEC. 317. RESTRICTION ON INCREASED CONTRIBUTION LIMITS BY TAKING INTO ACCOUNT CANDIDATE'S AVAILABLE FUNDS.

Section 315(i)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(i)(1)), as added by this Act, is amended by adding at the end the following:

''(E) SPECIAL RULE FOR CANDIDATE'S CAMPAIGN FUNDS.—

''(i) IN GENERAL.—For purposes of determining the aggregate amount of expenditures from personal funds under subparagraph (D)(ii), such amount shall include the gross receipts advantage of the candidate's authorized committee.

''(ii) GROSS RECEIPTS ADVANTAGE.—For purposes of clause (i), the term 'gross receipts advantage' means the excess, if any, of—

''(I) the aggregate amount of 50 percent of gross receipts of a candidate's authorized committee during any election cycle (not including contributions from personal funds of the candidate) that may be expended in connection with the election, as determined on June 30 and December 31 of the year preceding the year in which a general election is held, over

''(II) the aggregate amount of 50 percent of gross receipts of the opposing candidate's authorized committee during any election cycle (not including contributions from personal funds of the candidate) that may be expended in connection with the election, as determined on June 30 and December 31 of the year preceding the year in which a general election is held.

SEC. 318. CLARIFICATION OF RIGHT OF NATIONALS OF THE UNITED STATES TO MAKE POLITICAL CONTRIBUTIONS.

Section 319(d)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441e(d)(2)) is amended by inserting after ''United States'' the following: ''or a national of the United States (as defined in section 101(a)(22) of the Immigration and Nationality Act)''.

SEC. 319. PROHIBITION OF CONTRIBUTIONS BY MINORS.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by section 101, is further amended by adding at the end the following new section:

''PROHIBITION OF CONTRIBUTIONS BY MINORS

''SEC. 324. An individual who is 17 years old or younger shall not make a contribution to a candidate or a contribution or donation to a committee of a political party.''.

SEC. 320. DEFINITION OF CONTRIBUTIONS MADE THROUGH INTERMEDIARY OR CONDUIT FOR PURPOSES OF APPLYING CONTRIBUTION LIMITS.

The first sentence of section 315(a)(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(8)) is amended by striking ''including contributions which are in any way earmarked or otherwise directed through an intermediary or conduit to such candidate,'' and inserting the following: ''including contributions which are in any way earmarked or otherwise arranged or directed through an intermediary or conduit to such candidate, or solicited by such candidate to support the candidate's election and arranged or suggested by the candidate to be spent by or through an intermediary to support or assist the candidate's election,''.

SEC. 321. PROHIBITING AUTHORIZED COMMITTEES FROM FORMING JOINT FUNDRAISING COMMITTEES WITH POLITICAL PARTY COMMITTEES.

Section 302(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(e)) is amended by adding at the end the following new paragraph:

''(6) No authorized committee of a candidate for Federal office may form a joint fundraising committee with any political committee of a political party.''.

SEC. 322. REGULATIONS TO PROHIBIT EFFORTS TO EVADE REQUIREMENTS.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by sections 101 and 319, is further amended by adding at the end the following new section:

''REGULATIONS TO PROHIBIT EFFORTS TO EVADE REQUIREMENTS

''SEC. 325. The Commission shall promulgate regulations to prohibit efforts to evade or circumvent the limitations, prohibitions, and reporting requirements of this Act.''.

TITLE IV—SEVERABILITY; EFFECTIVE DATE

SEC. 401. SEVERABILITY.

If any provision of this Act or amendment made by this Act, or the application of a provision or amendment to any person or circumstance, is held to be unconstitutional, the remainder of this Act and amendments made by this Act, and the application of the provisions and amendment to any person or circumstance, shall not be affected by the holding.

SEC. 402. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise provided in this Act, this Act and the amendments made by this Act shall take effect 30 days after the date of its enactment.

(b) TRANSITION RULE FOR SPENDING OF FUNDS BY NATIONAL PARTIES.—If a national committee of a political party described in section 323(a)(1) of the Federal Election Campaign Act of 1971 (as added by section 101(a)), including any person who is subject to such section, has received funds described in such section prior to the effective date described in subsection (a), the following rules shall apply with respect to the spending of such funds by such committee:

(1) During the period which begins on such effective date and ends 90 days thereafter or December 31, 2001 (whichever occurs later), the committee may spend such funds for any activity permitted for the use of such funds prior to such effective date.

(2) During the period which begins on such effective date and ends March 31, 2001, the committee may transfer such funds without limit to any committee of a State or local political party, any organization described in section 501(c) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code, or any organization described in section 527 of such Code. Nothing in this paragraph may be construed to permit any committee or organization to which such funds are transferred to use such funds in a manner inconsistent with any of the applicable provisions of this Act or the amendments made by this Act.

(3) At any time after such effective date, the committee may spend such funds for activities which are solely to defray the costs of the construction or purchase of any office building or facility.

SEC. 403. JUDICIAL REVIEW.

(a) SPECIAL RULES FOR CERTAIN ACTIONS BROUGHT ON CONSTITUTIONAL GROUNDS.—If any person who is aggrieved by any of the provisions of this Act or any amendment made by this Act (or who would be aggrieved by any such provision or amendment when

the provision or amendment becomes effective) brings an action which names the United States as the defendant for declaratory or injunctive relief to challenge the constitutionality of the provision or amendment within the 90-day period which begins on the date of the enactment of this Act, the following rules shall apply:

(1) The action shall be filed in the United States District Court for the District of Columbia and shall be heard by a 3-judge court convened pursuant to section 2284 of title 28, United States Code.

(2) A copy of the complaint shall be delivered promptly to the Clerk of the House of Representatives and the Secretary of the Senate.

(3) A final decision in the action shall be reviewable only by appeal directly to the United States Supreme Court. Such appeal shall be taken by the filing of a notice of appeal within 10 days, and the filing of a jurisdictional statement within 30 days, of the entry of the final decision.

(4) It shall be the duty of the United States District Court for the District of Columbia and the Supreme Court of the United States to advance on the docket and to expedite to the greatest possible extent the disposition of the action and appeal.

(b) INTERVENTION BY MEMBERS OF CONGRESS.—In any action in which the constitutionality of any provision of this Act or any amendment made by this Act is raised (including but not limited to an action described in subsection (a)), any member of the House of Representatives (including a Delegate or Resident Commissioner to the Congress) or Senate shall have the right to intervene either in support of or opposition to the position of a party to the case regarding the constitutionality of the provision or amendment. To avoid duplication of efforts and reduce the burdens placed on the parties to the action, the court in any such action may make such orders as it considers necessary, including orders to require intervenors taking similar positions to file joint papers or to be represented by a single attorney at oral argument.

TITLE V—ADDITIONAL DISCLOSURE PROVISIONS

SEC. 501. INTERNET ACCESS TO RECORDS.

Section 304(a)(11)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)(11)(B)) is amended to read as follows:

''(B) The Commission shall make a designation, statement, report, or notification that is filed with the Commission under this Act available for inspection by the public in the offices of the Commission and accessible to the public on the Internet not later than 48 hours (or not later than 24 hours in the case of a designation, statement, report, or notification filed electronically) after receipt by the Commission.''.

SEC. 502. MAINTENANCE OF WEBSITE OF ELECTION REPORTS.

(a) IN GENERAL.—The Federal Election Commission shall maintain a central site on the Internet to make accessible to the public all publicly available election-related reports and information.

(b) ELECTION-RELATED REPORT.—In this section, the term ''election-related report'' means any report, designation, or statement required to be filed under the Federal Election Campaign Act of 1971.

(c) COORDINATION WITH OTHER AGENCIES.—Any Federal executive agency receiving election-related information which that agency is required by law to publicly disclose shall cooperate and coordinate with the Federal Election Commission to make such report available through, or for posting on, the site of the Federal Election Commission in a timely manner.

SEC. 503. ADDITIONAL MONTHLY AND QUARTERLY DISCLOSURE REPORTS.

(a) PRINCIPAL CAMPAIGN COMMITTEES.—

(1) MONTHLY REPORTS.—Section 304(a)(2)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)(2)(A)) is amended by striking clause (iii) and inserting the following:

''(iii) additional monthly reports, which shall be filed not later than the 20th day after the last day of the month and shall be complete as of the last day of the month, except that monthly reports shall not be required under this clause in November and December and a year end report shall be filed not later than January 31 of the following calendar year.''.

(2) QUARTERLY REPORTS.—Section 304(a)(2)(B) of such Act is amended by striking ''the following reports'' and all that follows through the period and inserting ''the treasurer shall file quarterly reports, which shall be filed not later than the 15th day after the last day of each calendar quarter, and which shall be complete as of the last day of each calendar quarter, except that the report for the quarter ending December 31 shall be filed not later than January 31 of the following calendar year.''.

(b) NATIONAL COMMITTEE OF A POLITICAL PARTY.—Section 304(a)(4) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)(4)) is amended by adding at the end the following flush sentence: ''Notwithstanding the preceding sentence, a national committee of a political party shall file the reports required under subparagraph (B).''.

(c) CONFORMING AMENDMENTS.—

(1) SECTION 304.—Section 304(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)) is amended—

(A) in paragraph (3)(A)(ii), by striking ''quarterly reports'' and inserting ''monthly reports''; and

(B) in paragraph (8), by striking ''quarterly report under paragraph (2)(A)(iii) or paragraph (4)(A)(i)'' and inserting ''monthly report under paragraph (2)(A)(iii) or paragraph (4)(A)''.

(2) SECTION 309.—Section 309(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(b)) is amended by striking ''calendar quarter'' and inserting ''month''.

SEC. 504. PUBLIC ACCESS TO BROADCASTING RECORDS.

Section 315 of the Communications Act of 1934 (47 U.S.C. 315), as amended by this Act, is amended by redesignating subsections (e) and (f) as subsections (f) and (g), respectively, and inserting after subsection (d) the following:

''(e) POLITICAL RECORD.—

''(1) IN GENERAL.—A licensee shall maintain, and make available for public inspection, a complete record of a request to purchase broadcast time that—

''(A) is made by or on behalf of a legally qualified candidate for public office; or

''(B) communicates a message relating to any political matter of national importance, including—

''(i) a legally qualified candidate;

''(ii) any election to Federal office; or

''(iii) a national legislative issue of public importance.

''(2) CONTENTS OF RECORD.—A record maintained under paragraph (1) shall contain information regarding—

''(A) whether the request to purchase broadcast time is accepted or rejected by the licensee;

''(B) the rate charged for the broadcast time;

''(C) the date and time on which the communication is aired;

''(D) the class of time that is purchased;

''(E) the name of the candidate to which the communication refers and the office to which the candidate is seeking election, the election to which the communication refers, or the issue to which the communication refers (as applicable);

''(F) in the case of a request made by, or on behalf of, a candidate, the name of the candidate, the authorized committee of the candidate, and the treasurer of such committee; and

''(G) in the case of any other request, the name of the person purchasing the time, the name, address, and phone number of a contact person for such person, and a list of the chief executive officers or members of the executive committee or of the board of directors of such person.

''(3) TIME TO MAINTAIN FILE.—The information required under this subsection shall be placed in a political file as soon as possible and shall be retained by the licensee for a period of not less than 2 years.''.

NOTICE

Incomplete record of House proceedings. Except for concluding business which follows, today's House proceedings will be continued in the next issue of the Record.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

5504. A communication from the President of the United States, transmitting notification to reallocate funds previously transferred from the Emergency Response Fund; (H. Doc. No. 107—181); to the Committee on Appropriations and ordered to be printed.

5505. A letter from the Program Analyst, Department of Transportation, transmitting the Department's final rule—Type Certification Procedures for Changed Products [Docket No. FAA–2001–8994; Amdt. Nos. 11–45, 21–77, 25–99] (RIN: 2120–AF68) received February 8, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

5506. A letter from the Chief Scout Executive and President, Boy Scouts of America, transmitting the Boy Scouts of America 2001 report to the Nation, pursuant to 36 U.S.C. 28; to the Committee on the Judiciary.

5507. A letter from the Director, Policy Directives and Instructions Branch, Department of Justice, transmitting the Department's final rule—New Classification for Victims of Severe Forms of Trafficking in Persons; Eligibility for ''T'' Nonimmigrant Status (RIN: 1115–AG19) received January 31,