

STATEMENT OF THE CHAIRMAN
Committee on Rules and Administration

Hearing on Repealing the Limitation on Party Coordinated Expenditures
on Behalf of Candidates in General Elections

April 18, 2007

Good morning. The hearing today has been scheduled to comply with a request from Senator Bennett, the Ranking Member. He will have an opportunity to address us all shortly.

The topic is whether to repeal the current limits on coordinated expenditures that political parties can spend on behalf of candidates in general elections for federal office.

While I agreed to the hearing, I am concerned that a repeal of the party coordinated expenditure limits could create a huge new loophole by which party committees could be used to evade the limits on what an individual or PAC can contribute to a federal candidate.

In his prepared testimony, Mr. Wertheimer provides a clear explanation on how a repeal of these expenditure limits could actually allow a donor to essentially give far more money directly to a campaign for a particular candidate than can now be given.

Individuals can now give \$28,500 to a national party committee each year and PACs can contribute \$15,000 per year. However, the maximum that can be given by an individual to a candidate is \$2,300 per election and \$5,000 per election by a PAC.

Without the limits, the parties could essentially channel these higher amounts into the candidate's campaign.

Now, during the debate on the Bipartisan Campaign Reform Act, I was directly involved in discussions on these limits. And there was a lot of give and take during these talks. Before we open up a major new loophole, I think we need to look long and hard at the ramifications of taking such an action.

As Mr. Elias says in his prepared testimony, removing these limits would be a "shotgun blast" that would "effectively be a major rewriting of the campaign finance laws."

Mr. Elias urges the Committee to look at alternatives to a repeal of the limits.

If the primary concern is paid negative advertisements by independent committees set up by the national political parties – as was done in Tennessee by the RNC in an attack on Rep. Harold Ford – then Congress could require political parties to provide an audio and/or video “stand by your ad” in the same fashion that candidates now must.

Mr. Elias has offered several other options to an outright appeal, and I am interested in exploring these during this hearing.

These alternatives may provide real accountability to party activities on behalf of their candidates without permitting unlimited “hard money” funding by party committees.

Another alternative that I would not be opposed to examining is the actual coordinated expenditure limitations. As an example, for Senate candidates it currently ranges from \$81,000 in a state like Rhode Island to \$143,900 in Utah – the Ranking Member’s home state to \$2.2 million in California. This may be too low.

But we must take great care in how this would be done.

With the upcoming 2008 presidential and congressional elections expected to break all current fundraising and spending records, we need to proceed carefully before opening the floodgates much further.

Even Mr. Malbin, of the Campaign Finance Institute, a witness on behalf of the repeal, said he has concerns about the specific legislation.

Mr. Malbin notes in his prepared testimony that S. 1091 would, among other things, expand current law from only general elections to all elections by sweeping in unlimited coordinated spending for primaries, special and run-off federal elections.

That could be a sea change with respect to the amount of funding available to parties to target candidates with attack ads.