



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20463

THIS IS THE BEGINNING OF MUR # 4472

DATE FILMED 3/11/98 CAMERA NO. 2

CAMERAMAN SES

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September 17, 1996

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

SEP 19 5 25 PM '96

Honorable Lee Ann Elliott
Chairman
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

MUR 4472

Re: Complaint Against the Democrat State Party of
Arkansas and the "Committee to Elect Winston
Bryant", Clifford P. Block, Treasurer

Dear Madam Chairman:

Pursuant to the authority found at 2 U.S.C. §437g(a)(4)(A), I file this formal complaint with the Federal Election Commission (the "Commission"). This complaint alleges a series of violations of the Federal Election Campaign Act of 1971, as amended, (the "Act") by the Democrat State Party of Arkansas with respect to the November, 1996 election for United States Senator from Arkansas. I respectfully request that the Commission move forward to investigate this complaint, as is provided for at 2 U.S.C. §437g(a)(2). The complaint, on information and belief, alleges violations of 2 U.S.C. §§441a(a)(2), 441b(a), 441d and 434b and involves the unlawful financing of a television advertisement by the Respondent in connection with the general election campaign of Winston Bryant, the Democrat nominee for election to the United States Senate.

FACTS: On or about August 24, 1996, the Respondent contracted with the Arkansas media firm of Wills, Thompson, Pascall to purchase time on television station KAIT in Jonesboro, Arkansas for the purpose of airing a political advertisement in opposition to the candidacy of the Republican nominee for election to the United States Senate, Congressman Tim Hutchinson. On or about August 24, 1996, Mr. Frank J. Wills, a principal in the firm of Wills, Thompson, Pascall, signed a "buy" order with station KAIT for the purchase of air time covering 162 "spots" during the period from August 25, 1996 until September 16, 1996 at a total cost to the Respondent of \$45,035.00 (see "Exhibit 1").

According to the agreement signed by Frank J. Wills, the advertisement which is the subject of this complaint is entitled "Agenda 101." The text of the advertisement, attached hereto as "Exhibit 2", discusses in the most vague way, a series of public policy issues which by their very nature could be either federal, state, or local in character ("...deep cuts in Medicare, higher taxes for working families, huge tax cuts favoring the rich...") and asks the viewer to call Congressman Hutchinson in opposition to the alleged support of the Congressman for these issues. Not only

does the text of this advertisement fail to focus on any identified federal legislative initiative pending before Congress, the text is widely focused on generic policy issues ("higher taxes for working families...huge tax cuts favoring the rich...") which are, without argument, issues now also facing state and local government decision-makers.

Upon information and belief, Frank J. Wills of the firm of Wills, Thompson, Pascall was also retained by the Respondent, on or about August 24, 1996, to purchase time on stations KARK-TV, KATV-TV and KTHV-TV in Little Rock, Arkansas and stations KFSM-TV, KHBS-TV and KPOM-TV in Fort Smith, Arkansas in order to air the advertisement which is the subject of this complaint.

Pursuant to 47 C.F.R. §73.1943, television stations are required by the Federal Communications Commission to maintain, for public inspection, a copy of "buy" orders for political advertising carried on that station. When contacted directly and asked to produce a copy of the "buy" order for this specific advertisement, KAIT refused to comply with this request for the stated reason that the station considered this advertisement to be an "issue ad" not a political advertisement.

The "buy" in Jonesboro was part of a coordinated media strategy for Arkansas in which the Respondent also purchased time to air this specific advertisement on television stations in the Little Rock-Pine Bluff and Shreveport media markets.

The media firm which made the Jonesboro "buy" on station KAIT, Wills, Thompson, Pascall, is the same media firm which currently purchases television time on behalf of and directly for the principal campaign committee of Arkansas Senate candidate Winston Bryant (Democrat).

The Jonesboro media market covers six (6) counties in the northeastern corner of Arkansas. The western-most county served by KAIT in this media market is the county of Sharp. Sharp County is not in the Congressional District represented by Congressman Hutchinson (see "Exhibit 3"). The eastern-most county in Congressman Hutchinson's district is Baxter County (see "Exhibit 4"). Baxter County is neither served by KAIT nor is it located in the Jonesboro media market. A spokesman for KAIT-TV confirms that his station's signal does NOT reach into Baxter County.

As a matter of state law, Arkansas allows unlimited contributions to be made to a state party committee by a corporation (see "Exhibit 5").

The most recent Report of Receipts and Disbursements made to the Commission by the Committee to Elect Winston Bryant, dated July 15, 1996, shows that the Bryant Committee received the maximum allowable cash contribution of \$5000.00 for the November, 1996 general election from the Arkansas Democratic Party on June 27, 1996. Thus, the cost of this media "buy" cannot now be deemed by the Respondent as an "in-kind" contribution to the Bryant committee. In addition, this report does not show the receipt of any "coordinated expenditure" by the Bryant committee from the Arkansas Democratic Party (see "Exhibit 6").

THE LAW: The law with respect to advertisements of this nature is well settled. Expenditures or disbursements made by the Respondent in connection with a federal election, such as the November, 1996 election for United States Senator from Arkansas, are regulated and limited by the Act. Having already made the maximum allowable cash contribution to the Bryant committee, the law requires that the Respondent must thereafter treat the advertisement at issue in this complaint as either a "coordinated expenditure" on behalf of the Bryant committee or as a "administrative expense", pursuant to 11 C.F.R. §106.5(a)(2).

Whether this expenditure by the Respondent is to be treated as an "administrative expense" (the funding for such an expense being appropriately allocated, according to the formula previously established by the Commission, between the Respondent's federal and non-federal accounts) or as a "coordinated expenditure" will turn on (a) the exact text of the advertisement, (b) the geographic "placement" of the media "buy" to air the advertisement, and (c) if the advertisement is prepared and aired in coordination with the benefiting federal campaign.

LEGAL ANALYSIS: Upon information and belief, the Respondent has not deemed this media "buy" to be a "coordinated expenditure", but rather considers the "buy" to be an exempt state party "administrative" expense. This supposition is supported by the response of KAIT-TV to the request to produce their "buy" order for this advertisement. The response of KAIT-TV to this request was that 47 C.F.R. 73.1943 was not applicable to so-called non-political "issue advertising" and that this particular advertisement was considered to be "issue advertising."

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The law requires that this advertisement be posted to the Respondent's "coordinated" contribution limit because (a) the text of this advertisement fails to employ a "call to action" for the viewer to urge an identified federal officeholder and candidate to take an action on a legislative matter pending before Congress, (b) the placement of the advertisement on KAIT-TV, a television station which does not even serve the federal officeholder and candidate's Congressional district, suggests that the "call to action" contained in the advertisement was not intended to allow the officeholder to hear from his constituents on legislative issues but was, instead, intended to "inform" the viewer of a characterization of the officeholder's views on a series of politicized topics, and (c) of the obvious coordination between Respondents in the placement of this advertisement.

a. Message: As outlined in Advisory Opinion 1995-25, the Commission has previously taken the position that in order for so-called "issue advertising" to fall outside the definition of a "contribution" or "expenditure" and thus be deemed an "administrative expense" or an expense aimed at a "generic voter drive" (pursuant to 11 C.F.R. §106.5(b)(2)), the text of the advertisement must meet a series of defined tests, including (1) if the text mentions any federal officeholder who is a federal candidate, that there is no "express advocacy" of the officeholder's election or defeat, nor can there be any reference to any "electioneering message" or reference to a federal election, (2) if there is a specific "call to action" in the text, that the "call to action" will urge the viewer to contact the federal officeholder urging support for, or defeat of, a particular piece of legislation, and (3) the production and placement costs of the "issue advertising" must be allocated, pursuant to the Commission's formula, between a party committee's federal and non-federal accounts.

With respect to the advertisement at issue in this complaint, the text does not meet the stated requirements laid out by the Commission in AO 1995-25 regarding the nature of the "call to action" contained in the issue advertisement. In the advertisement placed by the Respondent with KAIT-TV in Jonesboro, the specific "call to action" requests that the viewer "... call Tim Hutchinson and tell him to stop listening to Newt and start listening to us". This "call to action" fails on two counts to meet the test outlined in AO 1995-25. It does not request that calls to the federal officeholder urge defeat for a particular piece of legislation pending before Congress.

b. Placement: The viewers of this advertisement in the Jonesboro media market are not even in Congressman Hutchinson's Congressional district and cannot, therefore, have the kind of constituent-officeholder relationship obviously contemplated by the Commission so as to make a "call to action" responsive with respect to the officeholder and focused on a legislative action.

c. Coordination with the Bryant Campaign: In placing this advertisement on KAIT-TV, the Democrat State Party of Arkansas employed a local media buyer, Frank J. Wills and the firm of Wills, Thompson, Pascall. This is the same media buyer and firm currently employed by the Bryant committee to buy advertising time on its own behalf. This fact alone presents prima facia evidence of "coordination" between the Respondents in this matter.

STATUTORY VIOLATIONS: Because the Respondent erroneously thought this advertisement to be a legislative issue advertisement, the Respondent had to pay for the production and placement costs associated with this advertisement using the federal/non-federal allocation formula previously established by the Commission for "administrative expenses." As the Commission knows, by operation of state law Respondent is allowed to accept corporate contributions for its non-federal account. Since this advertisement does not meet all of the tests for an exempt "issue advertisement" outlined in AO 1995-25, Respondent's use of corporate contributions in its non-federal account for the payment any of the costs associated with this advertisement is a specific violation of 2 U.S.C. §441b(a).

Further, because the law deems this media "buy" to be a "coordinated expenditure" on behalf of the Bryant committee, the Respondent is currently in violation of the Commission's regulation with respect to the proper disclaimer to be used by a party committee for a "coordinated" political advertisement, 2 U.S.C. §441d(a)(2). "Coordinated" party expenditures must carry a Commission approved "disclaimer" identifying the sponsor of the advertisement, the benefiting federal committee and indicating that there has been coordination between the sponsoring party committee and the benefiting federal campaign (see 11 C.F.R. §110.11(a)(2)).

Further, because the law deems the media "buy" on KAIT-TV to be a "coordinated expenditure" on behalf of the Bryant committee, the Respondent must reflect this expenditure (including the actual costs associated with the production of this advertisement) on its reports to the Commission and treat the cost of the media "buy"

Hon. Lee Ann Elliott
September 16, 1996
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with KAIT-TV (a total of \$45,035.00) as part of the party committee coordinated contribution limit in Arkansas, which is \$226,756.00.

CONCLUSION: Given the violations of the Act described above, I urge the Commission to (1) find that the Respondents and their Treasurers knowing and willfully violated 2 U.S.C. §§441a(a)(2), 441b(a) and 441d regarding the financing of the so-called "Agenda 101" advertisement on KAIT-TV; (2) find that the Respondents and their Treasurers will knowingly and willfully violate 2 U.S.C. §434b should they fail to adequately report the "coordinated expenditures" that were made in connection with the preparation and placement of this advertisement; (3) impose appropriate penalties for such violations; and (4) order the Respondents to withdraw this advertisement and terminate all present and future television "buys" in support of this advertisement.

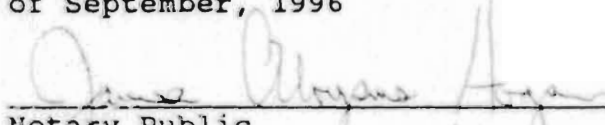
Respectfully,



Craig M. Engle, Esq.
General Counsel
National Republican Senatorial
Committee
Ronald Reagan Republican Center
425 Second Street, N.E.
Washington, DC 20002

Exhibits Attached

Subscribed and sworn to
before me this 17th day
of September, 1996



Notary Public

My Commission expires Nov. 30, 2000

WAS-191934

Day/Date	6	7	8	9	3	4	5	6	7	8	9	10	Other	Total
Sun/8-25							1	1	1	2	-	1		6
Mon/8-26	1	2	-	1	1	1	1	1	1			2	2 ^a	13
Tue/8-27	1	2	-	1	1	1	1	1	1	2		2	1 ^a	14
Wed/8-28	1	2	-	1	1	1	1	1	1			2	1 ^a	12
Thu/8-29	1	2	-	1	1	1	1	1	1			2	2 ^a	13
Tue/9-3	1	2	-				1	1	1			1		7
Wed/9-4	1	2	-		1	1	1	1	1			2		10
Thu/9-5	1	2	-		1	1	1	1			1	1		9
Fri/9-6	1	2	-		1	1	1	1				2		9
Sat/9-7								1				1		2
Sun/9-8							1		1	2	-	1	1 ^b	6
Mon/9-9	1	2	-		1	1	1	1			1	1		9
Tue/9-10	1	2	-				1	1	1			1		7
Wed/9-11	1	2	-		1	1	1	1	1			2		10
Thu/9-12	1	2	-		1	1	1	1			1	1		9
Fri/9-13	1	2	-		1	1	1	1				2		9
Sat/9-14								1				1		2
Sun/9-15							1		1	2	-	1	1 ^b	6
Mon/9-16	1	2	-		1	1	1	1			1	1		9
TOTAL	14	28		4	12	12	17	17	11	6	4	27	8	162

a = convention coverage

b = This Week with David Brinkley

Three buys 1) 52 spots = \$14,510

2) 58 spots = \$16,015

3) 52 spots = \$14,510

Total = \$45,035

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TRANSCRIPT OF "AGENDA 101"

**Shots of Newt
with graphics**

**ANNC: THE GINGRICH AGENDA...DEEP CUTS IN
MEDICARE, HIGHER TAXES FOR
WORKING FAMILIES, HUGE TAX CUTS
FAVORING THE RICH**

**Shots of Tim
& Newt**

**TIM HUTCHINSON SUPPORTS THE
GINGRICH AGENDA. IN FACT THE
CONGRESSIONAL RECORDS SHOW
HE VOTED WITH NEWT AN INCREDIBLE
96% OF THE TIME
TO CUT MEDICARE
CUT EDUCATION & STUDENT LOANS
AND GIVE HUGE TAX BREAKS FOR
THE RICH**

**CALL TIM HUTCHINSON AND TELL HIM TO
STOP LISTENING TO NEWT AND START
LISTENING TO US!**

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Arkansas

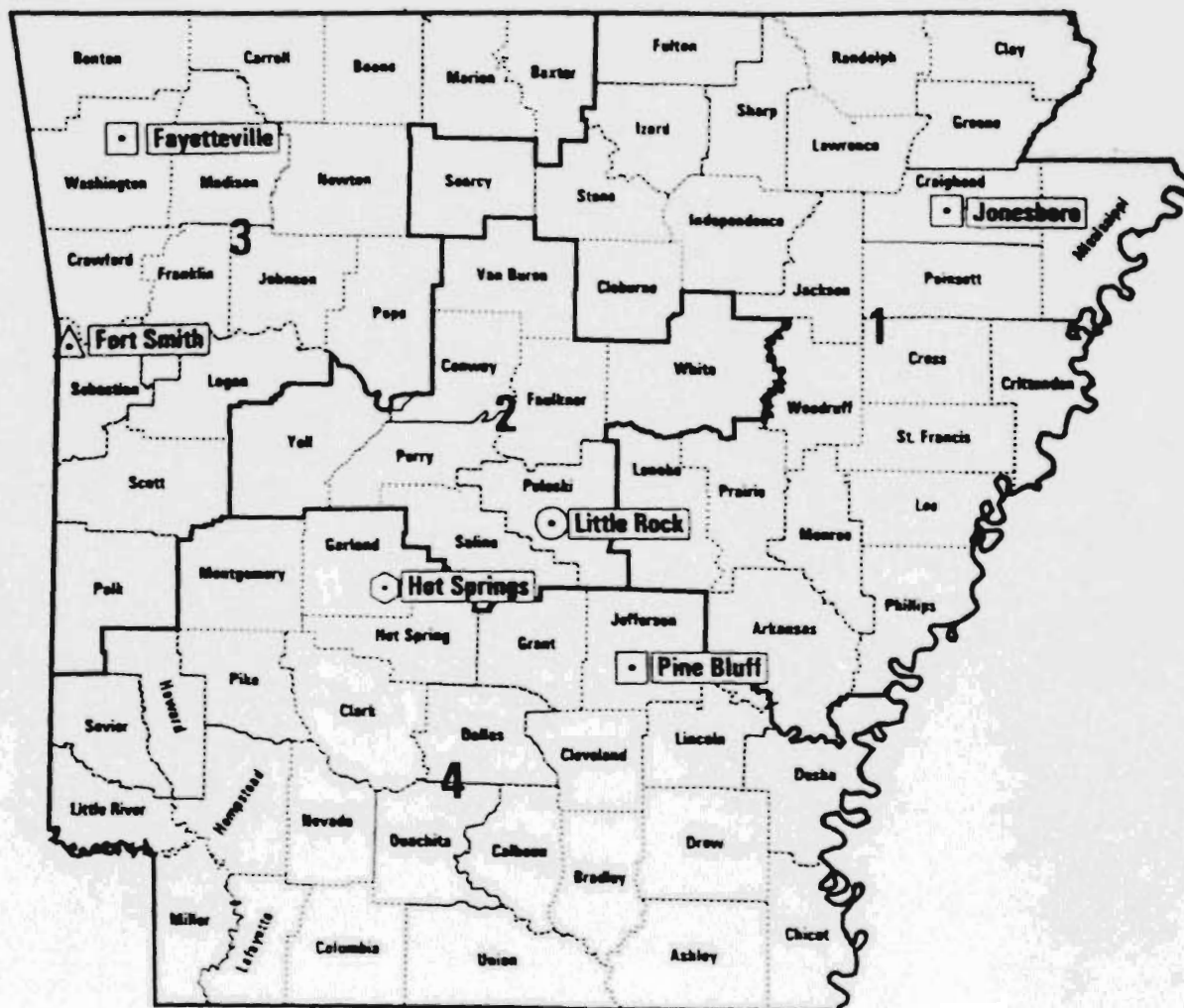
Counties Within Nielsen Designated Market Areas



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Arkansas

Cities, Counties, and Congressional Districts



City Population

- 125,000 to 500,000
- ▲ 75,000 to 124,999
- 35,000 to 74,999
- 34,999 and under

History: Acts 1969, No. 465, Art. 13, §§ 1, 2; A.S.A.
1947, §§ 3-1301, 3-1302.

ARKANSAS CODE ANNOTATED

SUBCHAPTER 2 — CAMPAIGN FINANCING

SECTION.

7-6-201. Definitions.

7-6-202. Penalties.

7-6-203. Contributions — Limitations — Acceptance or solicitation — Use as personal income — Disposition.

7-6-204. Restriction on cash contributions or expenditures — Exception.

7-6-205. Contributions made indirectly, anonymously, or under assumed names.

7-6-206. Records of contributions and expenditures.

7-6-207. Reports of contributions — Candidates for office other than school district, township, municipal, or county office, etc.

7-6-208. Reports of contributions — Candidates for school district, township, or municipal office.

SECTION.

7-6-209. Reports of contributions — Candidates for county office.

7-6-210. Reports of contributions — Personal loans.

7-6-211. Exemption from filing reports of contributions.

7-6-212. Reports of expenditures.

7-6-213. Verification of reports.

7-6-214. Publication of reports.

7-6-215. Registration by approved political action committees.

7-6-216. Registration and reports by exploratory committees.

7-6-217. Creation of Arkansas Ethics Commission.

7-6-218. Citizen complaints.

7-6-219. Retiring a campaign debt.

7-6-201. Definitions.

As used in this subchapter, unless the context otherwise requires:

(1) "Person" means any individual, proprietorship, firm, partnership, joint venture, syndicate, labor union, business trust, company, corporation, association, committee, or any other organization or group of persons acting in concert. It shall also include organized political parties as defined in § 7-1-101(1);

(2)(A) "Contribution" means, whether direct or indirect, advances, deposits, or transfers of funds, contracts, or obligations, whether or not legally enforceable, payments, gifts, subscriptions, assessments, payment for services, dues, advancements, forbearance, loans, pledge or promise of money or anything of value, whether or not legally enforceable, to a candidate, committee, or holder of elective office, made for the purpose of influencing the nomination or election of any candidate;

(B) "Contribution" includes the purchase of tickets for events such as dinners, luncheons, rallies, similar fund raising events; the granting of discounts or rebates by television and radio stations and newspapers not extended on an equal basis to all candidates for the same office; and any payments for the services of any person serving as an agent of a candidate or committee by a person other than the candidate or committee or persons whose expenditures the candidates or committee must report under this subchapter. The term "contribution" further includes any transfer of anything of value received by a committee from another committee;

(C) "Contribution" shall not include noncompensated, nonreimbursed, volunteer personal services or travel;

(3) "Expenditure" means a purchase, payment, distribution, gift, loan, or advance of money or anything of value, and a contract, promise, or agreement to make an expenditure, made for the purpose of influencing the nomination or election of any candidate;

(4) "Contribution and expenditure" shall not include activity sponsored and funded by organized political parties as defined in § 7-1-101(1) to promote their candidates or nominees through events such as dinners, luncheons, rallies, or similar gatherings and shall not include nonpartisan activity designed to encourage individuals to register to vote, or to vote, or any communication by any membership organization to its members or stockholders if the membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election, or election, of any candidate;

(5) "Candidate" means any person who has knowingly and willingly taken affirmative action, including solicitation of funds, for the purpose of seeking nomination for or election to any public office;

(6) "Election" means each election held to nominate or elect a candidate to any public office, including school elections. For the purposes of this subchapter, a preferential primary, a general primary, a special, and a general election shall each constitute a separate election.

(7) "Public office" means any office created by or under authority of the laws of the State of Arkansas, or of a subdivision thereof, that is filled by the voters, except a federal office;

(8) "Financial institution" means any commercial bank, savings and loan, mutual savings bank or savings bank, insurance company brokerage house, or any corporation that is in the business of lending money that is subject to state or federal regulation;

(9) "Approved political action committee" means any person who:

(A) Receives contributions from one (1) or more persons in order to make contributions to candidates;

(B) Does not accept any contribution or cumulative contributions in excess of two hundred dollars (\$200) from any person in any calendar year; and

(C) Has been registered pursuant to § 7-6-215 for at least four (4) continuous months prior to making contributions to candidates. "Approved political action committee" shall not include an organized political party as defined in § 7-1-101(1), the candidate's own campaign committee, or an exploratory committee;

(10) "Prohibited political action committee" means any person who receives contributions from one or more persons in order to make contributions to candidates but who does not meet the requirements of an approved political action committee. "Prohibited political action committee" shall not include an organized political party as defined in § 7-1-101(1), the candidate's own campaign committee, or an exploratory committee;

(11) "Exploratory committee" means a person who receives contributions which are held to be transferred to the campaign of a single candidate in an election. "Exploratory committee" shall not include an organized political party as defined in § 7-1-101(1) or the candidate's own campaign committee.

History. Acts 1975, No. 788, § 1; 1977, No. 312, §§ 4, 7.
A.S.A. 1947, § 3-1109; Acts 1987, No. 246, § 1; Init. Meas.
1990, No. 1, § 1; Acts 1993, No. 1209, § 2

7-6-202. Penalties.

Any person who knowingly or willfully fails to comply with any provisions of this subchapter shall, upon conviction, be fined an amount not to exceed one thousand dollars (\$1,000) or be imprisoned for not more than one (1) year, or both.

History. Acts 1975, No. 788, § 10; A.S.A. 1947, § 3-1118.

7-6-203. Contributions — Limitations — Acceptance or solicitation — Use as personal income — Disposition.

(a) It shall be unlawful for any candidate for any public office, or any person acting in the candidate's behalf, to accept campaign contributions in excess of one thousand dollars (\$1,000) per election from any person.

(b) It shall be unlawful for any person to make a contribution to a candidate for public office or to any person acting in the candidate's behalf which, in the aggregate, exceeds one thousand dollars (\$1,000) per election.

(c) The limitation shall not apply to a candidate's own contribution from his personal funds or to personal loans made by financial institutions to the candidate and applied to his campaign.

(d) However, a state political party may contribute up to two thousand five hundred dollars (\$2,500) to the campaign of its respective candidate per election.

(e) It shall be unlawful for any candidate for any public office or any person acting in the candidate's behalf to accept any contribution from a prohibited political action committee for any

election. It shall be unlawful for any prohibited political action committee to make a contribution to a candidate for public office in an election.

(f) It shall be unlawful for any candidate for public office, any person acting in the candidate's behalf, or any exploratory committee to solicit or accept campaign contributions more than two (2) years before an election at which the candidate seeks nomination or election. This subsection shall not prohibit the solicitation or acceptance of a contribution for the sole purpose of raising funds to retire a previous campaign debt.

(g)(1) It shall be unlawful for the Governor, Lieutenant Governor, Secretary of State, Treasurer of State, Auditor of State, Attorney General, Commissioner of State Lands, and members of the General Assembly to accept a contribution:

(A) During the period beginning thirty (30) days before and ending thirty (30) days after any regular session of the General Assembly. However, if there is an extended recess of the General Assembly, the period shall end thirty (30) days after the beginning of the recess;

(B) During any extended session of the General Assembly; or

(C) During any special session of the General Assembly.

(2) During such periods of time, it shall be unlawful for any person to promise a contribution to the aforementioned elected officials.

(h) [Repealed].

(i)(1) A candidate shall not take any campaign funds as personal income.

(2) A candidate shall not take any campaign funds as income for his or her spouse or dependent children; except that this subsection (i) shall not prohibit a candidate who has an opponent to employ his or her spouse or dependent children as campaign workers, and except that any candidate who has an opponent and who during the campaign and before the election takes a leave of absence without pay from his primary place of employment shall be authorized to take campaign funds during the campaign and before the election as personal income up to the amount of employment income lost as a result of such leave of absence.

(j)(1) Within thirty (30) days following a general election, a candidate shall turn over to either:

(A) The Treasurer of State for the benefit of the General Revenue Fund Account of the State Apportionment Fund;

(B) An organized political party as defined in § 7-1-101(1);

(C) A nonprofit organization which is exempt from taxation under Section 501(c) (3) of the Internal Revenue Code; or

(D) The contributors to the candidate's campaign;

any balance of campaign funds over expenses incurred as of the day of the election except for:

(i) An amount equal to the yearly salary, excluding expense allowances, set by Arkansas law for the office sought; and

(ii) Any funds required to reimburse the candidate for personal funds contributed to the campaign or to repay loans made by financial institutions to the candidate and applied to the campaign.

(2) If an unopposed candidate agrees not to solicit further campaign contributions by filing an affidavit with the Secretary of State declaring such agreement, the candidate may dispose of any surplus of campaign funds prior to a general election after the time has passed to declare an intent to be a write-in candidate pursuant to § 7-5-205.

(3) Campaign funds retained by the candidate under subdivision (j)(1)(D)(i) of this section may be expended at any time for any purpose not prohibited by this chapter. However, the candidate shall not take the funds as personal income or as income for his or her spouse or dependent children.

History. Acts 1975, No. 282, § 2; 1977, No. 312, § 6; No. 1, §§ 2, 3; Acts 1993, No. 1196, § 1; 1993, No. 1196, 1994, No. 690, § 1; A.S.A. 1947, § 3-1110, last mens. 1990, § 1; 1995, No. 863, §§ 1-3; 1996, No. 1298, § 41

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7-6-204. Restriction on cash contributions or expenditures — Exception.

(a) No campaign contribution in excess of one hundred dollars (\$100) or expenditure in excess of fifty dollars (\$50.00) shall be made or received in cash.

(b) All contributions or expenditures in behalf of a campaign activity, other than in-kind contributions and expenditures, in excess of the amounts mentioned in subsection (a) of this section shall be made by a written instrument containing the name of the donor and the name of the payee.

(c) The payment of filing fees may be in cash even though the amount exceeds fifty dollars (\$50.00). The candidate shall obtain a receipt for the payment and shall report it as a campaign expenditure.

History. Acts 1975, No. 788, § 8; 1977, No. 312, § 2;
A.S.A. 1947, § 3-1116.

7-6-205. Contributions made indirectly, anonymously, or under assumed names.

(a) No campaign contribution shall be made in support of or opposition to a candidate other than directly to the candidate or to the candidate's campaign committee.

(b) No contribution shall be made, directly or indirectly, by any person in a name other than the name by which the person is identified for legal purposes.

(c)(1) No person shall make an anonymous contribution in support of or opposition to a candidate or campaign committee totaling fifty dollars (\$50.00) or more in a calendar year.

(2) An anonymous contribution of fifty dollars (\$50.00) or more shall not be kept by the intended recipient but shall be promptly paid by the recipient to the Secretary of State of Arkansas for deposit in the State Treasury as general revenues.

(d) Whenever any person provides his or her dependent child with funds to make a contribution to a candidate, the contribution shall be attributed to such person for purposes of applying the contribution limit pursuant to § 7-6-203(b).

History. Acts 1975, No. 788, § 9; A.S.A. 1947, § 3-1117;
Init. Meas. 1990, No. 1, § 4.

7-6-206. Records of contributions and expenditures.

(a) A candidate, a political party, or person acting in the candidate's behalf shall keep records of all contributions and expenditures in a manner sufficient to evidence compliance with §§ 7-6-207 — 7-6-212.

(b) The records shall be made available to the prosecuting attorney in the district in which the candidate resides, who is delegated the responsibility of enforcing this subchapter, and shall be maintained for a period of five (5) years.

History. Acts 1975, No. 788, § 5; 1977, No. 312, § 3;
A.S.A. 1947, § 3-1113.

7-6-207. Reports of contributions — Candidates for office other than school district, township, municipal, or county office, etc.

(a) **REPORTS REQUIRED.** (1) Except as provided in subsection (c) of this section, each candidate for office, other than a school district, township, municipal, or county office, or a person acting in the candidate's behalf, shall file with the Secretary of State and the county clerk in the county where the candidate resides:

(A) For each quarter during a calendar year in which a candidate is not listed on any ballot for election, a quarterly report of all contributions received and expenditures made during that quarter. The quarterly report shall be filed no later than fifteen (15) days after the end of each quarter;

(B) Beginning with the month of January in the calendar year in which a candidate may be listed on any ballot for election, a monthly report of all contributions received and expenditures

made during that month. However, for any month in which certain days of that month are included in a preelection report required under subdivision (a)(1)(C) of this section, no monthly report for that month shall be due, but those days of that month not included in the preelection report shall be carried forward and included in the final election report for that election. The monthly report shall be filed no later than fifteen (15) days after the end of each month, except that the final monthly report, covering the month during which an election is held, shall be filed within thirty (30) days after the end of the month in which the last election is held at which the candidate seeks nomination and after the end of the month in which the general election is held. With respect to a special election, the candidate shall file monthly reports under this section beginning with the month in which the special election candidate's total campaign contributions or expenditures exceed five hundred dollars (\$500);

(C) No later than seven (7) days prior to a preferential primary election, a runoff election, a general election, or a special election, file a preelection report of all contributions received and expenditures made between the period covered by the previous report and the period ten (10) days before the election; and

(D) No later than fifteen (15) days after the end of the quarter, a quarterly supplemental report of all contributions received and expenditures made between the final monthly report and the first quarterly report. No supplemental report is required to be filed during any quarter in which the candidate has received no contributions and made no expenditures.

(2) Upon receiving the first report from any candidate, or upon receipt of the candidate's notice of filing for office, the Secretary of State shall provide the candidate with information on the deadlines for filing remaining quarterly, monthly, and preelection reports and shall furnish each candidate with the appropriate forms and instructions for complying with the deadlines. All reports shall be filed on the forms furnished by the Secretary of State, except that computer-generated contribution and expenditure reports shall be accepted by the Secretary of State and the Arkansas Ethics Commission provided that all of the requisite elements are included.

(3) For any report except a preelection report, a report is timely filed if it is either hand-delivered or mailed to the Secretary of State, properly addressed, postage prepaid, bearing a postmark indicating that it was received by the post office or common carrier on the date that the report is due. A preelection report is timely filed if it is received in the Secretary of State's office no later than seven (7) days prior to the election for which it is filed. The Secretary of State shall accept an electronic facsimile via telephone transmission of any preelection report.

(b) CONTENTS OF REPORTS. (1) The contribution and expenditure reports required by subsection (a) of this section shall indicate:

(A) The total amount of contributions received and the total amount of expenditures made during the filing periods, and the cumulative amount of those totals;

(B) The name and address of each person, including the candidate, who made a contribution which, in the aggregate, exceeds one hundred dollars (\$100);

(C) The contributor's principal place of business, employer, occupation, the amount contributed, and the date the contribution was accepted by the candidate;

(D) A description of nonmoney items contributed, not including volunteer service by individuals;

(E) An itemization of all single expenditures made which exceed one hundred dollars (\$100), including the amount of the expenditure, the name and address of any person, including the candidate, to whom the expenditure was made, and the date the expenditure was made;

(F) A list of all paid campaign workers and the amount the workers were paid;

(G) A list of all expenditures by categories, including, but not limited to, television, radio, print, and other advertising, direct mail, office supplies, rent, travel, expenses, entertainment, and telephone;

(H) The total amount of all nonitemized expenditures made during the filing period; and

(I) The current surplus or debt of campaign funds.

(2) The final report shall also indicate which option under § 7-6-203(j) was used to dispose of any surplus of campaign funds, the amount of funds disposed of by the candidate, and the amount of funds retained by the candidate in accordance with § 7-6-203(j).

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(c) **REPORTS NOT REQUIRED.** (1) The candidate or any person acting in the candidate's behalf shall comply with the filings required by this section beginning with the first reporting period, either quarterly, monthly, or preelection, in which his total contributions or expenditures exceed five hundred dollars (\$500). A candidate who has not received contributions or made expenditures in excess of five hundred dollars (\$500) shall not be required to file any reports required under this section other than the final monthly report required under subdivision (a)(1)(B) of this section.

(2) A candidate or any person acting in the candidate's behalf as covered by this subsection shall not be required to file the expenditure or supplemental reports identified in § 7-6-212.

(d) **FILED AND PUBLIC INSPECTION.** (1) The Secretary of State shall establish a filing system for reports filed pursuant to this section. The reports shall be kept for eight (8) years from the date of filing and catalogued by candidate in chronological order and made available for public inspection. After the eight-year period, the Secretary of State shall turn the reports over to the Arkansas History Commission for maintenance and continued public inspection.

(2) The Secretary of State shall furnish to the Arkansas Ethics Commission, no later than thirty (30) days after each filing deadline under this section, a report listing the names of all candidates who have filed for office, the type of report filed by each candidate, and the date the report was received by the Secretary of State.

History. Acts 1976, No. 788, § 3; 1977, No. 312, § 1; 246, § 2; Init. Meas. 1990, No. 1, § 5; Acts 1993, No. 1243, 1985, No. 896, §§ 1-3, A.S.A. 1947, § 3-1111; Acts 1987, No. 1, § 1; 1996, No. 1283, § 1.

7-6-208. Reports of contributions — Candidates for school district, township, or municipal office.

(a) **REPORTS REQUIRED.** Except as provided in § 7-6-207(c), subsection (d) of this section, and § 7-6-209(d), each candidate for school district, township, or municipal office, or a person acting in the candidate's behalf, shall:

(1) No later than seven (7) days prior to preferential primary elections, runoff elections, general elections, school elections, and special elections, file a preelection report of all contributions received no later than ten (10) days before the election;

(2) No later than thirty (30) days after preferential primary elections, runoff elections, general elections, school elections, and special elections, file a final report of all contributions received no earlier than nine (9) days prior to the election; and

(3) File supplemental reports of all contributions received after the date of preparation of the final report, and the supplemental reports shall be filed within thirty (30) days after receipt of the contributions.

(b) **CONTENTS OF REPORTS.** (1) The campaign contribution reports required by subsection (a) of this section shall indicate the total amount of contributions received during the filing periods and the name and address of each person, including the candidate, who has made a contribution which, in the aggregate, exceeds one hundred dollars (\$100), the contributor's principal place of business, employer, occupation, and the amount contributed. The reports shall be filed with the county clerk in the county in which the election is held.

(2) The final report shall also indicate which option under § 7-6-203(j) was used to dispose of any surplus of campaign funds.

(3) The county clerk shall notify each candidate by mail postmarked at least fourteen (14) days prior to the deadline for filing the preelection contribution reports and the final contribution reports and, at that time, furnish each candidate with the appropriate forms and instructions for complying with the deadlines. The final report notice shall also inform the candidates of the deadline for filing supplemental contribution reports and supplemental expenditure reports and shall include the forms and instructions for those reports.

(c) **SUPPLEMENTAL REPORTS.** Any contributions received after the final report is filed shall be reported in a supplemental report within thirty (30) days after the receipt of the contributions. Reports shall be filed on forms furnished by the Secretary of State for this purpose and shall include the name and address of each person who has made a contribution which in the aggregate

exceeds one hundred dollars (\$100), the contributor's principal place of business, employer, and occupation, and the amount contributed.

(d) **REPORTS NOT REQUIRED.** (1) Candidates who are unopposed in any election are not required to file any contribution reports prior to those unopposed elections. Further, the final contribution report following preferential primary elections may be included in the final report following the general primary election.

(2) A candidate or any person acting in the candidate's behalf who has not received contributions in excess of five hundred dollars (\$500) as of the date a preelection report shall be complete shall not be required to file the preelection report required by this section. That candidate or person shall comply with the preelection filing required by this section within three

(3) days after he has received contributions in excess of five hundred dollars (\$500).

History. Acts 1975, No. 788, § 3; 1977, No. 312, § 1; A.B.A. 1947, § 3-1111; Acts 1987, No. 246, § 2; 1993, No. 1243, § 2.

7-6-209. Reports of contributions — Candidates for county office.

(a) **REPORTS REQUIRED.** Except as provided in §§ 7-6-207(c), 7-6-208(d), and subsection (d) of this section, each candidate for county office or a person acting in the candidate's behalf, shall:

(1) No later than seven (7) days prior to preferential primary elections, runoff elections, general elections, and special elections, file a preelection report of all contributions received no later than ten (10) days before the election;

(2) No later than thirty (30) days after preferential primary elections, runoff elections, general elections, and special elections, file a final report of all contributions received no earlier than nine (9) days prior to the election; and

(3) File supplemental reports of all contributions received after the date of preparation of the final report, and the supplemental reports shall be filed within thirty (30) days after receipt of the contributions.

(b) **CONTENTS OF REPORTS.** (1) The campaign contribution reports required by subsection (a) of this section shall indicate the total amount of contributions received during the filing periods, and the name and address of each person, including the candidate, who has made a contribution which, in the aggregate, exceeds two hundred fifty dollars (\$250), the contributor's principal place of business, employer, occupation, and the amount contributed. The reports shall be filed with the county clerk in the county in which the election is held.

(2) The final report shall also indicate which option under § 7-6-203(j) was used to dispose of any surplus of campaign funds.

(3) The county clerk shall notify each candidate by mail postmarked at least fourteen (14) days prior to the deadline for filing the preelection contribution reports and the final contribution reports and, at that time, furnish each candidate with the appropriate forms and instructions for complying with the deadlines. The final report notice shall also inform the candidates of the deadline for filing supplemental contribution reports and supplemental expenditure reports and shall include the forms and instructions for these reports.

(c) **SUPPLEMENTAL REPORTS REQUIRED.** Any contributions received after the final report is filed shall be reported in a supplemental report within thirty (30) days after receipt of the contributions. Reports shall be filed on forms furnished by the Secretary of State for this purpose and shall include the name and address of each person who has made a contribution which in the aggregate exceeds two hundred fifty dollars (\$250), the contributor's principal place of business, employer, and occupation, and the amount contributed.

(d) **REPORTS NOT REQUIRED.** (1) Candidates who are unopposed in any election are not required to file any contribution reports prior to those unopposed elections. Further, the final contribution report following preferential primary elections may be included in the final report following the general primary election.

(2) A candidate or any person acting in the candidate's behalf who has not received contributions in excess of five hundred dollars (\$500) as of the date a preelection report shall be

complete shall not be required to file the preelection report required by this section. That candidate or person shall comply with the preelection filing required by this section within three (3) days after he has received contributions in excess of five hundred dollars (\$500).

History. Acts 1975, No. 788, § 3; 1977, No. 312, § 1;
A.S.A. 1947, § 3-1111; Acts 1987, No. 246, § 2; 1993, No.
1243, § 3.

7-6-210. Reports of contributions — Personal loans.

(a) Any personal loan made to a candidate by a financial institution which is applied toward a candidate's campaign shall be reported as a campaign contribution, as required by this subchapter.

(b) The name of the financial institution, the amount of the loan, and the name of the guarantor, if any, shall be reported.

History. Acts 1975, No. 788, § 3; 1977, No. 312, § 1;
A.S.A. 1947, § 3-1111; Acts 1987, No. 246, § 2.

7-6-211. Exemption from filing reports of contributions.

(a) A candidate or any person acting in the candidate's behalf who has not received contributions in excess of five hundred dollars (\$500) as of the date a preelection report shall be complete shall not be required to file the preelection report required by §§ 7-6-207 — 7-6-209.

(b) The candidate or person shall comply with the preelection filing required by §§ 7-6-207 — 7-6-209 within three (3) days after he has received contributions in excess of five hundred dollars (\$500).

History. Acts 1975, No. 788, § 3; A.S.A. 1947, § 3-1111.

7-6-212. Reports of expenditures.

(a) A candidate or person acting in the candidate's behalf shall file, along with the final report required in §§ 7-6-207 — 7-6-209 of this subchapter, with the Secretary of State and the county clerk in the county in which the candidate resides, or, if it is a school district, township, municipal, or county office, with the county clerk in the county in which the election is to be held, a list of all expenditures by categories including, but not limited to, television, radio, print, and other advertising, direct mail, office supplies, rent, travel, expenses, entertainment, and telephone.

(b) The expenditure report shall include the names of all paid campaign workers and the amount the workers were paid.

(c) Each candidate or person acting in the candidate's behalf shall also file a supplemental report, including the same information as required herein, to disclose any subsequent expenditures after the compilation date of the final report.

(d) Supplemental expenditure reports shall be filed no later than thirty (30) days after the expenditure.

(e) Candidates for other than a school district, township, municipal, or county office shall file supplemental expenditure reports with the Secretary of State and the county clerk in the county in which the candidate resides.

(f) Candidates for a school district, township, municipal, or county office shall file supplemental expenditure reports with the county clerk of the county in which the election is held.

History. Acts 1975, No. 788, § 4; A.S.A. 1947, § 3-1112;
Acts 1987, No. 246, § 1.

7-6-213. Verification of reports.

All reports required to be filed by the provisions of this subchapter shall be verified by affidavit by the candidate or a person acting in the candidate's behalf stating that to the best of his knowledge and belief the information so disclosed is a complete, true, and accurate financial statement of the candidate's campaign contributions or expenditures.

History. Acts 1976, No. 788, § 6; A.S.A. 1947, § 3-1114.

7-6-214. Publication of reports.

The information required in §§ 7-6-207 — 7-6-212 of this subchapter shall, upon proper filing, constitute a public record and shall be available within twenty-four (24) hours of the reporting deadline to all interested persons and the news media.

History. Acts 1975, No. 788, § 7; A.S.A. 1947, § 3-1115.

7-6-215. Registration by approved political action committees.

(a) To qualify as an approved political action committee, the committee shall register with the Secretary of State within fifteen (15) days after accepting contributions during a calendar year which, in the aggregate, exceed five hundred dollars (\$500). Each such committee shall annually renew its registration by January 15, unless it has ceased to exist. Registration shall be on forms provided by the Secretary of State and the contents therein shall be verified by an affidavit of an officer of the committee. The committee shall verify that it will maintain for a period of two (2) years the name, address, and place of employment of each person who contributed to the committee, along with the amount contributed.

(b) The approved political action committee shall disclose on the registration form the following information:

(1) The name, address, and, where available, phone number of the committee and the name, address, phone number, and place of employment of each of its officers, provided that if the committee's name is an acronym then both it and the words forming the acronym shall be disclosed.

(2) The professional, business, trade, labor, or other interests represented by the committee, including any individual business, organization, association, corporation, labor organization, or other group or firm whose interests will be represented by the committee.

(3) The name of each candidate, if any, to whom the committee contributed during the previous calendar year, with the amount contributed and the office sought for each candidate.

History. Init. Mess. 1990, No. 1, § 6.

7-6-216. Registration and reports by exploratory committees.

(a) An exploratory committee shall register with the Secretary of State within fifteen (15) days after receiving contributions during a calendar year which, in the aggregate, exceed five hundred dollars (\$500). Registration shall be on forms provided by the Secretary of State and the contents therein shall be verified by an affidavit of an officer of the committee.

(b) An exploratory committee shall disclose on the registration form the name, address, and, where available, phone number of the committee and each of its officers. It shall also disclose the individual person who, upon becoming a candidate, is intended to receive campaign contributions from the committee.

(c) Within fifteen (15) days of the end of each month, an exploratory committee shall file a contribution report with the Secretary of State indicating the total amount of contributions received during the filing period and the name and address of each person who has made a contribution which, in the aggregate, exceeds one hundred dollars (\$100), along with the contributor's principal place of business, employer, occupation, and the amount contributed. The first report shall be filed for the month in which the committee files its registration. The final

report shall be filed within fifteen (15) days after the end of the month in which the committee either transfers its contributions to a candidate's campaign or no longer accepts contributions.

History. Init. Meas. 1990, No. 1, § 6.

7-6-217. Creation of Arkansas Ethics Commission.

(a)(1) The Arkansas Ethics Commission shall be composed of five (5) members, one (1) each appointed by the Governor, Attorney General, Lieutenant Governor, Speaker of the Arkansas House of Representatives, and President Pro Tempore of the Arkansas Senate.

(2) Members of the commission shall be appointed for terms of five (5) years.

(3)(A) No person may be appointed to serve consecutive terms on the commission.

(B) Provided, that any commissioner who has been appointed to serve two (2) years or less of an unexpired term shall be eligible for an appointment to a subsequent five-year term.

(4) In the event of a vacancy on the commission, a successor shall be appointed within thirty (30) days to serve the remainder of the unexpired term, such appointment to be made by the official holding the office responsible for appointing the predecessor.

(b)(1) In making appointments to the commission, the appointing officials shall insure that at least one (1) member of a minority race, one (1) woman, and one (1) member of the minority political party, as defined in § 7-1-101(7), serves on the commission.

(2) Any person appointed as a member of the minority political party must have voted in the preferential primaries of the minority political party in the last two (2) primaries in which he or she has voted.

(c)(1) No member of the commission shall be a federal, state, or local government official or employee, an elected public official, a candidate for public office, a lobbyist as defined in § 21-8-402(11), or an officer or paid employee of an organized political party as defined in § 7-1-101(1).

(2) During the entire term of service on the Arkansas Ethics Commission, a commissioner shall be prohibited from raising funds for, making contributions to, providing services to, or lending his or her name in support of any candidate for election to a state, county, municipal, or school board office under the laws of Arkansas or in support of a ballot issue or issues submitted or intended to be submitted to the voters of the State of Arkansas, or any of its political subdivisions, excluding the exercise of the right to vote or the mere signing of an initiative or referendum petition. Employees of the commission shall be similarly prohibited.

(d)(1) The commission shall elect its chairperson.

(2)(A) A majority of the membership of the commission shall constitute a quorum for conducting business.

(B) No action shall be taken except by an affirmative vote of a majority of those present and voting.

(C) No sanctions shall be imposed without the affirmative vote of at least three (3) members of the commission who are physically present at a commission meeting.

(3) The vote of each member voting on any action shall be a public record.

(e) Members of the commission shall serve without compensation, but shall be entitled to receive reimbursement from the state for actual and reasonable expenses incurred in the performance of their official duties, including reimbursement for mileage for official travel in connection with commission business, at the same rate provided by travel and expense regulations for state employees.

(f) The commission shall meet at such times as may be provided by its rules, or upon call of the chairperson, or upon written request to the chairperson of any three (3) members.

(g) The commission shall have the authority to:

(1) Pursuant to the Arkansas Administrative Procedure Act, § 25-15-201 et seq., promulgate reasonable rules and regulations to implement and administer the requirements of this subchapter, as well as subchapters 4-9 of title 21, chapter 8, as amended, and to govern procedures before the commission, matters of commission operations, and all investigative and disciplinary procedures and proceedings;

- (2) Issue advisory opinions and guidelines on the requirements of this subchapter and the requirements of subchapters 4-9 of title 21, chapter 8, as amended;
- (3) Investigate alleged violations of this subchapter and of subchapters 4-9 of title 21, chapter 8, as amended, and render findings and disciplinary action thereon;
- (4) Pursuant to commission investigations, subpoena any person or the books, records, or other documents being held by any person and take sworn depositions;
- (5) Administer oaths and conduct hearings for the purpose of taking sworn testimony of witnesses appearing before the commission;
- (6) Hire a staff and retain legal counsel;
- (7) Approve forms prepared by the Secretary of State pursuant to this subchapter and subchapters 4-9 of title 21, chapter 8, as amended; and
- (8)(A) File suit in the Circuit Court of Pulaski County or in the circuit court of the county wherein the debtor resides, or, pursuant to the Small Claims Procedure Act, § 16-17-601 et seq., in the small claims division of any municipal court in the State of Arkansas, to obtain a judgment for the amount of any fine imposed pursuant to § 7-6-218(b)(4)(B)(i)-(iii).
- (B) Said action by the court shall not involve further judicial review of the commission's actions.
- (C) The fee normally charged for the filing of a suit in any of the circuit courts in the State of Arkansas shall be waived on behalf of the Arkansas Ethics Commission.

History. Init. Meas. 1990, No. 1, § 6; Acts 1995, No. 349, § 1; 1998, No. 352, § 1.

7-6-218. Citizen complaints.

- (a) Any citizen wishing to file a complaint against a person covered by this subchapter or by subchapters 4-9 of title 21, chapter 8, as amended, for an alleged violation of such subchapters may file a complaint with the Arkansas Ethics Commission.
- (b)(1)(A) Upon a complaint stating facts constituting an alleged violation signed under penalty of perjury by any person, the Arkansas Ethics Commission shall investigate the alleged violation of this subchapter or of subchapters 4-9 of title 21, chapter 8, as amended.
- (B) The commission shall immediately notify any person under investigation of the investigation and of the nature of the alleged violation.
- (C) The commission in a document shall advise the complainant and the accused of the final action taken together with the reasons for the action, and such document shall be a public record.
- (2) If, after the investigation, the commission finds that probable cause exists for a finding of a violation, the accused may request a hearing. The hearing shall be a public hearing.
- (3)(A) The commission shall keep a record of its investigations, inquiries, and proceedings.
- (B) All proceedings, records, and transcripts of any investigations or inquiries shall be kept confidential by the commission, unless the accused requests disclosure of documents relating to investigation of the case, or in case of a hearing under subdivision (b)(2) of this section, or in case of judicial review of a commission decision pursuant to § 25-15-212.
- (C) Thirty (30) days after any final adjudication in which the commission makes a finding of a violation, all records relevant to the investigation and upon which the commission has based its decision, except working papers of the commission and its staff, shall be open to public inspection.
- (4) If the commission finds a violation of this subchapter or of subchapters 4-9 of title 21, chapter 8, as amended, then the commission shall do one (1) or more of the following:
 - (A) Issue a public letter of caution or warning or reprimand;
 - (B)(i) Notwithstanding the provisions of §§ 7-6-202, 7-9-409, 21-8-403, and 21-8-903, impose a fine of not less than twenty-five dollars (\$25.00) nor more than one thousand dollars (\$1,000) for negligent or intentional violation of this subchapter, or of subchapters 4-9 of title 21, chapter 8, as amended.

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(ii) The commission shall adopt rules governing the imposition of such fines in accordance with the provisions of the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

(iii) All moneys received by the commission in payment of fines shall be deposited in the State Treasury as general revenues; or

(C) Report its finding, along with such information and documents as it deems appropriate, and make recommendations to the proper law enforcement authorities.

(5) The commission shall complete its investigation of a complaint filed pursuant to this section within one hundred fifty (150) days of the filing of the complaint; except that, if a hearing is conducted, all action on the complaint by the commission shall be completed within one hundred eighty (180) days.

(c) Any final action of the commission under this section shall constitute an adjudication for purposes of judicial review under § 25-15-212.

History. Init. Meas. 1990, No. 1, § 6; Acts 1993, No. 349, § 2; 1995, No. 352, § 2.

7-6-219. Retiring a campaign debt.

(a)(1) Any person who was a candidate and has a campaign debt from an election that has ended may solicit funds and hold fund-raisers to retire the campaign debt.

(2) The contributions received shall be treated as campaign contributions to the person's previous campaign, and all campaign contribution limits shall continue to apply.

(b) Contributors shall be given notice that the campaign contributions are for the purpose of retiring a campaign debt. Any invitation to or notice of a fund-raiser to retire a campaign debt of a previous campaign shall state that the funds are to retire a campaign debt.

History. Acts 1993, No. 1209, § 1.

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7/2/95

For Authorized Committee
Summary Page

RECEIVED
SECRETARY OF THE SENATE
PUBLIC RECORDS

36 JUL 19 AM 11:41

USE FEC MAILING LABEL
TYPE OF REPORT

1. C00302802 RR/00 052996 R 447
CLIFFORD P BLOCK
COMMITTEE TO ELECT WINSTON DRY
ANT US SENATE
PO BOX 34083
LITTLE ROCK AR 72203

2. FEC IDENTIFICATION NUMBER
C00302802

3. IS THIS REPORT AN AMENDMENT?
☐ YES ☒ NO

4. TYPE OF REPORT

- ☐ April 15 Quarterly Report ☐ 12-Day Pre-Election Report for the _____ (Type of Election)
election on _____ in the State of _____
- ☒ July 15 Quarterly Report ☐ 30-Day Post-Election Report for the _____ (Type of Election)
election on _____ in the State of _____
- ☐ October 15 Quarterly Report ☐ Termination Report
- ☐ January 31 Year End Report
- ☐ July 31 Mid-Year Report (Non-election Year Only)

This report contains activity for ☐ Primary Election ☒ General Election ☐ Special Election ☒ Runoff Election

SUMMARY

5. Covering Period	COLUMN A This Period	COLUMN B Calendar Year-to-Date
May 23, 96 through June 30, 96		
6. Net Contributions (other than loans)		
(a) Total Contributions (other than loans) (from Line 11(e))	\$238,837.80	\$532,995.47
(b) Total Contribution Refunds (from Line 20(d))	3,000.00	3,500.00
(c) Net Contributions (other than loans) (subtract Line 6(b) from 6(a))	\$235,837.80	\$529,495.47
7. Net Operating Expenditures		
(a) Total Operating Expenditures (from Line 17)	\$288,074.25	\$718,408.45
(b) Total Offsets to Operating Expenditures (from Line 14)	32.22	192.22
(c) Net Operating Expenditures (subtract Line 7(b) from 7(a))	\$288,042.03	\$718,216.23
8. Cash on Hand at Close of Reporting Period (from Line 27)	\$155,218.18	For further information contact: Federal Election Commission 999 E Street, NW Washington, DC 20463 Toll Free 800-424-9530 Local 202-219-3420
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C and/or Schedule D)	---	
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C and/or Schedule D)	---	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

Type or Print Name of Treasurer

Clifford P. Block

Signature of Treasurer



Date

July 15, 96

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

FEC FORM 3
(revised 4/87)

Report covering the Period:

From May 23, 96 To June 30, 96

COLUMN B
Calendar Year-To-Date

III. CASH SUMMARY

23. CASH ON HAND AT BEGINNING OF REPORTING PERIOD	\$ 206,646.46
24. TOTAL RECEIPTS THIS PERIOD (from Line 16)	\$ 239,645.97
25. SUBTOTAL (add Line 23 and Line 24)	\$ 446,292.43
26. TOTAL DISBURSEMENTS THIS PERIOD (from Line 22)	\$ 291,074.25
27. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (subtract Line 26 from 25)	\$ 155,218.18

2,3,0,0,4,3,0,8,16,0,0,5,9,3,1

MINIMIZED RECEIPTS

Use separate schedule(s) for each category of the Detailed Summary Page

PAGE 1 OF 1
FOR LINE NUMBER 33(b)

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (in Full)

Committee to Elect Winston Bryant-U.S. Senate

<p>A. Full Name, Mailing Address and ZIP Code</p> <p>Logan County Democratic Committee</p> <p>1186 Hwy 10 East, P.O. Box 506</p> <p>Booneville, AR 72927</p> <p>Receipt For <input type="checkbox"/> Other (specify): <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General</p>	<p>Name of Employer</p> <p>Occupation</p> <p>Aggregate Year-to-Date > \$</p>	<p>Date (month, day, year)</p> <p>6/20/96</p>	<p>Amount of Each Receipt this Period</p> <p>\$500.00</p>
<p>B. Full Name, Mailing Address and ZIP Code</p> <p>Clay County Democratic Central Committee</p> <p>Main Street</p> <p>Piggott, AR 72454</p> <p>Receipt For <input type="checkbox"/> Other (specify): <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General</p>	<p>Name of Employer</p> <p>Occupation</p> <p>Aggregate Year-to-Date > \$</p>	<p>Date (month, day, year)</p> <p>6/22/96</p>	<p>Amount of Each Receipt this Period</p> <p>\$1,000.00</p>
<p>C. Full Name, Mailing Address and ZIP Code</p> <p>White County Democratic Committee</p> <p>Searcy, AR 72143</p> <p>Receipt For <input type="checkbox"/> Other (specify): <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General</p>	<p>Name of Employer</p> <p>Occupation</p> <p>Aggregate Year-to-Date > \$</p>	<p>Date (month, day, year)</p> <p>6/22/96</p>	<p>Amount of Each Receipt this Period</p> <p>\$500.00</p>
<p>D. Full Name, Mailing Address and ZIP Code</p> <p>Lafayette County Democratic Central Committee</p> <p>802 School St.</p> <p>Stamps, AR 71860</p> <p>Receipt For <input type="checkbox"/> Other (specify): <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General</p>	<p>Name of Employer</p> <p>Occupation</p> <p>Aggregate Year-to-Date > \$</p>	<p>Date (month, day, year)</p> <p>6/20/96</p>	<p>Amount of Each Receipt this Period</p> <p>\$300.00</p>
<p>E. Full Name, Mailing Address and ZIP Code</p> <p>Democratic Senatorial Campaign Committee</p> <p>430 South Capitol St., SE</p> <p>Washington, DC 20003</p> <p>Receipt For <input type="checkbox"/> Other (specify): <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General</p>	<p>Name of Employer</p> <p>Occupation</p> <p>Aggregate Year-to-Date > \$</p>	<p>Date (month, day, year)</p> <p>6/13/96</p>	<p>Amount of Each Receipt this Period</p> <p>\$17,500.00</p>
<p>F. Full Name, Mailing Address and ZIP Code</p> <p>Arkansas Democratic Party</p> <p>1300 W. Capitol</p> <p>Little Rock, AR 72201</p> <p>Receipt For <input type="checkbox"/> Other (specify): <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General</p>	<p>Name of Employer</p> <p>Occupation</p> <p>Aggregate Year-to-Date > \$</p>	<p>Date (month, day, year)</p> <p>6/27/96</p>	<p>Amount of Each Receipt this Period</p> <p>\$5,000.00</p>
<p>G. Full Name, Mailing Address and ZIP Code</p> <p>Receipt For <input type="checkbox"/> Other (specify): <input type="checkbox"/> Primary <input type="checkbox"/> General</p>	<p>Name of Employer</p> <p>Occupation</p> <p>Aggregate Year-to-Date > \$</p>	<p>Date (month, day, year)</p>	<p>Amount of Each Receipt this Period</p>

SUBTOTAL of Receipts This Page (optional)

TOTAL This Period (last page this line number only)

\$24,800.00



FEDERAL ELECTION COMMISSION

Washington, DC 20463

September 26, 1996

Craig Engle, General Counsel
National Republican Senatorial Committee
425 Second Street, NE
Washington, DC 20002

RE: MUR 4472

Dear Mr. Engle:

This letter acknowledges receipt on September 18, 1996, of the complaint you filed alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). The respondent(s) will be notified of this complaint within five days.

You will be **notified** as soon as the Federal Election Commission takes **final** action on your complaint. Should you receive any additional information in this matter, **please** forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 4472. Please refer to this number in all future communications. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

A handwritten signature in dark ink, appearing to read "Colleen T. Sealander", is written over the typed name.

Colleen T. Sealander, Attorney
Central Enforcement Docket

Enclosure
Procedures

98043361559



FEDERAL ELECTION COMMISSION
Washington, DC 20463

September 26, 1996

Jim Pledger, Treasurer
Democratic Party of Arkansas Federal Account
1300 West Capitol
Little Rock, AR 72201

RE: MUR 4472

Dear Mr. Pledger:

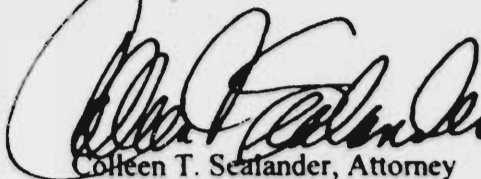
The Federal Election Commission received a complaint which indicates that the Democratic Party of Arkansas Federal Account and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4472. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Democratic Party of Arkansas Federal Account and you, as treasurer, in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

If you have any questions, please contact Alva E. Smith at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Colleen T. Sealander, Attorney
Central Enforcement Docket

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

9 3 0 4 3 3 6 1 5 3 1



FEDERAL ELECTION COMMISSION

Washington, DC 20463

September 26, 1996

Clifford P. Block, Treasurer
Committee to Elect Winston Bryant US Senate
PO Box 34083
Little Rock, AR 72201

RE: MUR 4472

Dear Mr. Block:

The Federal Election Commission received a complaint which indicates that the Committee to Elect Winston Bryant US Senate ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4472. Please refer to this number in all future correspondence.

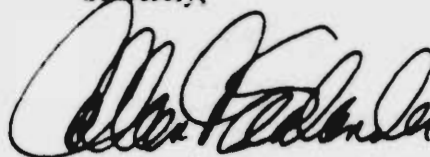
Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Committee and you, as treasurer, in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

98043861532

If you have any questions, please contact Alva E. Smith at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Colleen T. Sealander, Attorney
Central Enforcement Docket

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

cc: Winston Bryant

28043861547



FEDERAL ELECTION COMMISSION

Washington, DC 20463

September 26, 1996

Jim Pledger, Treasurer
Democratic Party of Arkansas State Account
1300 West Capitol
Little Rock, AR 72201

RE: MUR 4472

Dear Mr. Pledger:

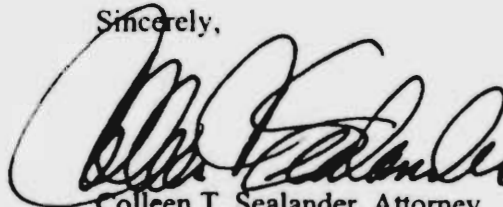
The Federal Election Commission received a complaint which indicates that the Democratic Party of Arkansas State Account and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4472. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Democratic Party of Arkansas State Account and you, as treasurer, in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

If you have any questions, please contact Alva E. Smith at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Colleen T. Sealander, Attorney
Central Enforcement Docket

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

23043361545



Bynum Gibson
Chairman

October 9, 1996

VIA FAX (202-219-3923)
and FEDERAL EXPRESS

Office of General Counsel
Federal Election Commission
999 E Street, NW
Washington, D.C. 20463

Ladies and Gentlemen:

On behalf of the Democratic Party of Arkansas and myself as its Treasurer, I respectfully request that the time within which we may respond to Matter Under Review No. 4472, resulting from the Complaint filed against us by the National Republican Senatorial Committee, be extended until December 6, 1996, for the following reasons:

1. I am the General Manager of the Arkansas State Fair which begins on October 11, 1996, and runs through October 20, 1996. I will not have time to properly respond until after November 15, 1996.
2. All other officers of the Party are now, and will be until after November 5, 1996, engaged on a full-time basis in various activities associated with the general election.

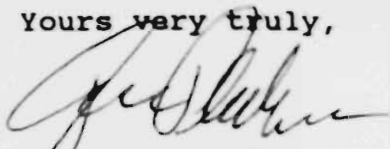
We will sincerely appreciate the Commission's consideration of this request.

The Statement of Designation of Counsel is being submitted with this request.

Office of General Counsel
Federal Election Commission
October 9, 1996
Page No. Two

If any additional information is desired, please advise and we will attempt to furnish it.

Yours very truly,



Jim Pledger
Treasurer

Enclosure

cc (by regular first-class mail):

Mr. Craig M. Engle
General Counsel
National Republican Senatorial Committee
Mr. Bynum Gibson
Ms. Dawne Vandiver
Mr. Maurice Mitchell
Mr. Nate Coulter

93043061567

STATEMENT OF DESIGNATION OF COUNSEL

MUR 4472

NAME OF COUNSEL: H. Maurice Mitchell

FIRM: MITCHELL, WILLIAMS, SELIG, GATES & WOODYARD, P.L.L.C.

ADDRESS: 320 West Capitol Avenue, Suite 1000

Little Rock, AR 72201-3525

TELEPHONE: (501) 688-8801

FAX: (501) 688-8807

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

DEMOCRATIC PARTY OF ARKANSAS and JIM
PLEDGER, as its Treasurer

10-9-1996

Date

By

[Signature]
Signature (Jim Pledger)

RESPONDENT'S NAME: DEMOCRATIC PARTY OF ARKANSAS and
JIM PLEDGER, as its Treasurer

ADDRESS: 1300 West Capitol Avenue

Little Rock, AR 72201

TELEPHONE: HOME (501) 375-2664 or 495-2720

BUSINESS (501) 374-2361 or 372-6455

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FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 15, 1996

H. Maurice Mitchell, Esq.
MITCHELL, WILLIAMS, SELIG, GATES & WOODYARD, P.L.L.C.
320 West Capitol Avenue, Suite 1000
Little Rock, AR 72201-3525

RE: MUR 4472
Democratic Party of Arkansas
Jim Pledger, as treasurer

Dear Mr. Mitchell:

This is in response to your clients letter dated October 9, 1996, requesting an extension until December 6, 1996, to respond to the complaint.

Considering the Federal Election Commission's responsibilities to act expeditiously in the conduct of investigations, the Office of General Counsel cannot grant your clients full request, but can only agree to a 30 day extension. Accordingly, the response is due by close of business on November 14, 1996.

If you have any questions, please contact Alva E. Smith at (202) 219-3400.

Sincerely,

Colleen T. Sealander, Attorney
Central Enforcement Docket

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PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
607 FOURTEENTH STREET, N.W. • WASHINGTON, D.C. 20005-2011
TELEPHONE: 202 628-6600 • FACSIMILE: 202 434-1690

October 22, 1996

Via Facsimile

Alva E. Smith, Esq.
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: 4472

Dear Ms. Smith:

My firm and I were recently retained by the Democratic Party of Arkansas and Jim Pledger, as its treasurer, to represent them in MUR 4472. It is my understanding that the Commission has granted respondents and extension to respond until November 14, 1996. Because of the impending election and our recent entry into the case, I am writing to ask that the time period in which to respond be extended until November 18, 1996. This small, four-day extension will enable my firm and me to more adequately represent our clients and therefore respond to the Commission more fully regarding the allegations contained in the complaint. A copy of an executed Statement of Designation of Counsel is attached for your files.

Please do not hesitate to contact me directly at 202/434-1625 if you require anything further regarding this request.

Very truly yours,


Maro E. Elias

MEE:dml
Attachment

[04003-0001/DA962960 016]

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FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL

93043361570

STATEMENT OF DESIGNATION OF COUNSEL

NUR 4472

NAME OF COUNSEL Marc Elias

FIRM PERKINS COLE

ADDRESS 607 Fourteenth Street, N.W.
Washington, D.C. 20005

TELEPHONE (202) 434-1625

FAX (202) 434-1690

The above named individual is hereby designated as counsel for the Respondents and is authorized to receive any notifications and other communications from the Commission and to act on behalf of the Respondents before the Commission.

DEMOCRATIC PARTY OF ARKANSAS and
JIM PLEDGER as its Treasurer

10-21-96
(Date)

By 
Jim Pledger

RESPONDENTS' NAME

DEMOCRATIC PARTY OF ARKANSAS and
JIM PLEDGER, as its Treasurer

ADDRESS

1300 West Capitol Avenue

Little Rock, AR 72201

TELEPHONE - HOME

(501) 375-2664 or 495-2720

BUSINESS

(501) 374-2261 or 372-6455

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 24, 1996

Marc E. Elias, Esquire
Perkins Coie
607 Fourteenth Street, N.W.
Washington, D.C. 20005-1690

RE: MUR 4472
Democratic Party of Arkansas and
Jim Pledger, as treasurer

Dear Mr. Elias:

This is in response to your letter dated October 22, 1996, which we received on that day, requesting an additional extension until November 18, 1996, to respond to the complaint in the above-referenced matter. After considering the circumstances presented in your letter, the Office of the General has granted the requested extension. Accordingly, your response is due by the close of business on November 18, 1996.

If you have any questions, please contact me at (202) 219-3400.

Sincerely,

A handwritten signature in cursive script, reading "Alva Smith", is written above the typed name.

Alva Smith, Paralegal
Central Enforcement Docket

Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

93043361572



P. O. Box 34083
Little Rock, Arkansas 72203

Telephone: (501) 376-8683
Fax: (501) 376-0591

October 12, 1996

Federal Election Commission
Office of the General Counsel
999 E Street, N.W.
Washington, DC 20463

RE MUR 4472, Request for extension of time to respond

To the Office of the General Counsel

Having only recently received a copy of the complaint filed in the above-referenced matter, the Committee to Elect Winston Bryant-U.S. Senate, Clifford P. Block, Treasurer, hereby requests an extension of time to December 5, 1996 in order to respond to the complaint. This request is justifiably based upon the following circumstances:

1. Respondent intends to challenge both factually and legally the assertions of the National Republican Senatorial Committee in their complaint in that, but not limited to

a. The advertisements complained of were not done in coordination with the Committee to Elect Winston Bryant-U.S. Senate, Winston Bryant, nor Clifford P. Block, Treasurer.

b. The advertising firm of Wills, Thompson, Paschall buys media not only for the Committee to Elect Winston Bryant-U.S. Senate but also for other Democratic candidates in the State of Arkansas as well as the Arkansas Democratic Party.

c. The advertisements called into question by the National Republican Senatorial Committee are not intended nor designed to "influence a federal election" and only call the voters to take action regarding future votes on pending federal issues related to the present federal office of the subject of the advertisement.

d. The advertisement placement on KAIT-TV in Jonesboro, Arkansas does have regular programming service into Baxter County, Arkansas, which is included in the 3rd Congressional District of Arkansas.

e. The legal interpretation desired to be applied by the National Republican Senatorial Committee is not the correct analysis of the applicable law and Constitutional projections.

2. The time for response to this complaint will take considerable time due to the

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COMMISSION
OFFICE OF GENERAL COUNSEL
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Office of the General Counsel

October 12, 1996

Page 2 of 2

legal nature of the allegations and assertion of facts that have been conducted by others than this Respondent

3 Under normal circumstances, only a twenty (20) day extension would be needed to develop and document the true facts and legal analysis for response. However, given the complexities of the complaint and since the 3rd Quarter FEC Report will be due during the time-frame for response, the Pre-General FEC Report will be due, 48 Hour Reports will be due, and the 1996 General Election will occur within this time-frame, the Respondent will be severely limited in its ability to adequately respond.

4 An extension of time to respond is requested of thirty (30) days past the November 5, 1996 General Election.

5 The advertisements complained of by the National Republican Senatorial Committee, as defined in their complaint, expire on September 16, 1996, the day preceding the filing of the complaint. The granting of an extension will not prejudice the rights or remedies of any party.

WHEREFORE, the Committee to Elect Winston Bryant-U.S. Senate, Clifford P. Block, Treasurer, hereby respectfully requests that an extension of time to respond be granted and that the Respondent be allowed until December 5, 1996 to respond. Alternatively, Respondent requests that MUR 4472 be dismissed upon the basis of no reason to believe a violation has occurred as alleged in the Complaint filed by the National Republican Senatorial Committee.

Respectfully,



Clifford P. Block
Treasurer

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
NO. Z 417 341 641

98043861574



P. O. Box 34083
Little Rock, Arkansas 72203

Telephone: (501) 376-8683
Fax: (501) 376-0691

2 52 PM '96

October 22, 1996

Federal Election Commission
Office of the General Counsel
999 E Street, N.W.
Washington, DC 20463

RE MUR 4472, Modified request for extension of time to respond

To the Office of the General Counsel

Please consider this communication as a modification to the previous request for extension of time to respond. It is requested that a thirty (30) day extension, until November 14, 1996, be granted for the reasons specified in the previous request.

Respectfully submitted,

Clifford P. Block
Treasurer

OCT 25 2 52 PM '96





FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

October 29, 1996

Clifford P. Block, Treasurer
Committee to Elect Winston Bryant-US Senate
P.O. Box 34083
Little Rock, Arkansas 72203

RE: MUR 4472

Dear Mr. Block;

This is in response to your letter dated October 22, 1996, which we received on October 25, 1996, revising your earlier request for an additional extension to respond to the complaint in the above-referenced matter. After considering the circumstances presented in your letter, the Office of the General has granted the requested extension. Accordingly, your response is due by the close of business on November 14, 1996.

If you have any questions, please contact me at (202) 219-3400.

Sincerely,

A handwritten signature in cursive script, appearing to read "Alva Smith", is written over a faint, circular official stamp.

Alva Smith, Paralegal
Central Enforcement Docket

98043861576

BEFORE THE FEDERAL ELECTION COMMISSION

IN RE:

DEMOCRATIC STATE PARTY OF
ARKANSAS and COMMITTEE TO ELECT
WINSTON BRYANT

MUR 4472

Respondents

NOV 18 5 22 PM '96

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FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

RESPONDENT'S MOTION TO DISMISS

Respondent Democratic Party of Arkansas¹ (the "Party") hereby moves the Federal Election Commission ("FEC" or the "Commission") to dismiss MUR 4472.

BACKGROUND

Before the Commission is one in a series of complaints filed by the National Republican Senatorial Committee ("NRSC") against the Democratic Party and its candidates regarding "issue advertisements" recently run by the various State Democratic Parties around the country. Specifically, in this complaint the NRSC alleges that an advertisement entitled "Agenda 101" financed and run by the Party in August and September violated the Federal Election Campaign Act of 1971, 2 U.S.C. §§ 431 *et seq.* ("FECA" or the "Act"). Because the NRSC's charge is completely without merit, MUR 4472 should be promptly dismissed.

The Agenda 101 advertisement was produced and aired by the Party to advance its national legislative and policy agenda by pressuring then-Representative, and Senate candidate, Tim Hutchinson, to adopt certain legislative and policy positions. The ad called upon viewers to contact Hutchinson to express their displeasure with his prior support of efforts to cut Medicare, education and student loans and to raise taxes on middle class Americans.

¹ As well as its treasurer.

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By "calling citizens to action" on these issues the Party hoped to advance three interrelated goals. First, the Party sought to influence Representative Hutchinson's conduct as a Member of the United States House of Representatives on matters that might come before Congress. Second, the Party hoped to pressure candidate Hutchinson into taking public legislative and policy positions during the campaign that he would be compelled to follow in the 105th Congress and beyond. Finally, by bringing these important policy issues to the attention of the public, the Party hoped to raise the general level of public support for its agenda and platform.

With respect to these goals, the Democratic Party has publicly promoted a specific party policy agenda entitled "The Democratic Families First Agenda" which includes, inter alia, the following

Dependable retirement . . . protect your pension savings, Social Security, and Medicare . . . better access and protection of women's pensions.

Affordable education . . . scholarships to make the first two years of college free . . . tax deductions for job training and college.

Summary of the Democratic Families First Agenda (A copy of the Families First Agenda as well as descriptions and news summaries of it are attached at Tab A) The Agenda 101 advertisement is wholly consistent with advancing this agenda to protect Medicare and education and to target tax cuts to the middle class. By airing this advertisement, the Party helped advance its overall policy positions by educating the public and pressuring Republican Members of Congress and candidates.

Contrary to the NRSC's assertions, this effort by the Party to advance its legitimate legislative and policy interests was entirely legal and properly financed. Conspicuously absent from the NRSC's complaint is any evidence that the advertisement expressly advocated the election or defeat of either Hutchinson or his opponent, or contained an unambiguous "electioneering message" requiring application of the limits of 2 U.S.C. § 441a(d) of the Act.

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The clear text of the advertisements demonstrates that it advanced the Party's long-standing and legitimate policy and legislative agenda. As a result, it is well settled under prior Commission advisory opinions and case law that the advertisement was properly treated by the Party as administrative and party building/promotional expenses.

ARGUMENT

I. The Agenda 101 Advertisement Met the FEC's Previously Announced Standard to be Treated as an Administrative/Party Building Expense

The NRSC's complaint correctly notes that the Commission has in the past approved of political parties producing and financing issue advertisements in precisely the same manner as the Party did in this case. In FEC Advisory Opinion 1995-25, the Commission concluded that "legislative advocacy media advertisements that focus on national legislative activity and promote the [] Party should be considered as made in connection with both Federal and non-federal elections, unless the ad would qualify as coordinate expenditures on behalf of any general election candidates of the Party under 2 U.S.C. § 441a(d)." The Commission further stated that because "[a]dvocacy of the party's legislative agenda is one aspect of building or promoting support for the party that will carry forward to its future election campaigns," the cost of the advertisements were not properly treated as coordinated expenditures; but rather, constituted party building and promotional expenses. Id.

The record in this matter demonstrates that the Agenda 101 advertisement was produced and financed in accordance with the rules established by the Commission in Advisory Opinion 1995-25 which required that in order to be treated as a party building and promotional expense the advertisement not include an "electioneering message." In Advisory Opinion 1995-25 a number of factors were proffered to demonstrate an absence of "electioneering." First, while the ad mentioned a candidate who was also a Federal officeholder, it did not contain words of express advocacy or an electioneering message. Second, the ad contained a "call to action" -- urging the viewer to contact the officeholder

with respect to important legislation or policies. Finally, the advertisement contained the proper disclaimer and was properly paid for and reported. Because the Agenda 101 advertisement meets these criteria, it too is lawful in all respects.

A. The Agenda 101 Advertisement did not Contain an Electioneering Message

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The NRSC does not and explicitly cannot argue that the Agenda 101 advertisement contained words of express advocacy or an electioneering message. The NRSC's reluctance to make this argument is well-founded. As discussed, infra, the Agenda 101 advertisement did not contain words of express advocacy. The advertisement did not instruct the vote to "vote for," "vote against," "elect," or "defeat" anyone. In fact, the only "call to action" contained in the ad was clear and unambiguous -- it directs viewers to "call Tim Hutchinson." Nowhere in the ad did it suggest that viewers vote for or against Hutchinson. Because the call to action was clearly aimed at contacting Hutchinson to express their views on issues, rather than at "exhorting" the viewer to vote for or against him, there cannot be any suggestion of express advocacy.

Nor can express advocacy be found from an electioneering message. The complete absence of an electioneering message is plain also from a review of the Ninth Circuit's 1987 opinion in FEC v. Furgatch, 807 F 2d 857 (9th Cir 1987) on which the Commission's current regulations are based. In that case the Ninth Circuit held that "speech need not include any words listed in Buckley to be express advocacy under the Act, but it must, when read as a whole, and with limited reference to external events, be susceptible of no other reasonable interpretation but as an exhortation to vote for or against a specific candidate." Id. at 864. The court then established a three-part standard to determine if particular political speech meets this test:

First, even if it is not presented in the clearest, most explicit language, speech is 'express' for present purposes if its message is unmistakable and unambiguous, suggestive of only one plausible meaning. Second,

speech may only be termed 'advocacy' if it presents a clear plea for action, and thus speech that is merely informative is not covered by the Act. Finally it must be clear what action is advocated. Speech cannot be 'express advocacy of the election or defeat of a clearly identified candidate' when reasonable minds could differ as to whether it encourages a vote for or against candidate or encourages the reader to take some other kind of action.

Id. (emphasis added)

This same test is embodied in the Commission's regulatory definition of "express advocacy." 11 C.F.R. § 100.22. Section 100.22 defines express advocacy to include communications that include explicit words of express advocacy such as "vote for," "vote against," "elect," and "defeat." 11 C.F.R. § 100.22(a). However, like Furgatch, it also includes communications that

[w]hen taken as a whole and with limited reference to external events, such as the proximity to the election, could only be interpreted by a reasonable person as containing advocacy of the election or defeat of one or more clearly identified candidate(s) because --

- (1) The electoral portion of the communication is unmistakable, unambiguous, and suggestive of only one meaning; and
- (2) Reasonable minds could not differ as to whether it encourages actions to elect or defeat one or more clearly identified candidate(s) or encourages some other kind of action

11 C.F.R. § 100.22(b) (emphasis added)

The Agenda 101 advertisement did not fall within the boundaries of "electioneering" established in Furgatch and Commission regulations. Most importantly, the advertisement's sole call to action was for viewers to contact Hutchinson and urge him to adopt new policy and legislative positions. Thus, under the Commission's regulatory test, as well as under Furgatch, the ad did not contain an electioneering message because it encouraged the viewer to "some other kind of action" other than voting.

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In this important respect the Agenda 101 advertisement was significantly different from the advertisement that was at issue in Furgatch. Unlike the Agenda 101 advertisement that contained a clear call to action, in Furgatch the court found that the advertisement was "bold in calling for action, but fails to state expressly the precise action called for, leaving an obvious blank that the reader is compelled to fill in." Id. at 865. Noting that the advertisement simply told the public "[d]on't let him do it," the Ninth Circuit found itself "presented with an express call to action, but no express indication of what action is appropriate." Id. After reviewing and ruling out all possible non-electoral actions that the ad could have encouraged (impeachment, judicial or administrative action), the Ninth Circuit was left to conclude that "the only way to not let him do it was to give the election to someone else." Id.

In contrast to Furgatch, in the instant matter there is no ambiguity as to what action the advertisement encouraged. The advertisement's call to action unambiguously asked viewers to call Hutchinson to express their displeasure with his policy position on several issues of central importance in the current political and policy debate.

Second, the central question in reviewing this advertisement is not whether it portrayed Hutchinson unfavorably. It is quite typical -- and not forbidden -- for issue advocacy advertisements to be harsh in words and tone. In fact, Furgatch instructs courts and the FEC to focus on what the advertisement urges the viewer to do rather than on the negative claims or tone of the ad. 807 F.2d at 864. ("[T]he pivotal question is not what the reader should prevent Jimmy Carter from doing, but what the reader should do to prevent it.") In this case, it is clear that the only "call to action" involved telephoning Hutchinson and urging him to change his position on Medicare, education and taxes. Similarly, both the Furgatch opinion and the Explanation and Justification for the Commission's regulatory definition make clear that when evaluating an advertisement the most important consideration is its objective content, rather than the subjective intent of its sponsor. See Furgatch, 807

F 2d at 863; 60 F.R. 35292, 35295 (July 6, 1995) In this instance, the advertisement speaks for itself -- its is an issue ad.

Finally, in considering this matter, the Commission should be mindful of the Ninth Circuit's admonition that "if any reasonable alternative reading of speech can be suggested, it cannot be express advocacy." Id. In this case the most reasonable reading of the advertisement is a reading of the plain text, a reading of what the ad in plain English actually communicates

B. The Agenda 101 Advertisement Included a Proper Call to Action

As noted above, the NRSC places its primary focus on the advertisement's "call to action." Specifically, the NRSC argues that the call to action -- "[c]all Tim Hutchinson and tell him to stop listening to Newt and start listening to us" -- was insufficient because it did not refer to a particular piece of legislation that was currently pending before Congress. The NRSC's objection is without merit.

Advisory Opinion 1995-25 does not require the Party to employ a call to action that is limited to specific, pending legislation. One could imagine, for example, a call to action asking viewers to pressure a candidate through telephone calls to commit -- before an election -- to adhere to a particular legislative position if and when he or she is elected. For example, a proper issue ad could include the following call to action: "Call John Smith and ask him to promise that, if elected, he won't raise gasoline taxes." Such a call to action would be appropriate even if no such tax increase was currently before Congress and even if Candidate Smith was not currently a Member of Congress. Similarly, permissible would be a call to action (like the one in Christian Action Network) that simply implores viewers to contact the advertisement's sponsor for more information. In short, the propriety of a given call to action that is intended to influence future public policy does not rest upon Congress' current legislative calendar.

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This is especially the case with respect to ads by political parties. The fact is that parties have platforms containing numerous policy positions not directly tied to pending legislation and they certainly have the right to attempt to influence the legislative process by framing the issues that will likely be advanced in the future, even if those issues are not currently in concrete legislative form before Congress.

For example, as noted, the policy items mentioned in Agenda 101 advertisements are consistent with the Democratic Party's Families First Agenda. Some of the items in the agenda -- such as "more cops on the beat" -- have been the subject of legislation in the past. Others -- such as "tax deductions for job training and college" -- may well be the subject of future legislation. Still others -- such as "environmental responsibility" -- simply reflect a policy commitment of the Party, unconnected to any particular piece of legislation. Parties have a legitimate interest in advancing all three of these types of policy objectives with equal vigor. The fact that some are connected to concrete pieces of proposed legislation while others reflect the policy commitment that may be applied to a number of possible bills is of no legal significance. What is important is the Party's ability to promote its ideas (as opposed to its candidates) and to pressure candidates in mid-election to commit to those policy positions. The Court in Buckley and elsewhere has guaranteed this right without government intrusion or interference. The Furgatch Court reaffirmed this right and made it clear that a more fluid "electioneering message test" should not be construed to burden protected issue communication. 807 F.2d at 864.

In sum, if, as the Furgatch court held, there are no "magic words" required for "express advocacy," then there is certainly no one formula for a call to action. The call to action in this case asked viewers to contact a sitting Member of Congress and candidate for Senate to pressure him on several policy matters that were and are central in the national political debate -- protecting Medicare and education and opposing large tax breaks for the rich. These issues, and the Agenda 101 advertisement, fall squarely within the legislative and

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policy agenda the Party seeks to advance. The promotion of these ideas through ads such as Agenda 101, helps build the Democratic Party generically by generating popular support among the public for its ideas and initiatives. It also strengthens the Party by forcing Republican candidates to commit to supporting these policies if and when they are elected. In short, actively addressing the Republicans' position on Medicare and education by having viewers call Republican candidates is important for the advancement of the Party's agenda in the 105th Congress and beyond as it was to the advancement of the agenda in the 104th. As such the Agenda 101 advertisement qualifies as issue advocacy protected by the First Amendment.

C. The Agenda 101 Advertisement Contained the Correct Disclaimer and was Properly Financed

In Advisory Opinion 1995-25 the Commission concluded that advertisements advocating a party's legislative agenda should be characterized "as administrative costs or generic voter drive costs." That is precisely what was done in this instance. The Party treated these costs as administrative/Party building and they were paid for under the appropriate state allocation formula accordingly. 11 C.F.R § 106.5(d). In addition, the Agenda 101 advertisement contained an appropriate disclaimer which stated that it was paid for by the Party.

D. The Placement of the Agenda 101 Advertisement and any Coordination Between the Party and Campaign is not Relevant

In addition to addressing the "call to action" requirement of Advisory Opinion 1995-25, the NRSC's complaint includes a brief discussions of two "facts" of no particular import or consequence to the determination of this matter. Specifically, the NRSC argues that the "placement" of the advertisement (i.e. the media markets in which it aired) and alleged "coordination" between the Party and the Winston Bryant campaign both support its complaint. The NRSC is mistaken on both counts.

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There is no legal basis to support the NRSC's assertion that issue ads mentioning a specific public official may only be aired in his or her electoral district. As noted above, the Agenda 101 advertisement, like all issue advertisements, sought to promote the Party's policy agenda in several ways. It is true that one manner of advancing that agenda is to place direct pressure on Members of Congress or other elected public officials via their own constituents. However, there are other, more important, objectives that advertisements such as this one serve.

Advertisements like Agenda 101 place pressure on candidates to take public stands on issues -- like cutting education and Medicare -- that are central to the Party's overall policy agenda. It is precisely at that time -- when candidates are facing the electorate -- that a political party is best able to achieve policy concessions from opposing candidates. Thus the fact that this advertisement ran statewide is not surprising given that the Party was trying to gain concessions from Senate candidate Hutchinson on policies of great import to the Democratic Party.

Also, although naming one particular candidate, advertisements such as this one also educate the public on policies that are important to the Party. By forcing candidates and public officials of both parties to address issues of importance to the Democratic Party, the Party achieves an important end in party building. This is especially true where, as here, the advertisement encourages public action on these issues. By directing the public to call Hutchinson about these issues, the Party is both able to exact policy concessions from him as well as inform and excite the public about Democratic issues.²

² In fact, it was widely reported that the Democratic Party was quite successful in achieving this goal of gaining legislative and policy concessions. For example, one recent news article noted that "anger over Republican proposals to curb Medicare spending pushed both parties away from any plans to cut either that program or the larger Social Security entitlement." U.S. Elections: Labor, Business Both Claim Victory In Vote, Inter Press Service (Nov. 6, 1996) (attached at Tab B). Similarly, issue advertisements regarding the minimum wage were largely credited with the Republicans Congress' sudden willingness to raise it late in the session. (See articles attached at Tab C.)

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The logical result of this education/excitement is higher rates of participation in Democratic Party affairs and greater generic support for all Democratic candidates, federal and non-federal alike. As the Commission knows, polling firms employed by the candidates, parties and the media regularly track "generic" party preferences because overall support for a party's candidates shifts with the party's association with particular issues. This "generic" party shift in 1996 aided Democratic successes in House (gained 8 seats) and State legislative contests (gained control of 8 state legislative chambers).

The NRSC's second objection -- that the advertisement was coordinated with the Bryant campaign -- is simply a red herring meant to distract the Commission from the legally relevant issue in this matter. The Agenda 101 advertisement does not purport to be an independent expenditure, and thus coordination between the Party and its candidates is simply irrelevant. To the contrary, it should come as no surprise that the Party and its candidates might share common consultants and might even coordinate the methods they will use to promote the Party's current policy agenda. It is the traditional role of parties to formulate and coordinate message and platform positions with and for their candidates. In fact, at the time the Commission issued Advisory Opinion 1995-25, Commission regulations presumed that parties always acted in coordination with their candidates and were incapable of independence. This fact alone -- that parties and candidates coordinate -- is irrelevant to the question of whether parties can engage in advocating issue positions.

In sum, candidates are, and should be, involved with the Party in formulating its issues strategy. That does not alter or affect Agenda 101's status as an issue advertisement. In fact, as discussed above, in Furgatch the Court explicitly disavowed any Commission attempt to delve into the "intent" of the ad's sponsor. 807 F.2d at 863. What is important is the advertisement's message -- not how it was produced, or who was involved in the production. When viewed in this light, it is clear that the Agenda 101 advertisement is a properly financed issue advertisement.

II. A Broad Construction of "Express Advocacy" that Prohibits The Agenda 101 Advertisement Would Violate the Party's First Amendment Rights

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In suggesting that the Agenda 101 advertisement should have been treated by the Party as an expenditure under section 441a(d) rather than an administrative or Party building expense the NRSC clearly hopes to rely upon an unprecedented application of the "express advocacy" standard that would encompass a free floating and ambiguous notion of "electioneering." The courts, however, have constantly held that the First Amendment requires that limitations on political speech must be construed as narrowly as possible. Courts have routinely found that the narrowest limit on speech necessary to accomplish the Act's goals is the express advocacy standard construed and applied conservatively. Moreover, courts have found the application of an elastic electioneering message standard to political speech unconstitutionally vague -- and thus violative of the Fifth Amendment.

In addition, the result of the NRSC's arguments would be that the FEC would discriminate against political party committees by holding them to a higher standard of issue advocacy than it holds other non-party committees financing similar issue advertisements. As a result of several court decisions, the Commission has applied the express advocacy test to other committees, and notions of equal protection require the Commission to act accordingly in this instance.

When viewed through the proper legal lens, it is clear that the Agenda 101 advertisement was properly financed and accounted for by the Party because it did not "expressly advocate" the election or defeat of any clearly identified candidate for federal office. Instead, the advertisement focused on, and attempted to influence legislative and policy positions of import to the Party. Because such conduct is lawful, the NRSC's complaint should be dismissed.

A. Only the Express Advocacy Standard Is Sufficiently Narrowly Tailored to Survive the Strict Constitutional Scrutiny Applied to Restrictions on the First Amendment

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The First Amendment of the United States Constitution embodies a "profound national commitment to the principle that debate on public issues should be uninhibited, robust, and wide-open." New York Times v. Sullivan, 376 U.S. 254, 270 (1964). Political expression, including discussion of public issues and debate on the qualifications of candidates, enjoys extensive First Amendment protection. FEC v. Christian Action Network, 894 F. Supp. 946, 952 (W.D. Va. 1995), aff'd, No. 95-2600, 1996 U.S. App. LEXIS 19047 (4th Cir. Aug. 2, 1996). Maine Right to Life Comm. v. FEC, 914 F. Supp. 8 (D. Me. 1996). FEC v. American Federation of State, County and Municipal Employees, 471 F. Supp. 315 (D.D.C. 1979). The Supreme Court has held that this First Amendment protection imposes significant restrictions on the powers of state and federal government to regulate contributions and expenditures for political purposes. Buckley v. Valeo, 424 U.S. 1 (1976). Brownsburg Area Patrons Affecting Change v. Baldwin, No. 96-1357-CH/G, 1996 U.S. Dist. LEXIS 15827 (S.D. Ind. Oct. 23, 1996). Specifically, the First Amendment requires courts to "apply the most exacting scrutiny to regulations that suppress, disadvantage, or impose differential burdens upon speech because of its content." Turner Broadcasting Sys., Inc. v. FCC, 512 U.S. 622, 114 S. Ct. 2445, 2459 (1994). "Exacting scrutiny" requires that restrictions on political speech serve a "compelling government interest" in order to avoid unconstitutionality. Buckley v. Valeo, 424 U.S. at 22-25.

As noted above, courts have long recognized that communications on public issues must be afforded the broadest possible protection under the First Amendment. One result of this broad protection is that even when issue communications address widely debated campaign issues and draw in a discussion of candidate's positions on particular issues, courts have held that these communications are not subject to regulation under the FECA. See, e.g., Buckley, 424 U.S. at 42; Christian Action Network, 894 F. Supp. at 951.

Indeed, the Court in Buckley recognized that in light of the "intimate tie" between public issues and candidates it is frequently difficult to distinguish between issue and election of advocacy at all:

[T]he distinction between discussion of issues and candidates and advocacy of election and defeat of candidates may often dissolve in practical application. Candidates, especially incumbents, are intimately tied to public issues involving legislative proposals and governmental actions. Not only do candidates campaign on the basis of their positions on various public issues, but campaigns themselves generate issues of public interest.

Buckley, 424 U.S. at 42.

In light of the inevitable difficulty in distinguishing between the discussion of issues and the advocacy of candidates, courts have consistently held that the First Amendment demands that issue advocacy be protected from regulation even if the speech could influence the election.

Public discussion of public issues which also are campaign issues readily and often unavoidably draws in candidates and their positions, their voting records and other official conduct. Discussions of those issues, and as well more positive efforts to influence public opinion on them, tend naturally and inexorably to exert some influence on voting at elections.

Buckley, 424 U.S. at 42 n. 50 (quotations omitted). Notwithstanding this inevitable influence on elections, application of a conservative, closely drawn express advocacy standard "is consistent with the firmly established principle that the right to speak out at election time is one of the most zealously protected under the Constitution." FEC v. Central Long Island Tax Reform, 616 F.2d 45, 53(1980). As one District Court confronting this precise issue recently stated:

FEC restriction of election activities was not to be permitted to intrude in any way upon the public discussion of issues. What the Supreme Court did was draw a bright line that may err on the side of permitting things that affect the election process, but at all costs avoids restricting in any way, discussion of public issues. . . . The result is not very

satisfying from a realistic communications point of view and does not give much recognition to the policy of the election statute to keep corporate money from influencing elections in this way, but it does recognize the First Amendment interest as the Court has defined it.

Maine Right to Life, 914 F. Supp. at 12 (emphasis added).

Thus, the courts have strictly limited the definition of express advocacy to those instances in which the communication both clearly identifies a candidate and includes explicit words advocating the election or defeat of that candidate. In Christian Action Network, for example, the court held that an advertisement criticizing the Democratic agenda on homosexual civil rights was protected issues advocacy. While the ads clearly identified a candidate and, when viewed in context, were clearly hostile towards President Clinton's position on the issue, the court concluded that because they did not "exhort[] the public to vote" a particular way they did not constitute express advocacy. Christian Action Network, 894 F. Supp. 946, 953. Recognizing the broad scope of protection afforded issue communications, the Fourth Circuit affirmed the lower court's decision, stating that "it would be inappropriate for us, as a court, to even inquire whether the identification of a candidate as pro-homosexual constitutes advocacy for, or against, that candidate." 1996 U.S. App. LEXIS 19047 at *4. Thus, consistent with Buckley, the Fourth Circuit concluded that even the exercise of evaluating whether a given issue ad is "for" or "against" a particular candidate would impinge on the ad sponsor's First Amendment rights absent clear words of express advocacy.

Similarly, in AFSCME the court held that a poster of a clearly identified candidate that did not also contain an exhortation to vote for or against that candidate was a protected issue communication under the First Amendment. In so holding, the court noted that "although the poster includes a clearly identified candidate and may have tended to influence voting, it contains communication on a public issues widely debated during the campaign. As such, it is

the type of political speech which is protected from regulation under 2 U.S.C. § 431."

AFSCME, 471 F. Supp. at 317.

In fact, courts have protected issue communications from regulation even where they raise highly controversial issues or express disfavor with a particular candidate's position:

[T]here is no requirement that issue advocacy be congenial or non-inflammatory. Quite the contrary, the ability to present controversial viewpoints on election issues has long been recognized as a fundamental First Amendment right.

Christian Action Network, 894 F. Supp. at 954-55 ("It is clear from the cases that expressions of hostility to the positions of an official, implying that [the] official should not be reelected -- even when that implication is quite clear -- do not constitute the express advocacy which runs afoul of [the FECA]").

B. An Elastic Electioneering Message Standard is Unconstitutionally Vague

There is a second, related reason why an elastic and subjectively applied "electioneering message" standard must be rejected here. The Supreme Court has long held that because the right to free political expression is at the core of the First Amendment "[a] statute which upon its face . . . is so vague and indefinite as to permit the punishment of the fair use of this opportunity is repugnant to the guarantee of liberty contained in the [Fifth] Amendment." Baggett v. Bullitt, 377 U.S. 360, 372 n.10 (1964). Because of this, the Court has consistently held that "standards of permissible statutory vagueness are strict in the area of free expression." NAACP v. Button, 371 U.S. 415, 432 (1963), see also Baggett, 377 U.S. at 372. The test for constitutional vagueness is whether the statute or regulation forbids the "doing of an act in terms so vague that men of common intelligence must necessarily guess at its meaning and differ as to its application." Connally v. General Constr. Co., 269 U.S. 385, 391 (1929).

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This problem of vagueness is precisely the one that caused the Supreme Court in Buckley to hold that the Act's expenditure limitations "must be construed to apply only to expenditures for communications that in express terms advocate the election or defeat of a clearly identified candidate for public office " 424 U.S. at 44. In adopting this limiting construction, the Court expressed concern -- directly implicated in this matter -- that the Act's expenditure limitations might inhibit the free discussion and debate of issues and candidates

[T]he distinction between discussion of issues and candidates and advocacy of election or defeat of candidates may often dissolve in practical application. Candidates, especially incumbents, are intimately tied to public issues involving legislative proposals and governmental actions. Not only do candidates campaign on the basis of their positions on various issues, but campaigns themselves generate issues of public interest.

Id. at 42 (note omitted). In sum, as the Supreme Court later concluded, "Buckley adopted the 'express advocacy' requirement to distinguish discussion of issues and candidates from more pointed exhortations to vote for particular persons " FEC v. Massachusetts Citizens for Life, Inc., 479 U.S. 238, 249 (1986).

It is just this distinction -- between the discussion of issues and candidates on the one hand and "exhortations to vote for particular persons" on the other -- that controls the outcome of this matter. There is no question that in the Agenda 101 advertisement the Party staked out a clearly delineated, and strongly expressed, position with respect to Hutchinson's support for certain issues. However, "[i]n Buckley, the Court agreed that funds spent to propagate one's views on issues without expressly calling for the election or defeat of a clearly identified candidate are not covered by the FECA. " FEC v. NOW, 713 F. Supp. 428, 434 (D.D.C. 1989).

The adoption of the bright-line express advocacy test in lieu of a vague, free-floating "electioneering" test that is vulnerable to subjective application reflects the fundamental rule that First Amendment rights cannot be burdened by the prospect that the government may

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later determine that certain political speech was in fact unlawful. A standard that empowers the government to make post hoc judgments about the lawfulness of political speech violates the Fifth Amendment's guarantee of due process. "Where a vague statute abut[s] upon sensitive areas of basic First Amendment freedoms, it operates to inhibit the exercise of [those] freedoms. Uncertain meanings inevitably lead citizens to steer far wider of the unlawful zone than if the boundaries of the forbidden areas were clearly marked." Grayned v. City of Rockford, 408 U.S. 104, 109 (1972) (notes, internal quotations and citations omitted).

The vague standard urged by the NRSC lacks sufficiently clear and well marked boundaries so as to provide ample fair warning regarding the contours of the law. For this reason, courts starting with the Supreme Court in Buckley have squarely rejected a more subjective standard in favor of the bright line express advocacy standard. As Judge Oberdorfer recently stated in another case involving the FEC:

[I]n this sensitive political area where core First Amendment values are at stake, our Court of Appeals has shown a strong preference for "bright-line" rules that are easily understood and followed by those subject to them -- contributors, recipients, and organizations. As the Court of Appeals has explained, "an objective test is required to coordinate the liabilities of donors and donees. The bright-line test is also necessary to enable donees and donors to easily conform to the law and to enable the FEC to take the rapid, decisive enforcement action that is called for in the highly-charged political arena."

FEC v. GOPAC, Inc., 94-0828-LFO, 1996 U.S. Dist. LEXIS 2181 (D.D.C. Feb. 29, 1996) (citations omitted).

Other courts have expressed a similar preference for bright line rules in this area. For example, in Christian Action Network, both the District Court and Fourth Circuit rejected the FEC's attempt to apply the electioneering message test to an anti-Clinton "issue advertisement" on gay rights. Citing Buckley, the District Court noted that "[w]hat one person sees as an exhortation to vote . . . another might view as a frank discussion of political issues." 895 F. Supp. at 957. Continuing, the court stated that "[b]y creating a bright-line

rule, the Court [in Buckley] ensured, to the degree possible, that individuals would know at what point their political speech would become subject to governmental regulation." Id. at 958.

Similarly, in Maine Right to Life, the District Court rejected a similar attempt to interpose to vague electioneering message standard. Discussing the Supreme Court's ruling in Buckley, the District Court concluded

The Court seems to have been quite serious in limiting FEC enforcement to express advocacy, with examples of words that directly fit that term. The advantage of this rigid approach, from a First Amendment point of view, is that it permits a speaker or writer to know from the outset exactly what is permitted and what is prohibited. In the stressful context of public discussions with deadlines, bright lights and cameras, the speaker need not pause to debate the shades of meaning in language.

914 F. Supp. at 12

A vague electioneering message test defeats the central purpose of the express advocacy standard by creating ambiguity where the Court had clearly intended that there be certainty. By reintroducing post hoc agency judgment into the process, the electioneering message standard recreates the unconstitutionally vague legal regime that the Buckley Court rejected twenty years ago.

In this case, the Party had a right to rely upon a bright line test to determine with certainty -- before it financed the Agenda 101 advertisement -- whether its conduct was lawful. Only a closely drawn, and well-delineated standard of express advocacy can provide the requisite certainty. The lesser standard advocated by the NRSC would once again leave political parties in the untenable and unconstitutional position of having to guess whether its speech was lawful prior to engaging in political speech.

C. Application of A Vague "Electioneering Message" Standard to Political Parties Would Violate the Constitution's Equal Protection Guarantee

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The touchstone of equal protection is the concept that those similarly situated must receive equal treatment under the law and that the government must "apply its legislation and actions evenhandedly to all persons similarly situated in a designated class " Guarino v. Brookfield Township Trustees, 980 F.2d 399, 410 (6th Cir. 1992), see also Bolling v. Sharpe, 347 U.S. 497 (1954). Under equal protection analysis, the court's level of review depends on the right infringed upon by the law. Rolf v. City of San Antonio, 77 F.3d 823 (5th Cir. 1996). Where, as in this case, the right infringed upon is considered a fundamental constitutional right, the courts will apply strict scrutiny analysis. Id. In sum, strict scrutiny analysis requires the state to show that the law advances a compelling state interest and that the law is narrowly tailored to meet that interest. Fulani v. Krivanek, 973 F.2d 1539 (11th Cir. 1992).

Application of a vague and subjective "electioneering message" test to the Agenda 101 advertisement in this situation would violate the equal protection component of the Fifth Amendment where courts, and the FEC, have applied the "express advocacy" standard in analogous situations in the past. See, e.g., Central Long Island Tax Reform, 616 F.2d 45; Maine Right to Life Comm. v. FEC, 914 F. Supp. 8; Christian Action Network, 894 F. Supp. 946; NOW, 713 F. Supp. 428; FEC v. American Federation of State, County and Municipal Employees, 471 F. Supp. 315. There simply is no compelling interest served by the application of a vague "electioneering message" standard to party committees where the express advocacy standard has been routinely applied to non-party political entities. Id. Both the Party and non-party organizations like the Christian Action Network and Maine Right to Life have as their mission, in large measure, to advance their political ideas and objectives. Yet the NRSC would have the Commission apply the express advocacy standard to its non-party political supporters while applying a more flexible, uncertain and subjective standard to the Party. That result clearly violates the Fifth Amendment's equal protection guarantee.

Indeed, the Supreme Court has recently rejected precisely this kind of targeting of political party committees in Colorado Republican Fed. Campaign Comm. v. FEC, 116 S. Ct. 2309 (1996). In that case, the Court rejected the FEC's attempt to discriminate against political parties, stating, "[w]e do not see how a Constitution that grants to individuals, candidates, and ordinary political committees the right to make unlimited independent expenditures could deny the same right to political parties." Id. at 4667. Similarly in this instance, it is a denial of the equal protection of the law for the NRSC to argue that political parties enjoy a lesser right to produce and finance issue advertisements than does the Christian Action Network or other similarly situated organizations.

D. The Agenda 101 Advertisement did not Expressly Advocate the Election or Defeat of a Clearly Identified Candidate

There can be no doubt that the Agenda 101 advertisement did not constitute "express advocacy" as defined in Buckley and later applied in cases such as Christian Action Network. As the court stated in Christian Action Network, "the advertisements were devoid of any language that directly exhorted the public to vote. Without a frank admonition to take electoral action, even admittedly negative advertisements such as these, do not constitute 'express advocacy' as that term is defined in Buckley and its progeny." 894 F. Supp. at 953. While the Agenda 101 advertisement might have associated Representative Hutchinson with unpopular legislative proposals in an effort to cause him to reverse direction, "nowhere in the commercial were viewers asked to vote against [him]." Id. Indeed, as in Christian Action Network, the only call to action was for viewers to make a telephone call to express their opinion. In this case, viewers were asked to call Hutchinson directly to voice their opposition to the proposed legislative actions mentioned in the advertisement.

Nor is it relevant that the Agenda 101 advertisement clearly expressed a negative opinion about those politicians, such as Newt Gingrich and Tim Hutchinson, who supported cutting funding for Medicare and education. "There is no requirement that issue advocacy be

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congenial or non-inflammatory. Quite to the contrary, the ability to present controversial viewpoints on election issues has long been recognized as a fundamental First Amendment right." Id. at 955. In sum, as the Court stated in Christian Action Network, "even if one views the advertisement's [call to action] as dubious or juvenile baiting, it cannot reasonably be said that the import of the ads was to instruct the public on how they should vote." Id. at 954.

The plain fact is that the Agenda 101 advertisement did not expressly advocate the election or defeat of a clearly identified candidate for federal office. Nowhere in the ad were voters told to "vote for," "vote against," "elect," or "defeat" any candidate in any election for federal office. Instead, viewers were expressly asked to "call" Representative Hutchinson and express their opposition to legislative position he had previously taken on specific issues of enduring national importance to the Party and public. Issue advocacy such as this is clearly protected by the First Amendment and outside the scope of the FECA.

CONCLUSION

For the foregoing reasons, MUR 4472 should be dismissed.

Respectfully submitted,



Robert F. Bauer

Marc E. Elias

PERKINS COIE

607 Fourteenth Street, N.W.

Washington, D.C. 20005-2011

(202) 628-6600

Attorneys for Democratic State Party of Arkansas

We stopped by to talk to you about what counts to your family.

It's been a tough year for middle-class families. The Republicans have gone too far—sacrificing the things that make a difference to you.

We're fighting back with a moderate, common-sense, pro-family agenda: The Democratic Families First Agenda.

We created it to make a difference where it counts most—in your everyday life.

SECURITY for a healthy, safe family

A healthy start with available, affordable children's health care

Safer families...more cops on the beat...keep kids out of gangs and off the streets...drug enforcement and prevention

Paycheck security...affordable child care...ban imports using child labor...fair pay for women

Dependable retirement...protect your pension savings, Social Security, and Medicare...better access and protection of women's pensions

OPPORTUNITY for a better future

Create jobs at home...boost small businesses...invest in our communities

Affordable education...scholarships to make the first two years of college free...tax deductions for job training and college

RESPONSIBILITY from all of us

Balanced budget without harming Social Security and Medicare

Corporations with a conscience...environmental responsibility...no tax breaks for moving American jobs overseas

Personal responsibility...welfare reform that requires work...crack down on deadbeat parents...prevent teen pregnancy

Vote to make a real difference in your everyday life.

VOTE DEMOCRATIC.

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FAMILIES FIRST

The 21 points of the "Families First" campaign agenda Democrats' announced yesterday in their effort to win back control of the House and Senate:

GOVERNMENT RESPONSIBILITY

- Balancing the federal budget without making deep cuts in Medicare, education and environmental protection by closing tax loopholes, eliminating needless corporate subsidies, making cost-saving reforms in government programs, requiring allies to share more of the costs of defending democracy around the world and rooting out fraud and abuse in Medicare and Medicaid.

PERSONAL SECURITY

- Putting more police on the beat by extending for two years and adding 25,000 police officers to President Clinton's crime-fighting program aimed at placing 100,000 police officers in neighborhoods
- Offering incentives to keep youngsters off the streets and out of gangs and giving judges more flexibility in dealing with young offenders.
- Keeping drugs out of schools by testing previous drug offenders

INDIVIDUAL RESPONSIBILITY

- Reforming welfare to require work and temporarily providing the child care, health care and training needed to make the transition; getting tough on "deadbeat parents" by giving states new tools to enforce and collect child support, and requiring people who agree to sponsor legal immigrants to take responsibility.
- Creating a national effort to prevent teenage pregnancy.

EDUCATIONAL OPPORTUNITY

- Allowing a \$10,000 tax deduction for college and job training and permitting recent graduates paying off interest on student loans to take the deduction as well, a program proposed by Clinton.
- Providing a \$1,500 tax credit for the first two years of college for students who keep a B average and stay off drugs, also something Clinton has proposed.

ECONOMIC OPPORTUNITY

- Helping small businesses by offering tax relief for family-owned businesses handed from one generation to the next and by giving tax breaks for investments in new machinery and equipment.
- Encouraging special state investment funds to repair and maintain roads, bridges and water treatment systems. This expands a Clinton proposal.

CORPORATE RESPONSIBILITY

- Protecting workers' pensions by ending pension raiding by corporations and reporting any misuses of a pension fund
- Holding corporations accountable for keeping air and drinking water clean
- Ending tax breaks for companies that move U.S. jobs overseas.

PAYCHECK SECURITY

- Better enforcement of laws requiring equal pay for women and offering voluntary "fair pay" guidelines for businesses
- Bigger tax breaks for child care costs.
- Banning imports made with child labor.

HEALTH CARE SECURITY

- Requiring insurance companies to offer children-only health plans so children cannot be denied coverage or dropped if they get sick and assisting working families to make the policies affordable.

RETIREMENT SECURITY

- Protecting pensions with stiffer penalties for corporate abuse of pension funds.
- Allowing workers to carry pension plans from job to job
- Expanding pension coverage by making it easier for small businesses to offer pensions and expanding Individual Retirement Accounts to another 20 million families earning up to \$100,000 a year.
- Protecting widows from losing pension benefits by developing standard, easy-to-read consent forms that companies selling pensions must use.

Democrats' Agenda Aims for the Middle

In Bid to Regain Control, Hill Leaders Cultivate a Family-Friendly Image

By John E. Yang
Washington Post Staff Writer

House and Senate Democrats unveiled a 21-point congressional campaign agenda yesterday, as they seek to move the party to the political center and appeal to swing middle-class voters in an effort to regain control of Congress in this fall's elections.

The agenda is made up of items intended to make a real difference in

average people's lives—protecting workers' pensions, tax breaks for education costs and bigger tax breaks for child-care costs. Few are new and many have already been proposed by President Clinton or Democratic lawmakers.

"Democrats are asking for another chance to lead," House Minority Leader Richard A. Gephardt (D-Mo.) said during the 75-minute live television production announcing the agenda. "Our sole and simple mis-

sion would be to help families caught in the middle-class squeeze."

"What we're proposing is an agenda for families who are struggling to make it—not just the lucky few," said Senate Minority Leader Thomas A. Daschle (D-S.D.).

The agenda, reminiscent of the House Republicans' 1994 campaign "Contract With America," represents the party's effort to shed its

See AGENDA, A4, Col. 1

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Democrats Unveil Agenda Aimed at Middle Class

AGENDA, From A1

public image as the party of big government and position itself in the voters' minds as the defender of average Americans.

Democrats reject comparisons to the GOP contract so strongly that some call their agenda the "Uncontract." Yesterday's announcement in the white clapboard Old Town Hall in Fairfax—just beyond the Beltway—was meant to contrast with the grand 1994 GOP ceremony in which Republican House members and candidates signed their contract at the Capitol's West Front.

While there will be no similar effort to get all Democratic lawmakers and congressional candidates to sign the agenda, House candidates have been briefed on it and have been advised how to incorporate it into their campaigns. This week, the Democratic Party is to roll out television

commercials centered around the plan.

Gephardt, the agenda's chief architect, acknowledged that Democrats lost control of Congress in 1994 because they "didn't do enough to address" middle-class concerns when they ran the House and Senate.

"It's the right direction," said Charles E. Cook, a veteran political analyst who closely tracks House and Senate campaigns. "Whether it's enough, whether they're going to grab people's attention with this, we'll have to see."

The effort begins as the Democrats' prospects of wresting control of at least one chamber of Congress appear to be brightening. Public opinion polls show growing unhappiness with the majority Republicans in Congress. Cook puts the Democrats' chances of winning the 20 seats they need to control the House at about even, up from one in four just three months ago.

After highlighting the Democrats' efforts to block GOP policies on Medicare, taxes, education and environmental protection, Gephardt said the party wanted to offer a positive message as well.

"Democrats have an obligation to tell the American people not just what we stand against, but what we stand for," he said. "You see, Democrats don't want to merely win back the gavel, we want to deserve it."

The agenda is a Gephardt-led attempt to redefine the Democratic Party's image after the conservative electoral tide swept them from control of the Congress two years ago. For months, House and Senate Democrats have tried to define the party's basic principles and build an agenda that reflect them. In the past six weeks, many House Democrats met with constituents to solicit their views of what should be included.

Republicans quickly dismissed the

Democrats' effort. "The American people are smart enough to see this election-year rhetoric for what it is—visionless hot air," said House Republican Conference Chairman John A. Boehner (Ohio).

Only the agenda's broad points were announced yesterday. Detailed legislation is to be released later this week, Gephardt said, but will not be formally introduced in Congress until next year.

To highlight the Democrats' effort to diminish the emphasis on Washington and government programs, Gephardt and Daschle hosted the program, seen live on C-SPAN, from Fairfax, which is represented by Rep. Thomas M. Davis III (R-Va.).

The two leaders, seated side-by-side in their shirt sleeves like television talk show co-hosts, were linked by satellite with Democratic lawmakers and House candidates and citizens at a Sacramento high school, a Houston children's hospital, a Des Moines college campus and a Dearborn, Mich., living room. As babies squealed and fussed in the background, selected citizens at those sites told of troubles paying for college tuition or health care for children and asked how the Democratic agenda would address those problems.

For all the grass-roots appeal, though, the carefully scripted event had the artificial feel of a television infomercial as Gephardt and Daschle read their responses to citizens' questions from TelePrompTers. Taped video presentations narrated by the two leaders introduced each segment.

The event kicked off a week-long effort to promote the agenda. Today, Gephardt will hold events in Pennsylvania and North Carolina and on Wednesday he will give what is being billed as a major speech to promote the agenda. House Democrats are being encouraged to go door-to-door next weekend in their districts to talk about the plan.

"We're going to take this to the people, one-on-one," Gephardt said. "It's harder to win back the House than it is to hold on to it."

FOR MORE INFORMATION

To discuss the "Families First" agenda with Rep. Richard A. Gephardt on-line, see The Post's site on the World Wide Web at <http://www.washingtonpost.com>

THE FAMILIES FIRST AGENDA	ANTI-FAMILY AGENDA OF GINGRICH-DOLE 104TH CONGRESS
<p><u>Paycheck Security</u></p> <p>✓Includes an initiative to <u>increase</u> paycheck security by such proposals as: a) banning imports made with illegal child labor from abroad to ensure fairer competition for American workers; b) better ensuring that women workers are being paid what they deserve through stiffer enforcement of equal pay statutes; and c) providing a bigger tax break for parents paying for child care</p>	<p><u>Paycheck Security</u></p> <p>✓Voted to <u>decrease</u> paycheck security, by such votes as: a) voting to <u>increase</u> taxes on working families by a total of \$32.4 BILLION over seven years through cutbacks in the Earned Income Tax Credit, thereby increasing the taxes of 7.7 million working families earning less than \$28,000 a year; and b) voting to <u>cut</u> child care funding for those moving from welfare to work by over \$2 BILLION</p>
<p><u>Health Care Security</u></p> <p>✓Includes an initiative to <u>expand</u> current health care coverage for children, by requiring private insurance companies to offer special "kids-only" plans, ensuring that children can't be denied health coverage or dropped from coverage if they get sick, and offering assistance to working families to help make kids-only policies affordable</p>	<p><u>Health Care Security</u></p> <p>✓Voted to <u>cut back</u> on current health care coverage for children, by eliminating the guarantee of coverage for 18 million vulnerable children</p> <p>✓Also voted to cut funding for the health care program that covers vulnerable children by a total of \$163 BILLION over seven years</p>
<p><u>Retirement Security</u></p> <p>✓Includes an initiative to reform pensions including better preventing corporate raids on workers' pension plans by ensuring that prohibitive excise taxes imposed on company withdrawals of "surplus" funds are <u>not</u> reduced; enhancing pension protection by requiring plan administrators to report promptly the misuse of pension funds; expanding pension coverage by offering small businesses 401(k) plans; and providing for the portability of pensions</p>	<p><u>Retirement Security</u></p> <p>✓Voted to once again allow for corporate raids on workers' pension plans, by drastically reducing the prohibitive excise taxes that had been imposed on company withdrawals of "surplus" funds from pension plans in 1990</p> <p>✓Voted a second time to once again allow for corporate raids on workers' pension plans by reducing the excise taxes (although this time placed certain restrictions on use of the "surplus" funds)</p>
<p><u>Personal Security</u></p> <p>✓Includes a commitment for full funding of the 100,000 Cops-on-the-Beat program and also provides for a two-year extension -- bringing the total number of additional police officers to 125,000</p> <p>✓Includes full funding for the Safe and Drug-Free School Act -- to better ensure that schools are a safe environment in which children can learn</p>	<p><u>Personal Security</u></p> <p>✓Voted to <u>eliminate</u> the 100,000 Cops-on-the-Beat program and replace it with an unrestricted block grant program that would not guarantee one additional police officer on the streets</p> <p>✓Voted to cut funding for the Safe and Drug-Free School program by \$266 million -- which represents cutting the program <u>by more than 50%</u></p>

THE FAMILIES FIRST AGENDA

ANTI-FAMILY AGENDA OF GINGRICH-DOLE 104TH CONGRESS

Educational Opportunity

✓Includes a \$10,000 tax deduction for tuition at a college, graduate school, or certified training or technical program, would be available even to those taxpayers who do not itemize their deductions

✓Also includes a \$1,500 refundable tax credit for full-time tuition for all students in their first year of college and another \$1,500 in their second year if they keep a B average; in first 2 years of college, student would choose between \$1,500 credit or \$10,000 deduction

Educational Opportunity

✓Voted to cut student loan program by \$10.1 BILLION over seven years

✓Voted to eliminate interest subsidy during six-month grace period following graduation for student loans, raising costs to students by \$3.5 BILLION

✓Voted to eliminate the popular direct student loan program, forcing over 1,300 schools and over 2.8 million students out of the program

Economic Opportunity

✓Provides for increased investment in such items as wastewater treatment, safe drinking water facilities, and highway construction

✓Provides small business tax relief for investment in equipment and passing family businesses to heirs

Economic Opportunity

✓Voted to cut back on investment in wastewater treatment and safe drinking water facilities by over \$600 million from previous year's level

✓Despite promises, has failed to deliver any tax relief to America's small businesses

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THE FAMILIES FIRST AGENDA

ANTI-FAMILY AGENDA OF GINGRICH-DOLE 104TH CONGRESS

Governmental Responsibility

✓Includes achieving a balanced federal budget through such proposals as making cost-saving reforms in government programs and eliminating needless subsidies for special interests -- while protecting Medicare, education and Clean Water and Clean Air Act protections

✓Includes in the balanced budget proposal the achieving of significant budget savings through strengthening anti-fraud and abuse protections in the Medicare program

Governmental Responsibility

✓Voted for a balanced budget plan that provided huge tax cuts for the wealthy and special interests paid for by excessively deep cuts in the critically important programs of Medicare, education and Clean Water and Clean Air Act protections

✓Voted to weaken anti-fraud and abuse protections in the Medicare program, including lowering standards of diligence required of physicians in submitting Medicare bills, at request of AMA

Individual Responsibility

✓Includes welfare reform that is tough on work and protects kids; imposing work requirements and providing the child care and training necessary to make the transition from welfare to work successful

Individual Responsibility

✓Voted for a welfare reform plan that was weak on work and tough on kids, including cutting child care and training available to those moving from welfare to work

Corporate Responsibility

✓Maintains corporate responsibility for meeting their environmental responsibilities -- by calling for full enforcement of Clean Water Act and Clean Air Act by the Environmental Protection Agency

✓Repeals certain tax breaks that encourage corporations to move American jobs overseas

Corporate Responsibility

✓Voted to lower corporate responsibility for meeting their environmental responsibilities -- including voting to place numerous restrictions on the enforcement of Clean Water Act and Clean Air Act

✓Voted to expand certain tax breaks that encourage corporations to move American jobs overseas

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Families First Agenda

Legislative Specifications

House Democratic Leader Richard A. Gephardt
Senate Democratic Leader Thomas A. Daschle

June 28, 1996

FAMILIES FIRST AGENDA

I. SECURITY

A. PAYCHECK SECURITY

- Fair Pay
- Expanding Child & Dependent Care Tax Credit
- Banning Imports Made with Child Labor

B. HEALTH CARE SECURITY

- Making Kids Coverage More Available & Affordable

C. RETIREMENT SECURITY

- Pension Reform Initiative (Clinton Bill & Women's Pension Protections)

D. PERSONAL SECURITY

- Crime Initiative (COPS Phase II/After-School Safe Havens/Drug Enforcement & Prevention)

II. OPPORTUNITY

A. EDUCATIONAL OPPORTUNITY

- HOPE Scholarships & Tax Deductions for Education & Training

B. ECONOMIC OPPORTUNITY

- Small Business Initiative
- State Infrastructure Banks

III. RESPONSIBILITY

A. GOVERNMENTAL RESPONSIBILITY

- Balanced Federal Budget

B. INDIVIDUAL RESPONSIBILITY

- Welfare Reform & "Deadbeat Parents"
- Teen Pregnancy

C. CORPORATE RESPONSIBILITY

- Better Protecting Pensions
- Requiring Environmental Responsibility
- Repealing Tax Break That Encourages Companies to Move Jobs Overseas

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FAMILIES FIRST AGENDA

PAYCHECK SECURITY

1) FAIR PAY

In today's tough new economy, families increasingly need two earners just to make ends meet. More and more women are being required to enter the workforce in order to increase their family's income and ensure that the mortgage, food, utility, and clothing bills are met each month.

And yet, as women enter the workforce in order to help their families pay all the bills, they still find – even in the 1990s – that they are often underpaid for the work that they do. Indeed, women still earn 75 cents to a man's dollar. One reason that women continue to be underpaid is that many of them work in female-dominated occupations – which have historically been underpaid.

More and more working families are finding that, if women were truly being paid what they were worth, the entire family would be better off.

Hence, the issue of women workers being paid what they are worth in the workplace has become, not only a matter of basic fairness, but also a central economic concern for millions of working families.

The Families First Agenda contains a "fair pay" initiative that includes two parts:

- **Enhanced Enforcement of the Equal Pay Act** – The Equal Pay Act, passed in 1963, made it illegal to pay different wages to women and men doing the same work. The Equal Employment Opportunities Commission (EEOC) enforces the Act. Over the years, the Equal Pay Act has never been fully enforced – in part due to inadequate enforcement resources.

This initiative proposes stiffer enforcement and tougher penalties for violations under the Equal Pay Act. It also proposes improving data collection regarding the pay of men and women across various business sectors, as well as increasing public disclosure of diversity data for senior corporate positions. Finally, it proposes that the EEOC and the Office of Federal Contract Compliance Programs (which enforces work discrimination rules including equal pay requirements for federal contractors) be provided earmarked resources to be used only for enforcement of equal pay requirements.

- **Voluntary Employer Guidelines on Fair Pay** – Another key step in achieving fair pay for women, in addition to strictly enforcing the Equal Pay Act, is ensuring that the wages of a woman are not being unfairly held down simply because she is working in a female-dominated occupation. In order to assist businesses seeking to achieve fair pay, the Secretary of Labor would be charged with developing voluntary fair pay guidelines for the nation's employers. These guidelines would give businesses a model framework for assuring equal pay for equivalent work. In order to focus greater national attention on the problem of fair pay, there would also be a National Summit on Fair Pay. This first-ever summit would develop a specific legislative action plan for Congress to better achieve fair pay in American workplaces.

2) EXPAND CHILD & DEPENDENT CARE TAX CREDIT

In today's economy, in most American homes, both parents are required to work in order to pay all the bills. Hence, the majority of working families are required to find child care – especially when their children are very young, and for many also in the after-school hours once their children become school-age.

Hence, a primary concern of many working families is finding high-quality child care -- in appropriate, safe conditions -- that they can afford.

The current tax code offers a tax credit for dependent care expenses. However, the present credit offers little tax relief to millions of working families. The current statute reduces the percentage of tax credit as the family's income rises above \$10,000. For example, a couple earning \$30,000 a year with one child can only receive a maximum credit of \$480 a year -- even though their child care expenses may be close to \$4,000.

The Families First Agenda contains a proposal to make child care more affordable for millions of working families -- by making the tax credit more generous.

This Democratic proposal makes the tax credit more generous in three ways. First, it doubles the income threshold at which the tax credit begins to be phased down -- from \$10,000 to \$20,000. Secondly, it increases the maximum amount of day care expenses that can qualify for the credit. (Currently, the maximum credit is 30% of day care expenses up to \$2,400 for one dependent and up to \$4,800 for two or more dependents. Under the proposal, the maximum credit would be 30% of day care expenses up to \$3,600 for one dependent and up to \$5,400 for two or more dependents.)

As a result of these two changes, a couple earning \$30,000 a year with one child

could now receive a maximum credit of \$900 a year. Hence, the impact of this proposal would be to almost double their tax credit for child care.

Thirdly, the proposal would make the dependent care tax credit refundable. The credit is currently non-refundable.

This proposal recognizes that good day care is an essential component of our children's development into productive citizens. In addition, more affordable day care could help serve the "latchkey kid" population that is currently often left for hours in the afternoon with no adult supervision.

3) BAN IMPORTS MADE WITH CHILD LABOR

In this new, highly competitive, global economy, American workers are prepared for fair competition from their counterparts around the world. However, American workers should not be asked to compete with child labor from abroad.

Hence, the Families First Agenda contains a proposal to ban the importing into the United States of products made with child labor.

The vast majority of countries in the world today – including such countries as India, China, and Guatemala – do have at least some laws imposing restrictions on the use of child labor. The chief problem has been not the absence of any child labor laws whatsoever – but rather the lax enforcement of these child labor laws in many countries around the globe.

Hence, under this Democratic proposal, in order to import into the United States, importers of record would be required to certify to the Customs Service that the products they are importing are not produced in violation of the particular country's child labor laws. (Competitors could then bring a complaint to the Customs Service if they had reason to believe that this certification was false.)

Secondly, this proposal would call on countries around the world to beef up enforcement of their existing child labor laws. It would also call for the upward harmonization of all countries' child labor standards over time. Under the proposal, the United States would be required to use its voice and vote in international organizations to push for enhanced child labor protections.

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FAMILIES FIRST AGENDA

HEALTH CARE SECURITY

This Congressional Democratic agenda assumes that the Kennedy-Kassebaum Health Insurance Reform bill will be enacted sometime in 1996. However, if it is not enacted in 1996, it will be the first item of the Democratic agenda in 1997.

The Kennedy-Kassebaum bill contains a number of important provisions for working families, including

- Guaranteeing the portability of health insurance coverage for workers who change or lose their jobs.
- Prohibiting health insurance companies from denying coverage for pre-existing medical conditions, and
- Prohibiting health insurance companies from denying coverage to employers with two or more employees

Once the Kennedy-Kassebaum bill has become law, Congressional Democrats also endorse a step in expanding the health care coverage available to the children of working parents, as described below:

MAKING THE HEALTH COVERAGE OF CHILDREN MORE AVAILABLE AND AFFORDABLE FOR WORKING FAMILIES

In millions of American working families, both spouses work and yet neither spouse works at a job that offers health insurance benefits.

Hence, millions of American children have working parents and yet have no health insurance coverage whatsoever.

Many working parents are kept awake at night worrying about the lack of health coverage for their children -- and how they will be able to ensure good care for their child if the child has an accident or becomes seriously ill.

Children are much less expensive to insure than whole families -- and yet few insurers allow families to purchase "children-only" policies. It is estimated that a health insurance policy for a child under 13 would cost about \$1,000.

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This Democratic initiative, contained in the Families First Agenda, will help working parents obtain health insurance for their children, by making "kids-only" policies available, accessible, and affordable.

This initiative represents a first step in ultimately ensuring that all American children have access to affordable health care.

This initiative has three components.

1. TO MAKE "KIDS-ONLY" INSURANCE AVAILABLE

- Mandate that all insurance companies and managed care plans that do business with the Federal Government (through FEHBP, Medicare, Medicaid, etc.) offer "children-only" policies – for children up to the age of 13
- Require these policies to cover no less than the benefits offered in their government packages

2. TO MAKE "KIDS-ONLY" INSURANCE ACCESSIBLE

- Mandate various consumer protections in these "kids-only" policies (similar to the protections contained in the Kennedy-Kassebaum bill), including guaranteed issue, guaranteed renewability, no discrimination based on health status, etc

3. TO HELP MAKE "KIDS-ONLY" INSURANCE MORE AFFORDABLE

- Provide assistance to working families to cover a portion of the cost of the premium, including tax relief and premium subsidies

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FAMILIES FIRST AGENDA

RETIREMENT SECURITY

Millions of American working families worry about whether, after a lifetime of hard work, they will have economic security when they retire. Specifically, families worry about whether they will be able to gain access to a pension plan during their working years, whether they can take their pension plan with them when they change jobs, and whether their pension will still be there for them when they finally retire.

A PENSION REFORM INITIATIVE

The Families First Agenda includes a major pension reform initiative to improve pension coverage, portability and protection. The initiative includes three components: 1) President Clinton's Retirement Savings and Security Act; 2) provisions better protecting women's pension benefits; and 3) miscellaneous additional pension reforms.

President Clinton's Retirement Savings and Security Act

First, this Democratic initiative includes the provisions contained in President Clinton's Retirement Savings and Security Act, submitted to Congress in May. These provisions include:

- **Expanding Pension Coverage** – The bill expands pension coverage by offering small businesses a simple small business 401(k) plan (called the NEST), thereby potentially expanding pension coverage by up to 10 million workers, simplifying 401(k) plans for all businesses, and making the employees of non-profit organizations eligible for 401(k) plans, thereby potentially expanding pension coverage by up to an additional 9 million workers.
- **Expanding IRAs** – Currently, deductible IRAs are available to families who have pension coverage only if household income is under \$50,000 for married couples and under \$35,000 for single taxpayers and can be withdrawn penalty-free only after age 59 ½.

The bill makes IRAs more attractive and expands eligibility to 20 million more families. Specifically, the bill doubles the income limits from \$50,000 to

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\$100,000 for married couples and from \$35,000 to \$70,000 for single taxpayers for a deductible IRA where a family member has pension coverage; and also allows penalty-free withdrawals from IRAs for education and training, first home purchases, major medical expenses, and during long-term unemployment.

- **Increasing Pension Portability** – The bill increases pension portability by requiring the Treasury Department to issue new rules to make it easier for employers to accept rollovers into their pension plans from employees' previous pension plans; changing a law that encourages private employers to impose a one-year waiting requirement before employees can participate in the company's pension plan; and ensuring that workers get the benefits they have earned, even if they have long left the job or the employer is no longer in business.
- **Enhancing Pension Protection** – The bill enhances pension protection by requiring plan administrators and accountants to report promptly the serious misuse of pension funds, with fines of up to \$100,000; requiring state and local government pension plans be held in trust; and doubling the maximum level of annual benefits guaranteed under multiemployer plans.
- **Better Preventing Pension Raids** – Finally, the bill better prevents pension raiding by ensuring continued opposition to efforts to reduce the prohibitive excise taxes that were put in place in 1990 on money withdrawn by companies from pension funds and used for other purposes; and requiring the Labor Department to report regularly to Congress on any attempts by companies to tap into pension funds.

Protecting Women's Pension Benefits

This initiative also contains a series of provisions to create better protections respecting women's pension rights.

One central concern is that, in certain cases, when a woman is widowed, she learns that she and her husband had unknowingly signed away her rights to survivor benefits -- due to misleading and confusing spousal consent forms used by certain insurers.

This initiative would protect spouses against unknowingly signing away rights to survivor benefits by requiring the development of a model, easy-to-read, full-disclosure spousal consent form -- which must be used by companies selling annuities and other pension benefits to American workers.

The initiative also protects spouses against loss of access to pension benefits during divorce proceedings by developing a model form for disposition of pension

benefits during a divorce.

In addition, the initiative also includes provisions to modernize civil service and military pension provisions that currently disadvantage widows and divorced spouses, including provisions to: 1) allow widows and divorced spouses to collect awarded civil service pension benefits if the spouse or ex-spouse dies after leaving civil service and before collecting benefits; and 2) authorize courts to order the naming of an ex-spouse as the beneficiary of all or a portion of any refunded contributions for a civil service pension, in divorce proceedings.

Other Pension Reform Provisions

This initiative also contains the following additional pension reform provisions not included in President Clinton's Retirement Savings and Security Act or in the women's pension equity provisions, including:

- Requiring employers to invest employee pension contributions in no more than 15 days -- down from the current 90-day limit. (This would stop the involuntary interest-free loans employers have been taking from employee pension funds).
- Allowing for the creation of portable pension plans through a non-profit cooperative or clearinghouse to which employees and employers could easily contribute, and
- Increasing monetary and criminal penalties for pension raiding.

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FAMILIES FIRST AGENDA

PERSONAL SECURITY

CRIME INITIATIVE -- KEEPING AMERICANS SAFE IN THEIR HOMES, THEIR NEIGHBORHOODS, AND THEIR SCHOOLS

1. EXTENDING THE 100,000 COPS PROGRAM

The 100,000 Cops-on-the-Beat program -- created by the 1994 Omnibus Crime Act -- has already proven to be enormously successful and enormously popular in communities all across the country. It guarantees 100,000 additional police officers on the streets between FY 1995 and FY 2000 (with federal funding actually dramatically dropping off after FY 1999). The COPS program is showing effective results nationwide -- crime rates are down and violence is down. The program has been praised by police chiefs, sheriffs, mayors, and rank-and-file police officers throughout the nation.

A number of states and localities across the country are already expressing an interest in extending the COPS program beyond its currently scheduled expiration date of FY 2000. Hence, this initiative would extend the program for two additional years -- through FY 2002 -- and ensure adequate federal funding throughout these next six years. The initiative would thereby ensure that states and localities can continue to add community police to their forces throughout the six-year period. Under the proposal, by FY 2002, there would be an additional 125,000 police on the streets -- rather than the 100,000 under current law.

2. LAUNCHING A CAMPAIGN AGAINST YOUTH CRIME: MORE ADULT SUPERVISION FOR YOUTH AND MORE OPTIONS FOR JUVENILE COURT JUDGES

The 104th Congress is already considering legislation regarding making changes in the juvenile justice system with respect to juveniles arrested for violent crimes -- who make up 5% of total juvenile arrests.

However, this initiative involves taking the next step of addressing the vast majority of juveniles who are not violent to give them the attention and help they need to stay away from violence and crime. This initiative proposes: 1) encouraging the establishment of after-school "safe havens," to ensure adult supervision during after-school hours; and 2) providing juvenile court judges with more options in dealing with non-violent juvenile offenders, in order to help keep them from

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becoming repeat or serious offenders.

After-School "Safe-Havens"

50% of youth crime occurs during the unsupervised hours between school and dinnertime. We need more "safe havens" for the vast majority of America's children who go home to an empty house or apartment after school. "Safe havens" give kids a place to go after school so they are off the streets and out of trouble and where they are also less likely to become the victims of crime by others.

This initiative would encourage the establishment of after-school "safe havens" by providing state and local governments with technical assistance in how they can work with community-based organizations in establishing after-school "safe haven" programs. "Safe haven" programs could include the expansion of such programs as Boys & Girls Clubs, DARE programs, and Police Athletic Leagues.

Early Intervention with Non-Violent Juvenile Offenders

95% of total juvenile arrests – more than two million juveniles – are for non-violent crimes. We must intervene with these 95% at the time of their first misbehavior – and keep them from becoming repeat or serious offenders.

Today, in most states, a juvenile can commit multiple non-violent offenses before they get any real attention from the juvenile justice system. Most juvenile court judges currently have very few options for handling these non-violent offenders.

This initiative would address this problem by giving states incentives and resources for providing juvenile court judges the ability to impose a range of graduated sanctions designed to prevent additional criminal behavior. Such a range would start with options like counseling, drug testing/treatment, job training, or community service, and move to restitution, enrollment in alternative schools, and crime-specific programs, such as an anti-auto theft program.

3. FIGHTING DRUGS

Expanding Drug Testing and Treatment Through Drug Courts

Drug courts have proven effective in reducing recidivism rates among drug-addicted offenders. Without drug courts, most drug offenders are sent right back out on the streets with no help in breaking their addiction.

This initiative calls for increasing the federal support for drug courts, in which offenders receive drug testing/treatment and job training. The initiative would also permit states to use prison dollars provided under the 1994 Crime law to provide

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drug treatment to prisoners before their release and to institute drug testing/treatment for offenders released on parole or probation.

Fully Funding Safe and Drug-Free Schools

Finally, this initiative calls for fully funding the Safe and Drug-Free School program – until it is ensured that every elementary and high school student is being exposed to drug education and prevention services. This is particularly important because recent surveys have shown that large numbers of young people are currently discounting the dangers of drug use.

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FAMILIES FIRST AGENDA

EDUCATIONAL OPPORTUNITY

Expanded educational opportunity is more critical today – in the tough, new, global economy – than at any previous time in American history. Indeed, the wage premium for better-educated workers has expanded dramatically just over the past 15 years. For example, in 1993, full-time male workers aged 25 and over with a college degree earned on average 89% more per year than their counterparts with only a high school degree.

And yet, at the same time that a college degree is becoming more and more valuable, more and more working families are concerned that a college education may be out-of-reach for their children.

Indeed, the number-one concern of millions of working parents is whether or not they will ever be able to afford to send their children to college – in light of the fact that college tuition has simply skyrocketed in recent years. Indeed, college tuition has grown by 269% since 1980.

HOPE SCHOLARSHIPS & TAX DEDUCTIONS FOR EDUCATION AND TRAINING

The Families First Agenda contains a Democratic initiative designed to make a college education, as well as vocational training, more affordable for millions of American working families.

HOPE Scholarships

This Democratic initiative includes the HOPE Scholarship program, as proposed by President Clinton on June 4.

The HOPE Scholarship program would provide all students with a \$1,500 refundable tax credit for full-time tuition in their first year of college (\$750 for half-time tuition) and another \$1,500 in their second year if they work hard, stay off drugs, and earn at least a B average in their first year.

This HOPE Scholarship program will attempt to make two years of college as universally accessible as high school is today.

This \$1,500 credit is \$300 above the national average community college tuition.

and would make tuition free for 67% of all community college students. While the tax credit is priced to pay for the full cost of community college, the credit can be applied to tuition at any college – from a two-year public community college to a four-year private college. This \$1500 tax credit would be a substantial downpayment for parents sending their children to colleges with higher tuition.

The tax credit would be phased out at higher income levels. For joint filers, the credit would be phased out at incomes between \$80,000 and \$100,000. For single filers, the credit would be phased out between \$50,000 and \$70,000.

Tax Deductions for Education and Training Expenses

This Democratic initiative also includes tax deductions for education and training expenses – both the \$10,000 tax deduction proposed by the Clinton Administration for direct education and training expenses as well as a tax deduction for student loan interest.

First, the initiative includes the \$10,000 tax deduction for tuition for college, graduate school, community college, and certified training and technical programs, as proposed by the Clinton Administration. In order to receive the deduction, the tuition must be for an education or training program that is at least half-time or related to a worker's career.

Eligible students in their first two years of college or their parents must choose between either the HOPE Scholarship or the tax deduction. The deduction is up to \$10,000 a year per family; the credit is \$1,500 per student.

The \$10,000 tax deduction would be available even to those taxpayers who do not itemize their deductions. It would also be available for any year a family has education or training expenses.

As with the tax credit, the tax deduction would be phased out at higher income levels. For joint filers, the deduction would be phased out at incomes between \$80,000 and \$100,000. For single filers, the deduction would be phased out between \$50,000 and \$70,000.

Finally, unlike the Clinton tax deduction proposal, this Democratic initiative also includes a tax deduction for student loan interest. Under this proposal, those paying off student loans taken out under a federal or state loan program for higher education would be able to deduct the interest payments on those loans. This tax deduction would also be phased out at higher income levels.

FAMILIES FIRST AGENDA

ECONOMIC OPPORTUNITY

1) SMALL BUSINESS INITIATIVE

Small businesses are the real engine of job creation in our economy. Over half of all new jobs are being created in the small business sector. As large companies downsize, small companies are upsizing.

And yet, for too long, it is the wealthiest corporations that are getting all the tax breaks and special favors in Washington, D.C.

In too many cases, the tax code and other public laws have favored large corporations over the vital small business sector.

The Families First Agenda includes two important steps to provide needed tax relief to small businesses.

A) Keeping Family Businesses in the Family

Currently, in certain situations, upon the death of the owner of a small business, the heirs must liquidate the family business in order to obtain the cash to pay federal estate taxes.

This proposal would allow the heirs to pay these estate taxes in annual installments, with a favorable interest rate of 4% on the first \$2.5 million of the estate (up from the current, much-less-generous \$1 million threshold). In addition, the proposal would liberalize the types of small businesses that could qualify for this favorable tax treatment.

This proposal would allow many family businesses to stay in the family — rather than having to be liquidated.

B) Increasing Expensing of Depreciable Property

Federal income tax law generally requires the taxpayer to depreciate amounts spent to purchase machinery and equipment. The business owner is generally required to deduct the cost of the purchase over the life expectancy of the property, which is usually a number of years. However, current law includes an exception which permits a small business to immediately deduct ("expense") the full amount paid each year up to a certain maximum.

In 1993, the Democratic Congress enacted a law increasing the amount that small businesses were allowed to expense -- from \$10,000 to \$17,500. The version of this bill that had originally passed the House had increased this amount to \$25,000, but it was scaled back in the Senate.

This proposal would revive the proposal of Democrats in 1993 to immediately raise the amount that small businesses are allowed to expense from \$17,500 to \$25,000 -- effective in January 1998. Increased expensing would give needed funds to small businesses that have limited access to capital markets. Increased expensing (rather than using depreciation) also simplifies tax reporting and record-keeping -- which are more burdensome for small businesses.

2) PARTNERSHIP WITH PRIVATE SECTOR IN REBUILDING COMMUNITIES

Decaying roads, bridges, rail systems, and water treatment systems are clogging the economic lifelines of communities around the country. Indeed, studies have shown upwards of \$40 billion in annual losses from traffic congestion alone. With "just-in-time" manufacturing a critical ingredient of our economic competitiveness, a modern, efficient transportation system is more vital now than ever.

However, the lack of adequate investment in such items as roads, bridges, airports and sewer systems is hampering economic growth in communities all across the country.

The Families First Agenda contains a Democratic proposal for a new investment partnership -- using public funds to leverage additional private investment -- in order to boost investment in our roads, transit systems, airports, sewers, drinking water, schools, and other infrastructure. Democrats will work to fully utilize the annual revenues flowing to our transportation trust funds for their intended purpose: infrastructure investment.

The central component of this new investment initiative calls for drawing down the large unexpended balances in the Highway and Airport Trust Funds by \$1.75 billion a year and distributing the funds to State Infrastructure Banks, to be used for the highway, transit and airport projects for which those funds were raised. This \$1.75 billion in federal investment would then be leveraged by the State Banks to generate significant additional state and private investment. The initiative also includes an additional \$250 million a year in increased funding for improved sewage treatment, safe drinking water facilities, and school facilities.

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State Infrastructure Banks: A New Tool To Fund Public Works

To expand investment and get the most from taxpayer dollars, states have begun to establish State Infrastructure Banks to attract private investment. These State Infrastructure Banks are a means of increasing and improving both public and private investment in infrastructure. The Banks provide greater flexibility to support the financing of projects by using federal-aid funds for revolving loan funds and other forms of innovative financing which attract private investment.

This Democratic investment initiative would supplement our current infrastructure programs with support for State Infrastructure Banks, making the Banks a nationwide program in which all 50 states could participate.

Under the proposal, the Federal Government would distribute funds by drawing from the large unexpended balances that currently exist in the Highway and Airport Trust Funds to capitalize State Infrastructure Banks in every state. The State Infrastructure Banks would then use the funding from these unexpended balances for the purposes for which they were raised: investment in highway, transit and airport projects.

The state banks would offer grants, loans, risk insurance, lines of credit, and/or other financing to attract private capital to infrastructure projects for which dedicated revenues can be identified. States would be free to design the banks to suit their particular needs.

This proposal is similar in concept to the Clean Water Act's highly successful State Revolving Loan Program, in which the Federal Government capitalizes state loan funds (except that it would *supplement* rather than replace current grant programs). This proposal builds on the recently-passed National Highway System legislation, which establishes ten State Banks, and the President's FY 1997 budget proposal to provide \$250 million for their capitalization.

The use of innovative financing, though in its early stages, is already being used in many areas of the country. The Clinton Administration already has helped 35 states accelerate over 75 innovative financing infrastructure projects, allowing most to be completed three, five, or even ten years ahead of schedule.

The initiative calls for \$1.75 billion in new federal funding for these State Infrastructure Banks each year, which — due to the ability to leverage state and private funding — would lead to a total of over \$4 billion in new infrastructure investment each year (assuming a 20% matching requirement for states and a conservative leveraging ratio of 2-to-1). As states gain expertise, state banks eventually could achieve even higher leveraging ratios. Under this proposal, DOT is also given greater flexibility and authority to assist states with interstate or large projects important to national competitiveness.

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Additional Infrastructure for Safe Drinking Water and School Improvements

Secondly, under this proposal, the Federal Government would provide the Environmental Protection Agency and State Education Agencies \$250 million in additional revenues each year to distribute for infrastructure projects to improve sewage treatment, safe drinking water facilities, and school facilities. These funds will also be leveraged to attract additional investment.

This additional \$250 million a year would help the nation address the fact that there is currently billions of dollars in backlog in the nation's sewage, drinking water treatment, and school improvement needs.

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FAMILIES FIRST AGENDA

GOVERNMENTAL RESPONSIBILITY

The Families First Agenda insists that responsibility be exercised by every quarter of American society — including individuals, corporations, and government. Government's responsibility is to exercise fiscal responsibility by achieving a balanced federal budget.

A BALANCED FEDERAL BUDGET

Congressional Democrats endorse a balanced federal budget that is consistent with American values and is fair to all Americans.

Congressional Democrats call for balancing the budget through: closing tax loopholes for wealthy special interests; eliminating unnecessary business subsidies; making responsible reforms and adjustments in various entitlement programs; requiring more burdensharing with our allies in paying for the costs of defending Europe and Asia; rooting out fraud and abuse by unscrupulous providers and others in the Medicare and Medicaid programs; continuing the "Reinventing Government" initiative in order to make government services more cost-effective; and reducing funding for low-priority programs.

Congressional Democrats know that the budget can be balanced while still maintaining our obligations to our parents, our children, and our future. Specifically, Democrats endorse a budget that is balanced in a responsible and realistic way while still:

- Protecting Medicare and its guarantee of affordable, high-quality health care for senior citizens from damaging reductions and ensuring that reductions in the Medicare program are never used to pay for tax breaks for the wealthy.
- Protecting Medicaid from damaging reductions and continuing the guarantee of health care coverage for children living in poverty and nursing home coverage for seniors who have exhausted all their resources.
- Protecting seniors from the threat of seizure of their homes or family farms to pay their spouses' nursing home bills.
- Protecting working families from the liability for the nursing home bills of their elderly parents.

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- Investing in the education and training of America's young people and workers, to better prepare our country to compete in the world economy of the 21st century; and
- Protecting the environment

Together, the American people can protect high-priority programs and still balance the budget in a realistic and sustainable way.

Like the Clinton budget, the Families First Agenda calls for balancing the federal budget but also providing middle-class Americans with targeted assistance – through such items as targeted tax relief. The targeted assistance in the Families First Agenda is actually somewhat less extensive than that proposed in the Clinton budget. Certainly, balancing the budget and also providing targeted assistance to middle-class families will require large spending reductions in many areas of the budget -- as are called for in the Clinton budget -- and Democrats have shown a willingness to support such large spending reductions.

The Clinton balanced budget plan balances the budget and still provides targeted tax relief to middle-class families. Specifically, the Clinton plan balances the budget through \$461 BILLION in total deficit reduction, which is composed of the following three components:

- \$524 BILLION in spending reductions;
- \$117 BILLION in targeted middle-class tax relief; and
- \$54 BILLION in revenue increases achieved through tax loophole-closings targeted at special interests.

The Families First Agenda will balance the budget with precisely the same three components – large spending reductions, targeted middle-class tax relief, and tax loophole-closings targeted at special interests.

FAMILIES FIRST AGENDA

CORPORATE RESPONSIBILITY

The Families First Agenda insists that responsibility be exercised by every quarter of American society -- including government, individuals, and corporations.

Corporations need to show responsibility towards their employees, responsibility towards their communities, and responsibility towards their country. Simply put, Democrats are calling upon corporations to return to earlier standards of loyalty towards their employees, communities, and country.

Hence, the Families First Agenda includes proposals to: 1) require corporate responsibility in the protection of employees' pension funds; 2) require corporations to meet their environmental responsibilities; and 3) encourage corporations to show responsibility towards their country by repealing tax breaks for shipping jobs abroad.

1) REQUIRING CORPORATE RESPONSIBILITY IN THE PROTECTION OF EMPLOYEES' PENSIONS

First, corporations need to exercise loyalty towards their employees. One key way in which loyalty needs to be exercised towards their employees is by better protecting employees' pension funds.

Hence, this Democratic initiative contains several provisions to enhance pension protection, including:

- Requiring plan administrators and accountants to report promptly the serious misuse of pension funds, with fines of up to \$100,000, and
- Requiring employers to invest employee pension contributions in no more than 15 days -- down from the current 90-day limit. (This would stop the involuntary interest-free loans employers have been taking from employee pension funds).

The initiative also contains several provisions to better prevent pension raids, including:

- Ensuring continued opposition to efforts to reduce the prohibitive excise taxes that were put in place in 1990 on money withdrawn by companies from

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pension funds and used for other purposes;

- Requiring the Labor Department to report regularly to Congress on attempts by companies to use pension funds for other purposes; and
- Increasing the monetary and criminal penalties for violating the various restrictions on pension raiding

2) REQUIRING CORPORATIONS TO MEET THEIR ENVIRONMENTAL RESPONSIBILITIES

Corporations also need to exercise loyalty towards their communities. One key way in which loyalty needs to be exercised towards their communities is by meeting corporations' environmental responsibilities.

It is only through corporations meeting their environmental responsibilities that the ongoing national efforts to protect the health and safety of the nation's children, families, and communities can be successful.

In encouraging more environmental responsibility, Congressional Democrats are dedicated to achieving the following objectives:

- **Keep drinking water safe from contamination.** Protect our children and families by ensuring the water they drink is safe and free from dangerous chemicals, pesticides, and bacteria.
- **Protect the clean air laws that are cutting pollution.** Ensure the air our children and families breathe is free from dangerous pollutants.
- **Protect our rivers, lakes and streams from water pollution.** Reauthorize the Clean Water Act and strengthen the clean-up of America's waterways so that more of our waters can meet the goal of being safe for fishing and swimming.
- **Maintain our commitment to clean up toxic waste sites.** Speed the cleanup of toxic waste sites while ensuring that polluters pay to clean up the contamination they cause. Reform the Superfund toxic waste cleanup law to reduce litigation, fairly apportion cleanup costs, and encourage redevelopment of old industrial sites.
- **Recognize every American's right-to-know about exposure to toxic chemicals.** Improve America's right-to-know laws to give families the facts they need to protect themselves from unseen health risks, and spur industry

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efforts to exceed minimum standards for reducing toxic waste.

3) REPEALING TAX BREAK THAT ENCOURAGES CORPORATIONS TO MOVE JOBS OVERSEAS

Finally, U.S. corporations need to exercise loyalty towards their country. One key way in which loyalty needs to be exercised towards their country is by stopping the shipping of large numbers of good-paying jobs to plants overseas. The shipping of these good jobs overseas is serving to undermine the standard of living of tens of thousands of American working families.

Hence, this Democratic initiative contains a proposal to attempt to encourage corporations to show more responsibility towards their country by repealing a tax break for shipping jobs overseas.

Indeed, under current tax law, American corporations are actually rewarded for shutting down manufacturing plants in the United States – eliminating good-paying jobs for thousands of hard-working Americans – and shipping those jobs to overseas plants.

Under the law, U.S. companies are allowed to defer payment of taxes on profits earned overseas until they send those profits back to the United States in the form of dividends.

Hence, companies that export good American jobs get a tax subsidy not available to companies which continue to manufacture in the United States.

This Democratic proposal would repeal this tax deferral in cases where U.S. multinational corporations produce abroad in foreign tax havens and then ship those products back to the United States. (The proposal would not hinder U.S. multinationals that produce abroad from competing with foreign firms in foreign markets.)

Hence, under this Democratic proposal, companies would no longer be subsidized by the tax code for shipping jobs out of the United States.

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FAMILIES FIRST AGENDA

INDIVIDUAL RESPONSIBILITY

The Families First Agenda insists that responsibility be exercised by every quarter of American society – including government, corporations, and individuals. Individual responsibility can be better enhanced through enactment of: 1) welfare reform legislation that imposes work requirements on welfare recipients; 2) tough "deadbeat parents" legislation that requires parents to support their children; and 3) a teen pregnancy initiative that enhances personal responsibility and is targeted at dramatically reducing the teen pregnancy rate.

1) WELFARE REFORM & "DEADBEAT PARENTS"

Congressional Democrats endorse welfare reform legislation that is tough on work but protects innocent children. Specifically, Democrats endorse welfare reform legislation that achieves the following goals:

- Tying welfare to work, by imposing work requirements for receipt of welfare benefits.
- Providing the resources required to successfully move people from welfare to work – including ensuring child care and transitional health care for those moving into the workforce.
- Requiring parental responsibility, but also protecting innocent children, and
- Requiring responsibility from sponsors of legal immigrants, but also not unfairly penalizing legal immigrants.

Congressional Democrats also endorse, as part of welfare reform, tough "deadbeat parents" legislation that achieves the following goals:

- Ensuring uniform interstate child support laws.
- Giving states new tools to ensure that child support orders can be collected across state lines.
- Strengthening child support collection, including strengthening and expanding income withholding from wages, and
- Strengthening child support enforcement, such as motor vehicle liens.

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suspension of drivers' and professional licenses, and denial of passports.

2) TEEN PREGNANCY

Congressional Democrats endorse an aggressive, national campaign focused on dramatically bringing down the rate of teen pregnancy. Democrats believe that the only way in which such a campaign will be successful is if every level of American society – ranging from elected political leadership to grass-roots community organizations – get involved in focusing national attention on preventing teen pregnancy.

All Americans need to speak out about the importance of preventing "children from having children."

Specifically, Democrats endorse a teen pregnancy initiative that achieves the following goals:

- Requiring states to intensify efforts to establish paternity as a means of holding non-custodial parents accountable for their actions and responsible to their children.
- Providing technical assistance to state and local governments in setting up teen pregnancy prevention programs focusing on at-risk young people who are not yet parents, and
- Providing for partnerships with community-based volunteer organizations in developing programs focused on prevention of teen pregnancy.

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November 6, 1996, Wednesday

LENGTH: 1045 words

HEADLINE: U.S.-ELECTIONS: LABOR, BUSINESS BOTH CLAIM VICTORY IN VOTE

BYLINE: By Farhan Haq

DATELINE: NEW YORK, Nov. 6

BODY:

For labor and big business alike, the 1996 elections were a vote everyone could love.

Wall Street eagerly accepted yesterday's re-election of President Bill Clinton and return of a Republican-led Congress, with the Dow Jones industrial index rising 40 points in trading yesterday to 6081 points. The market continued to swell in trading today, setting a record by breaking the 6100-point mark.

But Wall Street's enthusiasm was matched by the claims of victory emerging from the long-dormant labor unions, most notably the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO).

"As far as we're concerned, working families are back as a political force," AFL-CIO spokeswoman Deborah Dion told IPS. "Labor is back."

"Union voters got a great deal in the sense that they put themselves back into the game," agreed Robert Borosage, co-director of the Washington-based think tank, Campaign for America's Future. "It's a big deal for working people, because their views will get more consideration than they have received in a number of years."

The AFL-CIO sank some \$ 35 million into the 1996 campaign, largely targeting pro-business Republicans who seized control of the House of Representatives for the first time in four decades in 1994.

From the outset of the campaign, labor pushed the negative image of House Speaker Newt Gingrich and the Republican "Contract with America," a 1994 campaign document which the AFL-CIO scorned as a pro-business, anti-worker tract.

"A gang of thugs calling themselves members of Congress has been trying to mug the American people for the past two years," AFL-CIO President John Sweeney argued. "We fought them to a standstill."

As a result, Sweeney said, 1996 has been the year that "the labor movement awoke from a long, long sleep." But union membership remains at only 13.1 million people, or some 15 percent of the workforce, down considerably from 1945 when 35 percent of all workers belonged to unions.



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That decline was why this election has been crucial, proving that labor can take an active role in improving workers' lives and affecting the political process, Sweeney said. In practice, that boiled down to seeking Republican losses in the House of Representatives.

In particular, the labor coalition paid for advertisements attacking the records of 32 Republicans seeking their second term in the House; by this morning, eight of the freshmen had been defeated.

Despite labor's efforts, however, the 435-seat House remains narrowly Republican. With eight races still undecided today, the Republicans had won 222 seats, enough to maintain a slight majority, compared to 203 for Democrats and two for center-left independents.

The Republicans also picked up several seats vacated by retiring Democrats in the south, an increasingly Republican region.

Labor's impact was nevertheless strong, especially in shifting non-college-educated voters, who turned out heavily in 1994 against the Democrats, back to the centrist party.

Borosage said the shift in voters without a college education, along with the 20-point gap by women voters in favor of Clinton over Republican Bob Dole, provided the biggest boost to the Democrats' renewed fortunes. The former group, Borosage argued, was heavily affected by the AFL-CIO campaign.

Some polls taken of voters exiting yesterday's polls bear that argument out. A New York Times survey indicated that 6 out of 10 union voters turned to the Democrats this year. An NBC poll showed that one-third of voters identified themselves as belonging to unions, and that 55 percent of those union votes went to the Democrats.

More significant than the voter turnout and unseated Republicans, however, is the effect the labor campaign has had on re-asserting workers' concerns.

"The center has been redefined to protect Medicare (the state-run program of health assistance for the poor and elderly), invest in education and continue progress on health care," Borosage said. None of those issues were supported by Republicans two years ago, he noted, but even Gingrich stressed them in his own successful re-election bid in Georgia.

"The Republican retreat from their own anti-government position was pretty profound," he contended.

"Every family in America was talking about our issues: college loans, the minimum wage, retirement securities," said Dion. "The Gingrich foot soldiers will never, ever try to do in 1994 with the Contract with America."

Regardless of the relationship between the returning Republican Congress and Democratic presidency, Dion argued, both sides learned not to seek major cuts in Medicare, a central campaign issue which hurt the Republicans. Support for Medicare even helped Clinton win Florida, a traditionally Republican state with a sizable elderly community.

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Some Republicans argue that voter anger over Republican proposals to curb Medicare spending pushed both parties away from any plans to cut either that program or the larger Social Security entitlement. By election day, voters faced a choice between Dole's plan to increase Medicare spending by 6 percent a year and Clinton's to increase it by 7 percent a year.

"It was Bob Dole and the Republicans who turned themselves into imitation Democrats," David Frum, a senior fellow at the right-wing Manhattan Institute, wrote in The New York Times today.

"Again and again, Mr. Dole was driven off his message of lower taxes and forced to swear that he was as determined as President Clinton to protect Medicare in all its costly splendor," Frum complained.

The unions' organizing power and advertising dollars this year also prodded some pre-election changes. After several years of haggling, Clinton and the Gingrich-led House agreed in August to phase in a 90-cent minimum wage, to \$ 5.15 an hour, by next year.

As Borosage noted wryly, by last week, Gingrich was assailing his own Democratic opponent, Georgian businessman Michael Coles, for paying minimum wage to some workers in his cookie-making company, although Gingrich himself had weighed in against any increase in the minimum wage until this summer.

"Now they know where working families stand," Dion summed up.

LANGUAGE: ENGLISH

LOAD-DATE: November 7, 1996



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November 8, 1996, FINAL EDITION

LENGTH: 1596 words

HEADLINE: A look at special-interest groups' spending in 1996 elections

BYLINE: Gannett News Service

DATELINE: WASHINGTON

BODY:

WASHINGTON -- Here's how several major interest groups jumped in on congressional campaigns to advocate issues -- often with negative television advertisements that keyed on hot topics such as gun control and abortion:

Christian Coalition puts emphasis on 'voter guides'

The Christian Coalition, started in 1989, is regarded by many as a model of how outside groups can utilize grass-roots strength to amass power and influence the electoral process.

The Federal Election Commission brought suit against the group this year, charging that it was improperly coordinating its famed "voter guides" with the campaigns of Republican candidates.

The voter guides list presidential, congressional and gubernatorial candidates' stands on issues it considers important to its "pro-life" and "pro-family" outlook.

Some of them include: homosexuals in the military, term limits for Congress, a voluntary school-prayer constitutional amendment, banning partial-birth abortion and the balanced budget amendment.

This year the group distributed the voter guides using 125,000 churches -- up from 100,000 in previous elections -- the Sunday before voters went to the polls. Workers also canvassed neighborhoods and handed out the voter guides in shopping malls and similar grass-roots locations.

In all, the Christian Coalition says it spent \$ 22 million to \$ 24 million on this year's races.

NRA, gun-control group battle it out in California race

While Andrea Seastrand and Walter Capps battled it out for Congress in Santa Barbara, Calif., a parallel campaign was being waged



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by special-interest groups.

The National Rifle Association and the Handgun Control Voter Education Fund were among the groups that used independent expenditures to fund a barrage of attack advertising in the race for one of California's 52 congressional seats.

The re-election bid of Seastrand, a freshman Republican who voted to repeal President Clinton's assault rifle ban, was one of 50 races targeted by the NRA.

Overall, the NRA spent more than \$ 4 million in the 1996 election season, \$ 1.5 million in independent expenditures alone, said Tanya Metaksa, the NRA's chief lobbyist in Washington and chair of its Political Victory Fund.

The NRA has used independent expenditures for more than two decades and defends the practice as an effective way for its membership to influence elections.

The Handgun Control group said it wanted to educate voters about the dangers of assault weapons -- and see Seastrand and Martin Hoke, a second-term Republican from Ohio, thrown out of office.

In October, the group spent \$ 62,000 against Hoke and \$ 43,000 against Seastrand. Spokeswoman Jamie Shor said it was money well spent: "In both districts, our candidates won."

But the National Rifle Association said it won the war.

"We were in approximately 50 different races," Metaksa said, "and we were successful in retaining 92 percent of the members in Congress who voted to repeal the Clinton gun ban."

Term limits group uses radio, TV, mail for 'education'

Americans for Limited Terms says it will end up spending about \$ 1 million this year on what it deems voter education efforts.

The group, one of many that advocates term limits, researches candidate positions relating to state and federal term limits and distributes the findings through media appearances and advertising.

"We're selective. We try to speak to voters to whom term limits makes a difference," said Paul Farago, spokesman for the group.

States where little interest has been shown in the issue are likely to be avoided, he said.

Methods employed by the group include radio, television and direct mail.



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"Candidates do not advertise their opposition to the term limits favored by voters. That's why we do," Farago said.

Environmentalists turned aggressive with independent spending in '96

After years of relying on campaign foot-soldiers hanging brochures on door knobs, the environmental movement turned suddenly aggressive in the 1996 elections, plowing tens of thousands of dollars into key races and claiming credit for the truncated political careers of more than a dozen lawmakers.

The Sierra Club and the League of Conservation Voters led the environmental community's electioneering this year. While both groups contributed handsomely to Republicans and Democrats they support, most of the money spent was for negative ads aimed at Republicans they wanted to defeat.

But as Rep. Helen Chenoweth, R-Idaho, who survived a \$ 240,000 assault by LCV and a massive attack by organized labor showed, the strategy of tarring incumbents doesn't always work.

"They were definitely effective to a degree, but not effective enough," Chenoweth said.

The LCV spent about \$ 1.5 million in independent campaigns, including \$ 138,000 against vanquished Sen. Larry Pressler, R-S.D.; \$ 122,000 against Rep. Jim Longley, R-Maine, who also lost; \$ 203,000 against Rep. Randy Tate, R-Wash., another loser; \$ 110,000 against Rep. Fred Heineman, R-N.C., also a loser. But the \$ 155,000 spent against Republican Gordon Smith, the winner in the Oregon Senate race, didn't do the trick, nor did the \$ 130,000 against Rep. Frank Riggs, R-Calif.

The Sierra Club, meanwhile, spent about \$ 300,000 of its \$ 7.5 million campaign budget on independent ventures, including for and against rival candidates in California, where club favorite Walter Capps unseated Rep. Andrea Seastrand, and Michigan, where the group's choice, Debbie Stabenow, defeated incumbent Rep. Dick Chrysler.

104th Congress drove Planned Parenthood to independent spending

Planned Parenthood wanted to make a splash in the 1996 congressional elections. So for the first time, the pro-choice group decided to throw money into independent expenditures.

"The 104th Congress really went after abortion rights, family planning, sex education," said Margaret Conway, vice president for public policy for the Planned Parenthood Action Fund. "... As we came into the election season, voters had no idea we had been under attack. We felt we had a really huge education problem."



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The group's education strategy included taking out advertising against candidates who opposed issues important to Planned Parenthood.

Conway wouldn't say how much the group spent in all. But records Planned Parenthood filed with the Federal Election Commission show the group spent more than \$ 40,000 in October both for and against candidates.

"I think it's important. I think it's fair," Conway said. "...It's a First Amendment issue where we need to be able to discuss our issues with the voting public."

For its part, the National Right to Life spent amply in the 1996 campaign.

Officials in the group's office here did not return several phone calls this week, but records on file with the FEC show the national organization spent \$ 430,000 on behalf of candidates and more than \$ 50,000 against candidates.

Chamber-led Coalition tries positive over negative

The business-oriented Coalition, led by the U.S. Chamber of Commerce, ran some negative ads -- but mostly went positive to blunt labor attack ads.

The Coalition was formed rather belatedly in June to counter negative ads the AFL-CIO was running against incumbent Republicans.

But rather than responding in kind against a Democrat, ads by The Coalition argued that the Republican had done the very things that got him or her elected in 1994 -- passing a balanced budget that included tax relief for middle-income families and that would save Medicare. Call your member of Congress and offer to help the campaign. The Coalition ads urged.

Bruce Josten, senior vice president of the Chamber, expects The Coalition to be around in the 1998 campaign, still going largely positive.

He said many companies -- because they are traded publicly, have both Democratic and Republican employees or are involved in community activities -- don't have "the stomach" for negative campaigns.

The Coalition spent about \$ 4.5 million.

On heels of \$ 35 million political campaign, AFL-CIO ready for another

AFL-CIO president John Sweeney joked Friday that reporters were



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"damned right" in assuming organized labor will spend another \$ 35 million on independent political advocacy on the heels of its 1996 effort.

"You might even see more," he said.

Sweeney and other labor leaders declared success Friday in their effort to redefine the congressional agenda even if Democrats did not win back a majority.

"In a sense, labor won before the election," said consultant Bob Schrum, theorizing that the policy agenda changed from the GOP's 1994 "Contract With America" to working people issues.

About \$ 22 million of AFL-CIO spending went into radio and TV ads.

The top market for TV was Seattle, where organized labor campaigned against four Republicans. Also near the top were Portland, Phoenix, Boston and Cleveland.

Critics of organized labor have said the campaign was a failure because the majority of targeted House Republicans won re-election.

But the AFL-CIO says it helped defeat 18 of its top 45 GOP targets.

That's 40 percent who did not win re-election, compared to a normal re-election rate of 94 percent for House incumbents.

Contributing: Norm Brewer, Paul Barton, Ken Miller, Fredreka Schouten, Brian Tully.

LANGUAGE: ENGLISH

LOAD-DATE: November 11, 1996



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November 15, 1996, Friday, Late Edition - Final

SECTION: Section A; Page 20; Column 1; National Desk

LENGTH: 1043 words

HEADLINE: Despite Setbacks, Labor Chief Is Upbeat Over Election Role

BYLINE: By STEVEN GREENHOUSE

DATELINE: WASHINGTON, Nov. 11

BODY:

John J. Sweeney is sounding unmistakably upbeat nowadays even though Republicans assert that big labor was the big loser in last week's elections.

Mr. Sweeney, the A.F.L.-C.I.O. president, admits to some disappointment that the Democrats failed to regain the House despite labor's anti-Republican advertising blitz and its mobilizing of thousands of campaign foot soldiers. But in what critics are calling instant historical revisionism, he says taking back the House was never labor's main goal.

Rather, he says, his central goal has always been to reawaken and rebuild the sleeping labor giant. With barely restrained jubilation, he boasts that this fall's political push not only roused labor from its slumber, but also demonstrated that labor was once again a powerful player on the national scene.

"We're happy that the President was re-elected," Mr. Sweeney said in an interview in his eighth-floor office overlooking Lafayette Park and the White House. "We're happy that we won in a lot of Congressional races. But the real happiness is with ourselves -- the real happiness is what we're developing in energy and enthusiasm from workers."

Yet, the true measure of labor's success will be revealed only in the new session of Congress. After each election in years past, an earlier president of the American Federation of Labor and Congress of Industrial Organizations, Lane Kirkland, walked from the federation's headquarters to the White House to deliver a list of labor's 50 priorities. This time, the list will be shorter and more achievable, Mr. Sweeney said.

While acknowledging that it might be difficult to muster a Congressional majority to back labor's positions, he said he would try to work closely with Republican moderates -- even though some are fuming that labor opposed their re-election.

Representative Dick Armey of Texas, the House majority leader, said union members should be angry that labor got so little for its money, asserting that it spent more than \$100 million on the campaign. Union officials call that figure ludicrous, putting their campaign costs at \$35 million.



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"After spending upwards of \$100 million to elect a Democratic Congress, the A.F.L.-C.I.O. watched the American people re-elect dozens of members they tried to defeat," Mr. Arney said. "John Sweeney owes union members an apology for wasting their money, often against their will, only to tilt at windmills."

In a move that unions see as retribution, Republicans are preparing legislation that would inhibit labor's campaign spending by requiring unions to get members' permission in writing before using their dues for political activities.

Mr. Sweeney said labor intended to be a "major player" in any debate on campaign finance. "We will support a finance law," he said, "but not one that's an attack on the labor movement."

The federation's legislative strategy, Mr. Sweeney suggested, will be to look for issues that help working families, develop a public groundswell behind labor's position and put pressure on some Republicans to vote labor's way.

With this in mind, Mr. Sweeney said labor would support legislation to provide health coverage to uninsured children and a bill that would further restrict corporate raids on employee pension plans.

In discussing the elections, Mr. Sweeney said labor could also claim victory because the candidates focused on issues that the federation's television advertising and fliers highlighted, including Medicare, education and pensions.

By his account, one reason the Republicans retained control of the House was that many Republican freshmen moved to the center, embracing labor's stance on the minimum wage, education spending and health insurance portability.

"We won this race by the influence we had on the agenda," he said.

But to many Republicans, the election was a debacle for labor, and such talk of victory is delusional.

"The best answer for how labor did is to look at what Sweeney said last January, that his goal was to unseat the Republican majority," said Bruce Josten, senior vice president of the United States Chamber of Commerce. "Measured against that objective, he didn't succeed."

Union leaders see a certain hypocrisy in such criticism. On one hand, Republicans assert that labor's spending was an abject failure. On the other hand, they vow to throttle such spending in the future.

From Mr. Sweeney's viewpoint, Republicans and business leaders are angry that labor is flexing its muscles again, and they are intent on denying labor a level playing field.

"With all the rhetoric about how much money the labor movement put in, it was a drop in the bucket compared with all the money the business community put into the districts where we campaigned," Mr. Sweeney said. "Business put in eight times what we put in. There was a real business blitz at the end of the campaign."

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The New York Times, November 15, 1996

That blitz and the Democrats' embarrassment over foreign contributions persuaded many voters to back Republican candidates to check President Clinton, he said.

Mr. Sweeney's staff has sifted through election results and polling numbers to make the case that labor's political offensive had big payoffs and was backed overwhelmingly by union members.

Labor's efforts, the staff members noted, helped oust 18 Republican House incumbents. They also noted that 62 percent of union members voted for Democrats and 35 percent for Republicans in Congressional races, while in nonunion households the vote went 45 percent Democratic, 53 percent Republican.

But Republicans note that Democrats won in just a third of the three dozen districts where the federation ran broadcast advertisements.

Labor officials are proud that union households accounted for 24 percent of the electorate, up from 19 percent in 1992. This increase, they say, meant 4 million extra voters and 2.5 million extra votes for Mr. Clinton and other Democratic candidates.

To defend the A.F.L.-C.I.O.'s efforts, Mr. Sweeney pointed to polls that found that 70 percent of union members backed the federation's political activities, 13 percent were neutral and 15 percent opposed.

"Someone asked me, 'Will we spend as much money next time around?' " he recalled. "I said, 'More.' It was money well spent."

GRAPHIC: Photo: John J. Sweeney, the president of the A.F.L.-C.I.O. (Associated Press)

LANGUAGE: ENGLISH

LOAD-DATE: November 15, 1996

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October 21, 1996, Monday

SECTION: NEWS; Ed. 1,2,3; Pg. A-1

LENGTH: 1143 words

HEADLINE: AFL-CIO works hard to unseat House GOP with costly ad drive

SERIES: ELECTION 1996

BYLINE: Stephen Green
COPLEY NEW SERVICE

BODY:

Under new and energized leadership, organized labor is pouring millions of dollars into key House races around the nation, hoping to defeat Republicans and shape a Congress more responsive to its interests.

Howls emanating from Republicans suggest the \$35 million campaign undertaken by the AFL-CIO already has achieved a degree of success.

"It's had an effect on people's opinions," acknowledged Republican National Chairman Haley Barbour, accusing the unions of trying to "buy back the Congress" with "false advertising."

Democrats need a net gain of 18 seats to retake the House from the GOP, which captured it in 1994 for the first time in four decades. That calculation assumes Rep. Bernie Sanders of Vermont, officially independent, will continue to vote with the Democrats.

AFL-CIO President John Sweeney maintains that the commercials accurately depict GOP voting records.

Unions, he said, have had to devote considerable resources to attempting "to take back the Congress" because Republicans tried to "cripple worker organizations."

The campaign by the umbrella group of 79 unions, officially known as the American Federation of Labor and Congress of Industrial Organizations, has sparked counteradvertising from the GOP and major business associations.

Republican candidates, who earlier conserved much of their media funds, have begun a spurt of advertising expected to continue until Nov. 5 in an attempt to negate labor's campaign.

Likewise, the National Republican Campaign Committee, an arm of the national party, has begun advertising in key districts.

The general theme of the committee's advertising, said Rep. Bill Paxton of New



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The San Diego Union-Tribune, October 21, 1990

York, NRCC chairman, is that "a Congress bought and paid for by big labor would represent the ultraliberal agenda of union bosses who oppose welfare reform, oppose a balanced budget and favor higher taxes on working families."

House Speaker Newt Gingrich "believes that labor began advertising too early for maximum effect," said Tony Blankley, the Georgia Republican's spokesman.

Most of the labor money -- some \$21 million -- has been spent on advertising in nearly 70 House districts with Republican incumbents, many of them GOP freshmen considered vulnerable. The commercials accuse Republicans of trying to cut spending for Medicare -- the GOP says it only wants to slow the rate of increase in spending -- and education.

The ads also decry GOP opposition to an increase in the minimum wage.

Denise Mitchell, director of public affairs for the AFL-CIO, said the remaining \$14 million has paid for on-site campaign work in some 100 districts.

Regardless of the outcome of the elections, the AFL-CIO campaign could be crucial to the future of organized labor, whose bargaining clout and membership have eroded. Since 1983, the percentage of workers belonging to unions has dropped from 20 percent to 15 percent.

"The labor movement will die if the status quo remains," declared Kate Bronfenbrenner, director of labor education research at Cornell University's School of Industrial and Labor Relations.

"If you do political education around the issues workers care about, it will help unions organize."

A year ago, Sweeney and other new officers were elected to take over the AFL-CIO, promising more assertive political and bargaining tactics.

"As unions become more aggressive, they are becoming more powerful than they have been in two decades," Bronfenbrenner said.

The AFL-CIO's Mitchell said the labor federation wants "to break through the alienation the working people of this country now have from the political system. This is one way to really give working families a voice."

In the San Diego area, the only incumbent targeted by the AFL-CIO has been Rep. Brian Bilbray, R-Imperial Beach. But after two radio ads appeared to have little effect, labor officials say they have concentrated their efforts in districts where they are thought to have a better chance.

In California, labor has focused on ousting incumbent GOP Reps. Andrea Seastrand of Shell Beach and Frank Riggs of Windsor.

A spokesman for Seastrand's Democratic opponent, Walter Capps, said labor's ads in the district, estimated by the GOP to have cost nearly \$500,000 so far, "have played an important role in airing her voting record."

But, the spokesman added, Capps expects the "playing field to be leveled" in the next couple of weeks with expenditures by Republicans and their supporters.



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One of labor's most ambitious efforts has been in Arizona's 6th Congressional District. Unions have spent more than \$1 million in a saturation advertising campaign against freshman Republican J.D. Hayworth, who is in a close race with Steve Owens, former chairman of the Arizona Democratic Party.

A spokesman for Hayworth said that the labor ads have "peaked" in effectiveness and that fresh GOP media buys now will turn the tide in favor of Hayworth.

A major force countering the AFL-CIO's advertisements is made up of business groups calling themselves The Coalition. It's been running commercials attacking union bosses and accusing labor of lying about the Republicans' record on Medicare.

The 25 organizations in The Coalition include the U.S. Chamber of Commerce, National Association of Manufacturers and the National Federation of Independent Businesses.

"We need to discredit this labor campaign," said a spokesman for the chamber. It has been estimated The Coalition will have spent \$10 million by Election Day in its effort.

Proponents of campaign finance reform say spending by labor and The Coalition reveal loopholes in the current system.

Under federal law, an interest group soliciting votes for a congressional candidate is limited to spending \$5,000. There is no limit, however, on expenditures aimed at highlighting voting records of candidates -- an exclusion used by both labor and business groups.

"The effect is the same as if they were contributions to the candidates," said Lisa Rosenberg, director of the Federal Election Commission Watch at the Center for Responsible Politics.

Politically, labor wants Democrats back in control of Congress on the assumption Democrats would give unions legal advantages in organizing and bargaining.

Unions also support proposals concerning pension reform, education and health care resembling the congressional Democrats' "Families First" agenda. Union officials and Democratic leaders say the programs were developed separately and similarities are coincidental.

Despite Republican control of the just-concluded Congress, labor succeeded in obtaining a minimum-wage increase.

Organized labor also helped kill GOP-sponsored bills that would have forced unions to obtain members' permission to spend dues on political efforts and eased laws governing overtime pay and hours.

LANGUAGE: ENGLISH



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October 29, 1996, Tuesday, Late Edition - Final

NAME: John J. Sweeney

SECTION: Section A; Page 1; Column 3; Business/Financial Desk

LENGTH: 1146 words

HEADLINE: For Big Labor, And New Chief, A Time to Smile

BYLINE: By FRANCIS X. CLINES

DATELINE: AUGUSTA, Me., Oct. 28

BODY:

John J. Sweeney was at large today out on the political landscape, a meek-looking man who smiles more like a parish pastor tending his flock than the campaign guerrilla strategist who is furiously denounced by Republicans across the country as the bare-knuckled "Boss of Big Labor."

On his first anniversary as the president of the A.F.L.-C.I.O., Mr. Sweeney arrived unattended in the fog and headed quickly to another workers' rally in another stop among hundreds of labor backroads he has been tirelessly working. There, he gave a modestly rousing speech but, even more critical to his mission, seemed delighted to field still more local reporters' questions of whether the labor movement, by going after House Republican freshmen with combative, expensive campaigns of criticism, was showing too much muscle in this election.

The very idea, the 62-year-old son of an immigrant bus driver and a housemaid had to muse privately: too much muscle coaxed from a labor movement so recently mocked for its political flab and flagging membership.

The union-muscle question resounds at every stop and, coming so soon after Big Labor's funereal status after the 1994 elections, seems to put snap in Mr. Sweeney's speech. His pate white-wreathed, his smile ever ready, Mr. Sweeney braces his pastorly demeanor with steely calls for workers to turn the Republican Congress from office for "the ugliness that has taken hold of our land."

"Brothers and sisters, two years ago American unions were history," Mr. Sweeney told his members in bittersweet exultation. "Today we are making history."

He is making union history with a special election-year fund of \$25 million worth of attack advertisements and \$10 million in political organization and cadre, all hammering away at the Republican Congress since the summer. Mr. Sweeney, underestimated by many as another colorless careerist in the movement, stood today before a crowd of cheering union workers at the Statehouse as a



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The New York Times, October 29, 1996

newly discovered national political force, a man once overlooked in the movement's comfortable hierarchy suddenly become labor's patriarchal hope.

"Sweeney comes on very meek, but then he grows on you with his actions," said Charlie O'Leary, the state president of the movement, brought back from a certain despair, he admits, by Mr. Sweeney's sudden plunge into campaign generalship. On a scale not tried before by the movement, Mr. Sweeney decided to send 131 full-time political coordinators into the field to direct thousands of union volunteers. Their targets are 96 Congressional districts, including those of the freshman loyalists of Speaker Newt Gingrich, with a flood of high-profile "education" advertisements attacking Republicans on Medicare and other sensitive entitlement-program issues. In turn, business interests have answered with a \$30 million counteroffensive of "Boss"-bashing ads.

Mr. Sweeney seems thereby to have compounded his personal clout, whatever the phenomenon may or may not imply for labor's chances at reversing membership decline. With merry confidence, Mr. Sweeney dismisses all questions of the risks involved, should he fail and face antilabor retaliation from a renewed Republican majority.

"The House is going to change," he declared with an elfin smile. He insists the Democrats will retake Congressional power, and labor will be a principal player once more with a new politicking-cum-organizing machine that he has designed to make the movement a force in future local, state and national elections.

His effort, which some equate with the Christian Coalition's organizational push beyond nonpartisan limits, is something brand new for labor. And even though campaign records show the union war chest is dwarfed nine-to-one by the Republicans' campaign contributions from business, Mr. Sweeney said it reflected the reawakening of a sleeping giant.

"If the Gingriches and Doles of the world did anything in the last session of Congress, they scared the hell out of the labor movement," he said in an interview. In this spirit of near-gratitude, the labor leader stepped to the microphone here with a speech that resonated with some timeless labor themes but in language carefully tested by the movement's focus-group advisers.

"We're here to send a message to the big banks, special interests and the greedy corporations who have been able to take advantage of working families for years," Mr. Sweeney declared, drawing throaty howls and vows of victory from the union workers who seemed, in his presence, to feel good once more about politics.

One worker waved his fist and shouted exuberantly: "Let's double that fund and really kick their butt!"

But Republicans are tracking Mr. Sweeney's movements, too, with an eye to their own campaign of portraying him to Maine voters as the intrusive agent of a complacent, even corrupt, ally of big government. "There'll definitely be some voter backlash to this," said Floyd R. Rutherford 2d, campaign manager for one of Mr. Gingrich's Republican freshman, Representative John B. Longley Jr. of Maine. "Sweeney's putting a face on a movement that voters view as deceitful," he said, referring to union ads that portrayed the Gingrich Republicans as



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scheming to cut Medicare and other popular social programs.

For Mr. Sweeney, the telling evidence that the movement's campaign may be working came not with the Republicans' counterattack but with Congress's approval this year of a rise in the minimum wage that had been rated as having no chance after the Republicans' 1994 victory.

Blending politics and union organizing is an old endeavor for Mr. Sweeney, who was a Democratic district leader 35 years ago in New York when he first began climbing the trade union ladder. As much as he talks of an updated labor agenda, geared to international markets, he also invokes the "wage and wealth gap" as the stuff of renewed labor militancy.

One working woman in a windbreaker approached him here with an opening bit of gratitude -- "If it wasn't for the union" -- that precisely echoed his own recollection of his father's gratitude as his transit union rolled the 48-hour workweek back to 40. As a boy, Mr. Sweeney witnessed the fabulous bargaining antics of Mike Quill, the New York transit union leader. Even more, he can do a good imitation from memory of Robert F. Kennedy's campaign rallying voice on the streets of the city. The twin strains of politicking and organizing seem to meet in Mr. Sweeney's ambitious attempt to resurrect the labor movement.

"The real success will be in how we follow up to this election, how we keep the momentum, how we keep the structure in place at the grass roots level so that they are there for the next local election, state election, whatever it takes," he said, heading on to his next labor rally in New Hampshire with a certain calculated abandon.

GRAPHIC: Photo: Labor, once mocked for its political weakness, is flexing its muscle under John J. Sweeney. He observed his first anniversary as president of the A.F.L.-C.I.O. yesterday at a labor rally in Augusta, Me. (Keith Meyers/The New York Times) (pg. D5)

LANGUAGE: ENGLISH

LOAD-DATE: October 29, 1996



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St. Louis Post-Dispatch

August 28, 1996, Wednesday, FIVE STAR LIFT Edition

SECTION: NEWS; Pg. 1A

LENGTH: 1428 words

HEADLINE: 'AND IT TAKES A PRESIDENT'; HILLARY CLINTON REPLIES TO BOB DOLE'S COMMENT THAT: "IT DOES NOT TAKE A VILLAGE TO RAISE A CHILD. IT TAKES A FAMILY."

BYLINE: Bill Lambrecht Post-Dispatch Washington Bureau Patrick E. Gauen And Jo Mannies Of The Post-Dispatch Staff Contributed To This Article.

DATELINE: CHICAGO

BODY:

On a night devoted to family theories, Hillary Rodham Clinton said Tuesday that her husband's re-election would improve the lives of millions of children in America's "village."

Mrs. Clinton trumpeted President Bill Clinton's successes on children and family issues in a speech notable for its measured tones.

"It takes a president who believes not only in the potential of his own child, but of all children; who believes not only in the strength of his own family, but of the American family; who believes not only in the promise of each of us as individuals, but in our promise together as a nation," she said. The phrases echoed the title of her book, "It Takes a Village."

"It takes a president who not only holds these beliefs but acts on them. It takes Bill Clinton," she said.

Mrs. Clinton got a tumultuous reception on the second night of the Democratic National Convention. Her speech - delivered from the podium - was neither as personal or as chatty as Elizabeth Dole's from-the-aisles delivery to the Republican convention in San Diego.

Instead, Mrs. Clinton seemed to focus on policy issues. She also seemed to answer Republican nominee Bob Dole, whose acceptance speech questioned the wisdom of the proverb that it takes a village to raise a child.

Mrs. Clinton, whose speech drew additional interest because of Mrs. Dole's appearance, said she had decided to speak about the children's issues she has worked on for years. She led a parade of speakers who struck pro-family themes that have long been associated with the GOP. Like Clinton in recent months, the Democratic Party served notice Tuesday night that it would no longer cede that political ground.

Harmony in the convention held Tuesday as the party approved its platform with little debate. Prominent liberals on the podium - Jesse Jackson and former



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New York Gov. Mario Cuomo - soft-pedaled opposition to Clinton's rightward drift on welfare and other matters.

Tonight, Clinton will be formally renominated in a program that will highlight Vice President Al Gore. Clinton will deliver his acceptance speech Thursday night and presumably tell Americans what he would do in a second term.

On Tuesday, House Minority Leader Richard A. Gephardt, D-Mo., devoted his second convention speech in two nights to promoting the Democratic Party's "Families First" initiative for regaining control of Congress.

"It is not a contract to be broken," Gephardt said, contrasting the Democrats' agenda with the Republicans' Contract with America proposals that endured a roller-coaster ride of acceptance and rejection in Congress. "It is not an expression of ideology, but a set of ideas to make America work for the families who work hard every day, who save what they can, who hope to buy a home and build a better life for their children."

Gephardt was greeted by signs and chants of "Speaker Gephardt" - which would be his position in the House if Democrats gain 20 seats in the November election.

Family Matters

If Clinton wins re-election, which would bolster Democratic hopes of regaining the House, it may be because of his success in winning the electorate's center. Clinton has aggressively molded family-oriented initiatives in recent months that are designed to appeal to the middle.

Clinton was praised from the podium Tuesday night for championing the V-chip television monitor, educational programming, anti-smoking regulations and various pro-family policies.

In the keynote speech, Indiana Gov. Evan Bayh intoned the pro-family themes when he described his own proud family history and lauded Clinton for providing a stable economy and strong opportunities for families.

"Fifty years from now, few will remember who addressed this convention tonight," Bayh said. "But our children will know whether we met the critical challenges of our time. What will they say of us?"

"Let them say - as with our parents - that our generation has delivered on its promises to the children. Let them say that the traditional values - opportunity, responsibility and faith - held us tight, one generation to the next."

Tipper Gore, wife of the vice president, told of her fight to win voluntary labeling of records and CDs "to give parents the tools to protect their children from violence, obscenity and degradation of women."

Then, she said, "the battle was over music, but now, thanks to President Clinton and Vice President Gore, parents will have even more powerful tools" - the V-chip, voluntary ratings and new educational programming on the TV networks.



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St. Louis Post-Dispatch, August 28, 1996

Boisterous Greeting

For Mrs. Clinton, her speech Tuesday night in her hometown offered a chance to repair a relationship with voters that has run hot and cold. Problems surfaced after she moved into the White House and took a public role in drafting a health care plan that proved to be too broad, poorly explained or both. Her past connections with the Rose law firm of Arkansas, accused of misdeeds during the Whitewater investigation, brought further distress to Democrats.

Indeed, Republicans view the "Hillary factor" as a liability to the president. Dole surprised many political observers when he indirectly criticized Mrs. Clinton in his acceptance speech.

Mrs. Clinton's speech Tuesday was primarily a recitation of her husband's successes in office, although it included several references to their daughter, Chelsea, 16, who was smiling at her mother from the audience.

Mrs. Clinton said twice that she was overwhelmed at the long and boisterous greeting she received when she took the stage. She joked that a friend had advised her to have her hair cut and colored orange so that she could change her name to Hillary Rodman Clinton - after the eccentric Chicago Bulls basketball player.

Mrs. Clinton intoned the family issues that her husband has cultivated and praised him for pro-children initiatives.

"Parents, first and foremost, are responsible for their children. But we are all responsible for ensuring that children are raised in a nation that doesn't just talk about family values, but acts in ways that value families," she said.

Mrs. Clinton praised the bipartisan effort leading to a new law that will let many Americans keep their health insurance if they switch jobs. She also renewed her call for expanded health insurance - the issue that caused some of her problems.

"Now the country must take the next step of helping unemployed Americans and their children keep health insurance for six months after losing their jobs," she said. "If you lose your job, it's bad enough. But your daughter shouldn't have to lose her doctor, too."

In reference to her daughter and other young people, Mrs. Clinton said: "Her life and the lives of millions of boys and girls will be better because of what all of us are doing together. They will face fewer obstacles and more possibilities. That is something we should all be proud of. And that is what this election is all about."

Jackson Urges Unity

Jackson's speech had been one of the most eagerly awaited for its substance as well as style. Jackson, a two-time Democratic presidential aspirant, represents the wing of the party that has criticized Clinton's signing last week of a Republican-drawn welfare law.

"Last week, over the objections of many Democratic Party leaders and the opposition of millions of Americans, Franklin Roosevelt's six-decade guarantee

**LEXIS-NEXIS**

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**LEXIS-NEXIS**

A member of the Reed Elsevier plc group

St. Louis Post-Dispatch, August 28, 1996

of support for women and children was abandoned," Jackson said.

But Jackson warned people to avoid letting the welfare issue divide Democrats as did the Vietnam War at the Democratic convention in 1968.

"The last time we gathered in Chicago, high winds whipped apart our big tent. We could not bridge that gap between strongly held opinions; we lost to (Richard) Nixon by the margin of our despair," Jackson said.

Jackson said that unlike the Republicans at their convention, the Democrats had enough diversity to allow differences of opinion over an issue as large as welfare. "When Pataki and Wilson disagreed in San Diego, they were sent to Siberia," Jackson said, referring to Govs. Pete Wilson of California and George Pataki of New York, who were denied significant speaking roles apparently because of their abortion rights views.

Cuomo, one of the Democratic Party's foremost liberal voices, was a late addition to a speaking roster short of outspoken liberals. The addition of Cuomo suggested that the party may be feeling confident enough about portraying its centrist side this week to showcase a liberal of Cuomo's stature.

GRAPHIC: PHOTO, GRAPHIC; (1) Color Photo Headshot of Hillary Rodham Clinton (2) Photo From AP - Hillary Rodham Clinton waves to delegates as they cheer her before her address to the Democratic National Convention. (3) Color Graphic Logo - DEMOCRATIC CONVENTION

LANGUAGE: English

LOAD-DATE: August 28, 1996

**LEXIS-NEXIS**

A member of the Reed Elsevier plc group

**LEXIS-NEXIS**

A member of the Reed Elsevier plc group

**LEXIS-NEXIS**

A member of the Reed Elsevier plc group



P. O. Box 34083
Little Rock, Arkansas 72203

Telephone: (501) 376-8683
Fax: (501) 376-0591

November 14, 1996

Mr. Lawrence Noble
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, DC 20463

RE: MUR 4472

Dear Mr. Noble:

Please find enclosed a response from the Committee to Elect Winston Bryant-U.S. Senate, Clifford P. Block, Treasurer, to the Complaint filed in the above-referenced matter. The Committee respectfully requests that this matter be dismissed as to the Committee and its Treasurer. Please do not hesitate to contact me if additional response or information is needed.

Sincerely,

Clifford P. Block
Treasurer

Enclosure

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
NO. Z 417 341 645

NOV 21 2 13 PM '96
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL



BEFORE THE UNITED STATES FEDERAL ELECTION COMMISSION

NOV 21 2 19 PM '96

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

_____)
_____)
In The Matter Of _____)
_____)
THE DEMOCRAT STATE PARTY OF _____)
ARKANSAS and THE COMMITTEE TO _____)
ELECT WINSTON BRYANT, CLIFFORD _____)
P. BLOCK, Treasurer _____)
_____)
_____)

MATTER UNDER REVIEW 44

**RESPONSE TO COMPLAINT AND REQUEST FOR FINDING OF NO REASON
TO BELIEVE VIOLATION**

Comes now the respondent, Committee to Elect Winston Bryant-U.S. Senate,
Clifford P. Block, Treasurer, and submits the following response:

I. Introduction

The National Republican Senatorial Committee (NRSC) has brought before this
Commission a Complaint alleging that the Democrat State Party of Arkansas (State Party)
has unlawfully financed a television advertisement in connection with the general election
campaign of Winston Bryant, the Democratic nominee for election to the United States
Senate. Because the NRSC submits that the advertisement in question does not meet the
standard of an "issue" advertisement, they submit the State Party cannot claim the
expenditure to be of an administrative nature. The Complaint further alleges that the
Committee to Elect Winston Bryant-U.S. Senate, Clifford P. Block, Treasurer
(Committee) knowingly and willfully coordinated with the Democrat State Party of

Arkansas in financing the advertisement in question because a local media buyer who placed the media buy for the State Party also placed media buys for the Committee. The NRSC continues by alleging that, because the advertisement buy in their analysis constitutes a coordinated expenditure, the failure to report the expenditure as an in-kind contribution constitutes a knowing and willful violation by the Respondents.

For the reasons set forth below, the Committee submits that the NRSC is incorrect in its legal analysis and factual assertions as alleged against them. Because there is no evidence of coordination, no evidence of knowing or willful participation, and no evidence of a violation of law, the Committee hereby respectfully requests a finding that no reason exists to believe a violation by the Committee of the Federal Election Campaign Act of 1971, as amended, has occurred and that this matter be closed with such a finding.

II. Analysis

The Committee asserts that the first analysis should be whether the advertisement in question constituted an administrative expense or was an expenditure "made for the purpose of influencing any election for federal office." 2 U.S.C. §431(8)(A)(i). If not made for the purpose of influencing an election for federal office, the expenditure is not a contribution to the Committee but rather classified as an administrative/voter drive cost subject to 11 C.F.R. 106.5(a)(2). The Committee was not responsible for the design and publication of the advertisements by the State Party, but the Committee submits that the advertisement in question was one not to influence an election for federal office but rather of issue advocacy.

At the time the advertisement was running, the 104th Congress was still in session with pending budget resolutions and spending bills. The message in the advertisement clearly had implications to those pending issues. Cuts in Medicare, Tax Cuts for the Rich, Cuts in Education and Student Loan Programs, and Votes with Newt Gingrich. Attached hereto as Exhibit "A-1" and incorporated herein by reference as if set forth word for word is a transcript of the television advertisement of which is the subject of the Complaint by the NRSC.

Assuming for further analysis only that the message was not an issue advertisement but rather a message of which the purpose was to influence a federal election, the next question relevant to the Complaint as filed against the Committee is whether the Committee knowingly and willfully participated or coordinated the expenditure by the State Party. If not, then the expenditure is an "independent expenditure." 2 U.S.C. §431(17). If an independent expenditure, then the Committee has not violated the FECA.

Attached hereto as Exhibits "B-1," "B-2," "B-3," "B-4," and "B-5" and incorporated herein by reference as if set forth word for word, are affidavits by Clifford P. Block, Treasurer for the Committee, Winston Bryant, the candidate, Charles Miller, Campaign Manager for the Committee, Dinah Dale, Finance Director for the Committee, and Bill Paschall, Managing Partner with Wills Thompson Paschall media firm. Each affidavit affirms that there was not coordination, consultation, prior consent, arrangement or direction by the Committee in respect to the media design and purchase by the State Party.

The NRSC alleges that due to the fact that the Wills Thompson Paschall media firm purchased media time for the Committee and the State Party, that such an

arrangement is prima facie evidence of coordination. Other than a wild assertion, no basis in fact exists for this argument. As indicated by Bill Paschall in Exhibit "B-5," a managing partner with Wills Thompson Paschall, the media firm represents numerous democratic clients and issue organizations. Simply alleging or presuming coordination does not make coordination in fact. What is in fact is Exhibits "B-1" through "B-5" which declare no coordination existed. It is unrealistic and improper to infer that a media firm can only represent one political client at a time, especially in a market where media placement firms do not exist in great numbers.

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Apparently reaching to find additional basis for filing their complaint, the NRSC states that the advertisements broadcast on KAIT-TV in Jonesboro, Arkansas do not reach into the Congressional District of Representative Hutchinson. While that argument alone suggests a quite likely false premise that Rep. Hutchinson has no interest in the concerns of Arkansans outside of his district and thus he would ignore interested calls, and while that argument further falsely suggests that no residents in the 3rd Congressional District ever travel the few miles outside of the district and would see the advertisement, to refute this argument by the NRSC in their Complaint, as stated by Clifford P. Block, Treasurer in his affidavit attached as Exhibit "B-1," research reveals that advertisements placed on KAIT-TV in Jonesboro, Arkansas do reach into the 3rd Congressional District of Arkansas. The television station of KAIT-TV is provided to the communities of Henderson, Arkansas and Gamalia, Arkansas, located in the eastern portion of Baxter County, Arkansas through the cable system of Douglas Communications Midsouth. Additionally, higher elevation regions in the eastern portion of the 3rd Congressional District receive direct antennae reception of KAIT-TV. For residents of Eastern Baxter

County, Arkansas to watch KAIT-TV is not uncommon as the other nearest television stations are located in Springfield, Missouri, Little Rock, Arkansas, and Fayetteville, Arkansas. This argument by the NRSC is totally without factual basis or logical merit.

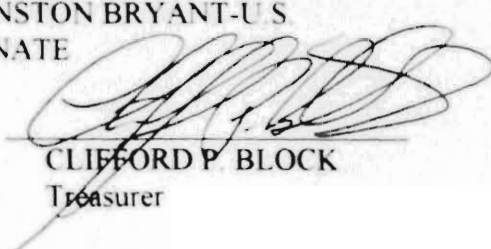
III. Conclusion

It is evident from the facts of this matter that the advertisements in question by the State Party do not constitute an electioneering or express advocacy message. Therefore, the expenditure by the State Party is proper. Additionally, it is evident from the attached sworn statements that there was no coordination or consultation between the State Party and the Committee as to the advertisements. The false allegations by the NRSC in their Complaint show just how far they are willing to go to file a frivolous and vexatious Complaint against an opponent during an election season. Based upon factual proof and legal argument submitted, the Committee to Elect Winston Bryant-U.S. Senate, Clifford P. Block, Treasurer, respectfully requests that this matter be dismissed as against the Committee and its Treasurer upon a basis for no reason to believe a violation of the FECA has occurred.

Respectfully submitted this 14th day of November, 1996,

COMMITTEE TO ELECT
WINSTON BRYANT-U.S.
SENATE

by:



CLIFFORD P. BLOCK
Treasurer

TRANSCRIPT OF "AGENDA 101"

Shots of Newt
with graphics

ANNC:

THE GINGRICH AGENDA...DEEP CUTS IN
MEDICARE, HIGHER TAXES FOR WORKING
FAMILIES, HUGE TAX BREAKS FOR THE
RICH.

Shot of Tim
with graphics

ANNC:

TIM HUTCHINSON SUPPORTS THE
GINGRICH AGENDA.

Shot of Tim &
Newt with graphics

ANNC:

IN FACT, ACCORDING TO THE
CONGRESSIONAL RECORD TIM
HUTCHINSON VOTED WITH NEWT
GINGRICH 96% OF THE TIME TO CUT
MEDICARE, CUT EDUCATION & CUT
STUDENT LOAN PROGRAMS AND GIVE
HUGE TAX BREAKS TO THE RICH.

Shot of Tim with
following graphics:
"202-225-4301

Tell Tim Hutchinson
to stop listening to Gingrich
start listening to us."

ANNC:

CALL TIM HUTCHINSON TODAY. TELL HIM
TO STOP LISTENING TO NEWT GINGRICH
AND START LISTENING TO US!

EXHIBIT

"A-1"

BEFORE THE UNITED STATES FEDERAL ELECTION COMMISSION

In The Matter Of:

THE DEMOCRAT STATE PARTY OF
ARKANSAS and THE COMMITTEE TO
ELECT WINSTON BRYANT, CLIFFORD)
P. BLOCK, Treasurer)
_____)

MATTER UNDER REVIEW 4472

AFFIDAVIT

I, Clifford P. Block, being duly sworn and under oath, state the following:

1. I am the Treasurer for the Committee to Elect Winston Bryant - U.S. Senate.
2. I had no contact with the Democratic State Party of Arkansas nor the Wills, Thompson, Paschall media firm regarding the design, placement or purchase of any media buys for the Democratic State Party of Arkansas as alleged in the Complaint filed in this matter.
3. To the best of my knowledge neither myself nor the Committee to Elect Winston Bryant -- U.S. Senate gave prior consent, consulted with, made any arrangement or direction, nor requested the Democratic State Party of Arkansas or the Wills, Thompson, Paschall media firm to design, place or purchase any media buy for the Democratic State Party of Arkansas as alleged in the complaint filed in this matter.

EXHIBIT

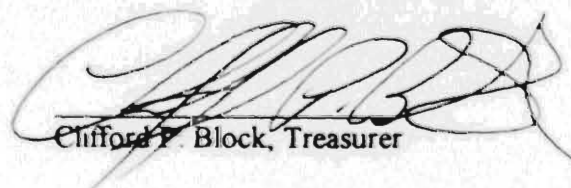
"B-1"

4. At no time did myself as Treasurer for the Committee to Elect Winston Bryant - U S Senate engage in any conversations or discussions with the Democratic State Party of Arkansas as to the media buy referenced in this matter.

5. At no time prior to the receipt of this Complaint did I, as Treasurer for the Committee to Elect Winston Bryant - U.S. Senate, engage in any conversations or discussions with the Wills, Thompson, Paschall media firm as to the media buy for the Democratic State Party of Arkansas.

6. Based upon conversation with Douglas Communications Midsouth, P.O. Box 51, Truman, Arkansas 72472, as research engaged after reception of this Complaint, I have been advised that television station KAIT - TV located in Jonesboro, Arkansas does have regular cable provided service into the communities of Henderson and Gamilia, Arkansas located within Baxter County Arkansas, further located within the Third Congressional District of Arkansas.

7. It was and is my belief that the media buy of the Democratic State Party of Arkansas was intended to be independent from the Committee to Elect Winston Bryant - U.S. Senate and to be an issue related advertisement.


Clifford P. Block, Treasurer

ACKNOWLEDGMENT

STATE OF ARKANSAS)

)SS

COUNTY OF PULASKI)

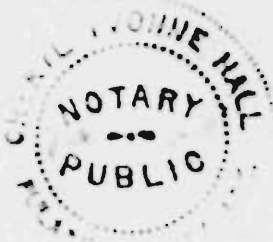
28043861652

Subscribed and sworn to before me, a Notary Public, on the 14th day of
November, 1996.

Robert Hall
Notary Public

My Commission Expires

2-8-2002
Date



93043861543

BEFORE THE UNITED STATES FEDERAL ELECTION COMMISSION

In The Matter Of

THE DEMOCRAT STATE PARTY OF
ARKANSAS and THE COMMITTEE TO
ELECT WINSTON BRYANT, CLIFFORD)
P. BLOCK, Treasurer)
_____)

MATTER UNDER REVIEW 4472

AFFIDAVIT

I, J. Winston Bryant, being duly sworn and under oath, state the following:

1. I was the Democratic nominee from the State of Arkansas for the general election of 1996 to the United States Senate. The Committee to Elect Winston Bryant - U.S. Senate was designated as my principal campaign committee.

2. I had no contact with the Democratic State Party of Arkansas nor the Wills, Thompson, Paschall media firm regarding the design, placement or purchase of any media buys for the Democratic State Party of Arkansas as alleged in the Complaint filed in this matter

3. To the best of my knowledge neither myself nor the Committee to Elect Winston Bryant -- U.S. Senate gave prior consent, consulted with, made any arrangement or direction, nor requested the Democratic State Party of Arkansas or the Wills, Thompson, Paschall media firm to design, place or purchase any media buy for the Democratic State Party of Arkansas as alleged in the complaint filed in this matter.

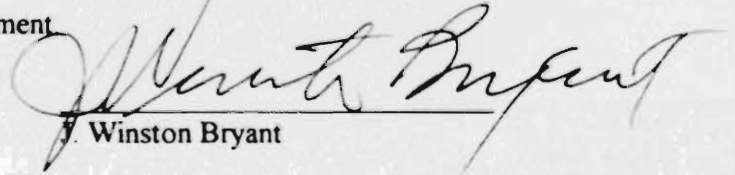
EXHIBIT

"B-2"

4. At no time did I engage in any conversations or discussions with the Democratic State Party of Arkansas as to the media buy referenced in this matter.

5. At no time prior to the receipt of this Complaint did I engage in any conversations or discussions with the Wills, Thompson, Paschall media firm as to the media buy for the Democratic State Party of Arkansas.

6. It was and is my belief that the media buy of the Democratic State Party of Arkansas was intended to be independent from the Committee to Elect Winston Bryant - U.S. Senate and to be an issue related advertisement.


Winston Bryant

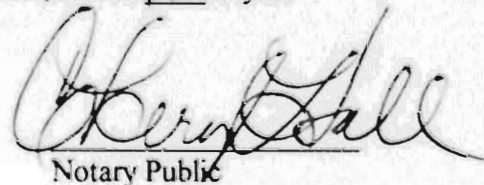
ACKNOWLEDGMENT

STATE OF ARKANSAS)

)SS

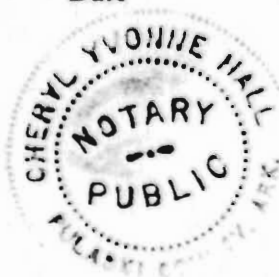
COUNTY OF PULASKI)

Subscribed and sworn to before me, a Notary Public, on the 14th day of
November, 1996.


Notary Public

My Commission Expires

2-8-2002
Date



BEFORE THE UNITED STATES FEDERAL ELECTION COMMISSION

In The Matter Of

THE DEMOCRAT STATE PARTY OF
ARKANSAS and THE COMMITTEE TO
ELECT WINSTON BRYANT, CLIFFORD)
P. BLOCK, Treasurer)
_____)

MATTER UNDER REVIEW 4472

AFFIDAVIT

I, Charles M. Miller, being duly sworn and under oath, state the following:

1. I was the Campaign Manager for the Committee to Elect Winston Bryant -
U.S. Senate.

2. I had no contact with the Democratic State Party of Arkansas nor the
Wills, Thompson, Paschall media firm regarding the design, placement or purchase of any
media buys for the Democratic State Party of Arkansas as alleged in the Complaint filed in
this matter.

3. To the best of my knowledge neither myself nor the Committee to Elect
Winston Bryant -- U.S. Senate gave prior consent, consulted with, made any arrangement
or direction, nor requested the Democratic State Party of Arkansas or the Wills,
Thompson, Paschall media firm to design, place or purchase any media buy for the
Democratic State Party of Arkansas as alleged in the complaint filed in this matter.

4. At no time did myself, as Campaign Manager for the Committee to Elect

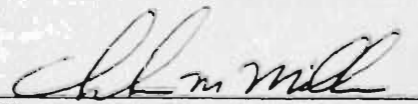
EXHIBIT

"B-3"

Winston Bryant - U.S. Senate, engage in any conversations or discussions with the Democratic State Party of Arkansas as to the media buy referenced in this matter.

5. At no time prior to the receipt of this Complaint did I, as Campaign Manager for the Committee to Elect Winston Bryant - U.S. Senate, engage in any conversations or discussions with the Wills, Thompson, Paschall media firm as to the media buy for the Democratic State Party of Arkansas

6. It was and is my belief that the media buy of the Democratic State Party of Arkansas was intended to be independent from the Committee to Elect Winston Bryant - U.S. Senate and to be an issue related advertisement.


Charles M. Miller, Campaign
Manager

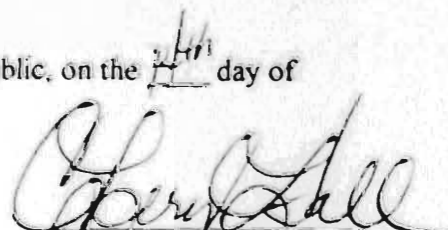
ACKNOWLEDGMENT

STATE OF ARKANSAS)

)SS

COUNTY OF PULASKI)

Subscribed and sworn to before me, a Notary Public, on the 4th day of
November, 1996.


Notary Public

My Commission Expires



BEFORE THE UNITED STATES FEDERAL ELECTION COMMISSION

In The Matter Of:

THE DEMOCRAT STATE PARTY OF
ARKANSAS and THE COMMITTEE TO
ELECT WINSTON BRYANT, CLIFFORD)
P. BLOCK, Treasurer)
_____)

MATTER UNDER REVIEW 4472

AFFIDAVIT

I, Dinah M. Dale, being duly sworn and under oath, state the following:

1. I was the Finance Director for the Committee to Elect Winston Bryant -
U.S. Senate.

2. I had no contact with the Democratic State Party of Arkansas nor the
Wills, Thompson, Paschall media firm regarding the design, placement or purchase of any
media buys for the Democratic State Party of Arkansas as alleged in the Complaint filed in
this matter.

3. To the best of my knowledge neither myself nor the Committee to Elect
Winston Bryant -- U.S. Senate gave prior consent, consulted with, made any arrangement
or direction, nor requested the Democratic State Party of Arkansas or the Wills,
Thompson, Paschall media firm to design, place or purchase any media buy for the
Democratic State Party of Arkansas as alleged in the complaint filed in this matter.

4. At no time did myself, as Finance Director for the Committee to Elect

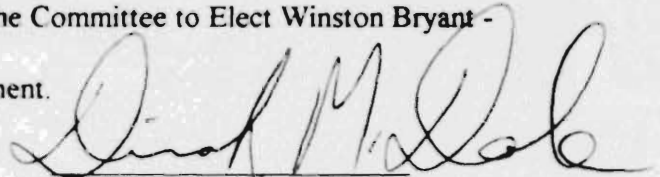
EXHIBIT

"B-4"

Winston Bryant - U.S. Senate, engage in any conversations or discussions with the Democratic State Party of Arkansas as to the media buy referenced in this matter.

5. At no time prior to the receipt of this Complaint did I, as Finance Director for the Committee to Elect Winston Bryant - U.S. Senate, engage in any conversations or discussions with the Wills, Thompson, Paschall media firm as to the media buy for the Democratic State Party of Arkansas

6. It was and is my belief that the media buy of the Democratic State Party of Arkansas was intended to be independent from the Committee to Elect Winston Bryant - U.S. Senate and to be an issue related advertisement.


Dinah M. Dale, Finance Director

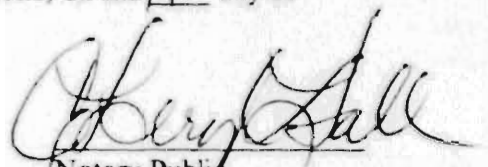
ACKNOWLEDGMENT

STATE OF ARKANSAS)

)SS

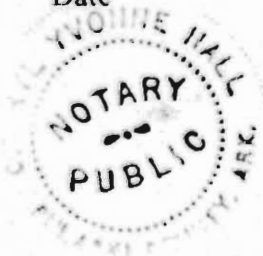
COUNTY OF PULASKI)

Subscribed and sworn to before me, a Notary Public, on the 14th day of
November, 1996.


Notary Public

My Commission Expires

2-8-2002
Date



BEFORE THE UNITED STATES FEDERAL ELECTION COMMISSION

In The Matter Of

THE DEMOCRAT STATE PARTY OF
ARKANSAS and THE COMMITTEE TO
ELECT WINSTON BRYANT, CLIFFORD)
P BLOCK, Treasurer)
_____)

MATTER UNDER REVIEW 4472

AFFIDAVIT

1. Bill Paschall, being duly sworn and under oath, state the following

1 I am a Managing Partner of the media firm of Wills Thompson Paschall.

2 During the 1996 Political Campaign year, the media firm of Wills

Thompson Paschall purchased media for the following political clients and Democratic candidates in the State of Arkansas: Committee to Elect Winston Bryant U.S. Senate; Vic Snyder - U.S. Congress; Tom Donaldson - U.S. Congress; Sam Bird - Arkansas Court of Appeals; Tom Kennedy - Arkansas Senate; Collins Kilgore - Pulaski and Perry County Arkansas Chancery Court; Arkansans Against Unfair Tax Hikes - Propositions 1 & 2; Committee to Promote Arkansas - Amendment 7; and the Arkansas Democratic Party.

3 I had no contact with the Committee to Elect Winston Bryant - U.S. Senate regarding the design, placement or purchase of any media buys for the Democratic State Party of Arkansas.

EXHIBIT

"B-5"

Y 8 U 4 3 8 6 1 5 7 0

4 To the best of my knowledge the Committee to Elect Winston Bryant --
U S Senate neither gave prior consent, consulted with, made any arrangement or
direction, nor requested the Wills Thompson Paschall media firm to design, place or
purchase any media buy for the Democratic State Party of Arkansas.

5 At no time prior to placing the media buy for the Democratic State Party of
Arkansas did I, as a Managing Partner with the media firm of Wills Thompson Paschall to
the Committee to Elect Winston Bryant - U S Senate, engage in any conversations or
discussions with the Committee to Elect Winston Bryant - U S Senate as to the media buy
for the Democratic State Party of Arkansas.

6 It is my understanding that the media buy of the Democratic State Party of
Arkansas was to be independent from the Committee to Elect Winston Bryant - U S
Senate and to be an issue related advertisement.


Bill Paschall, Managing Partner
Wills Thompson Paschall

ACKNOWLEDGMENT

STATE OF ARKANSAS)

)SS

COUNTY OF PULASKI)

Subscribed and sworn to before me, a Notary Public, on the ____ day of November, 1996.

Notary Public

My Commission Expires

Date

98043961671

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)
)
)
)
)

CASE CLOSURES UNDER
ENFORCEMENT PRIORITY

FEB 17 3 21 PM '03

GENERAL COUNSEL'S REPORT

I. INTRODUCTION.

The cases listed below have been identified as either stale or of low priority based upon evaluation under the Enforcement Priority System (EPS). This report is submitted to recommend that the Commission no longer pursue these cases.

II. CASES RECOMMENDED FOR CLOSURE.

A. Cases Not Warranting Further Action Relative to Other Cases Pending Before the Commission

EPS was created to identify pending cases which, due to the length of their pendency in inactive status or the lower priority of the issues raised in the matters relative to others presently pending before the Commission, do not warrant further expenditure of resources. Central Enforcement Docket (CED) evaluates each incoming matter using Commission-approved criteria which results in a numerical rating of each case.

Closing cases permits the

Commission to focus its limited resources on more important cases presently

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pending before it. Based upon this review, we have identified 16 cases that do not warrant further action relative to other pending matters.¹ The attachment to this report contains summaries of each case, the EPS rating, and the factors leading to assignment of a low priority and recommendation not to further pursue the matter.

B. Stale Cases

Effective enforcement relies upon the timely pursuit of complaints and referrals to ensure compliance with the law. Investigations concerning activity more remote in time usually require a greater commitment of resources, primarily due to the fact that the evidence of such activity becomes more difficult to develop as it ages. Focusing investigative efforts on more recent and more significant activity also has a more positive effect on the electoral process and the regulated community. In recognition of this fact, EPS provides us with the means to identify those cases which remained unassigned for a significant period due to a lack of staff resources for effective investigation. The utility of commencing an investigation declines as these cases age, until they reach a point when activation of a case would not be an efficient use of the Commission's resources.

¹ These cases are: MUR 4631 (Perot/McClure); MUR 4661 (Cox and Amplicon, Inc.); MUR 4667 (Specter & Greenwood); MUR 4668 (Schakowsky for Congress); MUR 4672 (Friends of John O'Toole); MUR 4673 (Papan for Assembly); MUR 4676 (Warren County Democratic Committee); MUR 4677 (Patrick Kennedy); MUR 4681 (Jack Block); MUR 4683 (Janice Schakowsky for Congress); MUR 4684 (Spartanburg County Republicans); MUR 4694 (Jan Schakowsky for Congress); MUR 4695 (Schakowsky for Congress); MUR 4696 (Janice Schakowsky for Congress); MUR 4703 (Dumont Institute / Robert M. Gee); and Pre-MUR 356 (Pritzker for Congress).

We have identified cases which have remained on the Central Enforcement Docket for a sufficient period of time to render them stale. We recommend 27 of these cases be closed.³ Nine of these cases were part of the so-called "Major 96" cases that have not been able to be activated due to a lack of resources to effectively pursue them in a timely fashion.⁴ Since the time period rendering them stale has now passed, we recommend their closure at this time.

We recommend that the Commission exercise its prosecutorial discretion and direct closure of the cases listed below, effective February 24, 1998. Closing

³ These cases are: MUR 4350 (Republican Party of Minnesota), MUR 4355 (Aqua-Leisure Industries, Inc.), MUR 4372 (Nebraska Democratic Party), MUR 4394 (Americans for Term Limits), MUR 4472 (Committee to Elect Winston), MUR 4483 (Nebraska Democratic State Central Committee), MUR 4504 (NH Democratic State Party Committee), MUR 4507 (People for Boschunz), MUR 4509 (Wellstone for Senate), MUR 4565 (Bell for Congress), MUR 4570 (Congresswoman Andrea Seastrand), MUR 4571 (Subert for Congress Committee), MUR 4572 (Friends of Dick B. Durbin), MUR 4575 (Dana Corrington), MUR 4585 (Hughes for Congress Committee), MUR 4589 (Congressman Bart Gordon), MUR 4592 (Iowa Public Television), MUR 4593 (Public Interest Institute), MUR 4599 (Bruce W. Happonen), MUR 4601 (Choctaw Nation of Oklahoma), MUR 4602 (NFSB-TV Channel 3), MUR 4604 (Dana Corrington), MUR 4605 (Christian Coalition), Pre-MUR 346 (Coalition of Politically Active Christians), RAD 96NF-09 (O'Sullivan for Congress), RAD 96L-12 (Alaska Democratic Party), and RAD 97NF-02 (Zien for Congress).

⁴ These cases are: MUR 4350 (Republican Party of Minnesota), MUR 4372 (Nebraska Democratic Party), MUR 4394 (Americans for Term Limits), MUR 4472 (Committee to Elect Winston), MUR 4483 (Nebraska Democratic State Central Committee), MUR 4504 (NH Democratic State Party Committee), MUR 4507 (People for Boschunz), MUR 4509 (Wellstone for Senate), and MUR 4565 (Bell for Congress).

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these cases as of this date will permit CED and the Legal Review Team the necessary time to prepare closing letters and case files for the public record.

III. RECOMMENDATIONS.

A. Decline to open a MUR, close the file effective February 24, 1998, and approve the appropriate letters in the following matters:

- | | | |
|----------------|----------------|----------------|
| 1. RAD 96NF-09 | 3. RAD 97NF-02 | 5. Pre-MUR 356 |
| 2. RAD 96L-12 | 4. Pre-MUR 346 | |

B. Take no action, close the file effective March 2, 1998, and approve the appropriate letters in the following matters:

- | | | |
|--------------|--------------|--------------|
| 1. MUR 4350 | 14. MUR 4575 | 27. MUR 4668 |
| 2. MUR 4355 | 15. MUR 4585 | 28. MUR 4672 |
| 3. MUR 4372 | 16. MUR 4589 | 29. MUR 4673 |
| 4. MUR 4394 | 17. MUR 4592 | 30. MUR 4676 |
| 5. MUR 4472 | 18. MUR 4593 | 31. MUR 4677 |
| 6. MUR 4483 | 19. MUR 4599 | 32. MUR 4681 |
| 7. MUR 4504 | 20. MUR 4601 | 33. MUR 4683 |
| 8. MUR 4507 | 21. MUR 4602 | 34. MUR 4684 |
| 9. MUR 4509 | 22. MUR 4604 | 35. MUR 4694 |
| 10. MUR 4565 | 23. MUR 4605 | 36. MUR 4695 |
| 11. MUR 4570 | 24. MUR 4631 | 37. MUR 4696 |
| 12. MUR 4571 | 25. MUR 4661 | 38. MUR 4703 |
| 13. MUR 4572 | 26. MUR 4667 | |

2/24/98
Date

Lawrence M. Noble
General Counsel



FEDERAL ELECTION COMMISSION
Washington, DC 20463

MEMORANDUM

TO LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM MARJORIE W. EMMONS/LISA R. DAVIS
COMMISSION SECRETARY

DATE FEBRUARY 19, 1998

SUBJECT Case Closures Under Enforcement Priority General
Counsel's Report dated February 11, 1998

The above-captioned document was circulated to the Commission
on Thursday, February 12, 1998

Objection(s) have been received from the Commissioner(s) as
indicated by the name(s) checked below

Commissioner Aikens	—
Commissioner Elliott	—
Commissioner McDonald	<u>XXX</u>
Commissioner McGarry	—
Commissioner Thomas	<u>XXX</u>

This matter will be placed on the meeting agenda for

Tuesday, February 24, 1998

Please notify us who will represent your Division before the Commission on this
matter.

AGENDA DOCUMENT NO. X98-13

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) Agenda Document
Case Closures Under) No. X98-13
Enforcement Priority)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on February 24, 1998, do hereby certify that the Commission took the following actions with respect to Agenda Document No. X98-13:

1. Failed in a vote of 3-2 to pass a motion to approve the General Counsel's recommendations, subject to amendment of the closing date in recommendation A to read March 2, 1998, and subject to deletion of those cases listed in footnote 4 on Page 3 of the staff report.

Commissioners McDonald, McGarry, and Thomas voted affirmatively for the motion. Commissioners Aikens and Elliott dissented.

2. Decided by a vote of 5-0 to

A. Decline to open a MUR, close the file effective March 2, 1998, and approve the appropriate letters in the following matters:

- | | |
|----------------|----------------|
| 1. RAD 96NF-09 | 4. Pre-MUR 346 |
| 2. RAD 96L-12 | 5. Pre-MUR 356 |
| 3. RAD 97NF-02 | |

(continued)

- B. Take no action, close the file effective March 2, 1998, and approve the appropriate letters in the following matters:

1. MUR 4350	20. MUR 4601
2. MUR 4355	21. MUR 4602
3. MUR 4372	22. MUR 4604
4. MUR 4394	23. MUR 4605
5. MUR 4472	24. MUR 4631
6. MUR 4483	25. MUR 4661
7. MUR 4504	26. MUR 4667
8. MUR 4507	27. MUR 4668
9. MUR 4509	28. MUR 4672
10. MUR 4565	29. MUR 4673
11. MUR 4570	30. MUR 4676
12. MUR 4571	31. MUR 4677
13. MUR 4572	32. MUR 4681
14. MUR 4575	33. MUR 4683
15. MUR 4585	34. MUR 4684
16. MUR 4589	35. MUR 4694
17. MUR 4592	36. MUR 4695
18. MUR 4593	37. MUR 4696
19. MUR 4599	38. MUR 4703

Commissioners Aikens, Elliott, McDonald, McGarry, and Thomas voted affirmatively for the decision.

Attest:

2-25-98
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

March 2, 1998

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Craig Engle, General Counsel
National Republican Senatorial Committee
425 Second Street, N.E.
Washington, D.C. 20002

RE MUR 4472

Dear Mr. Engle:

On September 26, 1996, the Federal Election Commission received your complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act").

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action in the matter. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on March 2, 1998. This matter will become part of the public record within 30 days.

The Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437(g)(4)(B).

Sincerely,

A handwritten signature in black ink, appearing to read "F. Andrew Turley", is written over a horizontal line.

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 2, 1998

Mr. Marc E. Elias, Esquire
PERKINS COIE
607 Fourteenth Street, N.W.
Washington, D.C. 20005-1690

RE: MUR 4472
Democratic Party of Arkansas Federal and State Accounts and Jim Pledger, as
treasurer

Dear Mr. Elias:

On September 26, 1996, the Federal Election Commission notified your clients of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against your clients. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in the matter on March 2, 1998.

The confidentiality provisions of 2 U.S.C. § 437g(a)(2) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Alva E. Smith on our toll-free telephone number, (800) 424-9530. Our local telephone number is (202) 694-1650.

Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 2, 1998

Mr. Richard Hamilton, Treasurer
Committee to Elect Winston Bryant U.S. Senate
P.O. Box 34083
Little Rock, AR 72203

RE: MUR 4472

Dear Mr. Hamilton:

On September 26, 1996, the Federal Election Commission notified Clifford P. Block, previous treasurer, of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against the Committee to Elect Winston Bryant U.S. Senate and you, as treasurer. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in the matter on March 2, 1998.

The confidentiality provisions of 2 U.S.C. § 437g(a)(2) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Alva E. Smith on our toll-free telephone number, (800) 424-9530. Our local telephone number is (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "F. Andrew Tuttle".

F. Andrew Tuttle
Supervisory Attorney
Central Enforcement Docket



FEDERAL ELECTION COMMISSION

WASHINGTON D.C. 20463

THIS IS THE END OF MUR # 4472

DATE FILMED 3/11/98 CAMERA NO. 2

CAMERAMAN EES

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