Texans For Good Government

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June 16, 1999

Mr. F. Andrew Turley
Supervisory Attorney
Federal Elections Commission
999 E Street, N.W., 6th Floor
Washington, D.C. 20463

Re: MUR 4899

Dear Mr. Turley:

This letter is in response to a letter from the Federal Election Commission ("FEC") dated June 3, 1999, which Texans for Good Government received on June 10, 1999, regarding the above referenced matter.

The Texas Democratic Party ("Complainant"), in their letter to the FEC dated May 20, 1999, makes an erroneous connection between two separate entities. Texans for Good Government ("TFGG") was established on September 25, 1998 as a general purpose committee in the State of Texas (Texas Ethics Commission No. 00038997) for the purpose of issue advocacy. Texans for Good Government PAC ("PAC") is a separate entity, registered with the FEC, which to date has not raised or spent in excess of $400.

The purpose of TFGG, an issue advocacy organization, is to inform the public of the voting record of elected officials and advocate conservative fiscal policies in government. TFGG's purpose is similar to labor unions or organizations like the National Federation of Independent Business, although our advocacy is directed at issues such as taxation and government spending. Pursuant to conversations with the FEC's legal staff, TFGG was not required to register due to our status as an issue advocacy organization.

The other entity, PAC, was established as an exploratory organization. The PAC registered with the FEC on January 29, 1999 to reserve the name and to conduct express advocacy with federal elections if the PAC ever raised or spent in excess of $1,000. Three separate letters, including the one referenced on Page 2 of Complainant's letter, were mailed by the PAC to a combined 232 people in early January, 1999 for this exploratory purpose; however, only $250 in contributions was received. The mailings were produced, stuffed, and stamped "in-house" at a cost of approximately $125. The combined cost of all the mailings, plus the amount raised by all the mailings fell well under the $1,000 threshold. Nonetheless, the PAC will report all of its receipts and expenditures incurred during the first six months of this year on the mid-year report due

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on July 31, 1999. No other activity that even arguably advocates the "defeat" of a sitting Member of Congress has been undertaken by the PAC before or after said mailings.

Paragraph 3 on the first page of Complainant's letter claims the purpose of TFGG "was to influence federal elections" and references a letter concerning Congressman Chet Edwards dated November 27, 1998 as evidence. The clear purpose of the November 27, 1998 letter was issue advocacy, not express advocacy. The November 27, 1998 letter was mailed to certain persons living in Congressman Edwards' congressional district to inform constituents of the congressman's voting record and the plans of TFGG to notify the general public when the congressman "talks conservative, but votes liberal" on issue of taxation and government spending. The November 27, 1998 letter did not expressly advocate the election or defeat of Congressman Edwards. I also note that no disclaimer was required by this letter, because it did not expressly advocate the election or defeat of any federal candidate. See 11C.F.R.110.11(a). A response devise included with the November 27, 1998 mailing did include a disclaimer as required by Texas law. I note that TFGG included the appropriate disclaimer even though the constitutionality of all disclaimer requirements is in serious doubt. See McIntyre v. Ohio, (U.S. Supreme Court, 1995).

Complainant's letter also makes reference to an April 30, 1999 event attended by Congressman Pete Sessions. The congressman was the special guest at the event. TFGG representatives were in attendance at the event to brief those attending of the voting record of certain elected officials. Complainant's letter also suggests that "the Texas Republican congressman's reelection was among the purposes" of TFGG. This simply is not true. TFGG applauds Congressman Sessions' conservative fiscal voting record; however, has never advocated the congressman's re-election. TFGG has not and will never contribute funds to Congressman Sessions for his election effort.

Complainant's letter also mentions that TFGG's report to date shows no expenditure in support of state candidates. TFGG's report will never show expenditure in support of either a state or federal candidate, since TFGG's purpose is issue advocacy.

Complainant makes reference to several newspaper articles where TFGG pledges to expose the voting record of certain Members of Congress; however, Complainant does not attach said articles because they, in fact, prove that TFGG is merely informing the public of votes cast. TFGG has issued press releases and letters-to-the-editor only to expose a representative's voting record. (Attachment A.)

Complainant also contends that TFGG supports partisan efforts. This also is not true. TFGG neither supports a candidate nor is partisan. During a recent vote on a tax bill, TFGG applauded the vote in support of the bill by both Republicans and Democrats, including Texas' Democratic Congressman Ralph Hall.

Clearly, Complainant does not understand the design of TFGG's activity. Furthermore, Complainant lists several individuals as "Respondents," who have no authority with TFGG. Most of these individuals merely serve on an Honorary Advisory Board and are not consulted regarding TFGG's activity. Likewise, Congressman Sessions has no authority regarding TFGG or PAC.

I respectfully request that you dismiss the complaint and allow TFGG to continue to perform a service to the community by informing the general public of the voting record of elected officials.

Sincerely,

Floyd E. Hodges, Jr.

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Attachment A

20 "04 "40 "02

Lampson has not been responsive to the needs of small businesses

By ED HODGES
Guest editorial

Texans for Good Government challenged Congressman Nick Lampson to explain why he ignored other members of the Democratic Party, the endorsement of major organizations, and the advice of the White House Conference on Small Business with his recent vote against the bipartisan Small Business Paperwork Reduction Act of 1999.

The first vote taken during the 106th Congress on a measure to help small business received strong bipartisan support from the Texas' congressional delegation, except from Lampson, in passing the House of Representatives, 274-151. The measure is now before the Senate Committee on Government Affairs.

Apparently, Congressman Nick Lampson doesn't believe that small business is burdened with unnecessary paperwork and mandates. I doubt that the owner of a dry cleaner in Beaumont or a hardware store in Galveston would agree with their congressman.

Texas' Democrats Ralph Hall of Rockwall, Martin Frost of Dallas, Max Sandlin of Marshall, Charles Stenholm of Abilene, Chet Edwards of Waco, Jim Turner of Crockett, and Ruben Hinojosa of Mercedes all voted for the legislation.

The United States Small Business Administration issued a statement dated Feb. 9, and said the bill implements the recommendations of the White House Conference on Small Business and would achieve two purposes. First, small business would be able to find, in one place, a compilation of paperwork and reporting requirements. Second, policymakers, both inside and outside the federal government, would have the opportunity to review this inventory and make informed decisions about eliminating duplicative and unnecessary mandates.

The Small Business Paperwork Reduction Act of 1999 (HR.391, sponsored by Rep. David M. McIntosh, R-Indiana) was endorsed by the American Farm Bureau, National Federation of Independent Business, National Auto Dealers Association, Associated Builders and Contractors, U.S. Chamber of Commerce, National Restaurant Association, and American Health Care Association.

Texans for Good Government was formed as an issue-advocacy organization to monitor and expose votes by Texas' congressional delegation relating to taxation, fiscal responsibility, economic opportunity, freedom, and private property rights.

Hodges is the chairman for Texans For Good Government.

Social Security voting

To The Editor:

I am puzzled by Congressman Chet Edwards' recent comments during his town hall meeting on Social Security. Edwards discussed everything from the solvency of the program to the strain on the system that will result from the retirement of baby-boomers; however, he failed to mention that four days earlier he voted against legislation to prohibit the federal government from robbing the Social Security Trust Fund.

The Social Security trust funds have been running surpluses for 17 years and these surpluses have been used to implicitly finance the general operations of the federal government. This year the Social Security surpluses will exceed $137 billion.

On March 25, Congress passed a concurrent resolution for the first time to take the Social Security trust fund off-budget, which would have kept President Clinton from counting the surpluses in Social Security toward balancing the federal budget. Chet Edwards voted against the measure.

Chet Edwards is being a hypocrite when he talks about strengthening Social Security and then votes against a bill to keep the greedy hands of Congress out of the trust fund. Shame on you Chet Edwards for misleading your constituents.

Ed Hodges
Executive Director
Texans on Good Government
Dallas/Houston

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