

to causes in areas such as education, environmental protection, health care and political reform.

We have tried to take a leadership role in promoting charitable giving and civic engagement in the high-tech community, particularly in Silicon Valley.

4. I have donated millions of dollars to the Democratic Party and to progressive candidates and groups. Some of these donations are reflected in reports filed with the Federal Election Commission or the California Secretary of State.

5. So far in the 2002 election cycle, I have donated over \$2 million in non-federal funds ("soft money") to the Democratic national party committees. In this cycle I have also contributed federal funds ("hard money") to other political committees, principally federal candidates.

6. In the 2000 election cycle, I made over \$4 million in political donations. This included substantial soft money donations and hard money contributions to the Democratic national committees. It also included over \$2 million in soft money donations to Democratic state party committees, including six-figure donations to the Michigan, Missouri, New Mexico, Pennsylvania, Nevada, Florida and Iowa Democratic parties. In addition, I made large donations to interest groups, including six-figure donations to the National Abortion Rights Action League ("NARAL"), People for the American Way, and Campaign for a Progressive Future.

7. In the 2000 election cycle, I also made large independent expenditures for print and internet banner ads in key swing states opposing the election of George W. Bush.

8. The national party committees and the federal candidates who raise money for them prefer that major donors first "max out" in hard money contributions—give up to the legal limits—before making soft money donations. For example, once a federal candidate understands that a donor has maxed out, there will often be a request that the donor make soft money donations to a national party committee, as has been suggested when I have been in that situation.

The committee receiving such a soft money donation understands that it has been raised by or for a particular federal candidate, and this affects how much the committee spends on behalf of that candidate. I have discussed with national party committees the spending of such soft money to benefit federal candidates.

9. In the 2000 election cycle, I considered information from different sources in order to determine how best to spend money to promote the election of then-Vice-President Al Gore. I learned that there were certain key swing states where my money could make a big difference. states where you could actually help change the outcome. The national Democratic party played an important role in my decisions to donate soft money to state parties in this cycle. recommending that I donate funds to specific state parties just before the election. They said, essentially, if you want to help us out with the Presidential election, these particular state parties are hurting, they need money for get-out-the-vote and other last minute campaign activities.

10. The national Democratic party also played an important role in my decisions to donate soft money to certain interest groups just before the 2000 election. The party recommended that I donate to certain groups that were running effective ads in the effort to elect Vice-President Gore, such as NARAL. The assumption was that the funds would be used for television ads or some other activity that would make a difference in the Presidential election. I did not know specifically how the money would be spent, but it was pretty clear that these groups wanted Bush to be defeated, so I expected that they wouldn't pull punches in using the money.

11. Today, soft money donors can get special access and influence public policy on the basis of their donations. I feel that their donations can help them obtain policy results that are not in the best interests of the nation. Lawmakers who are supposed to represent the long term

interests of their constituents often act in a manner that is contrary to those interests, and a big part of that is the influence obtained by special interests through large soft money donations.

12. Policy discussion with federal officials occurs at major donor events sponsored by political parties. I have attended many such events. They typically involve speeches, question and answer sessions, and group policy discussions, but there is also time to talk to Members individually about substantive issues. For example, at a recent event, I was able to speak with a Senator representing a state other than California, and we had a short conversation about how our respective staffers were working together on a particular issue.

13. I receive no financial benefit from my donations. Propel is an Internet startup company that does not need special policy favors, but even if the company could benefit from favors, I would never ask for such favors on its behalf. I do know Members of Congress and talk with them about policy issues, but my interest is in broad national issues such as education, energy policy, fuel cell vehicles and other matters which I believe are important to the overall well-being of the nation and the economy, issues in which I have no particular financial interest.

14. My purpose in making political donations is to counter the impact of the tens of millions of dollars that are funneled into conservative campaigns and causes. In essence, I try to level the playing field to allow progressive candidates and causes to have their voices heard. However, I am aware that many other major donors are pursuing goals that are tied to their business interests, at party events and in other contacts with federal officials. These donors perceive that they are getting a business benefit through their special access, and that it is a good investment for them. I also know that some major donors give to both parties. For example, not long ago, at a Democratic fundraiser, I was amazed to see the chairman of a major eBusiness application software company who I knew had given substantial amounts to the Republicans. It's

possible that this executive had some other reason for donating to the Democrats, but I would note that if a corporation such as his had targeted the government as the next potential market for its software, the best way to advance its interests would be to promote legislation or other activity in Congress that forces or at least pressures parts of the government to buy the product.

15. Although I am a large donor, I am also a strong supporter of campaign finance reform, because the current system of financing federal elections permits corruption to flourish. I will be happy to give up non-federal donations to the national party committees when the new McCain-Feingold legislation takes effect. Until then, I will continue to give non-federal funds because those are the rules that are now in force. Those of us on the progressive end of the spectrum cannot "unilaterally disarm" and give up large donations until the system is changed.

16. Pursuant to 28 U.S.C. 1746, I declare under penalty of perjury that the foregoing is true and correct.



Steven T. Kirsch

Executed on this 19 day of August, 2002