

REDACTED

3. During the 2000 presidential election year, the largest single portion of the DNC budget was used for issue advertising. The DNC typically did not expend money for these issue ads itself, but instead transferred both federal and non-federal money to the state parties to make these expenditures. Pursuant to FEC rules governing the allocation of national party committee expenditures made in connection with federal and non-federal elections, 11 C.F.R. 106.5, each state party was required to allocate the costs of its generic and administrative expenses, including the costs of issue advocacy advertising, between its federal and non-federal accounts based on a ratio specified in the FEC regulations. The ratio varies from state to state depending on the composition of the general ballot as between federal versus state and local candidates. The DNC typically transferred funds to each state party in the prescribed proportions of federal and non-federal funds. On average, the DNC's aggregate transfers to state parties for issue advertising consisted of approximately 65% non-federal money and of 35% federal money. The DNC did not pay for the dissemination of many issue ads itself in part because it would have been required to expend approximately 65% federal money to run these advertisements under applicable FEC regulations.

REDACTED

4. Typically, in the 1996 and 2000 presidential campaign cycles, campaign and/or media consultants hired by the DNC and a state party committee worked with the DNC to determine where and when such issue ads should be run in order to be most effective. The media consultants typically proposed an "ad buy" of a certain amount of audience coverage for particular media markets, and the consultants also created the scripts for the actual ads. The DNC's political and legal staff approved the content of the ad and I approved the amount of money that was to be spent. The DNC political division staff member responsible for a particular state then typically called the state party to let it know that an ad was coming, and the media consultants sent a script and video of the ad to the state party chair and/or executive director for advance approval. Although the state party chairman had the discretion to "veto" the running of a particular ad, in practice this happened rarely. Once the state party approved the ad, the DNC transferred the money required to run the ad to the state party according to the legally required federal/non-federal money ratio, and the state party paid the media consultant to run the ad. Attached as *Exhibit A* to this Declaration are scripts prepared by consultants for possible issue advocacy advertising to be run by state parties with funding from the DNC, although I have no first hand knowledge of whether any of these scripts were made into advertisements that were in fact broadcast. Attached as *Exhibit B* to this Declaration are scripts found in the DNC's files that appear to have been prepared by consultants for possible advertising to be run by the Gore/Lieberman campaign (with 100% federal funds from Vice President Gore's authorized campaign committee(s)), although I have no first hand knowledge of whether any of these scripts were made into advertisements that were in fact broadcast.

5. In the 2000 election cycle, the DNC entered into a media consulting contract with the "November 5th Consortium," a group of media consultants that included, among others, the

REDACTED

firms of Shrum, Devine, & Donilon and Squier, Knapp & Dunn. The contract for services included the media consultant, the DNC, as well as the various state Democratic parties. It is my understanding that some of the media firms involved in the November 5th Consortium also served as consultants to the Gore/Lieberman presidential campaign.

6.

7.

REDACTED

8.

9. Because of the strict federal limits and the role of the congressional campaign committees, the DNC rarely makes contributions directly to federal candidates' campaigns. The DNC has never made "independent" expenditures on behalf of any federal candidate as defined under federal election law, 2 U.S.C. § 431(17). The DNC has made direct contributions, sometimes very substantial, to state and local candidates, for example in contested gubernatorial and mayoral races in 2001. *See Exhibit C.* Infrequently, the DNC also makes small contributions to outside groups such as non-profit voter registration and get out the vote organizations focusing their efforts on minority and low-income communities, to assist with these groups' important work in empowering minority and low-income citizens.

10.

REDACTED

11.

12.

13.

1
REDACTED

14.

15.

REDACTED

16.

17.

REDACTED

18.

Dated: October 2, 2002

A handwritten signature in black ink, appearing to read "Brad Marshall", written over a horizontal line.

Brad Marshall