

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

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|--------------------------------|---|---------------------------|
| REPUBLICAN NATIONAL COMMITTEE, |) | |
| |) | |
| and |) | |
| |) | |
| GANT REDMON, |) | |
| |) | |
| Plaintiffs, |) | |
| |) | |
| v. |) | Civ. No. 98-CV-1207 (WBB) |
| |) | |
| FEDERAL ELECTION COMMISSION, |) | |
| |) | |
| Defendant. |) | |

DECLARATION OF CAROLE SHIELDS

Carole Shields, pursuant to 28 U.S.C. 1746, hereby states and declares the following:

1. I am President of People For the American Way ("PFAW"), which has been served by plaintiffs Republican National Committee et al. with a subpoena to testify and produce documents in this action. Pursuant to agreement with counsel for plaintiffs, I submit this declaration and enclose the documents described herein in lieu of, and in full satisfaction of, plaintiffs' subpoena, and without waiving any objections PFAW may have to that subpoena.

2. PFAW is a national, non-profit citizens' organization which is tax-exempt under section 501(c)(4) of the Internal Revenue Code. As such, PFAW does not file reports with the Federal Election Commission. PFAW does file annual tax returns with the Internal Revenue Service, which contain information about the source and amount of

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donations to PFAW and the purpose and amount of disbursements by PFAW. True and correct copies of IRS Form 990s filed by PFAW for tax years 1995 to date, which are publicly available, are enclosed as Exhibits 1-3 to this declaration.

3. Prior to January 1, 1998, the official corporate name of PFAW was "People For the American Way Action Fund," and that name is accordingly used on documents of PFAW prior to that date. "People For the American Way" was the name of the 501(c)(3) organization affiliated with PFAW prior to that date; as of January 1, 1998, the name of that 501(c)(3) organization is People For the American Way Foundation ("PFAWF").

4. PFAW voluntarily discloses certain information publicly concerning the source and amount of donations to it and the purpose and amount of its disbursements in its annual reports, which have sometimes been combined with the annual reports of PFAWF. True and correct copies of PFAW annual reports for 1995 to the present are enclosed as Exhibits 4-6 to this declaration.

5. Although most contributions to PFAW come from relatively small donations from members of the general public, PFAW does accept and has received individual donations of more than \$25,000 in a calendar year. PFAW does accept and has received donations from corporations and labor unions, which are deposited into PFAW's general treasury. Examples of labor unions and corporations from which PFAW has received donations are listed in the publicly distributed program for a PFAW fundraising luncheon held in Washington, D.C. in 1998, a true and correct copy of which is enclosed as Exhibit 7.

6. PFAW does accept and has received contributions from federal officeholders or candidates, and has received assistance from such individuals in raising funds. For example, Senator Edward Kennedy was one of the named honorees at the 1998 PFAW luncheon in Washington, D.C., and is so listed on the luncheon program. In addition, the luncheon program lists the names of 15 Senators and 11 members of Congress who served on the luncheon's "Congressional Committee." Senator Kennedy attended the luncheon.

7. As a 501(c)(4) organization, PFAW engages in extensive lobbying of federal, state, and local officeholders on a variety of issues, such as religious freedom, church-state separation, and freedom of expression, in which we seek to promote or defeat specific legislation relating to such issues. PFAW also encourages members of the public to contact Senators and Representatives in support of or in opposition to such legislation. Enclosed as Exhibits 8-13 to this declaration are true and correct copies of federal lobby disclosure reports, which have been filed by PFAW and are publicly available, from 1996 (when the disclosure law went into effect) to date.

8. As part of PFAW's advocacy efforts, PFAW sometimes produces and places radio, television, and newspaper advertisements discussing and advocating positions on issues before Congress. Such advertisements have been paid for by PFAW general treasury funds and often urge members of the public to contact members of Congress on pending legislative proposals. In the planning, design, preparation, and production of such advertisements, PFAW decides on a case-by-case basis whether and how to consult

with federal officeholders or party committees, and has sometimes done so. PFAW generally issues press releases describing such advertisements, including such information as the text of the ads and where they will be placed.

9. For example, in 1998-99, PFAW produced and ran a series of television and radio ads that concerned the impeachment inquiry of President Clinton and the need to "move on" to the people's business. The first ad ran in October, 1998, on CNN programs Larry King Live, Inside Politics, and Crossfire, and on the following local television stations: WJLA and WTTG (Washington, DC), KABC, KCAL, KTLA, and KTTV (Los Angeles/Anaheim), KFTY, KGO, KPIX, and KTVU (San Francisco), KWQC, WHBF, and WQAD (Quad Cities including Rock Island and Moline, IL and Davenport and Bettendorf, IA), KOAT, KOB, and KRQE (Albuquerque), KLAS, KTNV, and KVBC (Las Vegas), WPBF, WPEC, and WPTV (West Palm Beach and Ft. Pier, FL), and WFOR, WPLG, WSVN, and WTVJ (Miami, Ft. Lauderdale, and Hollywood, FL). The cost of placing the initial ad was nearly \$1 million. A true and correct copy of the text of the television ad is enclosed as Exhibit 14.

10. From late October through December 1998, PFAW produced and aired three additional television ads and one radio ad with the same "move on" theme. The television ads ran nationally on CNN's World View, Moneyline News Hour, Crossfire, and Newsstand, and on the following local television stations: WNBC (New York), KPIX (San Francisco), WCPO, WKRC, WSTR, WXIX (Cincinnati), WOIO (Cleveland), KLJB, KWQC, WHBF, WQAD (in Quad Cities market), KASA, KOAT, KOB, and KRQE (Albuquerque), KVBC (Las Vegas), KGW (Portland, OR), WNAC and WLNE (Providence, RI), KTHV and KATV (Little Rock), and KOI (Des Moines). The ads

also ran on local television stations in Albany, NY and Los Angeles. The radio ads ran on stations in Philadelphia, Columbus, OH, and Washington, DC. The cost of these television and radio ads, and a toll-free number established by PFAW to connect callers directly to the Capitol Hill switchboard to contact their representatives on the impeachment issue, was approximately \$1 million. True and correct copies of the text of the ads are enclosed as Exhibits 15-18.

11. In January 1999, PFAW produced another radio ad with the "move on" theme, urging listeners to contact their Senators on the impeachment issue. The ad ran on the following radio stations: WVMT-AM (Burlington, VT), WWJ-AM (Detroit), WGAN-AM (Portland, ME), WPRO-AM and WWRX-FM (Providence, RI), KIRO-AM (Seattle), and WTEM-AM (Washington, DC). The cost of this ad was approximately \$25,000. A true and correct copy of the text of the radio ad is enclosed as Exhibit 19.

12. As PFAW representatives have publicly stated, a number of factors go into deciding when and where to place issue advertisements aimed at influencing Congressional votes on particular issues. For example, we are more likely to place such ads in districts where the Senators or Representatives are undecided and their votes are important to the outcome of the issue. When issues arise and advertisements are placed near the time of an election, the election is a factor as well. For example, where an incumbent and a challenger take different positions on the issue in question, and where the election is close, that would be a factor in favor of placing an issue advertisement in that area. From our experience, citizens

tend to be more interested and active in public policy issues around the time of a close election.

13. Pursuant to 28 U.S.C. 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Date:

2/22/99

Carole Shields

Carole Shields