CO-SPONSOR H.R. 425

March 12, 2015

Dear Representative,

Our organizations strongly urge you to support and co-sponsor H.R 425, the Stop Super PAC-Candidate Coordination Act, introduced by Representatives David Price (D-NC) and Chris Van Hollen (D-MD).

Our organizations include the Brennan Center for Justice, the Campaign Legal Center, Citizens for Responsibility and Ethics in Washington, Common Cause, Democracy 21, Demos, Issue One, League of Women Voters, People For the American Way, Public Citizen and U.S. PIRG.

H.R. 425 would essentially shut down individual-candidate Super PACs, which are used to circumvent candidate contribution limits, and would strengthen the rules prohibiting coordination between candidates and outside spending groups.

The explosive growth of individual-candidate Super PACs is one of the most dangerous developments to result from the Supreme Court's destructive decision in *Citizens United*.

As a practical matter, these PACs function as the soft money arm of the candidate's campaign they are set up to support. They raise and spend unlimited contributions and serve as vehicles for donors and candidates to bypass and eviscerate the contribution limits that apply to the candidate's campaign – limits enacted by Congress and upheld by the Supreme Court to prevent corruption.

Individual-candidate Super PACs fundamentally undermine the integrity and effectiveness of the Nation's anti-corruption campaign finance laws.

In the 2012 election, virtually every presidential campaign was the beneficiary of a dedicated, individual-candidate Super PAC set up to support that candidate. The presidential campaigns worked closely with their dedicated Super PACs, which were often run by close political and personal associates of the presidential candidates. Presidential candidates solicited funds for their dedicated Super PACs and met with its large donors.

In the 2014 election, the use of individual-candidate Super PACs spread to congressional races, with some 100 individual-candidate Super PACs established to support Senate and House candidates.

Individual-candidate Super PACs spent a combined \$320 million in unlimited contributions in the 2012 and 2104 elections, according to the Center for Responsive Politics. This included \$142 million spent in the 2012 presidential election by an individual-candidate Super PAC dedicated to support Republican nominee Mitt Romney and \$65 million spent by a Super PAC dedicated to support President Obama.

Virtually every, if not every, major party presidential candidates in the 2016 presidential election is expected to have an individual-candidate Super PACs supporting his or her candidacy.

Jeb Bush, for example, who has not yet even formally declared his expected candidacy, is already raising six and seven-figure contributions for a Super PAC established by his allies and designated to support him. A goal of raising \$100 million in the first three months of 2015 was established for the Super PAC and for a federal leadership PAC established by Bush, according to published reports.

<u>A New York Times editorial</u> on February 15, 2014 endorsed the individual-candidate Super PACs reforms that are the sole provisions in H.R. 425 and that were contained in the comprehensive Empowering Citizens Act introduced in the last Congress and reintroduced this year:

This election year will be the moment when individual candidate super PACs – a form of legalized bribery – become a truly toxic force in American politics.

Once again, Congress will have to step in to stop the corruption, and fortunately a good reform vehicle exists: the Empowering Citizens Act, a bill introduced by two House Democrats, David Price and Chris Van Hollen, which would limit the spending of super PACs closely aligned to a campaign.

The *Times* editorial stated that the provisions represent "the best chance for ridding politics of special-interest cash and preventing another era of scandal."

<u>A New York Times editorial</u> on August 3, 2014, further said that individual-candidate Super PACs "could be shut down if Congress would pass the <u>Empowering Citizens Act</u>, a bill introduced in the House that would put strict limits on these kinds of coordinated contributions."

H.R. 425 would essentially put an end to individual-candidate Super PACs and strengthen the rules prohibiting coordination.

The Price-Van Hollen bill would define coordination between a candidate's campaign and an outside spender, like a Super PAC, to include the elements that establish the close ties that exist between a candidate and his or her individual-candidate Super PAC.

These include Super PACs being established at the request or suggestion of the candidate or his or her agents or being managed or advised by close associates of the candidate, a candidate or his agent being involved in raising funds for the Super PAC and a candidate or his campaign engaging in discussions with the Super PAC about the candidate's campaign.

Since coordinated expenditures are treated by law as in-kind contributions to the candidate, these new coordination rules, once met, would limit the amount an individual-candidate Super PAC could spend on behalf of the candidate to the amount a PAC can contribute to a candidate, generally \$5,000 per year. This would have the effect of ending the kind of spending done by the individual-candidate Super PACs that were used in the 2012 and 2014 national elections.

H.R. 425 also would strengthen the general rules prohibiting coordination between candidates and outside spending groups by treating as coordinated communications any payments for campaign ads made by a person pursuant to any general or particular understanding, or based on discussions with the candidate or the candidate's agents about the payments or communications.

The bill also would prohibit candidates from raising funds for a Super PAC or for any other 527 organization that can receive unlimited contributions. Currently, as interpreted by the FEC, candidates and officeholders and their agents can solicit funds for a Super PAC or other 527 group, as long as the candidates state they are only asking for contributions in amounts that comply with federal contribution limits. This is a wrongful interpretation of the law by the FEC and needs to be corrected to restore the meaning of the law.

We strongly urge you to support and co-sponsor H.R. 425 and thereby to support protecting the integrity and effectiveness of the nation's federal anti-corruption candidate contribution limits.

Brennan Center for Justice
Campaign Legal Center
Citizens for Responsibility and Ethics in Washington
Common Cause
Democracy 21
Demos
Issue One
League of Women Voters
People For the American Way
Public Citizen
U.S. PIRG.